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Doha, Qatar: investment in RI3K will allow for longer-term development



RI3K sale marks end of an era for London

THE SALE of RI3K to Qatar Insurance Services suggests something of an end of an era for the London market.

As its flamboyant former chief executive, Alex Letts, told colleagues in an email yesterday: "The deal is a very happy landing for the company, customers and the staff. It has been a challenging – sometimes scary – 10-year voyage. The Qataris have a long-term strategy and will put the necessary resource behind the company to build out our vision – we were fortunate to find such strategically aligned purchasers."

Indeed, there is generally a consensus among many of the

people I spoke to yesterday RI3K may have been a little ahead of its time.

It is something Qatar's chief executive, James Sutherland, himself a former head of development and strategy for worldwide markets at Lloyd's, acknowledges in part.

He told *Insurance Day*: "It hasn't had the wider usage it probably deserves for a number of reasons."

One of those reasons he believes was uncertainty over RI3K's financial future. The buy-out by a Michael Spencer-led consortium in 2007 allowed Brit to release some of its investment,

but such investors have a finite timeline for their return.

With the best will in the world, achieving the reform of the reinsurance sector RI3K was projecting was never going to be a quick win.

Most people think the Qatari investment will allow a longer-term development.

But it is not just the financial uncertainty that has hung over the company. Others have suggested while the technology was at the cutting edge when the company was originally set up 10 years ago, new advances have been made in the world at large.

It reinforces the sense the concept was ahead of its time.

QIS has the technology it believes it needs – provided by RI3K's old rival eReinsure – so that objection can now be overcome.

What remains to be seen is how the market as a whole reacts to the boost from Qatar – in particular what the big brokers think. The reluctance of Willis and Marsh to join Aon in backing RI3K in the past was one of the obstacles it faced.

But if they do come on board, what then for the London market message Exchange?

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