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Aon achieves electronic renewal goal

Broker places 5000 lines through RI3K electronic trading platform

Aon Limited today announced that it had completed as much as 80% of its 1/1 treaty reinsurance renewal placements electronically in December.

Aon says it aimed to place as much as possible of its London book of treaty business electronically into the global markets, and achieved this goal, with more than 5000 lines placed electronically through the RI3K service, as well as several hundred endorsements.

At the same time it paid tribute to the effort and support of the underwriter community, as well as Aon Re Global's brokers, declaring that the market has clearly demonstrated its commitment to this important change programme.

Aon's director of change strategy, Ian Summers, said that the company's success was partly down to a cultural shift in the market.

"Our efforts to accelerate the transition from a paper-based market to a contract certain, data rich trading environment have really now taken root. We managed to distribute as much as 80% of our risks electronically via RI3K as well as some first streams of specialty fac and direct business", Summers said.

"In May, Anthony Hilton wrote in a column that an electronic storm is looming in the insurance markets, but questioned whether the market was ready, culturally, to change. Well that storm landed in December. I think in time that people will reflect that 2007 was the year when the market really accepted the inevitable took the great leap into electronic trading. It has landed with a bit of bump and few bruises, but is actually in pretty good shape."

Charlie Cantlay, Chairman of Aon Re Global (UK) said: "We are truly appreciative of the tremendous support we have received from the vast majority of our trading partners in the market. Without their commitment and patience in a very late renewal season, as well as the support and effort of our own staff, this major change initiative would not have succeeded."

Ian Summers said Aon is fully committed to evaluating all the issues learned from this renewal season operation and the next step is to conduct a full review, seeking feedback from clients and markets with a view to continuous improvement and further development. "We now have to work with our partners to drive through the real benefits of electronic trading to all parties. This means the seamless transfer of data through the whole value chain to the underwriters' systems."

Aon also confirmed that is now rolling out its electronic capabilities to other parts of its UK operations.