

them into their own processes. The Franchisor will work with the LMA and LMBC to gather views on the tool itself and take feedback on its content. In addition, feedback is welcomed from individual firms.

Each organisation needs to ensure that all those staff involved in handling open market business whether in a front office placing or underwriting capacity or in a back office servicing role, have access to the new QA Tool.

Since the quality checking standards are critical to the Lloyd's market they will be kept fresh, under change control, and reflected in the online QA Tool. It is anticipated that as the market starts to work with the checks, matters will be identified that require further guidance or clarification and therefore, it is Lloyd's intention to address these by publishing a second release of the open market QA Tool in the autumn. This will allow time for the checks to become integrated into working practice.

The Open Market QA Tool

The tool includes a comprehensive user guide as the first tab in the workbook. Users should read this first before starting to use the tool.

The second tab in the workbook (Level 1 checks) sets out all those checks of a general risk nature and includes all the LMP slip audit checks and some XIS checks that are carried out when closing a stage 1 signing, but only where these affect the contract with the insured/reinsured and thus are material to contract certainty. Separate columns within the tool clearly identify these aspects.

The tool includes checks on those classes of business that have particular characteristics requiring specific consideration. It also includes the policy forms and wordings that are participating in the CCIG trials plus those that are seen most frequently per class of business by XIS for checking. Please let us know if you are regularly using a form or wording or dealing in a class of business that is not listed in the tool and Lloyd's will verify if any key/critical specific checks need to be added to the QA tool. This will help Lloyd's determine those wordings that are in regular use in the market and assist in monitoring the use of model wordings.

The checks relative to international requirements focus on those countries where Lloyd's has licences or authorisations to trade, while the taxation checks are concentrated on the requirements for showing taxes in insuring documentation. Both of these are geared to contract certainty.

Each check has been allocated a category of query (A, B or C), which determines how the query should be handled. The aim is to help brokers and underwriters identify which queries need priority attention because they affect the overall operation of the insurance contract with the insured/reinsured. Please note however that you should aim to pass all the checks relative to the risk being checked. The User Guide tab on the QA Tool describes the three different categories in more detail.

XIS are in the process of integrating the QA Tool checks into their internal working practices and during the next few weeks will start to quote the checking reference from the tool against any queries raised. In the autumn, they will also report data to the Franchisor on checks failed, for analysis to identify common errors and relative performance by firm and class of business, so that feedback can be given to help firms achieve a "right first time" standard.

Lastly, a column on each spreadsheet shows the department or directorate within the Franchisor that is responsible for each check. This gives you a point of contact for queries on specific checks. The User Guide tab on the QA Tool provides more details.

The QA Tool for open market business is located at www.lloyds.com/qatool and will be available by close of day on 13th July 2005.

Enquires and Feedback

An email address is available for market practitioners to use to lodge any questions, issues or feedback on the QA tool. The address is QAtoolsenquiries@lloyds.com

The web page also contains details of some contact names and telephone numbers for anyone who wishes to discuss the QA Tool in general or any of the checks listed.

This bulletin is being sent to Active Underwriters, Lloyd's brokers, Managing Agents and Compliance officers.

Head of Business Process Reform