

A New Approach to Third Party Oversight

I am a claims TPA - what do Lloyd's proposed rule changes mean for me?

Lloyd's is proposing changes to the Intermediaries Byelaw which will apply to all third parties with delegated authority, including TPAs and coverholders. Lloyd's is also adopting a new system, called Chorus, which will replace ATLAS and BAR, the systems Lloyd's currently uses for delegated authority approvals.

Centralised approval

- Like coverholders, TPAs represent a critical distribution network for the Lloyd's market. They bring expertise, market access and local knowledge. We believe that TPAs should be subject to a similar central approval process to coverholders.
- Once approved they will be able to use Lloyd's brand and refer to themselves as 'approved' by Lloyd's.
- They will also have the benefits of annual centralised compliance in the same way as coverholders. So, they should no longer have the frustration sometimes caused by multiple compliance checks.

A new transparent system

- The system Lloyd's will use to approve TPAs is called Chorus which will provide compliance visibility to all stakeholders (managing agents, brokers and TPAs).
- This system is part of the wider network of technology aimed at making it easier to do business with Lloyd's, reducing re-keying and the risk of errors.
- TPAs should find it easy to sign up to the new system. Once you sign up to use the system (by signing a user-agreement and receiving login details) you will be able to sign off any applications or post-approval changes needed. Your managing agent should be able to assist you with this task, where appropriate, and there will be training material provided.

Quicker, easier and more risk-based approval process

- The TPA approval process will be risk-based. Chorus is configured to only ask the questions relevant to your application. This means approval requests will be dealt with quickly and, in

many cases, can be dealt with by the system automatically. Where Lloyd's needs to review an application in more detail we will focus on the higher risk features.

- Existing Lloyd's TPA's will not need to go through a new approval process but will be 'grandfathered'.
- Lloyd's will assist in uploading all relevant compliance documentation onto the system through an onboarding process.
- The system will provide an end to end compliance process for both managing agents and Lloyd's, meaning compliance data only needs to be submitted once. Users should see the benefits through a fast and transparent application process.

The benefits of these changes should be faster approval times, consistent, transparent processes and reduced frictional costs to all.

If you would like to find out more or if you wish to provide feedback on our proposals please visit: www.lloyds.com/a-new-approach-to-third-party-oversight. We look forward to working with you and to hearing your thoughts on our rule changes.