

This month:

Putting a gloss on the finish - the key figures in FWWS reflect on its achievements

# LMG



LLOYD'S



# the LMG

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# newsletter

## We started so we finished



LMG's *Finish What We've Started* programme reached its conclusion with the release of the eAccounts splits service in June. This article looks back on the history of the initiative with some of the key protagonists and asks what the market has gained, and what it has learnt, from the experience.

**D**efining the precise moment something came into being is always a challenge when tracing the history of our market. The first reports of Edward Lloyd's coffee house, for instance, come from 1688 – but that is not to say that it did not actually open some time before that. Similarly with LMG – or Market Reform Group (MRG) as it

then was – and its Finish What We've Started programme. Archaeologists trace the earliest written record of the phrase to a briefing prepared for the then Chairman in September 2007. But, of course, some of the concepts that shaped the key initiatives of the programme – Electronic Claims File (ECF) and eAccounts – were already well under discussion by then and so

would have been the desire to see them through to fruition. That gradually became formalised and came to be known as Finish What We've Started, which, as is our wont, was shortened almost immediately to the trip-off-the-tongue initialism FWWS. Of course this should have been FWWHS if we had been strictly accurate, which would have improved

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### Useful Links

**LMG** [www.londonmarketgroup.co.uk](http://www.londonmarketgroup.co.uk)

**LMA** [www.lmalloyds.com](http://www.lmalloyds.com)

**LIIBA** [www.liiba.co.uk](http://www.liiba.co.uk)

**IUA** [www.iua.co.uk](http://www.iua.co.uk)

**ACORD** [www.acord.org](http://www.acord.org)

## What was in FWWS?

### ● Electronic Claims File (ECF)

Removed the need for paper files

Contemporaneous access for all insurers on a claim

More than halved the end to end transaction time for the average claim

### ● ECF2

Usability improvements based on feedback from early adopters

### ● eAccounts

Moved away from scanned paper LPANs to use of ACORD messaging for accounting submissions

Removed the burden of calculating non-fundamental accounting splits from brokers – a significant Londonism

the cadence not one iota. But development of the short hand had preceded the realisation of grammatical inaccuracy and FWWS it remained.

That “then Chairman” was Dane Douetil – then Chief Executive of Brit and Chairman of MRG, now CEO of Minova Insurance Holdings (formerly BMS Associates). He recalls the challenge the market set itself. “By the autumn of 2007, the market had broken the back of the contract certainty challenge and we were in discussions with FSA to bring central measurement to an end. ECF had gone live and usage was picking up but we had only hit 43% of new “in-scope” claims in Lloyd’s and were at that stage unable to measure take up in the company market. Similarly, use of the Repository for accounting submissions was on the rise, but a little behind where we wanted it to be. The choice when discussing our plans for 2008 was relatively simple. Did we go for an ambitious and visionary work plan, possibly seeking to push headlong into areas such as electronic support for placing; or did we learn some lessons from the past where that sort of ambition had not led to great success? In the end, and correctly in my view, we opted for a more sensible approach. Consolidate the achievements in the claims and accounting processes and deliver real, embedded business change. We always saw finishing what we had started as building the foundation for further reform, as we were allowed to call it then,

in the future. But it needed to be a solid foundation of real efficiency gains and that necessitated our driving those take up numbers much closer to 100%”.

That highlights one of the key themes we will return to as we work through the history of FWWS – that of the market learning lessons. A constant refrain has been the market taking on board why things may or may not have gone as



smoothly as hoped and adapting its approach to improve performance. That is joined as the centrepiece of the FWWS story by the fact that, pretty crucially, the whole thing was and remains a fundamentally good idea. Nigel Roberts, Chief Placement Officer at Willis, was the original business sponsor of eAccounts. “Whatever one thinks of the programme – and, of course, we would all have wished to deliver some bits quicker - you cannot argue that it has left the processing landscape of our market in a much better position. Look at the simple, unambiguous questions that the work has allowed us to address. Was lugging claims files round in suitcases sensible? No. Was letting every insurer on a claim see its details as soon as it is submitted sensible? Yes. Was trying to reduce an accounting submission error rate of 25 – 30% the right thing to do? Of course it was. Was removing the parts of the process where the London market expects brokers to do things they do not have to do in other centres - and that they little understand if we are honest – a key requirement of a modernised market? Absolutely. In every element the vision behind FWWS was spot on. And it is that that has helped us summon up the resolve to stick with it through to completion. That is a level of tenacity that we may have lacked previously as a market. It is a sign of our increasing maturity.”

Barnabas Hurst-Bannister first became involved in the FWWS work as Chairman of the London Market Repository Board. This led to him being invited to join MRG as an observer and then, almost inevitably, to him becoming chairman of the Group in the middle of 2009 and leading the change of name campaign that spawned LMG. Barnabas picks up on Nigel’s concept of the market growing up. “FWWS has taught us a number of things in addition to the benefits it has delivered to our processes. It allowed us to refine our approach to delivering modernisation. If anything we were still a little over ambitious in our approach at the start. But we came to terms with that and have concentrated on delivering tangible blocks of benefit in bite sized chunks. The work has also

allowed the market to make huge strides in its relationship with Xchanging. Before we started I am not convinced how good a customer we were. Certainly we were not good at expressing what we wanted as a market in terms that our key supplier understood and could deliver to. Resolving that, instilling a pragmatic level of project discipline in our work



such that we gain the necessary clarity without giving ourselves over to death by bureaucracy, has been a vital piece of our progress. And, credit where it is due, our increased professionalism has been matched by our friends from Walbrook. It has meant that we have had some robust conversations over the course of the programme, but we have come through those because they have always been grounded in fact and have always reflected the growing respect for each other on both sides. That must be going to be something we can build on for the future. But above all else what FWWS has taught us is the power of the collective. Whatever you think of the timescales, we have delivered a seismic change to the efficiency of our central services. We have done that because we developed a common agenda under the umbrella of LMG to

which all constituencies in the market were committed. That has ensured that we had the determination to finish. It has been a huge enhancement to the LMG model and again it provides the blueprint for successful modernisation in the future.”

As Barnabas segued from spectator to LMG supremo his place as principal man in charge of FWWS was inherited by Simon Cooper – the first chairman of the newly formed Associations’ Administration Committee (AAC). Simon was, at least at first, an unsuspecting beneficiary. “AAC was formed for a specific purpose – to manage the Insurers’ Market Repository (IMR) contract that the market had signed in October 2008. That was the job that was sold to me – simple, concise, straightforward. And then LMG decided it needed a group to take on management of the FWWS work. Given the central role of IMR in all the initiatives, AAC had all the right people already engaged in related work. There was no point in creating a separate group. Resistance would have been futile!” And so the age of AAC began. Simon reflects on his time at the helm. “I was relatively new to the world of operations and might have found the responsibilities that had been offered AAC somewhat daunting. But what immediately was brought home to me was a real advantage of market initiatives – the quality of people that we are able to deploy. Our modernisation model of a streamlined central team supporting groups of market experts giving their time up for the collective good really does deliver great results. When, as we could, you can draw on the expertise of the likes of Mark Chapman, Joe Dainty, Ian

## FWWS – the benefits

- More than halved the end to end transaction time for the average claim
- Removed two days from the accounting and settlement process
- Reduced the error rate on accounting submissions from circa 30% to less than 10%

For more information, or to discuss eAccounts implementation at your firm, please contact [james.livett@liiba.co.uk](mailto:james.livett@liiba.co.uk)





Summers – people who have first-hand experience from their day job of running multi-billion dollar operations; of managing large scale IT supplier contracts, and all the challenges, opportunities and techniques that entails – that is incredibly powerful. Mark in particular did an enormous amount managing our liaison with LMG and securing the necessary budget. I am pleased to say we rewarded his selfless sacrifice by making him Chairman when I stood down.”

And it has been under the Chapman stewardship that FWWS has eventually been F’ed. “It has been a long road, longer than we hoped at the start. But we should not lose sight of what we have accomplished. ECF has more than halved the end to end transaction time for the average claim. Using IMR for accounting submissions removed two days from the settlement process. Now eAccounts is on stream and has reduced that 30% error rate down to single figures – not yet what we want but a huge improvement. The splits service significantly reduces the processing burden for brokers bringing business to our market. Those are all significant, sizeable contributions to the overall wellbeing of London as an insurance centre. We should be proud of that. But let us not lose sight of something Dane pointed out from the

formative years of FWWS. It was only ever intended to provide a foundation for further improvement. The LMG’s Future Process Model, which we have developed whilst FWWS was going on, sets out what we should build on that foundation. If, in the end, FWWS’s legacy is that it provided the launching pad for the initiatives that model envisages – further enhancements to the central service offering and major progress towards a fully electronically enabled placing process - then that will be its real value. We have always said that finishing what we have started will not mean we have finished at all. But it has delivered a major staging post on the modernisation highway.”

As valuable as understanding the history and the lessons it gives us is, we should leave the last word to someone who is actually benefitting from using the products we have delivered. Barry Le Page at Aon has spoken in these pages before about the advantages of ECF. He was part of the group that worked on LMG’s Future Process Review in 2013 and he also managed the Aon team that led the Market Acceptance Testing of the splits service. “ECF has delivered changes to the market claims performance that our clients have noticed. And on the accounting

side we are beginning to see a similar experience. Aon now has teams in Chicago and Minneapolis servicing London Market business directly. The removal of the need to calculate non fundamental splits is going to help our ability to deliver this sort of processing flexibility enormously. That will improve the accessibility of the market

– a key priority for LMG as we set out last year.”

All in all, not bad. Not bad at all.



**Douetil**  
“FWWS foundation for further reform”



# Events...

## Dates for your diary

The LMG Forum sessions are designed to provide an update on the progress of the modernisation programme and give more detailed information on particular projects or aspects of the process.

Upcoming dates for 2014 are provided below. All sessions start at 9:15am in the Willis Auditorium, 51 Lime St.

- Thursday 31st July**
- Thursday 11th September**
- Thursday 23rd October**

Only those who pre-register will gain admittance. Online booking is available via [www.londonmarketgroup.co.uk](http://www.londonmarketgroup.co.uk) Places are reserved on a first come first served basis.

### ACORD Club dates:

ACORD Club provides an update on the latest technological innovations in the market. The venue for this is Balls Brothers, Minster Court. All sessions start at 11am. Upcoming dates are:

- Wednesday 30th July**
- Thursday 21st August**
- Thursday 25th September**

For more details on upcoming speakers contact Melanie Harding ([mharding@acord.org](mailto:mharding@acord.org))