

London Engineering Group

IMIA Conference, Berlin

15 September 2010

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Introduction to LEG

- A consultative body for Insurers and Reinsurers in the Engineering Market
- Identify and discuss issues of interest or concern
- Provide a forum for presentations by members and third parties
- Establish working groups to review assess develop or comment on wordings clauses papers or matters of interest
- Organise and sponsor conferences and seminars for all interested parties

LEG does not discuss:

- Projects or Insured parties
- Claims
- Rates, deductibles, claims settlements or other terms of business
- Companies or individuals
- Opinions on new technologies or processes

- LEG will not engage in:
 - Any discussion of specific named risks, projects or insureds, brokers or underwriters, whether individually or corporately.
 - Any anti-competitive practice, including any agreement, arrangement or business practice that appreciably prevents restricts or distorts competition in the Engineering Market
 - Any practice that constitutes violation of UK, EU or other applicable competition law

Introduction to LEG

- First meeting 23 May 1984
- Followed format of other market groups for Reinsurance, Liability, Prof Indemnity, BlueChip Co's
- 4.30pm meetings, then pub. No formal minutes kept.
- Topics of the day (1980's):
 - Islamic holidays and their impact on interruption periods
 - Colombia's 40% premium reserves
 - Leader-only agreements
 - Heavy Civils within EAR projects
 - Survey Fees: collection and distribution
 - Understanding ship-building risks
 - Study Group report on Wind Turbines
 - Sharing underwriting results within the group – REJECTED

Introduction to LEG

- Topics of the day (1990's and beyond):
 - Formation of LEG's Articles of Association
 - Attempts to merge LEG into LIRMA
 - Demise of all other Underwriting Groups
 - Electronic Placing (EPS)
 - Y2K
 - Non-vitiation
- Present Day
 - 40+ member companies
 - 7th Annual Conference October 2010
 - 1st Broker Forum July 2010
 - Working relationship with other trade associations – UK CAR, IMIA, Lloyd's Market Association, IUA

Introduction to LEG

- **LEG successes:**

- Defects clauses : LEG 1,2,3 design covers

- Multiple Insureds Clause

- Law & Jurisdiction Paper

- Piling Clause

- Lenders Clauses

- Confidentiality Agreement

- Survey Protocol

- Numerous Technical Presentations

Introduction to LEG

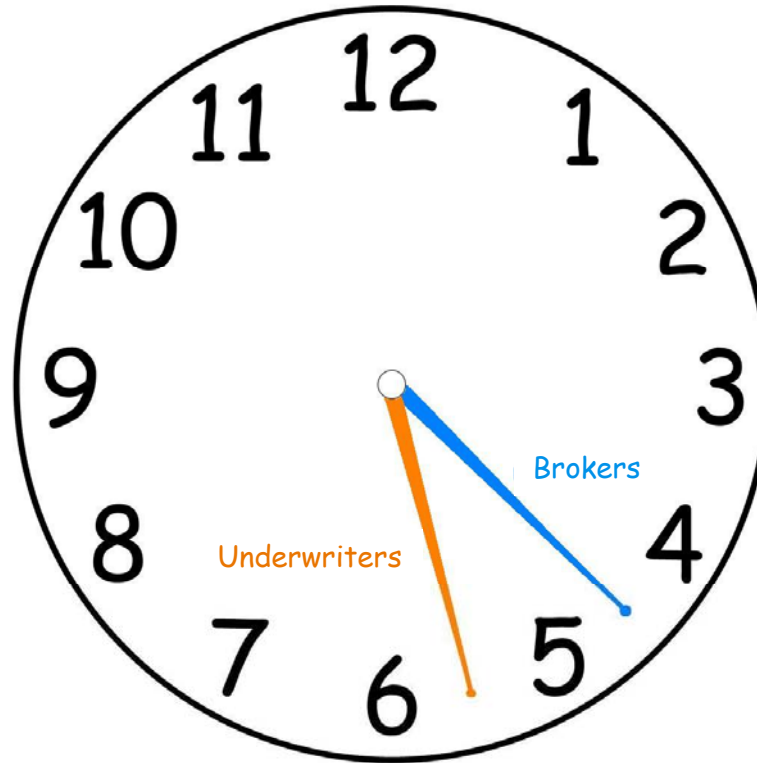
- LEG Study Groups in progress:
 - Project Values and Sums Insured
 - Prototypes
 - Corrosion
 - Transfer from testing into operational cover
 - Web rooms and information integrity
 - Used machinery study group – LEG contribution to the IMIA paper

Introduction to LEG

- 2010 Broker Forum
 - 80 delegates registered
 - Presented study group papers to brokers
 - Open forum for broker comments
 - Survey of attitudes and opinions
 - Availability
 - Technical competence
 - Priorities
 - Market cycle
 - General comments

The Market Cycle as a clock

What time is it?



roker Forum 2010

The future for LEG

- Challenges and Goals
 - Competition legislation
 - Globalisation of the Market
 - Reaching out to brokers and insurance buyers
 - Educating our members and peers
 - Chartered Insurance Institute
 - Structured and informal training programmes

Thank you for your time.

Questions?