

Brokers

Frequently Asked Questions

1. What are the timescales for introducing the ELTO service?

The ELTO programme is already underway and consists of three phases from April 2010 to December 2012:

Phase 1

Phase one commenced in April 2010 and saw ELTO established, on a provisional basis, as an independent body with a provisional Board of Directors. April 2010 marked transferring the existing tracing service from ABI to ELTO and the start of designing the ELD and defining the data to be captured by insurers to upload to the ELD. From April, EL insurers have been able to become ELTO members on a voluntary basis.

Phase 2

It is expected that, in early 2011, the FSA will 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.

During this phase, the ELD and data feeds from insurers will be tested. From April 2011, ELTO members will upload new and renewed compulsory EL policies and policies from before April 2011 that have a new claim made against them. The ELD will go live in April 2011, with claimants able to access the ELD via the ELTO website.

Phase 3

Phase three involves the capture and recording of additional policy information to help improve future searches. This will commence from April 2011, with information including a unique identifier and information on each subsidiary company. This additional data will need to be uploaded to the ELD from April 2012. A sanction scheme is expected to be implemented in October 2012, with the full programme complete by December 2012.

2. Why do brokers need to work with ELTO requirements?

87% of the EL insurance market has already signed up as ELTO members, and we expect more insurance companies to join in the coming months. From April 2011, these companies will be expecting to collect new information on insurers for EL policies from all brokers, delegated authorities and MGAs, so that they can start to provide this information to ELTO in April 2012. Therefore, working with insurers and BIBA to understand what data will need to be provided as quickly as possible will put you in a good position for next year.

ELTO is a proactive initiative to ensure that claimants receive the support they require from insurers in an open and transparent way. It is up to the industry to demonstrate that we can deliver this customer-friendly initiative and ensure that a comprehensive database is compiled as quickly as possible.

3. What changes need to be made to our systems?

ELTO has a working group of insurers, brokers and software houses - the Intermediary Working Group (IWG) - which is striving to ensure that any changes required work in line with accepted industry standards, such as Polaris. A template is in development to ensure that all information is collected in a uniform way, considering the systems already in place. Specific changes will be identified in detail through the ongoing IWG and recommendations will be communicated in due course.

4. What format do we need to use for supplying data to the ELD? Can we develop our own format?

ELTO is developing a uniform template to ensure all data suppliers are able to capture and upload the relevant information efficiently and effectively. This also enables ELTO to provide thorough support to data suppliers throughout this process. The template and its associated documents will become available to all data suppliers in due course.

5. What support and information will ELTO provide and what are the timescales for this?

Information and relevant supporting documentation will be provided through insurers and they will also be available through relevant trade bodies, such as the British Insurers' Broker Association (BIBA). Each insurer has a dedicated ELTO account manager on hand to provide information and support where required.

6. Why is there a requirement for the ERN (Employer PAYE reference)?

The ELD's ability to provide enquirers with successful trace results will be supported by establishing a unique identifier for each employer on the database. ELTO has adopted the Employer Reference Number (ERN) as the most effective unique identifier available. This is also commonly referred to as 'Employer PAYE Reference'. Members will be required to supply the ERN to the ELD, and for policies transacted by a broker or DA, will need them to obtain this information.

On the Motor Insurance Database (MID), the vehicle registration number is the unique identifier that enables searches to identify the appropriate data record. The ERN will perform a similar function on ELD.

7. Do all companies have an ERN (Employer PAYE reference), if not who is exempt?

UK businesses employing one or more people are required to have the ERN, which is the reference number for their employees' income tax and national insurance contributions. A tiny minority of employers do not have an ERN. The only exemption is where the employer pays all their employees below the PAYE threshold (£503.00 monthly).

8. What are the timescales for getting the ERN (Employer PAYE reference) loaded onto the database?

From April 2012, ELTO members will be required 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.

9. Are brokers and delegated authorities required to be ELTO members?

Brokers and delegated authorities are not required to be members of ELTO.

10. Will brokers be able to use ELTO to trace policies for their insurers?

The purpose of ELTO is to provide claimants with information to help them trace an EL insurer. However, as with the current tracing service, brokers will also be able to use the service where their insurer is facing a specific claim and they need to identify their former insurer.