

MARKET BULLETIN

REF: Y4919

Title	Coverholder Reporting Standards
Purpose	To advise coverholders and TPAs of changes to data standards.
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Related links	

Lloyd's has now published its updated (2015) version of the Coverholder Reporting Standards. These have been updated to enable coverholders to provide relevant data to Lloyd's managing agents so that managing agents can meet the requirements of Solvency II, Pillar 3 requirements and also, where applicable, Lloyd's conduct requirements.

In addition, the LMA has published a performance management information spreadsheet. This is designed to be a tool to enable TPAs to provide minimum claims performance information to managing agents that have appointed them.

Both the updated Coverholder Reporting Standards and the TPA performance management information spreadsheet are available on Lloyd's website using this [link](#).

Whilst the use of these tools are not mandated, Lloyd's would encourage their use as being an effective manner to ensure consistent data is being collected from distributors.

New Coverholder Reporting Standards

The previous version of the Coverholder Reporting Standards were published in 2013. Since then there have been two key developments that impact upon the information that coverholders will be required to provide to their managing agents. Accordingly, a new version of the Coverholder Reporting Standards (2015) has been published following extensive consultation and having regard to the feedback Lloyd's received during the recent UK Coverholder Roadshows.

A new version of the Coverholder Reporting Standards Guide ("the Guide") as well as updated Premium and Claims Reporting Templates are now available online using this [link](#).

The changes since the 2013 version are set out in the updated Guide (under “Changes in the version”). But in summary the changes relate to the following -

Solvency II, Pillar 3

As part of Solvency II, there are increased reporting requirements which form part of Pillar 3 (Supervisory Reporting and Disclosure). These new requirements apply to all insurers including Lloyd's with effect from 1 January 2016. Lloyd's will collect Solvency II Pillar 3 returns from each syndicate from 2016 in order to be able to comply with this requirement.

Part of the additional reporting requirements relates to data required at individual policy and claim level. In order to meet these requirements, managing agents will need to be able to access data at this level on a 'look through' basis from coverholders and other delegated authorities. Accordingly one of the objectives of the new Coverholder Reporting Standards is to be able to achieve this and going forward the following fields are now mandatory for all transactions –

- *Total Gross Premium, sum of instalments in original currency of premium payments (CR0021)*
- *Total sum insured currency (CR0051) and amount (CR0052)*

Conduct Management

Lloyd's Minimum Conduct Standards (MS11) [link] requires managing agents to collect and use relevant management information from their distributors. These requirements come into force as from 1 January 2016.

In addition, in respect of coverholders that underwrite “high product risk products” where the Lloyd's Customer is domiciled or registered in the UK or EEA Lloyd's has mandated several minimum data fields that managing agents must require those coverholders to report on. (See [Lloyd's Bulletin Y4847](#) for further information regarding the detail and application of those data fields).

Whilst Lloyd's made clear in that bulletin that the data does not need to be provided in any single report, the updated Coverholder Reporting Standards have been prepared to meet in one place all the requirements of Bulletin Y4847.

In respect of premium reporting 6 existing fields have been upgraded to mandatory for high product risk products (relating to address, postcode, transaction type, date of transaction, fees description and fee amount) and 4 new fields have been added relating to reasons for cancellation and which relate to policyholder type that are again mandatory for high product risk products.

In respect of claims reporting 3 existing fields have been upgraded to mandatory for high product risk products and 16 new fields have been added which mainly relate to transactional dates and dates/reasons for denial that are again mandatory for high product risk products. There are also new values for the claims status field.

Performance Management Information For TPA Oversight

During the first half of 2015, the LMA (working with Lloyd's) facilitated a market project on behalf of the Binding Authority Claims Group (BACG) to deliver a set of minimum claims performance indicators and reporting by TPAs to the managing agents that have appointed them.

The output of the Project has been the production of a performance management information indicators spreadsheet, designed to assist managing agents' oversight of the claims performance of their TPAs when combined with compliance to Lloyd's Conduct Risk Minimum Standards, requirements under Solvency II and of the FCA in respect of outsourcing.

Three templates have been produced under the Project; these define the minimum performance monitoring reporting standards that have been developed to cover TPAs in each of the following jurisdictions: EEA (which includes UK); Rest of World; and United States. These templates can be found [here](#).

These indicators are not envisaged to be mandatory. However, where no satisfactory alternative provisions exist they should be used by managing agents as a minimum and rolled out to TPAs as soon as possible to enable them to start providing this management information by a target date of 1 January 2016.

These performance indicators should also help Managing Agents determine the applicable and appropriate claims service levels in respect of the class and territory of the claims handled by the TPA.

More details regarding the LMA Project can be found [here](#).

At this stage, the LMA and Lloyd's are working with LIIBA on how best to apply these performance management information indicators to coverholders with claims authority where no satisfactory alternative provisions exist. This work is underway and the aim is to address this within Q3 2015. Further communication follows.

Questions

- Any questions on the 2015 Coverholder Reporting Standards should be addressed as follows –
 - General questions
 - peter.montanaro@lloyds.com
 - Questions relating to Pillar 3 reporting obligations
 - paul.appleton@lloyds.com
 - Questions relating to conduct risk reporting obligations
 - conduct@lloyds.com
 - Questions relating to claims reporting obligations
 - kevin.moon@lloyds.com
 - Questions relating to complaints reporting obligations
 - complaints@lloyds.com

- Any questions on the LMA Performance Management Information Spreadsheet For TPAs
 - Robert Gregg
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