

Building Consortium Capacity



THE CHALLENGE

Global Lloyd's broker Howden needed an efficient way to implement the Howden Re Consortium Initiative, a market facility built to match lead and follow business models for the transaction of portfolio business between syndicates via Lloyd's Consortium placements. The ideal system to facilitate the Initiative would:

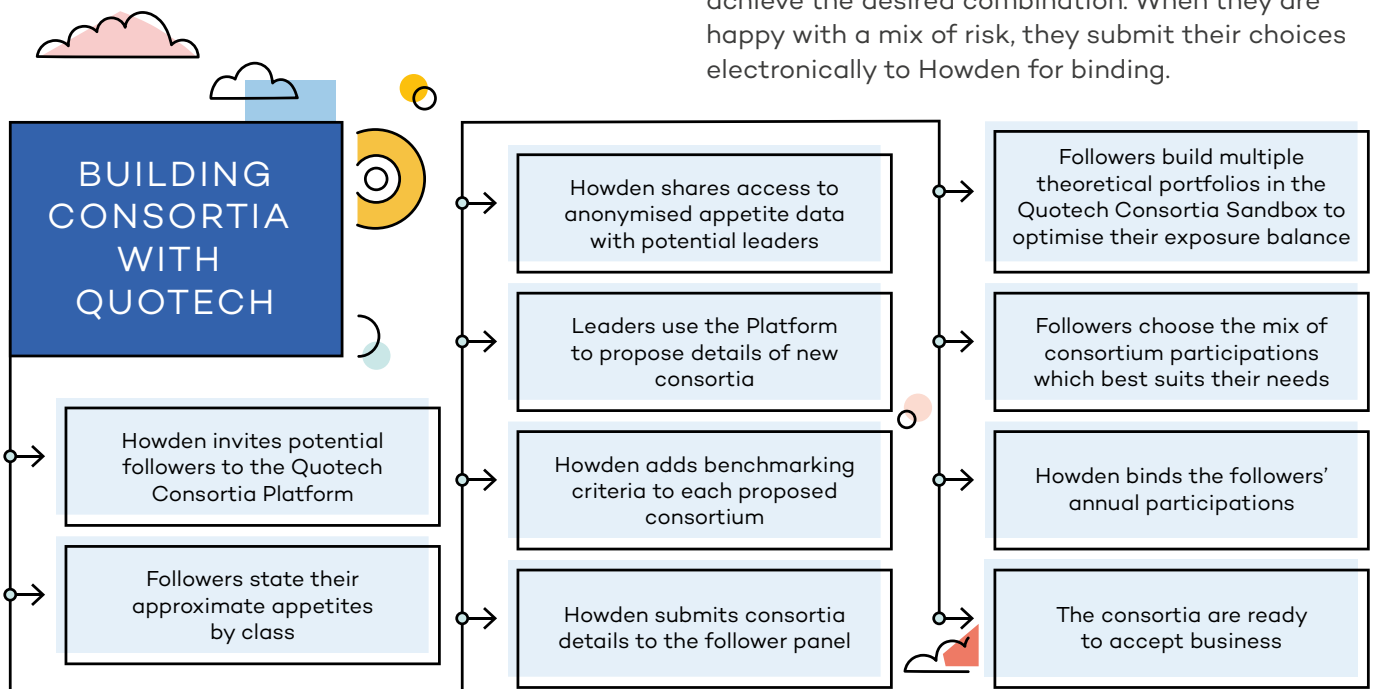
- solicit, collate, and monitor all the relevant data for all participants in each consortium
- allow following capacity providers to assess and adjust potential exposures – in detail and in aggregate – before binding, and
- deliver pertinent, real-time information to everyone involved, right when they need it.

THE RESULT

Through a custom Quotech solution, Howden is now able to:

- solicit and receive potential consortium leaders' proposals for new risk facilities
- request, receive, and assess following markets' appetite to join specific new consortia
- report followers' aggregate interest to potential leaders, and
- monitor, amend, and manage consortia data, giving relevant access to underwriters.

Before they commit, following participants can use the system to build their own portfolio of consortia participations, experiment with different combinations, and vary their line on each to achieve the desired combination. When they are happy with a mix of risk, they submit their choices electronically to Howden for binding.



Quotech is...



PRACTICAL

Quotech's Consortium Platform allows invited potential leaders to submit consortium opportunities to the Howden RB Consortium Initiative efficiently through the platform's online portal. Each consortium opportunity can be reviewed and amended with Howden's own comments and capital requirement calculations. Proposals can also be benchmarked against Lloyd's claims development triangles. Once reviewed and approved, following markets can, upon invitation, review Howden's consortium opportunities, filtering them easily to suit their risk appetite. Notifications can be delivered via e-mail from the Quotech platform under its own domain name, or direct from Howden. Messages may also be sent through a dedicated application such as Slack.



COMPATIBLE

The system's risk appetite questionnaire follows the hierarchical structure of Lloyd's risk classification system, descending from High Level Class to Generic Class, then Risk Code. The information requirements are standardised to make responses straightforward, and follow the formats required for Syndicate Business Plans. This makes the data easily accessible, and responses easy, whether for new or established portfolios, regardless of the line of business. Results are presented graphically to allow easy interpretation.



SCALABLE

The system can be applied to create a consortium of any size and to any book of business comprising portfolios of risk. New consortia can be proposed and added at will. The number of leaders and followers the system can handle is unlimited, as is the number of portfolios each follower can create. Whenever a follower adds a consortium, the combined results they receive are adjusted accordingly, as is the overall consortium view. Similarly, if participating insurers' portfolios are amended as their binders renew, everything updates automatically.



SECURE

Login is achieved securely through Quotech's proprietary OAuth2/OpenID authentication service. Multifactor authorisation can be enabled for all users, including external parties such as participating insurers; users need only a browser, a password, and an app on their phone. Alternately, Quotech can adopt the client's single sign-on mechanism via SAML or LDAP. For the ultimate in security, clients may choose a combination of both.



INTUITIVE

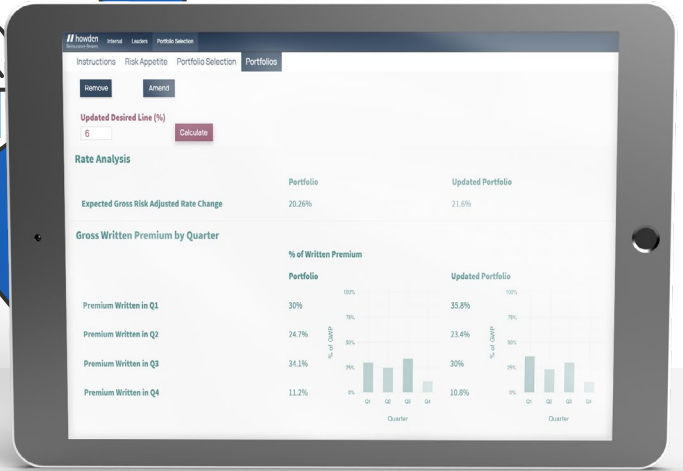
Following markets can create "draft" portfolios of consortium participations. This allows them to compare different scenarios based on the opportunities available. They may then use the platform to apply for participation in one or more consortia, and once accepted – again through the system – the remaining capacity requirements and available lines are updated for other potential followers. The system builds a live portfolio for all leaders and followers. This allows leaders to see all the details of their specific consortia, and followers to see their own participations across the lines.



FLEXIBLE

Quotech's Consortium Platform gives followers total control over their participations. Before binding, they may easily amend their portfolios by removing a particular consortium, or amending the line they commit to it. In advance of finalising any changes, users can view a side-by-side "before and after" analysis, which includes a graphical presentation, to allow an easy comparison, and a thorough understanding of the portfolio impact of any potential change.

How we work

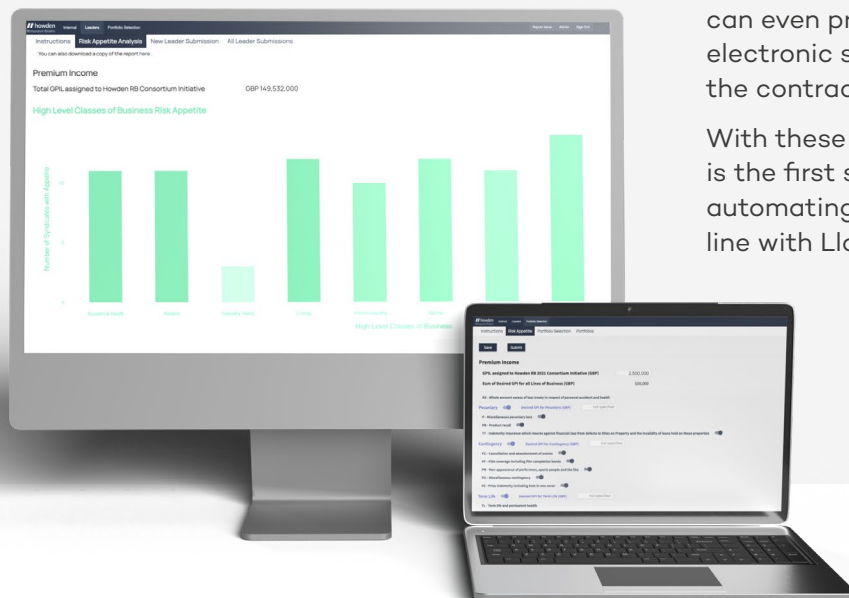


UNDERWRITER-DESIGNED FOR UTILITY

Every Quotech installation is a custom-made, bespoke solution configured precisely to match each client's specific needs. These are identified through a comprehensive discovery process that determines exactly what challenge must be tackled, then maps every action required of each party involved at all steps of the process. Because Quotech was designed and built by a successful London-market underwriter who continues to lead every implementation, clients are typically surprised at how easily those challenges are understood and resolved.

IMMEDIATE SUCCESS

The platform is already releasing the power of technology to dramatically reduce the costs associated with consortium-building and participation. In its initial deployment, 12 following syndicates used the system to ring-fence, in their Syndicate Business Forecasts, total gross premium of more than £150 million for new consortia placed through the Initiative, covering risks across all ten high-level classes. This was more than 50% ahead of Howden's conservative capacity target.



LOOKING AHEAD

More power is locked into Quotech's Consortium Platform, waiting for release. Document storage is currently being added to the Howden installation. When implemented, users will have the power to upload, save, and access any document relevant to the consortium – from policies to bordereaux – from one place.

Greater power can be unleashed by linking Quotech's Consortium Platform to the comprehensive Quotech Underwriter Workbench, already deployed by multiple carriers and MGAs. This allows underwriters using the system not only to complete their risk-appetite reporting from the workbench (where it is dynamically recorded), but also to incorporate their consortia participations directly, to facilitate more efficient underwriting decision-making.

In the case of the leader, integration allows automatic production of bordereaux, which are sent without intervention to the Consortium Platform. Documentation is then instantly available to all participants. To create a holistic, end-to-end placement environment, the combined platforms can even produce the consortium slip, then collect electronic stamps from all the participants to bind the contract and complete the process.

With these leading-edge developments, Quotech is the first stage of an exciting journey towards automating the placement of Lloyd's consortia, in line with Lloyd's Blueprint 2 digitalisation plan.

The client says...

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“When we decided we wanted an online platform to support our Syndicate-to-Syndicate market facility, we naturally had some ideas about what it would have to do. The great thing about getting Quotech to build the system is not just that it came in on time, on budget, and is blisteringly easy to use, or that it does all of the things we wanted it to and more, but that it also does things we hadn't even thought of ourselves. Quotech understood what we wanted, what it had to do, and why, and spotted potential enhancements and difficulties really early on. I think that's because it was designed and built by an actual portfolio underwriter, which probably accounts for a big part of the Initiative's immediate success. If the platform was clunky or complicated, there's no way we would have ended up with so much interest and enthusiasm for the facility in the market.”

- TOM GAUGE, EXECUTIVE DIRECTOR, HOWDEN REINSURANCE

Learn more

To learn more about the power of Quotech, or to arrange a demonstration, contact us.



Guillaume Bonnissent,
Chief Executive



guillaume@quotech.io



+44 7780 120 288



www.quotech.io

