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Electronic trading service to create new pricing "menu"

Responding to market criticisms over its pricing, electronic trading service RI3K is publishing a simplified pricing tariff.

Carriers will now be able to select one from a menu of three clear options for using the service.

Uncertainty about the cost of electronic trading has become a major talking point in the London market with the commitment of Aon UK to trading electronically. RI3K has moved to allay concerns caused by lack of clarity.

The Standard service costs £50 per bound line, and this price includes the delivery of the ACORD quotation, bound line and signed line data to carriers messaging gateways. The tariff also includes options for more detailed data interchange.

"If an average sized carrier binds 2000 lines of business a year in London," said RI3K Chief Executive Alex Letts, "and if they receive half of this via RI3K, their cost of e-trading will be £50,000. For this they get the speed and accuracy of management information, a contract certain and less risky process and, of course, the removal of re-keying - all for £50 a risk."

He added: "What we have achieved with electronic placement is to start to move the effort of data entry away from the underwriter. Effectively the broker will do the data entry for carriers. After so much money has been wasted in this area both in processing and solutions, if you had told the market leaders that the cost of electronic trading would eventually be so low, they would have bitten your arm off."