

7 February 2011

Industry prepares for ELTO go-live

Just over 90% of Employers' Liability (EL) insurers have voluntarily confirmed their membership with the ELTO service and are fast making preparations for the loading of EL policy data onto the central database from early-April. The service will be available to claimants and their representatives from the end of April to provide quick and easy access to a database of EL policies through an online enquiry facility.

The Employers' Liability Database (ELD) – the central database of EL policies – will contain all new and renewed Employers' Liability (EL) insurance policies from April 2011, policies from before April 2011 that have new claims made against them and policies that have been and will continue to be identified through the tracing service.

Adrian Brown, Provisional Chair of ELTO and Chief Executive, UK, RSA Insurance Group PLC, said: "This important initiative is not without its challenges and complexities but the industry has been proactive in grappling with the policy and technical implications of ELTO. Of course, the real test of the value of ELTO will be that the vast majority of live EL policies will be on the database within the first few months, and that the search facility returns more consistent and faster responses to claimants over time as a result of the database. This makes it all the more important that the small number of insurance providers that have not yet signed up as members of ELTO, really do so now."

A comprehensive programme of engaging insurers, brokers, delegated authorities, software houses and claimant solicitors is well underway to establish support from all quarters and ensure the database is fit for purpose. The fields of information to be provided to the database from early-April will be published and known. Consistency across ELTO members is being encouraged.

Neil Drane, Head of Database Services at TSL said, "Insurers will be rigorously testing their systems to make sure the data loads onto the ELD as expected. They will also be preparing staff as well as brokers and software houses to make sure they are all familiar with the procedures to comply with the data supply requirements set out by ELTO."

“With fewer than 10 weeks to go before actual policy information has to begin appearing on the database for the first time, the countdown to go-live has begun.”

Once up and running, all ELTO members will be required to supply data on a monthly basis, including the full current book of all live EL policies. ELTO will provide the facility for direct data supply by authorised brokers and delegated authorities (DAs), based on defined criteria and agreement with ELTO. The vast majority of data supply to the ELD is expected to come via ELTO members.

ELTO's rules require all relevant policy data to be fully and properly on the ELD within 90 days of the effective date (e.g. cover start date for new business / renewals).

Steve Foulsham, Technical Services Manager at BIBA said, “Brokers are already engaging in discussions with their insurers about the practical implications of ELTO coming into existence and this is a positive sign. It is part of our Manifesto in 2011 to support the introduction of a central database of EL policies and the new online tracing service. BIBA will be supporting its members with regular updates on technical requirements and guides.”

From April 2012, the FSA's regulations will require ELTO members to supply all subsidiary names as well as the Employer Reference Number (ERN) for the policyholder and all subsidiaries for all new and renewed policies. In preparation for this, members will begin to collect this information from brokers and DAs from April 2011. Employers are being alerted through the HMRC and other industry bodies like the Confederation of British Industry, British Chambers of Commerce, and Federation of Small Business etc

Nick Starling, Director of General Insurance and Health at the ABI said, “The industry is pulling together and playing its full part to make the roll-out of ELTO a success. We are expecting the FSA to publish regulations soon to compel all organisations with EL policies to publish their data in an accessible format, which will be satisfied if they join ELTO. In the meantime, the principle of supporting claimants in their search for EL insurers by establishing a central database must continue to be supported across the industry.

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An ISDN line is available for interviews.

About ELTO

ELTO replaces the current EL tracing service, which has been in place since 1999 from April 2011 and has been set up to provide claimants and their representatives with quick and easy access to a central database of Employers' Liability (EL) policies through an online enquiry facility, helping them to find their employer's EL insurer. The EL database (ELD) will contain all new and renewed EL insurance policies from April 2011, policies from before April 2011 which have new claims made against them and policies that have been and will continue to be identified through the tracing service.

ELTO members are bodies owning EL liabilities for UK employers, including active and run-off EL insurers. It is expected that FSA regulations will require all EL insurers to publish EL policy information about employers they have insured. Members are levied and ELTO will ensure insurers meet the necessary performance requirements. Insurers who are interested in becoming ELTO members can receive further details by sending an email to membership@elto.org.uk.

ELTO will have a contract with each of its members, requiring them to upload data onto the database in a specified format and within specified timescales. The process to upload and search data on the ELD is uniform, straight forward and readily accessible. This will then enable the claimants to independently progress with the claims process.

Tracing Services Limited (TSL), a subsidiary company of the Motor Insurers' Bureau (MIB), was awarded the contract to develop the ELD and implement the ELTO service. It was chosen for its proven record of setting up the Motor Insurance Database (MID), its experience in building relationships with insurers and stakeholders, and supplying information to customers quickly and efficiently.

ELTO Phases

April 2010 – December 2010

ELTO established, on a provisional basis, as an independent body with an interim Board of Directors. April 2010 marked transferring the existing tracing service from ABI to TSL and the start of designing the ELD and defining the data to be captured by insurers to upload to the ELD. Voluntary membership attracts 90% of EL insurer market.

January 2011 – April 2011

In early 2011, the FSA is expected to introduce regulations for all bodies that own EL liabilities in the UK, including active and run-off companies to publish EL policy data. Under the expected regulations, EL insurers will have to either publish the data on their own website or become a member of a tracing office, such as ELTO.

The ELD and data feeds from members will be tested and from early-April 2011, ELTO members will upload new and renewed compulsory EL policies and policies from before April 2011 which have a new claim made against them. This information is data that is already available and will be supplied in a uniform template. Claimants and representatives will be able to register to use the ELTO service, which will be accessible through www.elto.org.uk from March 2011.

April 2011 – December 2012

The capture and recording of additional policy information will start from April 2011 to help improve future searches. This additional information - including a unique identifier and information on each subsidiary company - will become available for but will not become compulsory until April 2012. A sanction scheme is expected to be implemented in October 2012, with the full programme complete by December 2012.