



RI3K's New 'V3' Trading System Promises Revolution in Processing

September 11, 2006 London-based RI3K announced a new innovative processing system for Lloyd's and the London market that could revolutionize the way policies are produced. The new "V3" system replaces RI3K's current trading platform, and will be rolled out in time to handle the upcoming renewals of reinsurance contracts.

The announcement, made at the Reinsurance Rendezvous in Monte Carlo that began today, notes that the system is easy to use and can be employed for both treaty and facultative reinsurance contracts, as well as "commercial 'direct' insurance."

Flexibility is V3's key innovation. Brokers have always been reluctant to standardize their contract wordings, which has prevented a number of systems, notably Lloyd's Kinnect platform, from gaining their acceptance. V3 solves the problem by providing a huge database, using ACORD standards that fit the brokers' specific contract terms.

"It's the Holy Grail," said RI3K CEO Alex Letts in a telephone interview. "It does what Kinnect was supposed to do, while maintaining the brokers' flexibility."

He explained in the announcement that the "form-builder is the sensation. At a stroke it transforms the electronic trading landscape because it preserves differentiation for brokers in their product presentation. Rather than being forced to use RI3K prescribed slips, broking houses will be able to create and store their own ACORD compliant templates in the form-builder whatever type, class or line – fac, treaty or direct. They can add their wordings from their selected sources, and then simply allow their placing brokers to distribute and trade these out over the service."

While V3 offers brokers unparalleled ease of use – "it can be connected to brokers' own slip systems, and it can pass data into peer-to-peer underwriting gateways" – creating it wasn't easy at all. The technical breakthroughs were achieved with a great deal of work. "We built up a new module with a huge database," Letts explained. "All the wordings are based on ACORD standards, and they allow the brokers to 'drag and drop' the components they need to build the contract. Basically they fill in their own components, integrate them, and at the end simply submit [the finished product] to RI3K for processing."

The module has been built and is currently being tested "to work out the few remaining bugs," said Letts. It should be ready for full release later this month. "For companies, V3 is a path to efficient, compliant and cost effective distribution," Letts added. "But for the actual users themselves, V3 is just a marvelous modern service that makes their day easier and more productive."

With the roll out of V3, the day may actually be at hand when the tons of paper Lloyd's produces daily and the bulging slipcasses carried around by the brokers might go the way of the horse and buggy and the steam engine. If so, Lloyd's and the rest of the London market will have well and truly entered the modern era.