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Xchange give fresh outlook to outsourcing

With outsourcing proving to be the burning issue of the day for business leaders across Bermuda, one such company specialising in the industry has joined forces with a paperless trading service to form a dedicated market utility.

Outsourcing firm Xchanging and trading providers R13K are set to reveal their new Bermuda Utility at a joint presentation at the 21st Bermuda Reinsurance Congress today.

This follows in the wake of fears raised by the Island's top businessmen that international companies are starting to outsource work previously done by ex-pats to overseas centres. They had been warned that the next step could be for international employers to shift lower-level administration and processing jobs, traditionally done by Bermudians, to those outsourced locations, as reported in *The Royal Gazette* in August.

The initial service, which will be available from November 1, will be unveiled as part of a straight-through processing Bermuda platform, which is aimed to be fully operational by late 2008.

This Bermuda Utility is being tailored to support the island's growth opportunities, currently under threat from shortages of suitably qualified people and space.

Initially it will enable companies to outsource accounting and claims functions, linked to the international financial settlement infrastructure. During early 2008 it will extend to include the ability for companies to manage electronic closings. It will also be offering interfaces directly into broker and underwriting systems.

The final phase will see the launch in July 2008 of the Bermuda Market Utility, including a market directory and a dedicated Bermudian document repository.

"The aim is to provide the island with a centralised resource that supports growth and reduces non-competitive processes, initially around accounting and clearing," said Steven Beard, Xchanging's executive director. "This is a staged roll-out, in co-ordination with the companies and island authorities. The end result will be a local Bermudian Utility, linked to a global clearing and processing infrastructure."

"A local utility, sitting on a global infrastructure for trading, clearing, processing, clearing and settlement will offer Bermudian companies a new vista of growth, unconstrained by physical limitations," adds Alex Letts, chief executive of R13K. The immediate practical deliverables are the first steps along the road to a platform which will give a full suite of electronic insurance services to Bermuda's reinsurers and brokers by the end of 2008."

R13K is a paperless trading service for the insurance industry. It supports all types and classes of reinsurance business, treaty as well as facultative and commercial insurance. A community of 166 user companies has been established since trading began in 2001, and more than 2000 professionals in 42 nations have used the R13K trading service.

Several billion dollars of premium have been transacted to date.