

TOM News Bites

News and views from the London Market TOM programme

September 2016



Out of America

What do our broker partners in the US think of the London Market? The TOM team headed west to find out.

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PPL targets Marine

Following Terrorism and Financial and Professional Lines, Marine is the next class of business for Placing Platform Ltd.

» [Read the story](#)



Blue-sky thinking

The LM Innovation Exchange reports on a busy events schedule, an ideas app and blockchain.

» [Read the update](#)



Putting you in the picture

The benefits of Placing Platform Ltd are revealed in a YouTube video, and one or two myths are exposed.

» [See the video](#)



TOM solutions update

Each month we report on the progress of TOM's core solutions as we continue on our mission to make London an easier and more cost-effective place to do business.

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Easy does it

LMG CEO Ben Reid writes for Insurance Day about making London an easier place to do business, and how TOM is helping.

» [Read the story](#)



Out of America

In the first of two features, we look at how the London Market is perceived in America and Europe, and how TOM can help London attract overseas business. We begin with the findings from the recent trip to America.

What would help brokers and carriers to work more efficiently and make London an easier place to do business?

That was the quest of the TOM team led by Programme Sponsor Shirine Khoury-Haq which visited the US in July. The aim of the team, which also included two young industry professionals, was to listen to the views of overseas brokers and carriers to understand their perceptions of London's strengths and weaknesses, and to look at whether the TOM programme is addressing the issues of the local insurance community.

Making the market more competitive

Clearly price is a critical issue in any insurance purchase, and the London Market is seen as more expensive than local markets. While pricing is the prerogative of the underwriter, the cost of doing business will be a key component. One of the key drivers of the TOM is that it can reduce operating costs through the introduction of a range of process efficiencies, which will benefit everyone in the insurance chain. The expected result is that marginal business will become more viable and the market more competitive.

Policy production and settlement were also raised as concerns. Feedback reflected the perception that the London Market has a reputation for taking too long to draft policy documentation and many brokers feel there is a sizeable volume of business conducted in currencies other than the existing 14 settlement currencies.

Relating to the concerns around policy production, the TOM team were able to explain that many London brokers

want to deliver individual commercial solutions to enhance policy production rather than pursue a central solution. However they clarified that PPL – the market’s electronic trading platform which went live in July – does have several features that make for faster, more accurate policy documents. In relation to settlement currencies, this is addressed by the Insurance Transaction Accounting capability, which will accept any currency that the London Market deems safe.

Helping claims flow smoothly

Delivering first-class claims handling is clearly a commercial imperative, so US brokers want to feel confident their insurance partners are helping, not hindering this process - there is a perception currently that London is slow in processing, responding and resolving claims.

The good news is, TOM has a solution for that. The claims workflow platform will mean that all authorised parties to a claim will have direct access to the latest version of the claim record, and can see the status of the claim throughout its lifecycle. This will minimise delays and encourage parties to speed up response times.

The TOM team also talked through issues of high-volume, low-value claims with their hosts whilst discussing what is perceived as a significant administrative burden around claims notification and settlement. Some felt that a more direct, simplified process would be a big step forward and the team were able to describe how the claims workflow platform will deliver that, with the claimant being able to submit the First Notification of Loss and claims updates themselves directly if appropriate, removing the burden for the broker. The broker will have access to the data, in real-time, at all times and can track the status of the claims and its progress, getting involved as required.

Another point raised was that for many Managing General Agents (MGAs) and coverholders, the fact that they are unable to agree and settle even small claims and have to refer them to London creates an increased overhead. As part of the Delegated Authority initiative, TOM is looking to speed up the agreement of claims through the use of ACORD data rather than spreadsheets for the Claims bordereau. This, in addition to the development and adoption of a single agreement clause, should certainly improve the position.

Reducing complexity

Coverholder and Third Party Administrator approvals were raised as another area where London is seen as a complex and time consuming market. There is too much duplication for approvals and there is a lack of good communication across the different parties. This issue will be fully addressed by the TOM Programme, where a delegated authority project will simplify the entire approval process. A pilot of a revised application process with more local involvement is underway in the US, with the aim of producing a more controlled and efficient process.

Inevitably, as the TOM team explained to their hosts, there are issues that the TOM cannot address within its current scope - but they are in a minority. The programme is confident that many of the concerns raised during this visit are being actively resolved by different parts of the TOM programme.

The objective of the visit – to listen to and discuss the concerns and insights of key stakeholders who deliver a significant amount of business through the London Market – is one which the TOM team will continue to pursue throughout the life of the programme. It is this feedback that will help the programme ensure the TOM continues to deliver on its mission to make the London Market an easier and more cost effective place to do business.

In the next edition of News Bites, TOM reports on its findings during the same trip to key stakeholders in Europe.



Blue-sky thinking

Innovation is at the heart of the TOM programme, and creative collaboration is one of the most important ways to secure the future of the London Market. We need to share ideas, foster a culture of change, and continually focus on new and better ways of working.

This is the logic behind the London Market Innovation Exchange. As TOM's 'research and development' workstream, the Innovation Exchange is a forum for capturing, analysing, and then promoting ideas that will contribute to the overall success of the TOM programme. Below is an update on its activities and events.

LM Innovation Exchange events

Together with InsTech London we are running a series of events to raise awareness of and create insights into new technologies that are impacting the way we provide insurance in London. The events are dubbed SpeedTech, because groups of innovative suppliers are given just five minutes to explain what they do and the potential effect on our industry, followed by Q&A.

There are three separate sessions for the remainder of 2016:

- 26 September 2016: Data and the technologies that are changing the way we collect and analyse it
- 24 October: Robotics – from automated processing through to robo- advisers
- 29 November: The connected world – the internet of things, imagery and devices

All three events will be held at the Steelyard under Cannon St Station (a short walk from Lime Street). See www.thesteelyard.london

Below are some of the leading technology suppliers you will hear from at the data event on 26 September:

- Logical Glue – real time predictive analytics
- Mastadon C – open source data analytics platform
- App Orchid – AI on the internet of everything
- Digital Reasoning – human-like interpretation of data
- Cytora – real-time analysis of supply chain risks
- Doorda – aggregating and curating UK open data
- Yoti – identity management, on your phone

To attend the event, sign up at <http://www.meetup.com/instech/events/233414064/>

Collaboration app

We've been looking for a tool to capture ideas, facilitate discussion forums, and vote and comment on innovation ideas. In the spirit of 'fail fast', a small team of volunteers has been evaluating options and testing tools for ease of use.

The team has selected a product that is now being configured before being deployed beyond the pilot group. More details will follow soon on how you can use the tool to collaborate more effectively and share ideas.

Proof of concepts

We've made progress with several proof of concepts for distributed ledger/blockchain technology and have held several workshops with vendors to understand how this new technology could help to shape business processes.

We're also exploring topics such as robotics, drones and IoT device tracking. The intention is to link emerging technologies with specific problem areas, as identified by innovation community members. That way we avoid the 'new shiny toy' syndrome of evaluating products/tools/capabilities that aren't suited for the market or that don't deliver tangible value.

If you'd like to be involved in any of the proof of concepts, either as a workshop participant, process reviewer or tester, please contact Gary Nuttall gary.nuttall@lloyds.com