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**World Markets**

Market	Change
FTSE 100	-2.55%
Nikkei 225	-1.09%
Hang Seng	-1.09%
S&P 500	-2.7%

# Lloyd's bins brokers' fountain pens and paper in switch to electronic trading

OLIVER RALPH  
INSURANCE CORRESPONDENT

Lloyd's of London will for the first time require all its brokers and underwriters to switch from paper-based to electronic trading in an aggressive push by the 300-year-old insurance market to force tradition-bound members to cut costs and improve efficiency.

Although electronic trading was eagerly adopted by most financial markets decades ago, it is still not unusual to see brokers and underwriters weighed down by heavy files around EC3, the London district that houses Lloyd's.

Electronic trading has been introduced only gradually since 2016 and take-up has been slower than management had hoped, leading the market's bosses to force the issue amid challenges to Lloyd's pre-eminence.

"This is to really stir the market," said Inga Beale, Lloyd's chief executive. "We need to work on the hearts and minds and sell the fact that we need to move forward and modernise if we are to remain relevant for the future."

The electronic system will not replace face-to-face trading at Lloyd's, where brokers and underwriters haggle over everything from property to cyber insurance. But it is aimed at automating much of the other paper-based processes that still dominate the market.

So far, only 15,000 policies have been placed using the electronic system, about 10 per cent of the market's total, since it was introduced in mid-2016. It is available for about half the business that is written at Lloyd's.

Lloyd's said it would consult the market on the extent and timing of the new rules but eventually they could cover

the whole market, which writes £30bn of premiums per year. Although brokers mostly welcomed the move, underwriters were circumspect, saying they preferred financial incentives if they were to be won over to the electronic system.

"People get a bit concerned about change," said Ms Beale. "It is going to affect people's lives if they do not have a wet ink stamp and a fountain pen."

Concern is growing that Lloyd's high costs are damaging its competitive position. According to recent research from UBS, costs eat up 40 per cent of premiums at Lloyd's, which is 10 percentage points higher than its rivals manage.

Bruce Carnegie-Brown, who became Lloyd's chairman last year, has made modernisation a priority. In a Financial Times interview in October he said its cost structure let Lloyd's down, pointing particularly to paper-based processes.