

## Blueprint Two Interactive Guide second edition Market-wide webinar – Questions and Answers

As part of our engagement with the market on our [second Blueprint Two Interactive Guide](#), we held a webinar for those working on the implementation of the Blueprint Two solutions on 24 February 2022.

Hosted by Bob James (Market Transformation Director, Lloyd's) and Hannah-Kate Smith (Market Engagement and Communications Director, Lloyd's), a panel of experts engaged in the three core areas of open market placement, delegated authority placement and claims, plus digital processing to answer questions received before, and at, the event.

Responses to questions are available in the [recording of the event](#) and below. Please note that we have slightly reworded questions where we considered this to be more helpful to all readers.

### Open market placement

**Q At what point in the placing cycle does the Core Data Record (CDR) for the leader get submitted to the Digital Gateway, and what happens about in-flight endorsements?**

A We're still working through this with the Process Technical Workstream (as part of the work of the Data Council), however the ambition is to receive the CDR at the point of bind, specifically when they put their stamp down and are formally and legally on risk. In flight endorsements will be put through as they are brought online – these will be treated as corrections. We may agree to do something simpler, but this is the current view as it's the route that allows Lloyd's to see in real time who's on risk for what.

**Q How will the re-use of data at renewal/endorsement help the market?**

A Re-use of data should help brokers in placing of risks in the future, but it will require an initial up-front upgrade from unstructured to structured data in year 1.

**Q If a placing platform is not capable of providing a CDR, will Structured Data Capture (SDC) be used to generate the CDR data for the leader (potentially via the Digital Gateway)?**

A The only route to submit the data is through the Digital Gateway APIs (application programming interfaces). Both the Digital Gateway and APIs will be built as part of the joint venture. This will not have an interface and so will rely on people using either a placing platform (we are working to try to ensure the main ones are ready) or integrating their systems directly. Those who cannot find a route will be able to adopt a transition service sending in work packages much like they do today.

**Q What is the status of the proposed Market Bulletin on placing rules for underwriters?**

A As part of the Data Council a Process Working Group has been established which will lead on agreeing the data processes for placing risks.

**Q Will all systems be able to speak to all placing platforms, including but not limited to PPL and Whitespace? Or is this doubling up the data load for brokers?**

A The system we're creating is exposed through an API that anyone can become accredited to integrate with, much like integrating with Adepts gateway to send EBOT / GPM messages. This includes PPL and Whitespace, as well as other placing platforms or broker systems that would prefer to send the CDR data directly to the new central services themselves (much like they will with EBOT). Which of these platforms integrate with the digital services, and the exact experience and journey they create, is ultimately up to the individual system providers. We are working with both PPL and Whitespace with a specific focus given their dominance in the market and likely preference for many in the first instance.

**Delegated authority placement**

**Q Is there an opportunity to feed the bordereaux data to the Bureau for settlements of premiums and/or claims?**

A Plans are in place to create a data feed from Delegated Data Manager (DDM) into the Bureau to improve the process, but market participants will continue to be able to use bordereaux for submitting delegated authority premiums and claims.

**Q Currently, we receive funds from the Bureau markets approximately 3 days after the signing date. Will the payment process be looked at or reviewed by the market so that the premium and collection settlement process is faster?**

A The goal of the new joint venture central services solution is to make premium and claims processing better, faster, and cheaper. By digitalising and automating the premium and settlement process, there will be the opportunity to shorten the payment process. Part of this will involve market participants moving from transition to digital services at, or after, market-wide cutover in Q2 2204.

**Q I'm interested in finding out more about the work being done on the delegated authority placement workstream. How can I do this?**

A You can follow developments on the [delegated authority solutions webpage](#), and – if you haven't already – by [signing up to the regular DCOM newsflash](#) which is an important source for help and support. Both DCOM and DDM have Market Users Groups and you can find how to check if your firm is represented on our [Market engagement webpage](#).

**Delegated authority claims**

**Q Does a Delegated Claims Administrator (DCA) / coverholder have to utilise Faster Claims Payments (FCP) or can payments still be made via the broker?**

A We encourage the use of FCP as the purpose is to create a better payment experience for the policyholders by decoupling payment from current monthly accounting and funding activity. This begins to remove the current loss fund model so we can transition to a better digital processing solution across the market. Although FCP is not mandated, the benefits in time and cost savings through processes improvements mean that market participants will find competitive advantages in adopting the solution – brokers and managing agents (MAs) will be encouraging its use, and the policyholders will also reap the benefits.

**Q Delegated Claims Administrator (DCA): does this also refer to a coverholder who has claims handling authority as they will need to be prepared for FCP?**

A Not yet. The current scope for the adoption of FCP is targeted within the traditional Third-Party Administrator (TPA) and loss fund arrangements. We will continue to expand the scope and will work with the market to include coverholders with authority in due course.

**Q How will the bank details be confirmed and held for FCP, in line with anti-fraud requirements?**

A The Vitesse platform has implemented strong controls in line with their regulatory duty and customer proposition across three principal lines of defence: technology, internal adherence, and product. Examples include multi-layer payment approvals, a rules-based data set for providing bank details in the correct format, real-time reporting options on instructed transactions, and the ability to store beneficiaries. All payment requests go through a compliance review process to ensure observance of global sanctions lists. Vitesse can provide more information when participants sign up to FCP. However, whether using a loss fund or FCP, a DCA will continue to be required to do their own checks to ensure they aren't instructing a transaction that falls foul of fraud-based guidelines.

**Q Using Delegated Data Manager (DDM) for submission of in-scope monthly claims bordereaux: please clarify the criteria, and the responsibilities for validation and approval before the creation of an Electronic Claim File (ECF). Will all bordereaux submissions need to be made via DDM?**

A When the conditions of trade come into play, all bordereaux will need to be submitted to DDM. As part of the claims work we are requesting this is done by the DCA with the data coming in from the source of production at the end of each month: the DCA will upload the bordereau submission; DDM will run a set of data validations and once all validations are met, authority is granted to the DCA to 'approve' the submission. This 'validated' bordereau is transmitted to the broker (via email) for upload to ECF (and can be used for their own needs too). We are encouraging the use of DDM for claims bordereaux not covered by the conditions of trade where claims are still active improving the lifecycles for that ongoing activity.

In the interim, this is a re-stepping of today's process to reduce the number of queries and process delays we see at the beginning of the monthly process before or after ECF submission caused by the data quality at ingestion. Ultimately the delays impact the timely top up of loss funds (if FCP is not in use) leading to policyholder frustration.

API connectivity and digital processing will improve this process, and this sets us on the right track to create the optimal process for delegated authority claims in the future.

**Q As the International Claims Orchestration Service (ICOS) will be replacing Claims Loss Advice and Settlement System (CLASS) and Electronic Claim Files (ECF), is the intention to run work off through ECF or will this be transferred?**

A As part of the digital adoption ICOS will replace the use of ECF. Depending on your approach to digital adoption you can continue to operate as usual using the transition services until you have fully adopted all new digital services. The legacy infrastructure including ECF will eventually be decommissioned. We will provide more information in due course.

### **Digital processing**

**Q Will all data flowing through the Digital Gateway (DXC Technology) be free of manual intervention in the future?**

A The joint venture solution contains a digital core, supported by a set of transition services, to allow market participants who are not yet ready to move to a fully digital solution to continue to use legacy solutions post market wide cutover in Q2 2024. Transition services will continue to involve manual intervention and, over time, these will be phased out. With the Digital Gateway in place and transition services phased out, data flows will be automated, with manual intervention limited to a small number of edge cases or highly complex queries.

**Q What do external experts, such as independent loss adjusters and forensic accountants, need to do to prepare for the changes to claims? Will external experts have access to the portal/API?**

A The new solution will include access for our market experts, this will allow the experts to interact with the carriers, brokers and sometimes policyholder within the claim itself to perform your role (as appropriate). The work to create this environment is underway and further information will be available as we progress.

**Q What role will LIMOSS play in the target state?**

A LIMOSS provides a number of market services including DDM, Gemini (digital platform and settlement service for claims experts appointed by Lloyd's MAs), SSO (which provides authentication for London Market services and is a prerequisite for services such as DDM and Lloyd's Insights). We are working closely with LIMOSS to understand interactions and touch points with the target state set up.

- Q Will there be a charge for the transition services? Will costs go up if you stay on the transition services?**
- A The market pays for the services provided by the Bureau today and a cost model is being developed to support the new end state digital services, targeting at least a 40% reduction over 2021 costs. Those remaining on transitional services will see costs rise over time, creating an incentive to move to the digital end state, to access the 40% reduction and avoid cost inflation. In time, transition services will be decommissioned.
- Q What's the latest on the Settlement and Trust Fund Office (STFO) Mainframe Settlement? Can we assume that money will move seamlessly once DXC Technology has pulled the plug on Lloyd's Insurance Data System (LIDS) and CLASS/ECF?**
- A The joint venture solution will deliver digital end-to-end premium and claims processing. As a result, it will supersede legacy solutions such as LIDS, CLASS and ECF and ensure that money movements are seamless across the market. The joint venture will be integrated with STFO, which will continue to deliver settlement services to Lloyd's participants.
- Q Electronic back office transactions (EBOT) and electronic claims office transactions (ECOT) guidelines were put together on a one-to-one basis between a single broker and a single carrier, however a subscription market doesn't work like that. Have the guidelines been updated to cover subscription and other London market specifics?**
- A ACORD, EBOT and ECOT protocols will be used for accounting and claims settlement, following the ACORD 2016-10 Standard. Where it is necessary to amend the standard to accommodate syndicated business the joint venture will work with the relevant market bodies to agree this and communicate any amendments to market participants.
- Q Some notifications will be managed by an application programming interface (API) – which notifications does this apply to?**
- A The joint venture will be providing a roadmap of the changes required by market participants for market-wide cutover in Q2 2024. This will include information about which APIs will be set up, when specifications for these APIs will be shared, and what market participants need to do to be ready for this. This will be published in due course.