

Employers' Liability Tracing Office (ELTO)

What is ELTO and its purpose?

The Employers' Liability Tracing Office (ELTO) is an independent industry body. Its voluntary members comprise of insurers who provide Employers' Liability (EL) insurance and have chosen membership of ELTO as the means by which they will publish data on Employers' Liability policies underwritten by them in compliance with the Financial Conduct Authority (FCA) regulations.

ELTO's aim is to assist the insurance industry to meet its obligations by aiding those who have suffered injury or disease in the workplace to effectively and efficiently trace the relevant insurer.

Since 1999, the voluntary EL Code of Practice, operated by ABI member insurers and the associated tracing service administered by the ABI on their behalf, has assisted more than 20,000 claimants. Under this arrangement, insurers were given details by the claimant or representative and were asked to search their records to the best of their ability, but this did not provide an immediate response.

Though trace success rates consistently improved, the numbers were lower than claimants and insurers would wish to see. ELTO is designed to bring about an improvement to the service provided to customers by centralising these trace searches.

What does ELTO mean for you?

Your role will be to provide insurers with the necessary policy information to populate the Employers' Liability Database (ELD).

The initial mandatory data we submit to ELTO will be:

- policy number
- policyholder name
- policyholder address
- cover start date (for the latest period of cover)
- cover end date (for the latest period of cover).

This should be information that is already provided to us as part of our normal business transactions with you.

Since 1st April 2012, in addition to the above mandatory information you are required to supply:

- the name of all subsidiary companies insured for Employers' Liability under the same policy number
- the Employers' Reference Number(s) (ERN) of the policyholder and each subsidiary company insured for Employers' Liability under the same policy, unless exempt.

Why is this information required?

Policies may cover multiple companies and claimants may not be aware of this relationship. Registering all insured company names on the ELD will ensure the tracing service is fully effective.

To support successful tracing results, the need to establish a unique identifier for an employer is required. The most effective method agreed on is to record the company's ERN.

This information will be required at policy inception and each policy renewal.

Supplying ELTO data

The Financial Conduct Authority (FCA) regulations state that from the 1st April 2012 insurers must make available certain data relating to Employers' Liability policies. The most common way of achieving this aim is by supplying the data to the Employers' Liability Database (ELD) hosted by ELTO. Allianz Insurance plc supplies its data in this manner. The information provided includes not just basic policy data (name and address of the Insured, together with the dates of coverage for example), but also the **Employer Reference Number (ERN)** and similar subsidiary company data.

Whilst the level of data supply is increasing, it remains below the level expected by the FCA regulations. From 01 October 2014 the FCA has stipulated that insurers move to a Best Endeavours approach to the collection of ERNs. The expectation is still for insurers to reach 100% but if that is not achieved insurers will be expected to prove they taken measures to do what is possible to collect the data. Insurers risk having sanctions imposed upon them if collection rates are low, not improving or if plans to collect are not robust enough nor actually followed.



How can Allianz help you collect such data?

We are aware that it remains difficult to collect the additional data from some policyholders. Sometimes this is still because of a lack of understanding as to why the data is needed or what it is used for. ELTO previously generated guidance to help with understanding ELTO and why the data is required and this is available from www.allianzbroker.co.uk/elto

Supplying ELTO data to Allianz

Of course, where the data has been collected and supplied to us already, we have sent it on to the Employers' Liability Database (ELD). We can only encourage you to continue with this supply.

Allianz welcomes the supply of ELTO data in many ways. It can be supplied directly to us on renewal or new business presentations, online, or via any communication with our branch staff by telephone or in writing.

Visit www.allianzbroker.co.uk/elto to download our fact sheets for both brokers and policyholders and see how we can help you and your clients when submitting additional ELTO data.

Please do not hesitate to contact us if there are problems which affect your data supply to us.

A reminder on multiple Employee Reference Numbers (ERN)

There is the potential for a company to have more than one ERN. This is on a minority of cases, most likely for larger companies. While the ELD is developed to capture these, please continue to record these yourselves and supply to us where possible (e.g. on new business or renewal submissions).

If you are using online platforms, for now please supply the most relevant ERN (i.e. applicable to the majority of the insured's employees). This is also how we will supply data to the ELD for now if you supply multiple ERNs to us.

Employers' Liability Database (ELD)

To centralise this search and trace function, and make it more readily accessible to claimants and their representatives, ELTO have created a central repository, the Employers' Liability Database (ELD).

Its function is to hold the policy information of businesses that hold EL insurance. This repository will hold a record of all new and renewed EL insurance policies. In addition, it will also hold the details of historic policies where new claims have been made against them and all successful traces from the existing tracing service records.

With effect from 1st April 2011, Insurers who are signed up to ELTO are required on a monthly basis to supply policy data to the ELD on all new and renewed EL policies.

The ELD will be accessible for claimant data searches and will be used to trace EL policies via www.elto.org.uk

What is the Employers' Reference Number (ERN)?

The ERN is also commonly referred to as 'Employer PAYE Reference'. This is the reference number provided by HM Revenue and Customs (HMRC) under which the employees' income tax and NI contributions are recorded. The number is specific to all businesses that employ staff who are individually paid more than the current PAYE threshold.

The ERN can be obtained from mandatory HMRC documentation, including P45, P60, P11/D and most payslips. Numbers allocated since 2001 will mostly have a format of NNN/Aznnnnn – ('NNN' is the 3 digit number for the Tax Office catchment area and 'Aznnnnn' is the ERN, 'Az' being alpha, 'nnnnn' being numeric). In the majority of cases, numbers issued prior to 2001 will have a format of NNN/Annnnn.

A small number of businesses may be exempt from holding an ERN. This will generally be only in cases where the employer pays their staff less than the current PAYE threshold.

Employers are also being advised of the requirement to supply this information to their Insurers via the HMRC's periodic electronic newsletter, Employer Bulletin.

In rare circumstances, an Insured company or individual subsidiary may have more than one ERN assigned to it. If applicable, please contact your Allianz branch to supply this information.

What are Allianz doing?

Allianz have been an active supporter and one of the first tranche of ELTO members. We have made internal system and process changes to ensure the efficient supply of information required by ELTO, with the least impact on our brokers.

This should ensure a smooth process in accepting the information from you and subsequent transmission into the ELTO repository within the compliance deadlines.

Further information

To find out more about the Employers' Liability Tracing Office (ELTO) please refer to:

www.elto.org.uk
www.biba.org.uk

Alternatively, visit www.allianzbroker.co.uk or contact your local Allianz branch.