

2012

# Aviation Claims Fee Pilot



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# Aviation Fees Pilot

## Introduction & Scope

It was agreed that in scope items will be for ECF claims only.

All Bureau Market on slips are to be requested to participate in the pilot.

Although the pilot will focus on General Aviation, Airline business and other scenarios can be placed via the pilot to gain user experience and to flush out potential challenges before going live.

A period of testing will be undertaken throughout July.

It was agreed that testing will involve the expert collecting 100% of the fee to cover all scenarios. Brokers are to advise the expert of the entire market on the slip.

Pilot to commence within the live CLASS and ECF Environments 01 August 2012.

Pilot expected end date to be 30 October 2012.

## General Rules

Indemnity will require to be accepted before a fee can be processed.

The expert will alert the broker and leader of an in scope item by adding narrative into CLASS to advise that the claim is within the pilot and who will be collecting the fee. The expert will also add narrative to the front of the report or at the top of a fee invoice presented.

A standard pro-forma will be created as part of this pilot. This will be a form sent to the expert/broker requesting mandatory information surrounding the claim. (see Appendix A)

Both a report and fee invoice will be attached to the parallel UCR to assist insurers when accessing the fee request.

To create a parallel UCR a fully authorised transaction must have occurred.

ECF2 produces a Hyperlink to the UMR but there is not an indicator to determine whether the claim is an indemnity or fee entry. However the Central Settlement/Broker number will give you a clue if you know your codes.

A Hyperlink is created between the indemnity UCR and fee UCR and vice versa.

Fee collector cannot enquire on the UMR, however can see documentation, such as the slip. There will be limited availability.

For any urgent ECF transactions, the ECF Urgent Queue is still available at Xchanging. The ECF contacts are either Janet Butler or Vicky Ridgwell.

Fee reserve UCR is to be entered within 30 days regardless of acceptance of indemnity.

## **Performance**

This will be monitored via the pilot.

Experts are asked to manually capture the items they place within the pilot and the turnaround times of the parties involved (inc of XCS). Experts are requested to forward the data to Robert Gregg on a weekly basis every Friday evening.

Any experience good or bad will be shared with the pilot working group. Any urgent experience can be forwarded to Robert Gregg to share with the group outside of the arranged meets.

## **Reporting**

The LMA will collate the information received and share this with the group on a regular basis.

# Best Practice and Guidance Notes

## Fee Collector/Adjuster

### 1. UCR/TR Creation

The screenshot shows the 'CLAIMS DATA ENTRY : CLAIM ENTRY' form. The following fields are annotated with callouts:

- UNIQUE CLAIM REFERENCE :** B 5046 mu05625 (Callout: Fee collector enters the indemnity UCR (mandatory))
- TRANSACTION REFERENCE :** B 5046 001 (Callout: Enter Transaction Reference (Will be sequential))
- BUREAU :** i (I ILU) (Callout: Select the correct Bureau)
- LMP IND :** n (Y/N)
- FIRST ADVICE :** y (Y/N) (Callout: Is it a first advice - Y/N)
- ADVICE TO INCLUDE SETTLEMENT :** y (Y/N) (Callout: Will the advice include a settlement - Y/N)
- COPY FACILITY REQD :** n (Y/N) (Callout: Is a copy facility required - Y/N)
- COPY FROM UCR :** B [ ] [ ]
- COPY FROM TR :** B [ ] [ ]
- COPY FROM BUREAU :** [ ]

PF: 1=HELP 3=EXIT

Warning - There is a heavy reliance on the broker passing the expert the correct claim

Best Practice is good to keep the original broker claim reference with broker code at the beginning of the reference.

### 2. Claims Details

The screenshot shows the 'CLAIMS DATA ENTRY : CLAIM DETAILS ILU' form. The following fields are annotated with callouts:

- UMR :** B 0501 mu07aqjw (Callout: Enter UMR - Mandatory)
- BKR CLAIM REF1 :** test (Callout: Enter Contact Name)
- BKR CONTACT :** brokers name
- UCR :** B 5046 MU05625 (Callout: Broker Claims Ref 1 - Enter Fee Collectors own file reference)
- TR :** B 5046 001 (Callout: Broker Claims Ref 2 - Invoice Number)
- BROKER :** 5046 SENATOR BROKER SUBS (Callout: Phone Number - Mandatory)
- PHONE :** 020 7?? ???? (Callout: Phone Number - Mandatory)
- BROKER ADVISED :** 14 11 2012 (Callout: Broker Advised - Expert advised or invoice date)
- SLIP LEAD ADV :** [ ] [ ] [ ] (Callout: Overall Slip Lead - Mandatory)
- SLIP LEAD (CARRIER CODE) :** 5555
- TYPE OF CLAIM :** N (Y/N)
- UNCLOSED POLICY :** N (Y/N)
- PARTIAL MARKET COLLECTION :** n (Y/N)
- BROKER SUPPLIED POLICY DETAILS :** y (Y/N)
- ECF CLAIM :** y (Y/T/N) (Callout: ECF Claim - Y/T/N)
- CONTRACTUAL AGREEMENT :** n (Y/N)
- LOSS PREV ADVISED NON-NETWORK :** n (Y/N)
- CEDANT IN LIQUIDN :** n (Y/N)
- ASSOCD UCR :** [ ] [ ] [ ]
- ASSOCD TR :** [ ] [ ] [ ]

PF: 1=HELP 3=EXIT

Please be aware that Broker Claims Ref 1 & 2 will be shown in reverse within the signing message

3. Policy Details - This will not be present for all LIRMA entries

The screenshot shows the 'CLAIMS DATA ENTRY : POLICY DETAILS ILU' form. It includes fields for 'INSURED' (insured name), 'REINSURED' (n/a), 'POLICY PERIOD' (01/09/2007 TO 31/08/2008), 'INTERST' (aviation products liability), 'PERILS', 'LOC/VGE', 'CURRENCY', 'SI/LIMITS', 'EXCESS', 'VALUE INT', 'SLIP ORDER 1' (100.00), 'SLIP ORDER 2', 'NARRATIVE' (lines written of whole), and 'FF:1=HELP 3=EXIT 7=BACK'. Callouts point to the 'insured name' field, the 'POLICY PERIOD' date range, and the 'PERIOD NARRATIVE' field.

Pilot recommendation is to state this is part of the Aviation Fee Pilot along with the slip order.

4. Loss Details

The screenshot shows the 'CLAIMS DATA ENTRY : LOSS DETAILS ILU' form. It includes fields for 'LOSS NAME', 'LOSS LOCATION' (various), 'VESSEL/AIRCRAFT' (block), 'LOSS DATE' (01/09/2007), 'QUAL' (ACTUAL LOSS DATE), 'LOSS DETAILS' (parallel ucr for collecting relating to original broker ucr), 'CAT CODES', 'LAWYER' (lawyers name), 'ADJUSTER', 'ASSOCIATED INDEMNITY UCR' (0501 mu05625), 'FGU NARRATIVE', 'ADDITIONAL LOSS DETAILS', and 'FF: 1=HELP 3=EXIT 7=BACK'. Callouts point to the 'LOSS NAME', 'LOSS DATE', 'LOSS DETAILS', 'ADJUSTER', and 'ASSOCIATED INDEMNITY UCR' fields.

When entering these details a red message will show the signing number of the original Indemnity UCR.

## 5. Estimates & Settlement - Lloyd's

The screenshot shows a terminal window with the following data and callouts:

- Header:** CLAIMS DATA ENTRY : ESTIMATES AND SETTLEMENT AMOUNTS I
- Metadata:** LA0123M 9156 GBSEN002 14/11/12 15:00:42
- Field Labels and Values:**
  - ORIG CURR : USD
  - FGU ESTIMATE:
  - O/S QUAL : FEES EXPECTED F
  - OUTSTANDING :
  - FEES IN O/S :
  - PREV PAID :
  - INCURR QUAL :
  - INCURRED : 5,000.00
  - PAID CLAIM :
  - RSVE RETND :
  - RSVE RELSD :
  - INTEREST :
  - TAX ON INT :
  - FEES : 5,000.00
  - VAT :
  - ORDER SETT : 5,000.00
  - XR/SETT CURR: 1.00000 USD
  - SETTLEMENT : 5,000.00
  - LOC REF :
- Callouts:**
  - Enter Currency:** Points to the 'USD' value in the ORIG CURR field.
  - O/S Qualifier - Enter F to show this is a fee collection.** Points to the 'F' value in the O/S QUAL field.
  - Outstanding Fee Reserve - This will be a change specifically for the pilot as the current rules do not allow for reserves to be entered on a parallel UCR.** Points to the empty field for RSVE RETND.
  - XR/Settlement Currency - Number 1 to be entered** Points to the '1.00000' value in the XR/SETT CURR field.
  - Order Settlement - Amount to be collected** Points to the '5,000.00' value in the ORDER SETT field.
  - Settlement - Total amount of settlement** Points to the '5,000.00' value in the SETTLEMENT field.
- Footer:** PF: 1=HELP 3=EXIT 7=BACK


Different Currencies can be used to collect fee amounts

ILU and LIRMA entries will allow for the splitting of indemnity and fees (as below).

The screenshot shows a terminal window with the following data:

- Header:** CLAIMS DATA ENTRY : ESTIMATES AND SETTLEMENT AMOUNTS ILU
- Metadata:** LA0123M 0197 TRAIN1 26/07/12 14:18:30
- Field Labels:**
  - ORIG CURR :
  - FGU ESTIMATE:
  - O/S QUAL :
  - OUTSTANDING :
  - FEES IN O/S :
  - PREV PAID :
  - INCURR QUAL :
  - INCURRED :
  - PAID CLAIM :
  - RSVE RETND :
  - RSVE RELSD :
  - INTEREST :
  - TAX ON INT :
  - FEES :
  - VAT :
  - ORDER SETT :
  - XR/SETT CURR:
  - SETTLEMENT :
  - LOC REF :
- Footer:** PF: 1=HELP 3=EXIT 7=BACK

## 6. Signing Details

 CLAIMS DATA ENTRY : SIGNING DETAILS ILU

LA0124M 9156 GBSEN002 14/11/12 15:01:13

CLAIMS DATA ENTRY : SIGNING DETAILS ILU

UCR: B 5046 MU05625 TR: B 5046 001

ORIG/SETT CURR: USD USD

ORIG SIGNING:

BUREAU CASH :

ORIG SIGNING:

BUREAU CASH :

ORIG SIGNING:

BUREAU CASH :

ORIG SIGNING:

BUREAU CASH :


ENTER TO CONFIRM CALCULATION OF BUREAU CASH AMOUNT(S)

PF: 1=HELP 3=EXIT 7=BACK

Enter Original signing number

Bureau Cash - Upon entering the original signing number this field will be pre-populated

## 7. Broker Narrative

 CLAIMS DATA ENTRY : NARRATIVE (ILU)

LA0126M 9156 GBSEN002 14/11/12 15:02:13

CLAIMS DATA ENTRY : NARRATIVE (ILU)

UCR : B 5046 MU05625 TR: B 5046 001

TYPE: BROKER ADDITIONAL DETAILS PAGE NO: 1 OF 1

ORIGINAL BROKERS UCR B0501 MU05625

FEES FROM LAWYER X. INVOICE ???????



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PF: 1=HELP 3=EXIT 7=BACK

Narrative - Enter Original Broker UCR as a fail safe and further details to include expert invoice number and date, plus any other details accordingly



## 8. Confirmation and Release

CLAIMS DATA ENTRY : CONFIRMATION LLOYD'S

LA0150M 0197 TRAIN1 26/07/12 14:10:06

CLAIMS DATA ENTRY : CONFIRMATION LLOYD'S

UCR : B 9901 FEECLAIM2 TR : B 9901 001

THIS TRANSACTION IS VALID OPTIONS: ENTER DLT TO DELETE TRANSACTION  
ENTER REL TO RELEASE FOR PROCESSING  
PRESS F7 TO CONTINUE INPUT

:

PF: 1=HELP 7=BACK

Reminder - When entering details onto ECF, please remember to add documents. Both the report and fee invoice must be appended.

## Leader Actions - ECF2

1. Leader enters UCR and selects "awaiting" action
2. The leader can view the narrative entered by the fee collector by selecting the Broker Comments tab.

All information entered on CLASS carries over to the ECF entry and leaders are happy with the details being given.

3. If the leader is happy with the financials and information they will enter the reserve under the private comments field to be entered by Xchanging's Technical Processing team.
4. Within the public comments field the leader will enter the comments to go back to the fee collector.

**Warning - The comments field will only carry a maximum of 15 lines for all of the market responses.**

## Claims Transformation Programme (CTP)

1. Leaders will triage the claims per the CTP rules therefore if a fee reserve is estimated at above £250,000 Lloyd's share, the fee will become complex and will require a second lead to be selected.
2. However if the leader and second lead decide that they are happy with the fee and wish to move this into a standard claim, this can be agreed. Xchanging's TP department must take this decision as final and must not change the entry.

## XCS Actions - ECF2

1. Entries are copied into XCS CLASS and a SCM is created.
2. Fee UCR will link to Original UCR and the fee and indemnity reserve/settlement will be reported together via the SCM to show the overall reserve.

## Confidentiality

Insurers and XCS - If they classify entry as Coverage, this will exclude the brokers.

Brokers cannot see documents added on the fee UCR and vice versa.

Loading documents via CLASS automatically excludes the brokers from viewing, however loading documents via direct load the user must specify who to exclude.

**There is acknowledgement that custom security is not working for Lloyd's and Xchanging are investigating a solution to fix this issue.**

## Appendix A

### Broker/Expert Pro-Forma -

All information on the risk will be provided by the expert where fee collectors are used and brokers where they are not via means of a Pro-Forma request.

**Pro-Forma is to be completed electronically.**

The pro-forma is sent to the expert/broker to gather all mandatory fields which will show in yellow of the form as below -

- UMR
- Original Broker UCR
- OSND
- Bureau Lead
- Overall Slip Lead
- Date of Loss
- Policy Period
- Insured
- Loss Name
- Bureau Proportion
- Order Details

Pro- Forma

Broker Name			
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Broker Contact		Tel No	
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Insured	(Name of Insured)
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Claim Related Fee	Y/N	Survey Fees	Y/N
EFC	Y/N	A&S	Y/N
CTP	Standard or Complex		

Date	(Enter Date)
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UMR	(Enter UCR)
UCR	(Enter UMR)

Hull or Liability Claim?	
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Interest	(Enter Risk Type)
Loss	(High Level Loss Description)
Loss Date	(Enter Loss Date)

Currency	(Example - USD)
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Policy Number	(Enter Policy Number)
Policy Period	(Enter Policy Period Range)

**Market Participation**

	% Line	Original Signing Number & Date	Claims Reference (i.e. COSS No)	Leader (Lloyd's/ILU/LIRMA)	Settlement Amount
100% Fee					
Total Lloyd's Share					
Total LIRMA Share					
Total ILU Share					
<b><u>Other (Company)Markets</u></b>					

Percentage Placed By Broker	(Enter Percentage)
Does this placing pay third party account in full?	(Y/N)
If no, please specify whom should the balance be collected from	(Enter Name)
Insured Value/Limit	(Enter Figure)
Deductible/Excess	(Enter Figure)
Conditions	(Enter Conditions)
Is P&I involved?	(Y/N)
If Yes, Quarter collectable from?	(Enter Name)