

INSURANCE DAY



Aon spearheads paperless plans

Oleg Vukmanovic

WILLIS and Marsh will decide in the summer whether to discontinue paper-based risk placements in favour of electronic trading platforms, after Aon fed 80% of its reinsurance renewal through a paperless portal this December.

Aon has defended the market against doom pundits who warned that an “electronic storm” would blow through the technophobic culture of London’s insurance market.

The broker said it had finally pushed through the “first real electronic trading season in London”, which it said heralded a cultural shift in the London market.

Aon traded more than 5,000 risks through an electronic portal developed by RI3K during the holiday renewals – limited exclusively to facultative reinsurance contracts.

But RI3K chief executive, Alex Letts, told Insurance Day that Aon’s front-running position will

depend on expanding the electronic portal to include general and direct insurance risks.

This would represent a 10-fold increase in traffic as it reported in December, he said, adding: “The volume they did in December, the market transacts every month.”

Asked to frame the effort in the task Aon undertook, Letts said: “For their reinsurance division, it has been a phenomenal effort as we recorded over 10,000 log-ins during the renewal season. The potential scale of this project is vast.”

Aon is positioning itself to lead London market reform and to beat a path for the rest of the broking community, which Letts said will benefit from its commitment to exploring the benefits of electronic processes.

“Whether Willis and Marsh decide to opt for electronic trading in the next few months will depend on specific factors such as their business operational strategy but also client needs and fit within the specific organisational framework,” he said.