

LLOYD'S

# Lloyd's Delegated Data Manager Consultation Session



# Today's Agenda

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- 3** | Coverholder Reporting Standards Roadmap
- 4** | Overview of proposed changes to Coverholder Reporting Standards V.5.2
- 5** | Initial feedback received (RSVP forms)
- 6** | Open Q&A (Menti)
- 7** | Delegated Data Manager Roadmap
- 8** | Next steps

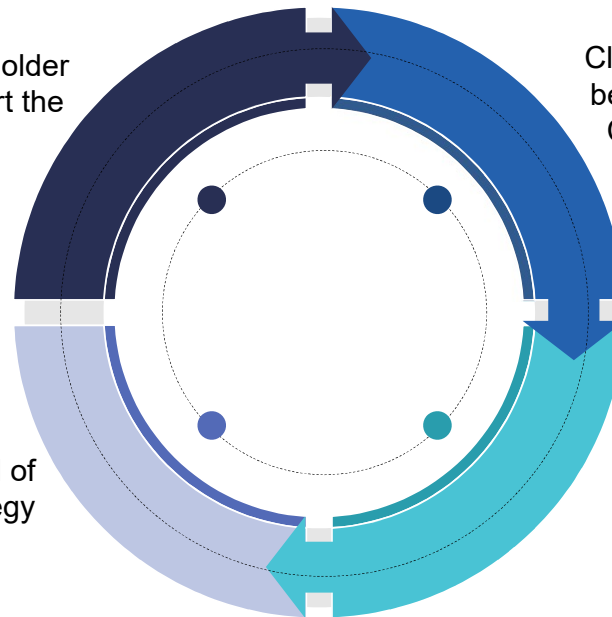


# Objectives of This Session

Consult with the market on the proposed changes to Coverholder Reporting Standards (V.5.2).

**Review the proposed changes**  
Review the nine proposed changes to Coverholder Reporting Standards (V.5.2) which will support the Conditions of Trade.

**Review the roadmap**  
Review plans and critical path for overhaul of reporting standards to align with API strategy and FAL.



**Feedback**  
Clarifying questions and feedback that have been provided on the proposed changes to Coverholder Reporting Standards (v.5.2) through RSVP forms.

**Open Q&A (Menti) & Next Steps**  
SMEs available to answer questions any further queries and outlining next steps.

# Coverholder Reporting Standards Roadmap

## Summary:

- Modest changes to the current v5.2 standards
- Recognition that a complete overhaul of the reporting standards may be required
- Develop approach that aligns with API strategy
- Do this in Phases to manage rate of change to the market
- Develop a more collaborative approach to changes and governance
- Start Phase 2 this year early next; even before the COT go into effect

## Current State

- Coverholder reporting standards v5.2 can be difficult to use
- Inconsistent use of fields across market
- No clear governance/update path
- Varying levels of conformity

## Phase 1

**Goal: Support/facilitate COT; make current CH reporting standards a little easier to navigate**

- Addresses challenges with existing Coverholder Reporting Standard (CRS) version 5.2 focusing on tax and regulatory requirements.
- Provide better guidance and some additional collaterals
- Make some minor changes to support market needs.
- Validations set in DDM to ensure Coverholder Data meets the standards.
- **Market consultation – finalize proposed changes**
- Plan for Phase 2

## Phase 2

**Goal: Overhaul of reporting standards to align with API strategy and FAL**

- **Convene cross market group** to act as core project team; should contain reps from MA System vendors
- Development of new reporting standards to align with RPAC API strategy
- Updated governance

Q2 2020

Q3 2020

Q4 2020/Q1 2021

Field Reference	Field Name	Requisite	Conditional
CR0001	Reporting Period Start Date		
CR0002	Reporting Period End Date		
CR0005	Unique Market Reference (UMR)		
CR0007	Binder Section Number		
CR0010	View of Account		
CR0013	Coverholder Name		
CR0014	Coverholder PIN		
CR0016	Lloyd's Risk Code		
CR0017	Class of Business Description		
CR0018	Participation or Percentage Ceded		
CR0019	Lloyd's Platform		
CR0020	Type of Insurance		
CR0022	Risk Transaction Type		
CR0034	Policybasis		
CR0035	London Broker Reference		

Classification: Unclassified

# Proposed Changes

The changes being proposed are subject to Market Consultation feedback. Once Market Consultation has completed, results and guidance will be published.

Field Number	Field Name	Bordereaux	Current Value/Current State	Suggested Change/Rationale
All	All premium paid, risk and claims	all		separate into 3 separate bordereaux; risk, premium paid and claims
CR0019	Type of Insurance	Premium Paid	List of Insurance Types that consist of: Direct Facultative Treaty Excess of Loss	Change Insurance types to: Direct Personal Lines Direct Commercial Reinsurance - Facultative Reinsurance Proportional Treaty Reinsurance Non-Proportional
CR1294	Local Sub Producer Commission Amount	Premium Paid	Field Name: Local Sub Producer Commission Amount	Change Field name to: Intermediary Commission Amount
CR 1295	Local Sub Producer Commission %	Premium Paid	Field Name: Local Sub Producer Commission %	Change Field name to: Intermediary Commission %
new	Gareat Applies Flag	Premium Paid		Capture if Gareat Tax would apply (France only)
new	French Department	Premium Paid		French Department related to Gareat Flag
CR0033	Name or Registration No of Aircraft, Vehicle, Vessel etc.	Risk		amend definition to include Iceland required property ID
CR0048	Location of risk Country Sub-division	Risk		amend to include Portuguese requirement in accordance with Market Bulletin Y5279
CR0368	Litigation Status	Claim	Field name Litigation Status Definition: Extent to which case has proceeded through the legal system Values O, N, U, L, V, W, X  Mandatory in Australia for reporting to APRA on public and product liability and professional indemnity insurance.	Add an additional value 'B'. The field should be completed with 'B' where the insurer is a party in formal dispute resolution proceedings. This would apply whether the insurer is a plaintiff, has been joined as defendant to a claim against the insured, or if there is coverage litigation against the insurer. Mandatory for Lloyd's Brussels insurance.

# Proposed Changes – Additional Commentary

The changes being proposed are subject to Market Consultation feedback. Once Market Consultation has completed, results and guidance will be published.

Field Number	Field Name	Bordereaux	Suggested Change/Rationale
All	All premium paid, risk and claims	all	<p>The rationale for splitting premium/risk into 2 separate Bordereau, one for Risk is based upon the following:</p> <ul style="list-style-type: none"> <li>• Manage the complexity of the Bordereau; in many cases combining risk and premium data has been complex</li> <li>• DDM operates more efficiently if the risk data and the premium data are submitted separately</li> <li>• Permits risk submission to be made when risk is bound and premium when it is collected</li> <li>• This does not prohibit the submission of a combined Bordereaux, if it meets the data and quality standards, a combined bordereaux can continue to be submitted</li> </ul>
CR0019	Type of Insurance	Premium Paid	There has been discussion that the values in these fields create some logic traps; amending the values could reduce the complexity
CR1294	Local Sub Producer Commission Amount	Premium Paid	
CR 1295	Local Sub Producer Commission %	Premium Paid	
new	Gareat Applies Flag	Premium Paid	As an alternative to adding these fields we could also use the tax type and add a reference code for Gareat
new	French Department	Premium Paid	Use the country subdivision field as an alternative to adding another field
CR0033	Name or Registration No of Aircraft, Vehicle, Vessel etc.	Risk	
CR0048	Location of risk Country Sub-division	Risk	
CR0368	Litigation Status	Claim	

# Your Feedback (RSVP Forms)

- **Separating BDX (Premium Paid, Risk Written & Claims)**

- Market feedback gathered so far has reported that separating risk and premium bordereaux could become an issue for many Coverholders, and that reporting lines have already been set up to produce combined BDX.

- **Timelines**

- Market would like to know what the timeline is for implementation of the proposed changes to the Coverholder Reporting Standards to prepare.

- **Sources of reference**

- The market has requested additional guidance and updates to be made to the Market Glossary. Lloyd's is currently preparing this guidance and would like to provide a central source of reference for the market.

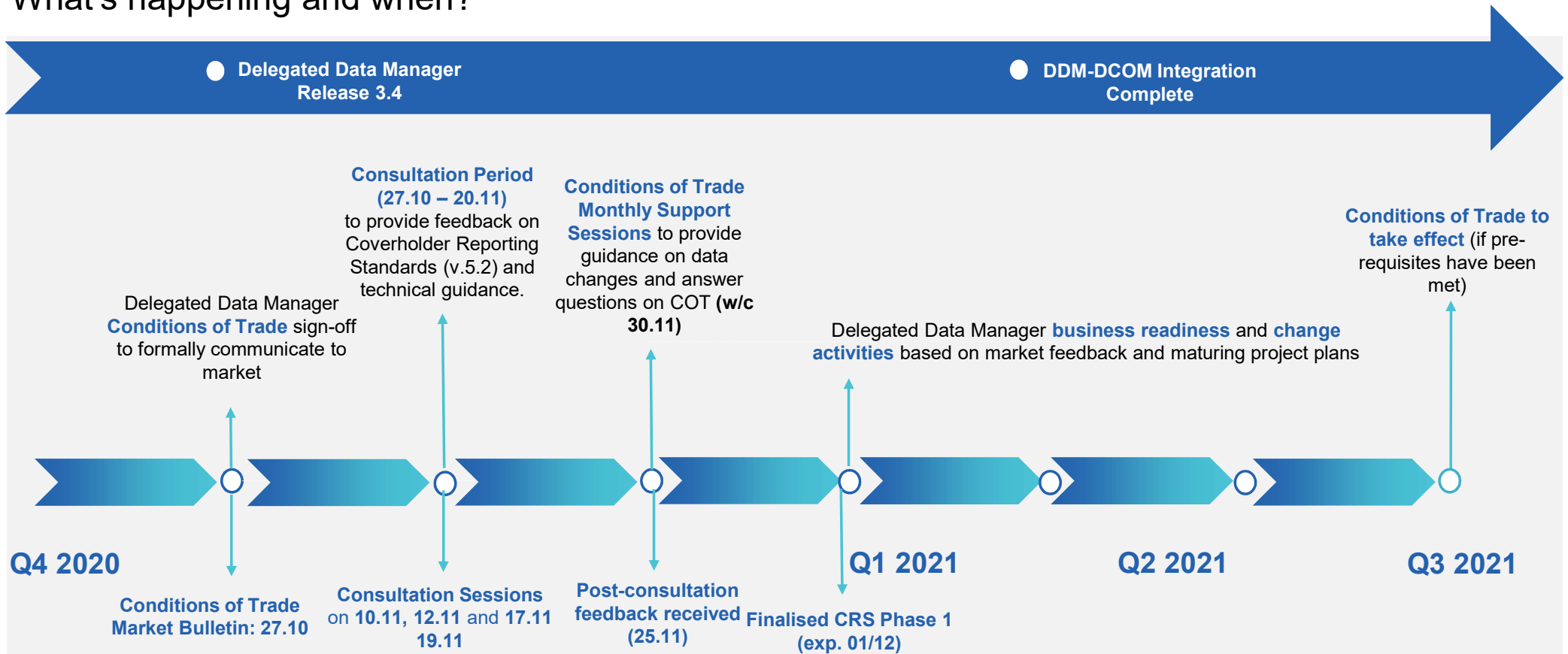


<https://www.lloyds.com/market-resources/third-party-oversight/systems-and-tools/delegated-data-manager/faqs>

*Feedback will be collated and consolidated to on the Coverholder Reporting Standards section on FAQs webpage & shared in follow-up communications.*

# Delegated Data Manager Roadmap

What's happening and when?

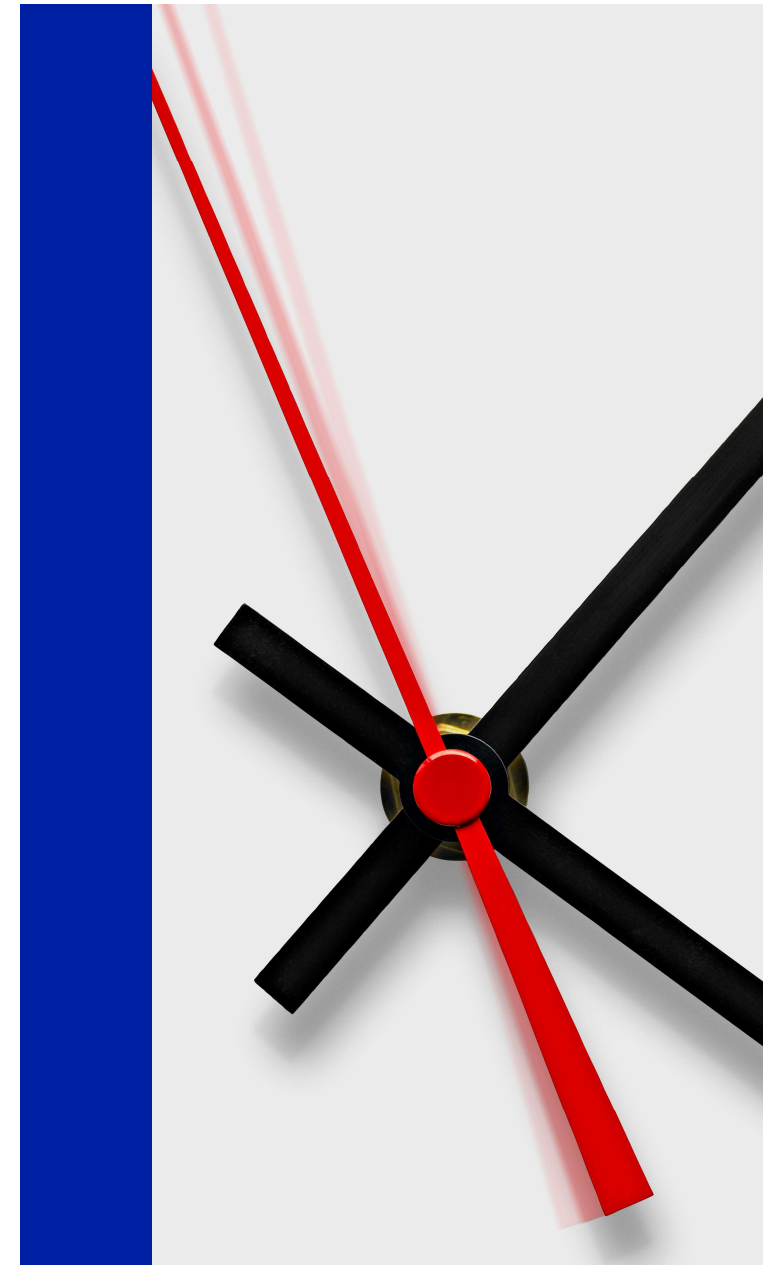




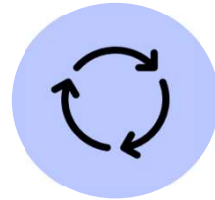
## Next steps

- **Receive** follow up communications including session recording, slides, link to Q&As, and post-consultation survey by end of this week.
- **Complete the post-consultation survey** by COB Wednesday 25<sup>th</sup> November. (Please ensure one representative from each firm.)
- **Share and review** final changes to Coverholder Reporting Standards Market Bulletin exp. 1<sup>st</sup> December.
- **Expect further updates and communications** on change readiness for Delegated Data Manager and on Conditions of Trade in the coming weeks.

Get in touch by emailing [DAchangesupport@lloyds.com](mailto:DAchangesupport@lloyds.com)



# Delegated Data Manager: Conditions of Trade Principles



1

Capture and transmission of consistent and high-quality data is the key focus of the Conditions of Trade using the Coverholder Reporting standards which will be enhanced in two phases.



2

Direct submission into DDM remains the preferred method of submission for Premium Paid, Risk Written and Claims information. Premium Paid and Claims (for money movement) must be loaded into DDM by the submission partner responsible for the premium processing using DXC central services. However, exceptions will be made for 'Trusted Sources' of DA data to load Risk Written and Claims (requiring decisions) data directly into DDM.



3

During the contract set-up on Delegated Contract Manager, each Delegated Authority contract will require explicit identification of the party/parties responsible for each role within the Delegated Data Manager submission process. These roles will identify which party is responsible as the contract administrator, for the submission of the Risk Written, Premium Paid and Claims bordereaux into DDM and the mapping of these once inside the system.



4

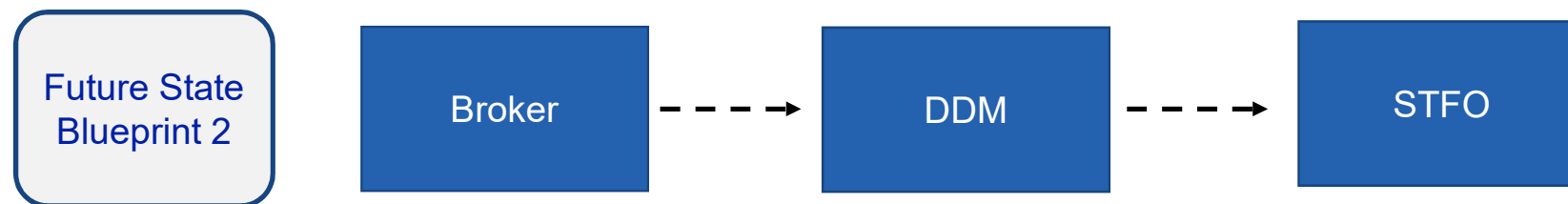
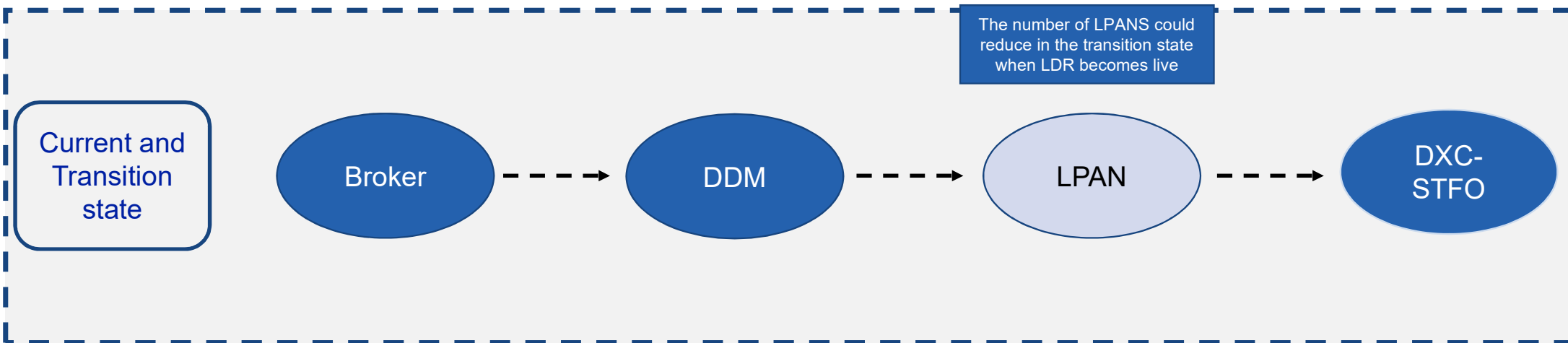
Rigorous data validation and business controls will be applied to bordereaux submissions received in order to assure the quality of data distributed from DDM and used by Lloyd's for tax and regulatory reporting and other uses (e.g. potentially driving central accounting & settlement in a more automated manner).



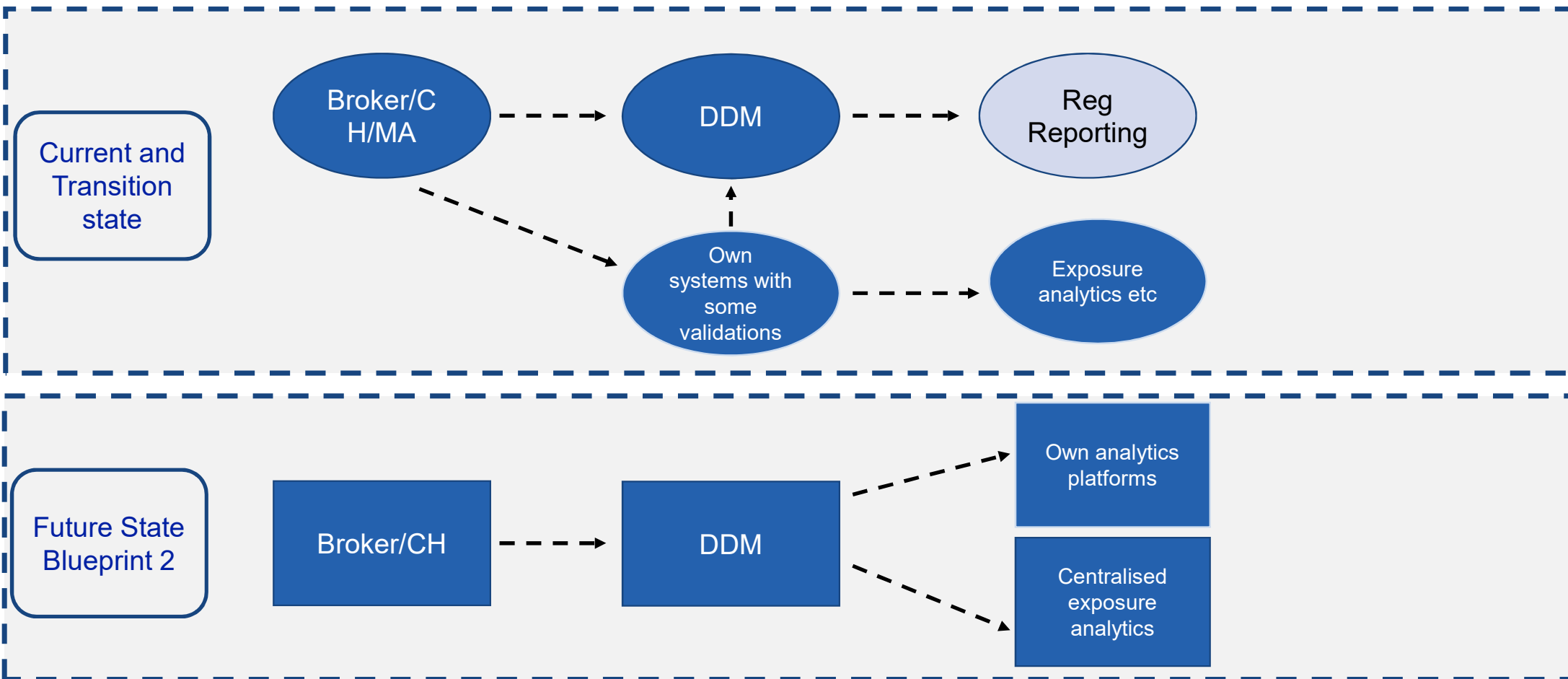
5

A central customer service for inputting and mapping Coverholder data into Delegated Data Manager will be stood up. The primary role of this service should not be to remediate data submitted by Brokers and Coverholders but to provide a more holistic service management/exception handling service.

# Premium Paid

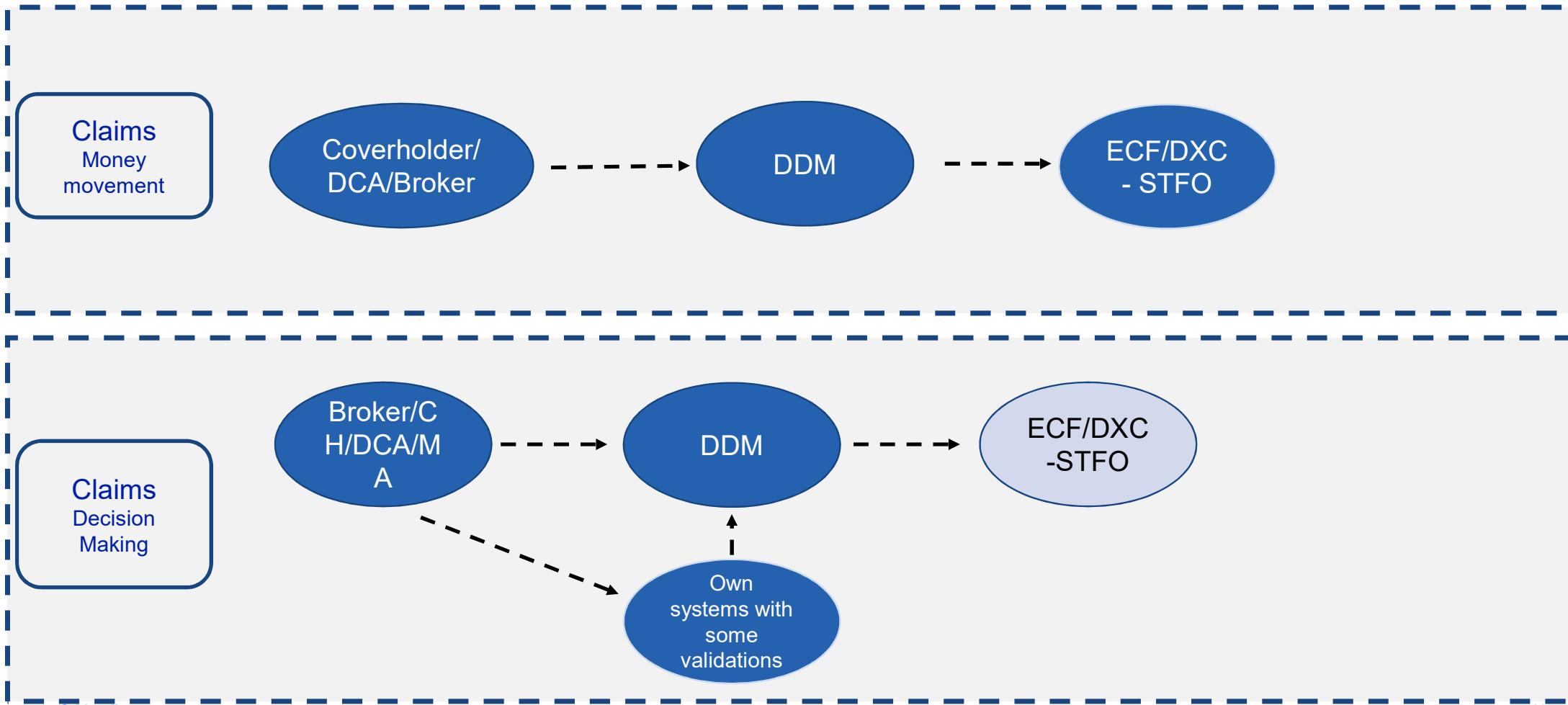


# Risk





# Claims



# Initial Feedback Received (1)

- We found inconsistencies on fields being essential for Xchanging but not mandatory for bdrx.
- The standards have an XIS column which indicates Essential or Desired. Some Mandatory premium fields are marked as desirable by XIS and some Essential XIS fields are marked as conditional in the premium standards. What is the XIS column referencing?
- Making the Coverholder Reporting standards more concise and the guidance notes simpler to understand would assist greatly.
- The User Guide for the standard is now old - it does not contain detail on what makes the risk fields 'conditional'. Amongst other classes we write Lender Placed which does not fit into the standards easily - we will need to discuss that as an exception.
- Improvements to the quality of information provided by Coverholders (including consistency across the market) is to be welcomed.
- The standards are already fairly complicated; alternatives which use existing data may be better for Phase 1.
- When will the full list of changes be introduced? And how major will they be? We've been working with Coverholders over the past 6-10 months to get them onto v5.2 and many have had to rewrite their programmes to achieve this, so slightly concerned.



## Initial Feedback Received (2)

- Clear function responsibilities and what actions will be taken by whom on who if actions needed
- APIs available for Brokers to DDM would be costing saving and reducing the manual loading work for Brokers. Also, Bell & Clements need LIMOSS to resolve our EULA issue that preventing us from signing the DDM contract.
- Clarity around conditional mandatory
- I work for a managing agent and timeliness and quality of data is a real issue. I'm not sure the proposals will stop that as there are no consequences for late or poor data.
- Accept Changes but a review of the London Market Glossary is required as class standards have all be uploaded into the system as premium.
- Separating risk & premium bords will be an issues for many of our Coverholders.
- Will it be possible for Coverholders to keep their existing risk/premium bordereau format, and for example, submit the same bordereau as a risk bordereau and a premium bordereau, with the user just disregarding the columns they don't want?

