

**Inside this month:**

The Genesis of a new way of working – Rob Gillies on the nascent Data Capture Service. Plus Future Process poised to fit the pieces together...



the LMG

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# newsletter

## The beauty of simplicity



**A**s we heard at the August LMG Forum, the Genesis project was born out of a discussion over a pint in one of the City's welcoming hostelrys. One would not have thought that the conversion rate for great ideas born down the pub into actual great ideas is that high – at least in part because many of the best ones are not easy to recollect the next day. But Genesis is certainly bucking any trend of that type. Founded in enthusiasm (and hops) it has developed rapidly primarily, as Rob Gillies notes in our main article this month, due to its clarity. It is easy to explain what it is up to and why in no more than a sentence and that immediately strikes a chord with most people in

the market. ECF had this. You could say: "We are building a giant electronic cabinet for claims files so that people don't have to lump them around in suitcases" and, in general, people got that and saw it was a good idea (provided they did not have relatives in the luggage industry). Equally Genesis's strap line, which might go something like: "We are delivering a service that captures useful data once rather than each insurer doing the same thing for themselves" resonates as an obvious efficiency and an obvious potential improvement to the way business is supported in the market.

It is this sort of clarity that we hope that the Future Process Review will bring to the wider modernisation

programme in general. Those of you who attended the Insurance Technology Congress last month will have heard Stephen Riley give a sneak preview of this (and we have been keeping audiences at the Forum up to date on developments). Essentially it is all about the interface – making London efficient to deal with and using "pure" ACORD standards and processes as far as possible so that the way brokers and insurers interact here could be the way they interact in other centres. We will be publishing the full Future Process Report in November which will flesh out this proposition. But hopefully we are moving towards the sort of piercing statement of purpose that is serving Genesis so well.

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### Useful Links

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**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)

# Genesis – modern



## LMA's Rob Gillies brings us an update on the proposed Data Capture Service

Only those hiding under the most enormous rock can have failed to become aware that Genesis has created a certain excitement in the market. "The most exciting initiative in this area for years ..... it's one with unparalleled credibility and momentum" said one, very kind, software supplier. Even Roger Foord has been complimentary. So what has enabled this strange and unfamiliar situation to come about?

A clear vision, an unambiguous and focused specification of requirements, a straightforward business case which resonates with a large number of firms,

# Modernisation's opening chapter

alignment of stakeholders, and effective leadership are, for me, the key components of this success. Some of these components are characteristic of the initiative itself but we have actively managed others to maximise momentum.

The basic idea of the Data Capture Service (DCS) is simple. The concept of a shared service to take MRCs from insurers and turn them into rich, structured ACORD data which are played back to insurers' back-office systems and to core central processes provides the unambiguous and focused specification of requirements.

Doing this once on behalf of the slip, to a high level of quality and in a short time, creates the straightforward business case based on economies of scale, data quality, richness and consistency, and a case for the investment needed to integrate data into underwriting systems.

These things are inherent to the concept of a shared DCS. Also important but requiring more effort to achieve has been the management of stakeholders to ensure that the project can progress unimpeded. We have defined and positioned DCS as an insurer initiative with minimal, if any, impact on brokers. Before I start to get 'phone calls let me make myself clear: I'm not for a moment suggesting brokers impede modernisation, far from it. What I am saying is that we recognised that insurers and brokers often have different perspectives on modernisation and we managed the scope of the DCS project so that we could concentrate on the insurer perspective. However, as we move forward, it is encouraging that ideas are emerging about how DCS might offer value to brokers as well as insurers, of which more below.

We have also been careful to ensure that the DCS fits with (and, in fact, contributes to the realisation of) the principles driving development of the future process model and to which the Central Services Refresh Project subscribes. As details are

communicated to the market on CSR's 'Market Submission' concept, we are confident that it will be clear how the DCS interfaces with it as an originator of data.

There is still plenty to do to bring the DCS to and through the pilot phase and we should not get ahead of ourselves. But, as a bit of crystal ball gazing, we might ask ourselves whether we can capitalise on this recipe for success. If we assume we have a 'business as usual' DCS producing high quality risk data how can we put that data to use to deliver further benefit and how might we build outwards from the DCS into other service offerings?

DCS will initially capture MRC data only. Extending this to risk schedules, perhaps offering a data cleansing service and the transformation of data into a structure suitable for entering into exposure management systems, will eat further into the market's repetitive and

has its own challenges but is a clear requirement for some insurers and perhaps this is married up with contract certainty and quality checking.

The earlier sight of risk data by insurers and by central processing will allow insurers, and where applicable the Bureau on their behalf, to be more proactive in monitoring and managing the accounting and settlement process. Consider also what value there might be for brokers in obtaining the data produced by DCS. Although brokers may not themselves value all the data required by insurers in structured format - as we are reminded through discussions on electronic support for placing - some appear to have an appetite to populate their systems with the output from DCS. That might mean that the data driving production of the Technical Account could be the same data as central processing uses to create the risk's core record thus allowing

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duplicative activities which provide no competitive advantage for any insurer. It is not too much of a leap to see the extension of risk data capture into the capture of bordereau information at risk level where this is provided in a paper or non-structured format, also facilitating better distribution to all subscribing insurers.

Extending the service backwards into the capture of data at quote stage

automatic reconciliation with less human intervention.

Earlier and better management information should improve credit control, perhaps leading to the reduction of 'trapped' premium, and may improve the quality and timeliness of tax, regulatory and exposure reporting.

Finally, there is the question of how the use of pre-bind tools such as



document collaboration might increase the volume of structured data flowing, and flowing automatically, from the placing process and how that leverages the concept of shared risk data capture.

All this is speculative and for the future and this article is not the place

thinking. Provided we maintain alignment, projects based on these ideas could contribute to the wider market-level programme of change and offer an opportunity for pilot or production implementation to realise early benefit.

Right now we must maintain our

with the LMA and Xchanging to meet this target across data, workflow, contractuals, market engagement, and now, pilot participation work streams. Customer Requirements, Data Requirements and Workflow Requirements specifications are available on the LMA web site and the pilot group is now populated with insurers to generate the required volume of MRCs across pilot classes.

As the pilot takes shape in greater detail and we confirm commencement of the pilot we will hold another market briefing, either through the LMG Forum or separately, probably in December.

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**“The earlier sight of risk data by insurers and by central processing will allow insurers, and where applicable the Bureau on their behalf, to be more proactive in monitoring and managing the accounting and settlement process. Earlier and better management information should improve credit control, perhaps leading to the reduction of 'trapped' premium, and may improve the quality and timeliness of tax, regulatory and exposure reporting.”**

to deal with these ideas in detail. Indeed, the development and delivery of such ideas may well be the province of the Central Services Refresh project or of other initiatives in the market. What DCS does seem to be doing is to fire peoples' imagination and encourage 'R&D'-type

clarity of purpose by concentrating on establishing the service and demonstrating the quality, consistency and reliability of DCS to its insurer customers.

The pilot is on track to start in mid-January. Many individuals from insurers across the Lloyd's and company market are working hard



## 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. All sessions start at 9:15am at Willis Auditorium, Lime St.

**Thursday 27th November**

**Tuesday 17th December**

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. Dates coming up are:

**Thursday 27th November**

For more details on upcoming speakers, visit the ACORD website ([www.acord.org](http://www.acord.org)) or email Melanie Harding ([mharding@acord.org](mailto:mharding@acord.org))