Project Genesis
Data Capture Service

Benefits Statement

v0.6, September 2014

1. Introduction

The Genesis Data Capture Service (DCS) introduces benefits to insurers through the sharing of costs associated with the capture and validation of risk data immediately after risk placement. Further benefit may be available through making this risk data available to insurers' central processing and through storage of documents and data on a central repository.

This document was originally written in 2013 and has been updated with the results of the project pilot which ran from January to August 2014.

1.1. Service Overview

The DCS will receive input of information from insurers in the form of an MRC and other supporting documents and turn this into rich structured ACORD standard data to be made available to insurers' back-office systems in a timely fashion. The service will include the query and resolution of information and data items once on behalf of all insurers subscribing to the risk.

For risks which will be subsequently processed via insurers' central processing services (XIS), the DCS will be integrated with central processing through provision of the output data file to XIS. In addition, the DCS will interact with the IMR to store a copy of the contract documentation and the data set.

Full details of the service may be found in documentation on the [LMA web site](#).

1.2. Scope

The end-state scope of the DCS is comprehensive and includes new and renewal risks and endorsements, all types of placement (except delegated authority arrangements where there is no single risk-level signing through central processing), all classes of business, singleton and subscriptions risks, 'bureau' and 'non-bureau' risks.

However, the service will be implemented in phases with early phases having limited scope.

Full details of the scope may be found in documentation on the [LMA web site](#).

1.3. Service Pricing

Following selection of Xchanging as the service provider, service pricing has been agreed and is confirmed in the LPSO Agreement and IUA Service Agreement. In general terms, the service price offers substantial savings over present arrangements whether outsourced or DIY. Such savings would not require significant, if any, capital investment by insurers.

1.4. Assessing the Benefits

This document originally presented an assessment of benefits of a shared DCS. The project's pilot phase provided an opportunity to review the viability of these benefits and offer an updated assessment. It also assesses some benefits which may be available from the provision of risk data to central processing and from the interaction of the DCS with a central repository.

The implementation of the DCS across several phases, with each phase developing the scope further towards the envisaged end-state, will affect the realisation of benefits by participating insurers.

No attempt has been made to present a Cost-Benefit argument as each insurer will have a different view of the attractiveness and scale of the benefits available from participation in the DCS and of their costs associated with realising that benefit.

2. Benefits Statement

2.1. Primary Benefits

This section identifies benefits accruing directly from the shared DCS.

#	Benefit	Pilot Conclusions – August 2014
1	*Cost Savings (shared costs)* Economies of scale will reduce the cost of capturing risk data through a single data entry and query process for all MRC subscribers and i) costs are shared among all insurers ii) followers will not have to handle queries iii) there will be fewer back-office queries for underwriters to deal with because of increased capture accuracy iv) staff 'flexing' during renewal season will not be a concern for individual insurers.	i)DCS represents good return on investment for all participating insurers ii)DCS queries resolved by leader, better quality for followers iii)DCS data quality has been high, mandatory data items will be reduced in the November 2014 release of DCS software iv)to be proven once volumes pick up further, particularly during the renewal seasons.
2	*Cost Savings (bulk buy)* Economies of scale will reduce the cost of capturing risk data for risks written 100% by an insurer through leveraging the market's bulk-buy capability i) there will be fewer back-office queries for underwriters to deal with because of increased capture accuracy ii) staff 'flexing' during renewal season will not be a concern for individual insurers.	Too early to evaluate 100% business benefits in full i) DCS data quality has been high, mandatory data items will be reduced in the November 2014 release of DCS software ii) to be proven once volumes pick up further, particularly during the renewal seasons.
3	*Improved Data Accuracy* Aggressive service levels (SLA = 98% data correct on first output), the development of a large, single pool of data capture expertise, and closer interaction between insurers and the data capture service will result in richer and more accurate risk data than it is currently cost effective to capture. This will reduce the need for underwriter quality checks and carrier references are much more likely to be correct, eliminating most of the downstream USM queries.	DCS data quality has been high No downstream enhancements have yet been defined and implemented, the DCS roadmap is planned to embrace these.

#	Benefit	Pilot Conclusions – August 2014
4	*Earlier Risk Data for Carriers* Risk data is available earlier than at present (SLA = 6 working hours, compared to current outsourced data capture services which have SLAs of up to 48 hours) offering various opportunities for efficiencies and added value from those services. For example: • Sanctions checking • Peer review • Exposure monitoring	DCS - SLAs have been met during the pilot.
5	*Workflow* A user-friendly portal for case and query management offers significant improvement over current processes, providing central visibility of any 'in-process' risks.	Not implemented – the carrier preference has been for message based query management.
6	*Improved visibility of contract changes* Provision of endorsement data from the DCS will improve the visibility of contract changes for 'non-agreement' insurers.	Endorsements put out-of-scope for the pilot.

2.2. Other Benefits

This section identifies benefits which may accrue from the provision of risk data to central processing and from the interaction of the DCS with a central repository. These benefits will not be available to participating insurers as directly as those described in 2.1 above but should be considered nonetheless.

#	Benefit	Pilot Conclusions – August 2014
7	*Earlier Risk Data for Central Processing* Risk data will be available earlier than currently received from the broker. This may trigger a number of additional, value-add, activities by central processing. For example: • *Credit control* - chasing the broker for submission of delinked signings (where evidence shows this can result in improved cash-flow to insurers) • *Reduction in 'trapped premium'* - earlier sight by central processing will enable XIS to identify expected transactions and be pro-active in monitoring the submission of these by brokers. • *Slip checking* - mitigating E&O risk and detecting 'contract uncertainty' through comparison of brokers data submitted at Technical Account stage with data captured previously by the DCS. • *Automatic validation of Technical Accounts* • *Accelerated Technical Account processing*	Benefits yet to be progressed and realized.

#	Benefit	
8	*Central Storage* Central storage will make data and documents available for downstream processing such as A&S and claims.	Documents loaded to the IMR.
9	*Consistency of Data Definitions and Formats* Consistency between insurers and for central processing to facilitate downstream process efficiencies.	Benefits yet to be progressed and realized.

2.3. Secondary / Consequential Benefits

Although not benefits in themselves, the following factors enhance the value of a shared DCS.

#	Benefit	Pilot Conclusions – August 2014
1	*Costs of Development* The market will not have to bear initial set-up costs during pilot or subsequent implementations as these will be borne by the service provider.	Xchanging have borne all set-up costs, representing a major market saving.
2	*Re-use of Data* Renewals can be pre-populated from the previous year's record, potentially reducing DCS costs for these transactions.	Too early – service needs to be running for at least a year.
3	*Bespoke Data* Individual data items and customised rules may be applied separately by insurers.	No insurer has yet taken up this opportunity.
4	*Integration of Data* Few insurers are able to take data directly into their back-office underwriting systems largely as a result of an absence of investment in the integration technologies necessary to achieve this. This investment has in the main not taken place due to the low volume and availability or relevant electronic data. The DCS proposal aims to address this and at a stroke provide both the volume and relevant data needed by insurers to generate risk records in their underwriting systems, thus paving the way for the decision to invest in the integration solutions to realise the aim of straight through processing.	Software houses and bespoke carriers representing roughly 50% of the market are actively working to build interfaces of the DCS -ACORD Placing Message into their underwriting systems. Progressively, data entry within carrier environments is being reduced due to straight through processing incrementally being rolled out. Additionally, 2 insurers have automated the submission of MRCs into the DCS.
5	*Rapid Enhancements* Changes to the service and to the output data may be implemented quickly and efficiently for all participating insurers.	Initial DCS set up was rapid. Changes that affect shared Xchanging components are subject to usual delivery cycles.

#	Benefit	Pilot Conclusions – August 2014
6	*Market Governance* Existing governance structures encourage an effective and coordinated approach to delivery, ensuring linkages to other market initiatives.	Governance has been effective throughout.
7	*Rapid Scope Expansion* Expansion (e.g. to widen scope) is achievable through the use of agile development methodologies enabled by a modern technological architecture.	Initial DCS set up was rapid. Changes that affect shared Xchanging components are subject to usual delivery cycles.
8	*Lower DCS Staff Attrition Rate* DCS staff are less likely to switch between suppliers, thus keeping key knowledge in-house. Also, a highly skilled staff working by line of business will develop.	No staff changes to date, the pool of expertize continues to grow as volumes increase.
9	*Additional Services* The core DCS service will provide a base off which to explore the introduction of other shared services such as data cleansing and single market submission of data to modelling services, or to support reporting to Lloyd's.	Data cleansing evidenced, other opportunities yet to be exploited.

2.4. Pilot Identified Benefits

As the pilot progressed through the first half of 2014 more experience and creative thinking brought about improvements and enhancements to the DCS which weren't originally envisaged.

#	Benefit	Pilot Conclusions – August 2014
1	*Cross checking of data input* With the dataset produced from the DCS it is possible to cross check data entered by conventional methods for accuracy and consistency.	Insurers have been able to identify data input errors, most frequently within data entered by conventional methods. This checking process has been automated by some carriers.
2	*MRC Query Resolution* Risk specific queries that are currently raised by Xchanging as part of A&S procedures, when the broker submits premium transactions, are now being dealt with by the leader well in advance of premium movement.	Queries resolved earlier in the risk life cycle benefit all parties and speeds premium processing. Lloyd's and companies market remain consistent.