

13 December 2011

Adrian Brown calls on the industry to 'keep foot on the pedal'

Adrian Brown, the provisional Chair of ELTO and UK CEO of RSA, has issued a call to insurers and brokers to stay focused on the collection of additional data for EL tracing.

The call follows the publishing of a FSA consultation on data assurance. In the document, the FSA are proposing an additional transitional provision for one year from 1 April 2012 "under which firms will be deemed not to be in breach of the underlying rules if the reason for non-compliance is the inability to obtain information [e.g. subsidiary company information and ERNs] from third parties outside of their control, provided that they have used and continue to use best endeavours to obtain such information."

However, Adrian Brown has called upon insurers to keep their foot on the pedal and to continue collecting the additional data as it will still be mandatory in achieving compliance.

"This proposal is still at the consultation stage, however if it goes ahead, it will allow the industry a transitional period to get to grips with collecting subsidiary company information and the Employer Reference Number (ERN)," Adrian Brown said.

"This additional data is important as it is the ERN that will, over time, improve the ability to correctly identify an employer and therefore insurer, and the subsidiary company information will also assist this process.

"Insurers and brokers should not misinterpret this proposal as a deferral of implementing the regulations; the data is still mandatory from 1 April 2012, however the FSA are consulting on extending the timescale in which to supply it.

"I would urge the industry to continue asking for and recording this information as putting it off will only store problems up for the future. Many insurers are already collecting this information in preparation of the 1 April 2012 deadline and I would encourage those not collecting the data to do so."

Recognising the challenges that insurers and brokers face in collecting this information, Adrian added:

"We know that there are challenges in obtaining this data and ELTO is supporting the industry in this. Each ELTO Member has a dedicated Account Manager who is on-hand to answer questions and offer support. ELTO, in conjunction with BIBA, have also produced a broker's guide to supplying EL data which has been well received by the broker community. Finally, a communications campaign focused on employers themselves launches in January which aims to increase awareness that this data will be asked for and where to find it."

"This is a critical juncture for ELTO and the proposal will enable the industry to adapt to the changes in working – giving it every opportunity of success. In many ways, this is a culture change in the way that people work, but as was the case with submission of data to the Motor Insurance Database; this is now second nature and the benefits far out-weigh the initial teething problems that were encountered."

The FSA are inviting comments on the consultation, which closes on 6 February 2011.

ENDS

Notes to editors:

ELTO is a not-for-profit organisation 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

ELTO has replaced the previous voluntary Employers' Liability Code of Practice (ELCOP) tracing service, which was in place since 1999 and helped around many thousands of claimants trace the EL insurer to pursue a claim.

The EL database (ELD) launched in April 2011 and contains all new and renewed EL insurance policies, 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. The ELD will also capture additional information such as Employer Reference Numbers (ERNs) for employers, which should make search results more thorough.

ELTO is funded by a levy on its members based on a fee proportionate to gross written premium (GWP).

A BIBA/ELTO broker guide is available to download from the dedicated intermediary section of the ELTO website: http://www.elto.org.uk/Broker_Info.aspx

The FSA consultation is available online at: http://www.fsa.gov.uk/pubs/cp/cp11_27.pdf#page=17.

Comments may be sent by electronic submission using the form on the FSA's website at: www.fsa.gov.uk/Pages/Library/Policy/CP/2011/cp11_27_response.shtml or by email to: cp11_27@fsa.gov.uk.

Written submissions should be sent to:

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