

Always: "Market is ripe for consolidation"

Alex Always, chief executive of the Jeff Group, has said small brokers are prime targets for consolidators. He said: "The market is ripe for consolidation. Increased regulation and economic pressures have led many smaller organisations to recognise that there is a highly compelling argument for being part of a dynamic player in their market, yet one that has not lost sight of its core proposition — client service."

Subsidence payment delays warning

Members of the Association of Specialist Underpinning Contractors have highlighted their concerns regarding delayed payments to contractors. At *Professional Broking's* sister title *Post Magazine's* Subsidence Conference on 22 March, ASUC chairman Roger Boddy warned that delays of more than 90 days for invoice payments may result in some members going bust. Loss adjusters, including Cunningham Lindsay and GAB Robins, said insurers were to blame for any log jams in the process. John Parvin, subsidence claims manager from Zurich, responded: "There are too many communications and processes involved to get contractors paid. We need to streamline this whole process."

Dragoon acquired by James Hampden

Leicestershire-based James Hampden Insurance Brokers acquired Nottingham-based commercial lines broker Dragoon Insurance Services on 1 March. Dragoon has a £5m gross written premium, including books of taxis, couriers and nightclubs. Kevin Collins, managing director of James Hampden, said Dragoon would change its name to James Hampden within the next two months.

WNS Assistance revamps its Motorguard web claims facility

Andrew Tjaardstra
MOTOR INSURANCE claims management specialist WNS Assistance has revamped its online claims monitoring facility, Motorguard.

The motor claims information website now offers WNS clients — which include brokers, insurers and companies with large commercial fleets — driver risk, repair management and uninsured loss recovery reports, via data downloads.

WNS clients will gain access to summarised reports analysing high risk drivers, monthly accident volumes, the causes of accidents, and vehicles susceptible to theft, as well as the financial cost of accidents.

The website update follows a doubling in both the number of users and the frequency of use over the past two years.

WNS believes the government's *Corporate Manslaughter Bill*, which is currently before Parliament, is



Rankin: growing industry concerns

partly responsible for this increase.

WNS, which expects to handle around 350 000 motor insur-

ance claims this year, or launched Motorguard in 2000, to provide real-time claims information.

The latest update also 'Request Red Alert' button ister specific concerns, or to automatic updates on repair via e-mail or mobile phone.

Tim Rankin, managing at WNS, told *Professional* "All accidents are categori fault code and fleet mana choose how they are info serious accidents."

He expected WNS will to unveil a significant b a new customer in June, contract negotiations are be finalised.

Meanwhile, Rankin is k close eye on telematics, th tracking device, though he to be convinced whether "i off" yet.

FSA and OFT set out action plan for greater co-operation

THE FINANCIAL Services Authority and the Office of Fair Trading are to produce an action plan, to be published by the end of April, setting out how they can jointly deliver benefits to consumers and firms.

A statement said both were investigating ways in which they could "work more effectively together, for example, through improved collaboration on matters of mutual interest such as the sale of Payment Protection Insurance".

It also stated they want to "collaborate more closely on enforcement of rules on advertising on guidance to business." In April, the FSA will consult on a change to its rules so advertisements subject to dual regulation need contain only one risk warning.

In addition, the two watchdogs aim to complete a feasibility study by

September 2006 on ways to reduce the administration burden on firms either seeking authorisation from, or which are regulated by, both organisations. They are also looking at ways of working more closely together on consumer education and providing information to consumers.

A feasibility study on alignment of the FSA's consumer contact centre with the OFT's Consumer Direct service will be completed by October.

The stated aim is to reduce the administrative burdens on firms and assist in the delivery of risk-based regulation. As such, and following consultation with stakeholders, the government has concluded that an improved regulatory outcome is achievable without changing regulatory responsibility for consumer credit.

SVB launch SME start-

SVB HOLDINGS has announced intention to launch an insurance company to write SME business for all brokers. It will write professional indemnity, general liability, and officers' and medical malpractice insurance. Novae Underwriting will fold into the new company called Novae Insurance, which will begin trading 1 July.

SVB posted a before of £13.9m loss for 2005, an improvement over 2004's losses of £113.6m. A spokesman said the company was on track for profit for 2006.

Meanwhile, SVB Holdings is expected to change its name to become the Novae Group, subject to regulator approval. It will involve delisting from the stock exchange and re-listing on the new name.

Brokers key to resolution in late payments argument

By David Worsfold

Brokers could have a key role to play in defusing the row over late payments to contractors handling subsidence claims, according to experts.

John Parvin, subsidence manager at Zurich Financial Services explained it was up to individual brokers and whether they want to be heavily involved: "When they do they can add value and they do assist," he told the audience at a recent subsidence conference held by *Insurance Age* sister title, *Post Magazine*. "Wherever possible, when we have a broker involved we will keep them informed. With certain of our brokers we will even invite them to attend at the first site visit."

Gary Strong, subsidence & surveying services manager at GAB Robins, endorsed this view, adding: "If brokers have cheque-signing authority, that can sometimes help too because they can authorise payments without having to go up to the Lloyd's box or whatever."

Earlier in the conference ASUC Plus



John Parvin: "Whenever possible when we have a broker involved we will keep them informed"

chairman Roger Boddy unveiled research carried out by the contractors' trade body that showed that the levels of payment varied dramatically depending on who the contractor's paymaster was.

He said that while contractors employed directly by insurance companies could expect to be paid in 0-30 days, and 7-10 in many cases, the record of project managers and loss adjusters was a lot worse, coming in at over 60 days.

Mr Boddy described this as "payment

abuse" and cited it as a reason why many were pulling out of the market.

These findings were reinforced in an interactive voting session where nearly 50% of loss adjusters directly blamed insurers for the poor record on payment, while 45% of insurers felt the opposite was true. Both parties agreed that a web-based system needed to be introduced, as there is currently far too much paperwork involved.

Mr Strong said: "Insurers are understaffed and that means invoices are being left on desks when they should have been sent to the loss adjusters. Sometimes it takes us more than three weeks to chase down invoices we have recommended for payment."

Mr Parvin responded: "The survey reflects that the fault lies with a range of parties, with the big problem being the number of touches in the chain."

The panellists agreed that the process is far too complicated and that creative solutions are needed, such as moving to electronic payment systems, in addition to bringing in brokers to help on some claims or arranging for suppliers to pay contractors on behalf of the insurer.

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FSA gives verdict on claims review

The Financial Services Authority (FSA) said it was encouraged by a recent survey of insurers' retail claims operations, after around 90% were found to "nearly" or "always" meet service standards.

Despite this, two out of every five claims operations are failing to keep policyholders informed of progress with their claims. Alison Hewitt, head of the FSA's retail firms division, explained that having carried out 34 questionnaires in November and nine follow-up visits, the responses were encouraging and it would not be undertaking further work into claims in 2006.

The FSA reported that 31 firms said that they "nearly" or "always met" service stand-

ards - such as responding to notifications of claims, dealing with customers' letters or emails and making payments.

But Ms Hewitt added: "In around 60% of firms, when asked for their service standard for updating customers on the progress of their claim, there was no clear consensus of opinion - firms often update customers when required or depending on customer expectations." She continued: "This is all very well, but how can firms be sure what is required or what customers' expectations are?"

"While a proportionate approach to updating is sensible, firms could be more proactive by informing customers periodi-

cally, rather than on an ad hoc basis."

Ms Hewitt also stressed non- or part-payment of claims is an area with which customers continue to express dissatisfaction, and encouraged firms to adopt jargon-free information.

"We asked what the most common reason was for rejections of claims since 1 January 2005. A total of 19 firms reported that it was the claim being outside the scope of cover. We are surprised by the response to this question. Why are customers claiming for things not covered by policies?" On the issue of outsourcing, the FSA reported that 32 firms employed a third party to handle their claims.

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