



NEW ITFA WORKING GROUP AIMS TO STANDARDISE INSURANCE DATA

Written by: Rebecca Spong, Editorial Consultant, September 2023

The lack of standardisation in insurance terms is a major obstacle to the growth of the credit insurance market, and a challenge ITFA is looking to tackle head-on with the creation of a new working group.

The 'data standardisation' working group, part of the Insurance Committee, will be headed by Jay Hopkins, Divisional Director, Technology and Partnerships at Howden CAP, with its official launch scheduled for the annual ITFA conference in Abu Dhabi next month.

Hopkins will work closely with a number of insurers, brokers and banks to explore how there can be greater standardisation in the terminology and data sets used in the credit insurance industry.

The group aims to create a list of standardised terminology, standardised products and then standardised data sets associated with each insurance product. Hopkins hopes this can be achieved within a year.

Explaining the challenges ahead, Hopkins says: "Even within the same intermediary, two separate brokers with different clients may have different names for the same data point. This problem is multiplied when you expand into different broking houses, insurers and banks. Standardisation of terms just doesn't exist."

Without standardisation, it will be difficult to implement new technological tools such as artificial intelligence-supported products, he explains. The implementation of broker-to-insurer API connections would also be a simpler and quicker process if there was greater standardisation of terms.

Data sets required by banks and insurers for various trade products – from short-term letters of credit to long-term project finance structures – also vary greatly, he says.

Hopkins was initially surprised when moving to the insurance world by how reliant the industry was on using and exchanging paper contracts. The impact of the Covid pandemic has helped speed up the market's switch to digital formats, and Hopkins hopes that the efforts of the new working group will pave the way to even more digitisation.

He argues that the project will help enhance the maturity and growth rate of the credit insurance market, with the increased clarity of data ensuring regulators have a better understanding of the products. With greater regulatory approval, the product's appeal to banks will also improve.

However, market collaboration is key for this project to work, and Hopkins is pleased to see that more brokers and insurers are welcoming the idea of working with one another.

"Historically, brokers have been reluctant to collaborate with peers – given limited capacity on key countries and obligors. Now brokers appreciate how standardised data sets can create significant efficiencies for clients. We at Howden believe it will entice new entrants into the market," he says.

The group will initially work with a small number of brokers, insurers and banks to ensure it can move swiftly and meet its goals. Well-known market figures including Audrey Zuck, director at A2Z Risk Services, are set to be working closely on the project. Indeed, Hopkins insists that the project is not an effort to impose preconceived



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terms or data sets on the market. “It is a collaborative effort,” he says.

After the launch of the new group at the Abu Dhabi conference in October, a final list of participants will be drawn up, with the first group call expected to take place in early 2024.