



# ELECTRONIC PLACING FOR THE LONDON INSURANCE MARKET >>

## FREQUENTLY ASKED QUESTIONS

As one of the world's leaders in the provision of e-trading platforms for the financial sector and with a consultancy practise dedicated to the London Market, Atos Origin is uniquely placed to provide solutions for electronic placing. This has culminated in our decision to invest in creating and launching our [WritePlace](#) electronic messaging solution specifically for the London Market.

# FREQUENTLY ASKED QUESTIONS

To date we have found a considerable amount of information and a number of varying opinions in the Market as to the nature, benefits and options inherent in e-trading. This coupled with the speed of new information and products becoming available makes it seem like a daunting task for participants to identify what is relevant for them and determine the best way forward for their organisation. This document aims to provide answers to some of the more frequently asked questions in relation to electronic placement.

## What is electronic placing (e-placing)?

Electronic Placing is the exchange of placing documents and associated information between brokers and underwriters, using digital messaging technology rather than face-to-face. In London Market terms this could be a broker providing a submission and receiving a quotation from an underwriter, or getting an endorsement agreed electronically.

## How can e-placing be used in the London Market?

The complexity of the London Insurance Market does not lend itself easily to a wholesale move to electronic trading (as the LSE managed to do in 1986 under Big Bang). Therefore, we anticipate that the traditional face-to-face basis of placing risk will continue for the foreseeable future. However given the cost, profitability and regulatory challenges of recent years, it is essential that the Market takes every opportunity to manage its processes in the most efficient way possible. There are some parts of the placing process, such as endorsements and closings, which are relatively standard in nature and could easily be transferred to an electronic solution. This will enable participants to reduce costs and remove process inefficiencies from their current operations. More importantly, it would free-up underwriters' and brokers' time to concentrate on business activities that really do add value for their firms and their clients.

## What are the benefits of e-placing?

E-placing has the potential to provide a range of benefits for your business including:

- > Saving in brokers' and underwriters' time, through a reduction in queuing time
- > Savings in back office staff time keying the placing data into back office systems, as e-placing can automatically place the data/documents into your back office systems
- > Placing process steps can happen quicker and with less cost, and are fully auditable. Supporting key drivers such as contract certainty, client service level improvement and client profitability
- > Accuracy of resulting data, reducing errors and omissions
- > Consistency of resulting data in both parties' back office systems leading to faster closing.

## Are all the suppliers involved in e-placing offering the same or similar solutions?

No, there are various solution offerings currently available from suppliers, which range from information services to hosted applications, message hubs and gateways.

**WritePlace** is message hub based and we would be happy to discuss why we chose this approach, how this solution differs from others and how **WritePlace** can interact with all the other solution types.

## Do I need to buy components for my organisation's e-placing solution from different suppliers?

Not necessarily. Some suppliers are just providing components of the overall solution, leaving it to you to configure them to construct your e-placing system, while other suppliers are offering full end-to-end solutions for e-placing.

**WritePlace** can provide a complete solution for your organisation. However if you have existing components, such as a gateway, or would like to procure part of

your solution from another supplier, **WritePlace** is fully ACORD compliant and can be configured to fit with the solution that is right for you.

## Our organisation currently has no experience of e-placing. What do we need to do?

You first need to decide which of 2 routes you wish to take. Route 1 is the 'interoperable' route, by which you will obtain all the benefits of e-placing. Route 2 is the 'non-interoperable' route, a half way house which is less costly and faster to implement, but where you will only obtain some of the e-placing benefits. The decision may be based upon the nature of your current systems and how easily they can be configured to handle straight through processing.

We define 'interoperability', as the ability to create and securely send an ACORD standard electronic placing message, containing data/documents from your back office, to relevant partners. Furthermore, to receive electronic messages from partners and be able to automatically place the relevant data/documents into your back office systems.

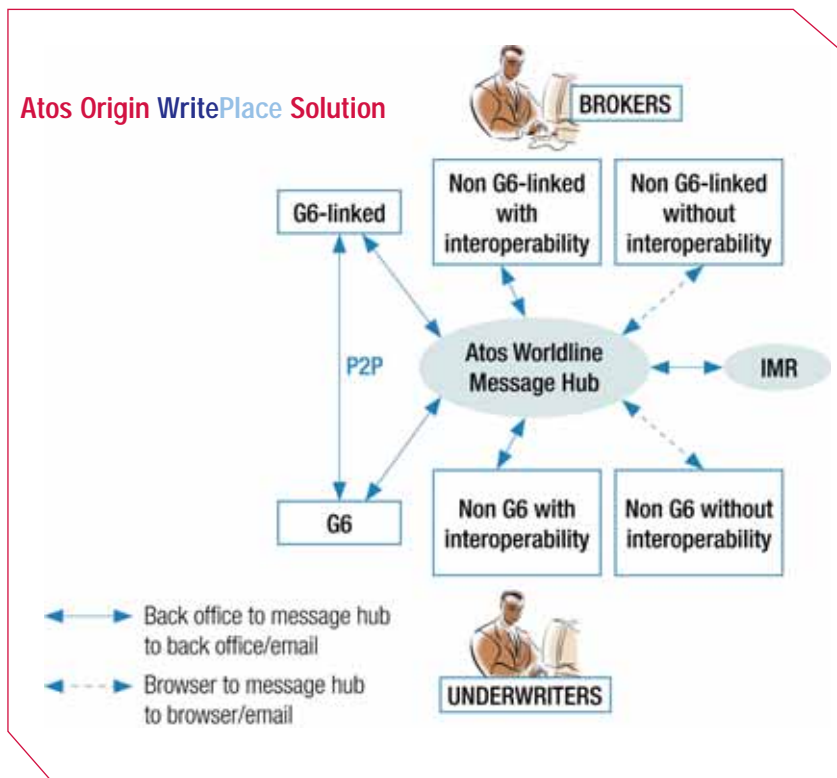
To achieve 'interoperability' you will need to:

- > Obtain a gateway, this can be bought from a supplier, or built specially for you.

Atos Origin can build a gateway for you as part of your **WritePlace** solution. However we also recognise that many organisations already have a gateway, and as such **WritePlace** can work with existing gateways, or gateways that an organisation chooses to buy from another supplier.

- > Program interfaces between the back office applications, document repositories, work flow systems and gateway.

This work may be done within your organisation or by your application and gateway suppliers. However if this is not practical for your own resources,



we have a team with extensive Insurance systems and gateway experience who can carry out this work for you as part of the implementation process.

- > Configure the gateway to map data from and to the back office into the different ACORD standard messages, package/unpack the message to meet ACORD messaging and security standards and send/receive web services message to/from a partner

Your gateway supplier should do this for you, if it has not been done already. If Atos Origin provide your gateway this configuration work will be completed as part of your implementation.

Once your organisation is 'interoperable' you can implement one or more of the following:

- > Connection to a message hub (WritePlace is based on a message hub solution)
- > Establish peer-to-peer connections with peer-to-peer enabled partners
- > Use a hosted application solution

Route 2, the 'non-interoperable' route, uses the internet web browser as your method of sending and receiving placing messages from your partners via WritePlace. Each of your authorised users will have their own WritePlace log-ins, and once logged on and authorised will be able to see their messages (ACORD standard) queued for them and send messages in ACORD standard, rather like your email system.

By working in this way you will obtain all the broker or underwriter time savings and speed of placement benefits. This approach is not 'interoperable' and data will not automatically enter your back office systems, consequently data would still have to be re-keyed.

### My organisation has existing peer-to-peer capability, why do I need WritePlace?

WritePlace can be used in conjunction with your existing peer-to-peer connections and to expand on the benefits obtained from peer-to-peer e-placing by enabling you to increase your breadth of coverage of the London Insurance Market. You can

use your existing gateway to connect to WritePlace, which will then connect you to your other non peer-to-peer partners. As WritePlace is a message hub it enables these partners to connect how they wish, using interoperability or not.

The message hub, which is the basis of the WritePlace solution, will enable you to achieve this increased coverage:

- > At a faster rate than by peer-to-peer
- > At a reduced implementation cost, as you will only need to configure one peer-to-peer connection with the message hub (rather than with each of your business partners)
- > At a reduced maintenance cost, as the WritePlace solution is a managed service and hence will manage upgrades for you.

In addition WritePlace will also provide consistency to your business processes as you will be able to operate the same business process with all of your partners.

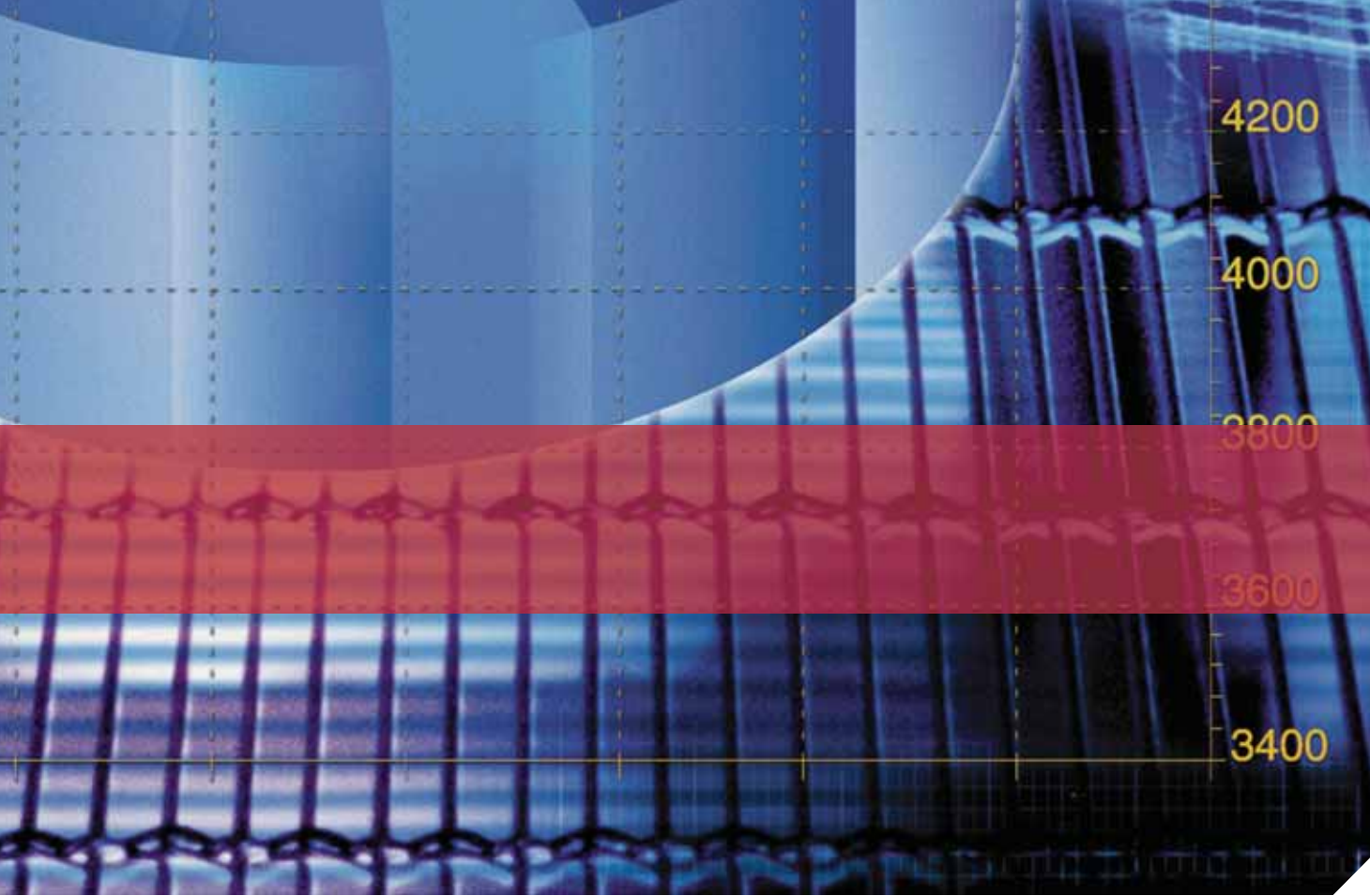
### We don't have peer-to-peer connections, but we do have some existing interoperability, how can WritePlace enhance our e-placing capability?

Instead of connecting to your partners on a peer-to-peer basis, which is costly, time consuming and slow to implement, you can use your gateway to connect to WritePlace, which will then connect you to your partners. As WritePlace is a message hub it enables your partners to connect how they wish, using interoperability or not.

### What does a message hub give me that the Internet does not?

In addition to the benefits of e-placing via the Internet, a message hub also enables:

- > Connectivity to non peer-to-peer partners
- > Avoidance of the need to implement a peer-to-peer connection with every other partner
- > Additional value add services including, management information, document repository and notifications to mobile/PDA/email



**If I can create ACORD XML messages, why can't I send them out over the Internet?**

You can, to those partners that have the technology (a gateway) to receive them, and wish to receive them in this way.

An alternative mechanism is required for those partners that do not have or do not wish to use gateway technology to exchange electronic placing messages on a peer-to-peer basis. **WritePlace** message hub is an option for this. It is in effect a peer-to-peer connection between you and the hub, and the hub to your partners.

**Why should I chose the Atos Origin solution?**

Atos Origin are a world leading technology and business change partner, generating over 20% of our €5.5bn turnover with financial services clients around the world from a combination of technology delivery, application management and business consulting activities. We have the scale to help you deal with the challenges of change and technology adoption, and the ability to share the risks involved.

Atos Origin have a unique capability of bringing together deep technical and business process insight from running the worlds leading financial exchanges, with focused London Market business experience and consulting expertise. We have the capability to help you adapt to e-placing quickly and efficiently.

The digitisation of the London Market is a key strategic focus for Atos Origin, with board level sponsorship and a focused service and product development programme supporting the priority our key clients are giving this initiative. We have a solution and approach which will quickly drive benefits as you adapt to e-placing.

**WritePlace** will allow you to transition to e-placing from a variety of start points, and at a pace that matches your business drivers. It is the only available solution based on the industry proven, resilient and secure exchange technology behind the worlds leading financial markets

**WritePlace** has been specifically designed to support the variety of transactions you need to execute to drive your business; the solution supports two way messaging to and from multiple clients, is tailored to support ACORD standards as they develop, and is flexible enough to ensure that all of the businesses you need to focus on for your clients can be integrated, whatever technology they may be using.

The combination of a ready-to-go-solution, implementation approach and commercial framework supporting **WritePlace** means that you can develop a compelling business case both in hard financial terms, and in terms of softer benefits, such as improved quality and faster processing. The path to benefits is shorter with **WritePlace**.

If you have any questions not addressed by this document, or would like further explanation please contact us at [WritePlace@atosorigin.com](mailto:WritePlace@atosorigin.com).