

25 February 2011

FSA announces new regulations for EL policy data

New regulations announced today by the FSA requiring insurers to publish data on employers' liability policies and all new claims made against employers' liability policies have been welcomed by the industry. The regulations follow the FSA consultation which closed last September.

Under the previous voluntary code of practice, insurers were given details by the claimant or representative and were asked to search their records to the best of their ability; but this did not provide an immediate result.

Adrian Brown, provisional Chair of ELTO and Chief Executive, UK, RSA Insurance Group PLC, said: "The new regulations by the FSA should have no significant impact on the rules governing the existing members of ELTO. I would urge those companies that have yet to sign up voluntarily as ELTO members to do so today, now that it is mandatory to publish this information.

"The new Employers' Liability Database should be of real benefit to claimants and representatives acting on their behalf. Searches of policies loaded onto the central database should take a matter of minutes and this will increase the speed with which a claimant representative can progress with a making a claim.

"In time, the ELD will become a comprehensive record of EL Policies for the insurance industry."

Nick Starling, Director General Insurance and Health at the Association of British Insurers said: "Insurers are determined to do all they can to ensure that people with a work-related injury or disease are able to trace their employer or its insurer to claim against. This is why the industry is committed to developing ELTO into a comprehensive service to help claimants.

"The FSA's regulations will improve the current situation for both lawyers and claimants as all insurers will be now be required to publish their data making any search much more thorough. We welcome this move to help speed up the process for claimants and lawyers to identify the holder of their EL policy.

"The inclusion of new information such as the Employer Reference Number – sometimes called the PAYE number should also increase the amount of successful searches for EL policies and help claimants to start their claim process much sooner."

The development of the Employers' Liability Tracing Office (ELTO) – an organisation which has been created to manage a database of EL policy data – will make it easier for claimants and their representatives to trace the insurance company that holds the EL policy when making a claim.

The new Employers' Liability Database (ELD) will be a centrally-held record of new and renewed policies, recorded in the same format and maintained by ELTO. The search facility is currently planned to be available through www.elto.org.uk from late April. The results of a search will be available to view immediately.

The following policies will be initially loaded on to the database:

- New and renewed policies from April 2011
- Old policies that have a claim made against them
- Policies previously identified through the tracing service.

If the search of the ELD does not return a result, details of the query will be sent to each insurance company to check their own records for older policies. Any subsequently traced will then also be loaded on to the database.

Each ELTO member will be audited to ensure they are uploading the correct information to the database within a given timescale and that they are checking their policy records for searches which don't provide any results from the ELD.

ELTO currently has over 90% of the EL insurance market signed up as members and remaining EL insurers who are not members are being urged to join. Achieving 100% membership will ensure that claimants and their representatives will have a 'one stop shop' for searching EL policies – rather than needing to also search non-members' websites in addition to the ELD.

The provisional ELTO board is currently made up of insurance representatives, however the aim is to have representatives from claimants and personal injury lawyers join the board to help shape and influence how the service is maintained and managed.

The regulations compelling insurers to publish their EL policies comes in to effect from April 2011 and the requirement to collect additional data such as subsidiary company information and Employer Reference Numbers commences from April 2012.

Note to editors:

- ELTO's role is to manage the ELD, aiming to provide information on who held their EL policy for the period they became injured or unwell in a timely manner.
- The creation of ELTO is a proactive move by the insurance industry to meet its obligations to help those who have suffered injury or disease in the workplace identify the relevant insurer quickly and efficiently.

Key highlights of the new regulations and the EL Database are:

- It will now be a requirement to publish data on the EL Database or on the insurer's website making it easier to search EL policies.
- All general insurers must notify the FSA by 6 April 2011 of their actual or potential liability for UK commercial line employers' liability cover, and where applicable, the internet address of the tracing office used or their webpage together with other contact details. For the summary and full policy statement go to http://www.fsa.gov.uk/pubs/policy/ps11_04_newsletter.pdf and www.fsa.gov.uk/pages/library/policy/policy/2011/11_04.shtml
- Members of ELTO who do not upload their information in an agreed timescale will be subject to an 'additional levy'.
- The EL Database will also capture additional information such as Employer Reference Numbers and Companies House number for the employers, which should make search results more thorough. This will become compulsory from April 2012.