



# ELTO 2019 Annual Report

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# 2019 achievements

ELTO made further progress during the course of 2019, with improving success rates and investment to ensure that the service is fit for purpose and able to meet its strategic objectives.

## STRATEGIC OBJECTIVE 1

ELTO is the key route for claimants to trace an insurer

ELTO holds over **28 million** records covering **39 million** policy years

**87.5%** of disease enquiries get a successful response

**97.6%** of accident enquiries get a successful response

## STRATEGIC OBJECTIVE 3

Increase the number of claimants receiving a response that allows them to pursue the right insurer

Overall search success improved to

**93.2%**

## STRATEGIC OBJECTIVE 2

All claimant enquiries through the extended search service receive (when requested) a response in line with the FCA requirements

**94,746**  
successful enquiries

## STRATEGIC OBJECTIVE 4

ELTO is run efficiently for the industry and its policyholders

ELTO is the only regulated tracing office in the UK

**76.1%** Net Customer Satisfaction Score

**82.6%** Net Member Satisfaction Score

# Chair's Statement

**ELTO's vision has always been to ensure that individuals looking for their Employer's insurer can obtain a successful result. Throughout 2019 the focus for ELTO has remained on the customer – those individuals trying to find an Employer's insurer.**



In my mind, as ELTO Chairman, a key success factor for ELTO is that it has become a business as usual tool for our users, and I think this shows how valuable and reliable it has become in assisting an individual in their journey to finding a responsible Employers' Liability insurer.

I am pleased to note that during 2019 search success continued to improve, reaching 93.1%.

ELTO members continue to trace for policies but importantly we are seeing more searches getting immediate results from the Employers Liability Database (ELD), reaching an impressive 82.9% of all enquiries received in 2019. The effectiveness and completeness of the ELD is key to ensuring future customers of the service can get the results they need.

The industry again in 2019 committed further investment to ELTO to ensure it continues to deliver for its customers. Projects have included improving the customer journey by removing unnecessary data fields – undertaken and completed following feedback from the customer survey that the search process was too long. We value the feedback we receive in the annual customer surveys and I am pleased to say this year we achieved a new high net satisfaction score of 76.1%. As we look forward, we continue to use this feedback mechanism to help to inform us about our next improvements.

I am also pleased to report that we made further progress with HMRC and getting access to Employer Reference Numbers (ERN) during 2019. The first phase of a technical project was started to update the ELD to allow us to hold ERN's from HMRC.

This project is key to ensuring we future proof the database for years to come and again is about ensuring our customers can use the service easily and efficiently.

An area that ELTO has always focused on and one that I want to highlight is ensuring members are tracing correctly. We do this by auditing our members processes and procedures. ELTO has been doing this since 2012 and we are now onto our 5th cycle of annual audits. We have seen big improvements in this area, the KPI has improved by c.9% across the cycles. Whilst we can see the database giving immediate results it's also important to note that members haven't stepped back from their commitment to ensuring individuals who are using the ELTO are getting the results they are looking for. I would like to express my personal thanks to all Members for everything they have done and are doing to improve tracing success rates.

As I write this statement 2020 is bringing new challenges for us all and it remains to be seen what impact this will have for ELTO. To date I am pleased to say that we have managed to keep the service running as normal. We have also worked with the FCA to ensure our members understand what is expected of them this year in terms of the FCA reporting regulations.

ELTO will continue to work tirelessly to ensure we can support our members and customers throughout this period and beyond. In this regard, ELTO remains as the only Regulated Employers' Liability Tracing Office in the UK.

**Steve Browne Chair**

# Operational statement

**ELTO's Vision – To provide an excellent service that gives claimants and their representatives quick and easy access to a database of employers' liability (EL) policies through an online enquiry facility, helping them to find their employer's EL insurer.**

The operational priority for ELTO continues to be to provide a successful service that performs consistently well and the focus for 2019 continued to be looking for ways to ensure ELTO can achieve this. The programme of work agreed was to support the following operational activities:

- ▶ ELTO Service Enhancements
- ▶ Supporting Members compliance with existing and regulatory requirements
- ▶ HMRC Project

## ELD System Development

### User Journey Improvements

During 2019 ELTO undertook a project to improve the search journey for users. Following feedback through the annual customer survey and a review in 2018 it was identified that the search process could be long and ask for too much information. The User Journey project updated the search to ensure that only relevant information was being asked for, it also improved the way search results are displayed to the end user which hopefully

make it easier for people to use the service. Following the changes being implemented we have seen a notable increase in customer satisfaction in this area.

### Proactive Tracing Investigator Portal

In 2012 ELTO invested in a team of Tracing Investigators who would look at enquiries which failed to find an insurer. This initiative showed great success and the team were able to help find insurers on a number of cases which otherwise would have remained unsuccessful. In late 2018 we implemented a technical change which meant rather than wait for enquiries to fail, which could be potentially 28 days after the enquiry has been made, the Tracing team can now intervene at an earlier stage. This has meant throughout 2019 they have been able to review enquiries in real time and therefore improve the quality of the search or in some cases identify the insurer before it is sent to members, therefore speeding up the time taken for an insurer to be identified. Feedback has been very positive, and the team are making a real impact.

### Benefits:

- ▶ Improving the customer journey

## Support Members with Financial Conduct Authority (FCA) requirements

### HMRC Dialogue

In early 2018 work was undertaken with HMRC to conduct a pilot exercise. A sample of 1 million records from the ELD was sent to HMRC and they tried to match them to ERN's in HMRC systems. Pleasingly the initial results suggest that we can significantly improve upon the industry's ERN compliance results. In 2019 we have worked with the HMRC to draft a data sharing agreement to enable this project to move forward and implemented technical changes within the ELD to allow us to update policies with an HMRC employers reference number (ERN). We hope in 2020 that we will start updating the database with ERN's. Positive discussions have also taken place with the FCA to see how the long-term solution can work for the industry in supporting them with their requirement to collect ERNs.

### Benefits

- ▶ Satisfying members obligation to collect ERN's
- ▶ Improved claimant journey

### Time to Supply

Overall time to supply for 2019 has decreased to **81.5%**. This continues to be an important focus for ELTO, and an important regulatory measure which the industry is striving to achieve.

ELTO continues to see time to supply fluctuate throughout the year, however, it should be noted that when time to supply decreases this is generally because members are adding data that was not previously on the database.

The ELTO Board monitor time to supply closely however it is recognized that whilst time to supply might be lower than liked, the positive is that the completeness of the database is improving which is an equally important measure.

## Continuing to listen to our user community and making improvements to the tracing service to ensure that ELTO can realise its vision

### User survey

Each year ELTO undertakes a Customer and Member Satisfaction survey. They are important measures and key KPI's for how the service is performing.

### Registered users results

Overall satisfaction has increased by **4.3% to 76.1%**. The main areas which saw increases in satisfaction scores were:

- ▶ Time taken to complete a simple search – satisfaction increased by **12.9%**
- ▶ Simple search results – increases across all areas
- ▶ Extended search – increases across all areas by **c.15%**
- ▶ Service received from ELTO – increased by **10.8%**

It is pleasing to note the improvements in the Simple Search scores following the User Journey improvements project.

The areas which saw a decrease in scores were:

- ▶ Experience of the ELTO website ([www.elto.org.uk](http://www.elto.org.uk))
- ▶ On screen help/ease of inputting information

With the ELTO website due for a refresh hopefully this issue will be resolved in 2020.

### Members

The net satisfaction scores also increased from **80.7%** in 2018 to **82.5%** in 2019.

This shows the consistent service that is being provided.

The main areas which saw improvements were:

- ▶ Bulk delete – satisfaction improved by **34%**
- ▶ Members enquiry ease of inputting information – increased by **6.6%**

Areas which saw a drop-in performance included:

- ▶ Find an EL policy functionality – members reported timeouts
- ▶ Timeliness of responses across the helpdesk and account management team

Work is ongoing to investigate and resolve the issues which were identified.

## Audit

The ELTO tracing audit programme was introduced in July 2012, assessing the extent to which members comply with the requirements of the ELTO Tracing Policy, through either an historic tracing or upload audit.

The cumulative sum of all member tracing audit scores is aggregated and market-weighted to provide an overall measure (Tracing Audit KPI) of the industry's tracing performance. During the period, the fourth cycle of audits was completed, with a KPI of 79.8% - increased from a KPI of 70.4% in the third cycle. At the end of the first quarter of 2020 the fifth cycle of tracing audits for 96 Members was in progress, with 26 audit reports issued up to 31 March 2020.

The tracing audits focus on two main areas – the identification of available records and the quality of the tracing process – with agreed recommendations followed up by the ELTO Audit Team to ensure implementation, and enable visibility of progress to be provided to the ELTO Board.

In 2018 ELTO published an Historic Upload Policy. Where a Member believes that all Employer Liability policy records they hold are accurately represented on the Employers Liability Database ('ELD') they may be eligible for an historic upload audit. These audits also focus on two main areas – the

identification of available records and the completeness and accuracy of those records held on the ELD. Where a Member passes an historic upload audit they are no longer required to perform regular tracing activity and are not subject to subsequent tracing audits. Therefore the volume of Members eligible for a tracing audit may decrease between cycles. A total of 11 Members successfully achieved the historic upload criteria in the completed fourth cycle, and a further four members have achieved this criteria in the fifth cycle to date.

Under the terms of the ELTO-FCA Co-operation Agreement the FCA continue to receive the results all tracing and upload audits as well as all red-rated audit reports with any others provided on request.

In June 2016 the FCA published a modification by consent recognising ELTO as eligible to issue SUP 16.23A.6(1) reports (previously ICOBS 8.4.4R (1)) (Data Assurance Reports) in respect of current records. In 2019, these services were provided to 44 Members. In 2020, in response to the outbreak of the COVID-19 pandemic, the FCA removed the regulatory requirements of SUP 16.23A.6(1) for 2020, thereby removing any obligation on members to obtain these services. Prior to the FCA's announcement in this regard, ELTO had agreed to provide this service to 53 members in 2020.

# ELTO – the year in numbers

## Overall search enquiry success rate

Review Period:

**2019**

Total Enquiries  
**103,380**

Successful Traces  
**94,746**



Review Period:

**2018**

Total Enquiries  
**122,596**

Successful Traces  
**113,608**

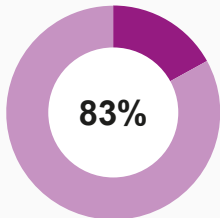


## By result type

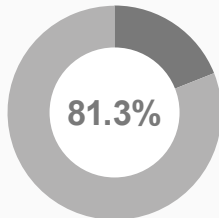
### Simple Search enquiry

Successful enquiries immediately obtained from the database.

**2019**



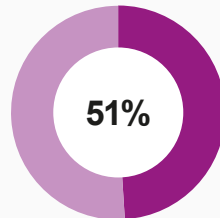
**2018**



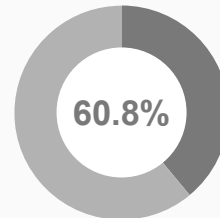
### Extended Search enquiry

Successful enquiries obtained from members searching their records.

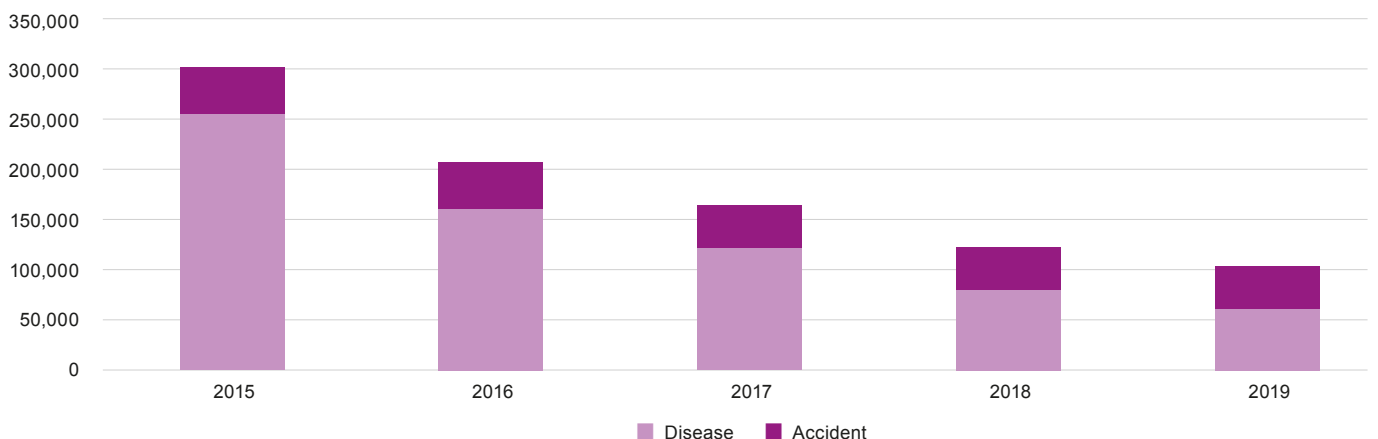
**2019**



**2018**

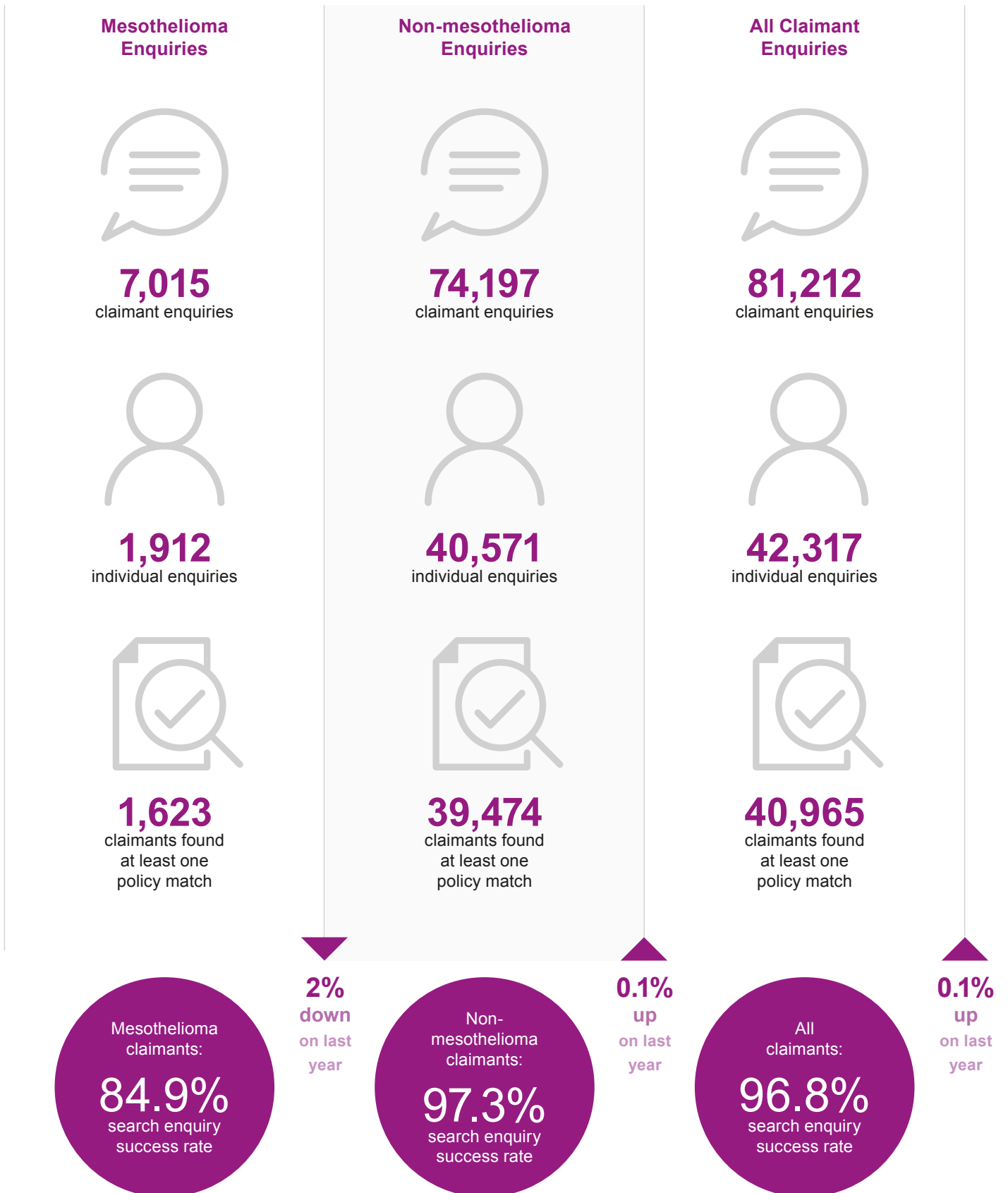


## Split of ELD enquiries by accident or disease (volume)



## Claimant search enquiry success rate

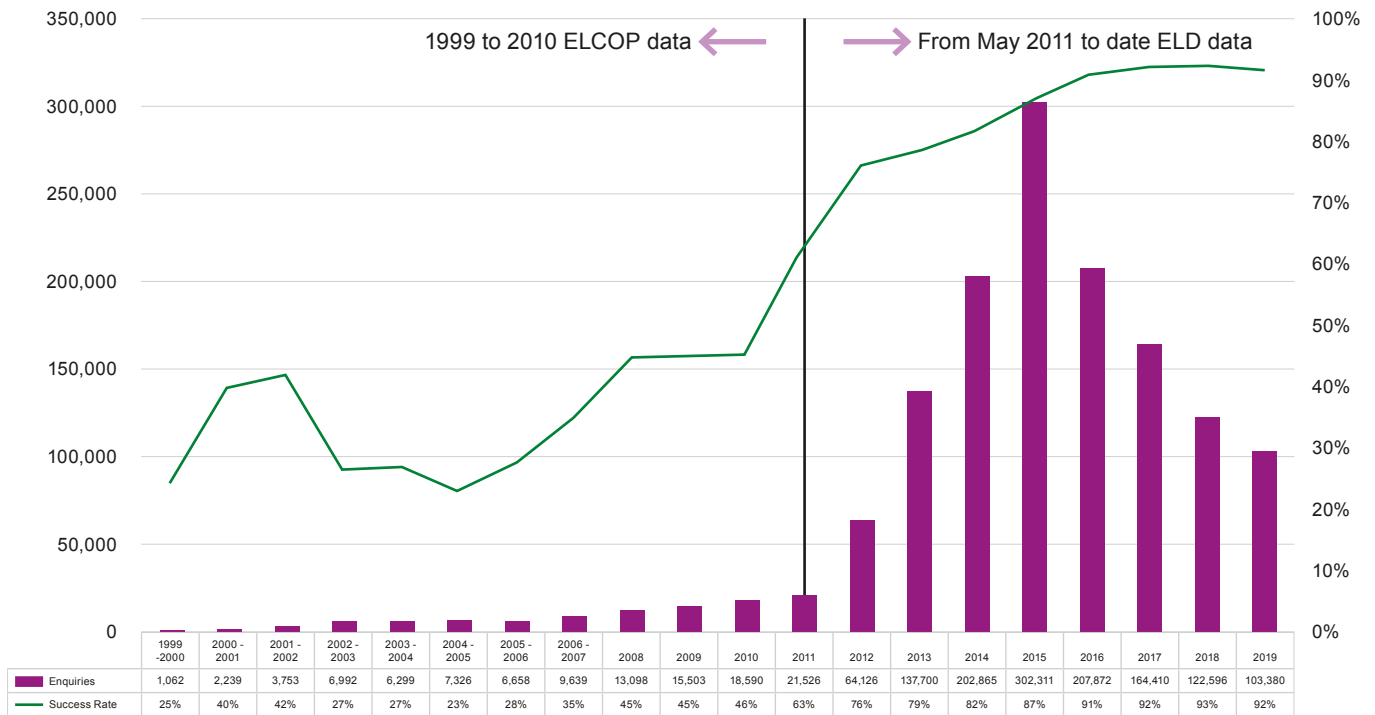
The overall volume of enquiries through the service continued to fall through 2019, however, this drop was mainly seen in the non-mesothelioma enquiries the service sees and is due to a reduction in the number of Noise Induced Hearing Loss (NIHL) enquiries.



The same individual claimant can appear in the both the Mesothelioma and Non-Mesothelioma category.



## ELCOP/ELTO enquiries and success rates

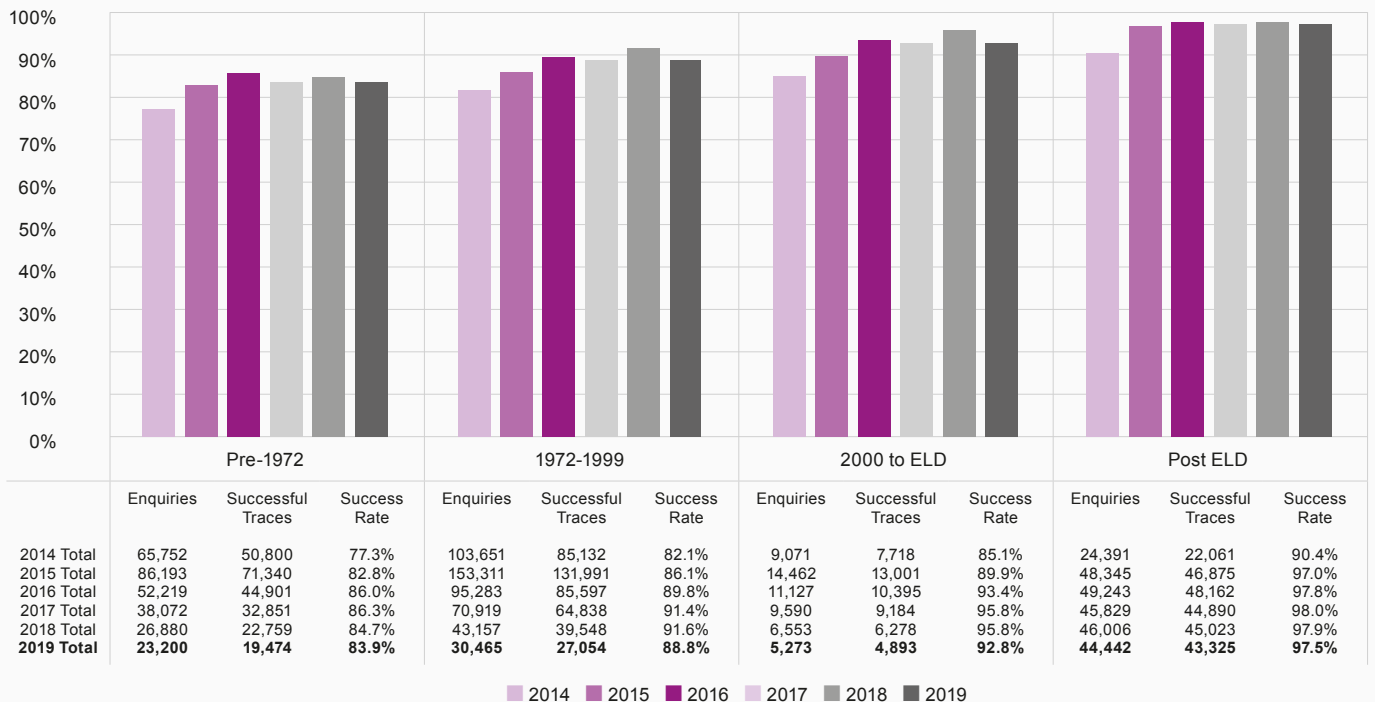


Note: No data is available for the period January to April 2011.

## Exposure periods – consistent high performance across all exposure periods

Overall search success rates across all the exposure periods are now beginning to level out however continue to be above 90% for all post 1972 exposure periods.

ELD success rate – exposure period trends



### Claimant & Defendant Periods of Exposure (pre-1972, 1972-1999, 2000-ELD, Post ELD)

Review Period	Pre-1972			1972-1999			2000-ELD			Post-ELD		
	Enquiries	Successful Traces	Success Rate	Enquiries	Successful Traces	Success Rate	Enquiries	Successful Traces	Success Rate	Enquiries	Successful Traces	Success Rate
2019 Meso	7,739	6,082	79%	3,303	2,706	82%	159	143	90%	1	1	100%
2019 Non-Meso	15,461	13,392	87%	27,162	24,348	90%	5,114	4,750	93%	44,441	43,324	97%
<b>2019 Total</b>	<b>23,200</b>	<b>19,474</b>	<b>84%</b>	<b>30,465</b>	<b>27,054</b>	<b>89%</b>	<b>5,273</b>	<b>4,893</b>	<b>93%</b>	<b>44,442</b>	<b>43,325</b>	<b>97%</b>

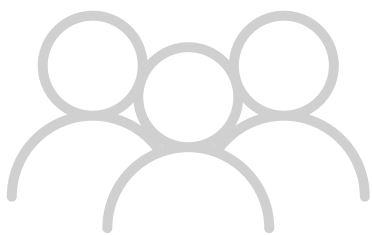
### The top 10 employer locations as identified by claimant search enquiries on ELD

	Employer Location	Enquiries	Successful Traces	Success Rate	% of all claimant enqs
1	London	6,772	6,276	93%	8.3%
2	Birmingham	1,935	1,782	92%	2.4%
3	Manchester	1,879	1,745	93%	2.3%
4	Glasgow	1,594	1,402	88%	2.0%
5	Leeds	1,593	1,426	90%	2.0%
6	Sheffield	1,536	1,403	91%	1.9%
7	Liverpool	1,313	1,188	90%	1.6%
8	Nottingham	1,100	978	89%	1.4%
9	Hull	1,048	953	91%	1.3%
10	Blackburn	1,001	977	98%	1.2%
11	Bradford	774	710	92%	1.0%
12	Bristol	725	673	93%	0.9%
13	Doncaster	662	608	92%	0.8%
14	Coventry	598	575	96%	0.7%
15	Warrington	595	534	90%	0.7%
16	Newcastle	590	547	93%	0.7%
17	Kent	581	548	94%	0.7%
18	Derby	566	514	91%	0.7%
19	Cardiff	555	528	95%	0.7%
20	Leicester	542	508	94%	0.7%



### Top 10 disease types as identified by claimant search enquiries on the ELD

	Disease	Enquiries	Successful Traces	Success Rate	% of all claimant enqs	% of all claimant disease enqs
1	Noise Induced Hearing Loss	20,781	18,284	88%	25.6%	51.4%
2	Mesothelioma	7,015	5,501	78%	8.6%	17.3%
3	Asbestosis	3,258	2,760	85%	4.0%	8.1%
4	Pleural Plaques	1,597	1,317	82%	2.0%	3.9%
5	Asbestosis Related Illness	1,421	1,237	87%	1.7%	3.5%
6	Pleural Thickening	1,291	1,055	82%	1.6%	3.2%
7	Repetitive Strain Injury(RSI)	870	843	97%	1.1%	2.2%
8	Abestosis Related Cancer	858	744	87%	1.1%	2.1%
9	Hand Arm Vibration Syndrome (HAVS)	791	735	93%	1.0%	2.0%
10	Vibration White Finger (VWF)	496	449	91%	0.6%	1.2%



## Registered users

In **2019** there were **3944 registered users** who had made at least one enquiry in the last 2 years.

**3944**  
REGISTERED  
USERS

## Policy records held on the ELD

At the close Q1 2020 the ELD contained **28 million policy records** covering the equivalent of more than **39.2 million policy years** of which 9 million are voluntary policy records representing nearly 20.8 million policy years.



## Time to supply policy records onto the ELD

% of records supplied within expected period \*

TIME TO SUPPLY  
POLICY DATA IN 2019

**81.5%**

\* The expected period to supply the data is 90 days

## Policy type

### COMPULSORY COUNT

**19m**

Policy records as defined by the necessary instruments issued by the FCA and relate to new or renewed EL policies post-implementation of the ELD (1 April 2011); and EL policies relating to claims traced/notified postimplementation of the ELD but relate to records with inception dates pre-ELD implementation



### VOLUNTARY COUNT

**9m**

Policy records with an inception date prior to 1 April 2011 that an insurer has loaded for any reason other than the FCA Instrument



**TOTAL COUNT 28m**

# Corporate governance

## The Board

ELTO is an industry body with a robust and transparent governance structure. The ELTO Board has been in place since April 2010 and meets at least four times per year. The Board pays close attention to corporate risks, regulatory matters and key performance indicators. The current directors are:

### Steven Browne - Chair

AXA Insurance UK Plc  
(Chair from March 2018)

### Bob Donovan

Aviva Insurance Ltd  
(Appointed 5 December 2011)

### Roland Jackson

Catalina UK  
(Appointed 19 June 2014)

### Helen Bancroft

Allianz Insurance Plc  
(Appointed 12 March 2019)

### Grace Flowers

Zurich Insurance Plc  
(Appointed 11 December 2018)

### Matt Lacy

QBE European Operations  
(Appointed 19 June 2014)

### Ashley Boardman

Covea Insurance  
(Appointed 23 June 2016)

### Richard Guest

RSA Group  
(Appointed 12 March 2019)

### Graeme Trudgill

BIBA

### Paul Bogle

National Federation of Builders Ltd  
(Appointed 11 December 2018)

ELTO has a contract with Tracing Services Limited (TSL) which manages the day-to-day service provision to ELTO customers. TSL takes direction from and reports to the Board. TSL has a contract with DXC Technology to manage the hosting of the ELD and with Sopra Group to manage the day-to-day technical support for the ELD.

## Membership

ELTO's members are firms with EL policy liabilities for UK employers, both active and run-of f insurers. Members subscribe to ELTO's Articles and Rules which compel them to submit data to EL TO in a specified format within specified timescales. Members are also obliged to comply with ELTO's Tracing Policy.

The proportion of EL insurers who opted to join ELTO as members remained extremely high, increasing from 185 at the end of 2018 to 189 at the end of 2019. This represents in excess of 99% of the current EL market. Nonmembers were approached to obtain their policy data as catered for by FCA regulations and where this has been obtained it has been loaded onto the ELD.

ELTO is funded through a levy on its membership which is based on an individual insurer's proportion of members' EL Gross Written Premium (GWP). All members are, on an annual basis, required to provide ELTO with their previous year's GWP. All members whose GWP is above the de minimus level of £5 million are liable to pay a levy.

## FCA tracing office audit

ELTO's service satisfied the FCA Tracing Office requirements during 2019. Please see the Independent Assurance Report on pages 15 to 16. ELTO remains committed to ensuring its services are delivered through a well-governed, robust framework.

## FCA tracing regulations

ELTO has a formal tracing policy which reflects FCA tracing regulations and a full audit programme has been implemented to ensure the industry does all it can to fulfill its obligations.

# Summary financial statements

## Statement of comprehensive income for the year ended 31 December 2019

	Note	2019 £	2018 £
Turnover		2,755,826	2,338,291
<b>Gross profit</b>		2,755,826	2,338,291
Administrative expenses		(2,755,230)	(2,338,026)
<b>Operating profit</b>	3	596	265
Interest payable and expenses	5	(596)	(265)
<b>Profit before tax</b>		-	-
Tax on profit		-	-
<b>Profit for the financial year</b>		-	-

## Balance sheet as at 31 December 2019

	Note	2019		2018	
		£	£	£	£
<b>Current assets</b>					
Debtors: amounts falling due within one year	7	2,203,444		1,302,843	
Cash at bank and in hand	8	196,451		232,512	
		2,399,895		1,535,355	
Creditors: amounts falling due within one year	9	(2,399,895)		(1,535,355)	
<b>Net current assets</b>			-		-
<b>Total assets less current liabilities</b>			-		-
<b>Net assets</b>			-		-
<b>Capital and reserves</b>			-		-

## Directors' statement

These summarised financial statements do not constitute the full accounts but are a summary of the Statement of comprehensive income and Balance Sheet contained in the full accounts. The full accounts were approved by the Board on 03 July 2020 and were audited by Nexia Smith & Williamson who issued them with an unqualified audit opinion on them. The accounts have been filed at Companies House.

A copy of the full accounts can be obtained from: Employers' Liability Tracing Office, Linford Wood House, 6 - 12 Capital Drive, Milton Keynes, MK14 6XT.



Steve Browne Chair

# Director’s FCA compliance statement

**Report by the Directors of Employers’ Liability Tracing Office Limited (“ELTO”) on the requirements of ICOBS 8.4.9 as set out in the FCA Handbook in respect of the year ended 31 December 2019.**

In accordance with the requirements in ICOBS 8.4.9R (7)(a) of the Financial Conduct Authority (“FCA”) Handbook effective as at 31 December 2019, the Board of Directors of the Employers’ Liability Tracing Office (“ELTO”) are able to confirm that for the year to 31 December 2019, ELTO complied in all material respects with the requirements in ICOBS 8.4.9R (1) to (6). The financial statements were approved and authorised for issue by the Board and were signed on its behalf on 3 July 2020.



**Steve Browne Chair**

# Independent assurance report

## Independent Assurance Report to the Directors of Employers' Liability Tracing Office on the requirements of ICOBS 8.4.9 of the FCA Handbook in respect of the year ended 31 December 2019.

- 1) In accordance with the terms of our letter of engagement dated 13 March 2020, we have been commissioned by the Directors of Employers' Liability Tracing Office Limited ("the Company") to perform an independent reasonable assurance engagement in respect of the requirements of ICOBS 8.4.9 of the FCA Handbook effective as at 31 December 2018. ICOBS 8.4.9 requires an auditor satisfying the requirements of SUP 3.4 and SUP 3.8.5 R to SUP 3.8.6 R, to provide an independent assurance report to the Directors of the Company addressing the accuracy and completeness of the Database as defined in paragraph 2 below for the year ended 31 December 2019.
- 2) The database maintained by the Company comprises information provided to it by the members of Employers' Liability Tracing Office ("the Underwriters"). Under the FCA regulations (ICOBS 8.4), it is the responsibility of the Underwriters to ensure that information provided to the Company is accurate and complete. Underwriters provide information to the Company by uploading their own information onto the database. The Company then has responsibility to ensure that it maintains a database which accurately and reliably stores information submitted to it by the Underwriters for the purpose of complying with the FCA regulations and has systems which can adequately keep it up to date in the light of new information provided to the Company by the Underwriters. Any reference in this report to accuracy and completeness of the Company's database relates only to the accurate and complete maintenance of data uploaded to the database by the Underwriters.
- 3) For the purposes of this report, a 'material error' is an error in a data field which would significantly affect the outcome of a search by an external user of the database. We have determined for the purposes of this report that materiality is defined as the occurrence of errors at a rate of 1% or more in the specific population which is subject to a test or other procedure.

### Respective responsibilities of the Directors and Nexia Smith & Williamson

- 4) The Directors of the Company are responsible for the Company's policies for the accuracy and completeness of the Database and for ensuring that the Company complies with all relevant requirements of the FCA including those of ICOBS 8.4.9 in order to meet the requirement of a Qualifying Tracing Office.
- 5) The Directors of the Company are responsible for preparing a certificate stating whether the Company has complied with the requirements in ICOBS 8.4.9 (1) to (6) in relation to the year ended 31 December 2019. The Directors have included their report in this published annual report.
- 6) As set out in paragraph 1, our responsibility is to form an independent opinion based on our assurance procedures, addressing the accuracy and completeness of the Database for the year ended 31 December 2019.
- 7) This report, including our opinion, has been prepared for the Company to assist the Directors in complying with ICOBS 8.4.9 of the FCA Handbook. As required by ICOBS 8.4.7 7(b), we permit the disclosure of this report by the Directors in their published annual report to enable the Directors to demonstrate they have discharged their governance responsibilities by commissioning an independent assurance report in connection with those requirements of ICOBS 8.4.9 that relate to the accuracy and completeness of the Company's database. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company for our work or this report save where terms are expressly agreed in advance and with our prior consent in writing.

## Scope of assurance work

- 8) We conducted our reasonable assurance engagement in accordance with International Standard on Assurance Engagements ISAE 3000 (Revised) – ‘Assurance Engagements other than Audits or Reviews of Historical Financial Information’ issued by the International Auditing and Assurance Standards Board.
- 9) Our work included examination, on a test basis, of evidence relevant to the accuracy and completeness of the Database for the year ended 31 December 2019. We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence on which to base our opinion in respect of the accuracy and completeness of the Database for the year ended 31 December 2019.

Our work included the following procedures:

- ▶ Making enquiries of relevant management;
- ▶ Evaluating the design and implementation of the key processes and controls for the accuracy and completeness of the Database for the year ended 31 December 2019;
- ▶ Testing, on a sample basis, the preparation and maintenance of the database using a combination of compliance and substantive procedures; and
- ▶ Obtaining written representations from management.

## Inherent and other limitations

- 10) Non-financial information is subject to more inherent limitations than financial information, given the characteristics of the subject matter and the methods used for determining such information. The absence of a significant body of established practice on which to draw allows for the selection of different but acceptable assessment and evaluation techniques which can result in materially different outcomes and conclusions and can affect comparability. The precision of different assessment and evaluation techniques may also vary. Furthermore, the nature and methods to determine such information, as well as the assessment and evaluation criteria and precision thereof may change over time.

Our reference to accuracy and completeness of the Company's database relates only to the accurate and complete maintenance of data uploaded to the database by the Underwriters. Accordingly, our assurance work has not included an examination of the data uploaded to the database by those firms required to maintain an employers' liability register under ICOBS 8.4.4 of the FCA Handbook. Our assurance work has not included examination of the derivation of the information contained within such employers' liability registers nor upon any other third party information.

## Conclusion

- 11) Based on the results of our procedures, in our opinion, the database is complete and accurate in all material aspects as regards to the maintenance of data uploaded to the database by the Underwriters, at the year ended 31 December 2019, and that there are systems in place which can adequately keep the database up to date in the light of new information provided by the Underwriters, in accordance with the requirements of ICOBS 8.4.9 of the FCA Handbook.

3 July 2020

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# Glossary

## Compulsory record type

Policy records as defined by the necessary Instruments issued by the FCA and relate to new or renewed EL policies post implementation of the ELD (1 April 2011); and EL policies relating to claims traced/notified post-implementation of the ELD but relate to records with inception dates pre-ELD implementation.

## ELTO

ELTO is a not-for-profit organisation set up to provide claimants and their representatives with quick and easy access to a central database of Employers' Liability (EL) policies through an online enquiry facility that helps them to find their employer's EL insurer. ELTO has replaced the previous voluntary Employers' Liability Code of Practice (ELCOP) tracing service, which was in place since 1999 and helped thousands of claimants trace the EL insurer to pursue a claim.

## Employers' Liability Database (ELD)

The ELD launched in April 2011 and contains all new and renewed Employers' Liability (EL) insurance policies; policies from before April 2011 which have new claims made against them and policies that have been and will continue to be identified through the Employers' Liability Tracing Office (ELTO) tracing service.

## ERN

The Employer Reference Number (ERN) is also known as the Employer PAYE reference. From 1 April 2012, the capture of the ERN and all subsidiary company names and their ERN's if applicable became mandatory for Insurers to provide on new and renewed records. The ELD's ability to provide enquirers with successful trace results is supported by establishing a unique identifier for employers. ELTO has adopted the ERN as the most effective unique identifier available.

## Extended search

If the customer is dissatisfied with the Simple Search results or the search fails to return any records, then the user can request an Extended Search. The enquiry is sent to all ELTO members to check against their policy records. A response is provided within 28 days and any subsequent positive results are then provided to the claimant. FCA or Financial Conduct Authority is the regulator for financial services firms and financial markets in the UK GDPR or General Data Protection Regulation <https://ico.org.uk/for-organisations/guide-to-the-general-data-protectionregulation-gdpr/>

## HMRC

Her Majesty's Revenue and Customs - tax office

## Secondary extended search

A Secondary Extended Search is where the preceding Simple Search and Extended Search processes have led to an unsuccessful result but further investigations by an ELTO Tracing Investigator have identified new information. Consequently, the enquiry is re-issued to members which will enable an insurer to find a positive match.

## Simple search

Enquiries are made on the database using the initial 'Simple Search' facility whereby the system searches the information input by the customer against the EL policies held on the database. The results are returned in real time.

## Voluntary record type

Policy records with an inception date prior to 1 April 2011 that an insurer has loaded for any reason other than the FCA Instrument.



**ELTO** Employers' Liability  
Tracing Office

[www.elto.org.uk](http://www.elto.org.uk)