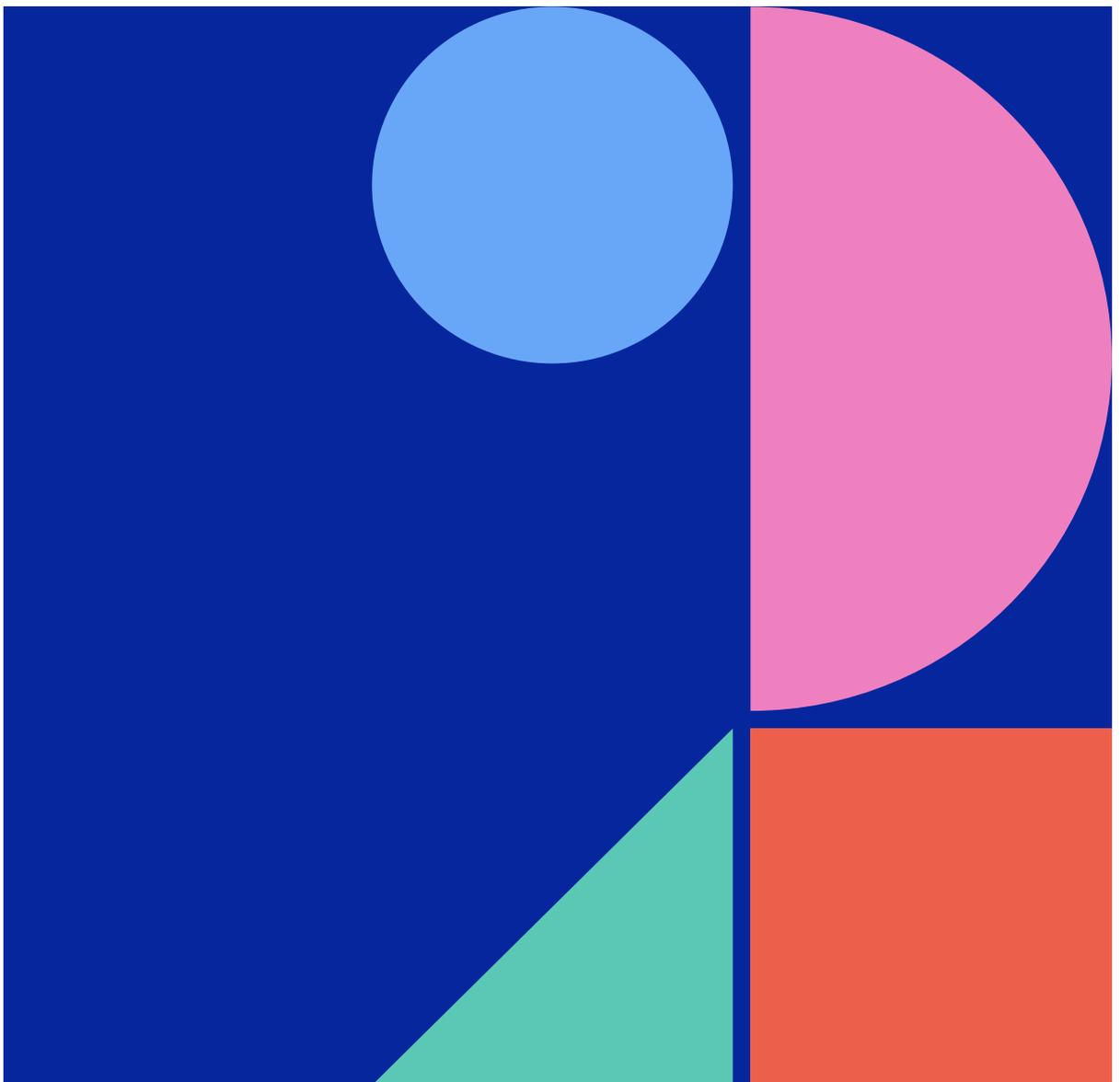


# The Future at Lloyd's



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# 1

## Introduction and overview

03

Foreword

Introduction to Blueprint Two

Chapter 1: Blueprint Two – the big picture

Chapter 2: Delivery planning and approach

Chapter 3: Look back to Blueprint One

---

# 2

## The Future at Lloyd's customer journeys

36

Chapter 4: Open market placing journey

Chapter 5: Delegated authority facility and risk placement

Chapter 6: Digital processing

Chapter 7: Open market claims journey

Chapter 8: Delegated authority claims journey

---

# 3

## Foundations of our future market

79

Chapter 9: Data

Chapter 10: Technology

---

# 4

## Engaging with the market

98

Chapter 11: How you can get involved

# Section 1

## Introduction and overview

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Last September, we published our vision for the Future at Lloyd's through Blueprint One. This second blueprint brings those ambitions to life and details the tangible solutions that we will deliver for the market, as we aim to become the world's most advanced insurance marketplace.

A lot has changed since the publication of Blueprint One. The world is now a very different place and, despite great adversity, the market has responded well and has proven its resilience in remarkable ways. The pandemic has demonstrated that we can adapt and do things differently and, if anything, has only increased our ambition for what the market can achieve. With that in mind, we have pushed ahead with the same underlying concepts and maintained the ambition laid out in Blueprint One, whilst also refocusing and adapting our approach, informed by extensive research, consultation and feedback.

Blueprint Two is a challenging two-year programme that will deliver profound change for the market. We will establish new ways of doing business, underpinned by digital channels that enable advanced data collection and management. We will create solutions that will enable brokers, insurers and partners with delegated authorities to operate at a materially lower cost, which we estimate to be at least £800m. We will execute this within a two-year timeframe and undertake more work to quantify and illustrate other ways in which we can streamline our activities and improve the experience of all market participants.

So, what can you expect?

- **An intuitive, straight-through process for placing and binding risk:** enabling growth through global reach and easier access to new products and services
- **The ability to identify a valid claim on notification:** enabling claims to be tracked throughout their lifecycle, resulting in a much faster settlement time and improved customer experience
- **A right first-time mentality:** radically reducing lead-times and errors, driving cost benefits for everybody in the value chain
- **A first class, digital marketplace:** data-driven and digitally enabled; this is how we'll create the most advanced insurance marketplace in the world

Blueprint Two represents a huge collaboration between the Corporation of Lloyd's, insurers, brokers, market associations, customers, suppliers and many others. Your responses have been overwhelmingly positive and have enabled us to develop the solutions for the Future at Lloyd's. Thank you to everyone who has contributed and helped so far – and thank you to everyone who will be involved in bringing these solutions to life.

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In Blueprint One, we set out four key goals: offering better solutions to the risks faced by our customers; delivering better products and services to our customers and capital providers; simplifying the way we work by being more efficient and reducing costs; and building an inclusive culture where everyone feels valued. Blueprint Two builds on those goals, by detailing the digital-led change and execution plan that will transform the way in which we operate.

I know we have the appetite and energy to execute our plans for the future and in doing so, we have the makings of real, transformational change. Blueprint Two is our roadmap to get there, but it is going to take all of us to succeed. Let's make it happen together.

A handwritten signature in black ink, appearing to read 'Bruce Carnegie-Brown', written in a cursive style.

**Bruce Carnegie-Brown**  
Chairman of Lloyd's

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## What Blueprint Two is

Blueprint Two sets out the details and plan to deliver the second phase of the Future at Lloyd's: our strategy to build the most advanced insurance marketplace in the world. It is a plan to deliver our updated priorities over 2021 and 2022, building on the progress we have made. The following pages describe how we will digitise much of what we currently do, which parts of the Future at Lloyd's we are prioritising and why, what we will deliver as part of each workstream and when we intend to launch each solution. Blueprint Two also clarifies those areas where we need to carry out further research and experimentation to develop the most effective solutions.

Blueprint Two helps our market participants and other stakeholders understand what needs to be done over the next two years in terms of change management to ensure they realise the full benefits of the next phase of Future at Lloyd's developments.

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## What Blueprint Two will deliver

The primary goals of our ultimate customers is to get covered and recover from a loss – these goals have driven our work on Blueprint Two. Our approach, therefore, is to deliver change based on end-to-end user journeys, delivering improvements and efficiencies towards these ends. Blueprint Two focuses on two core placement types – open market and delegated authority business – which between them account for more than 80% of the value and 90% of insurance contracts placed at Lloyd's.

In the following pages we describe how we plan to redesign the two insurance transaction processes that make up these journeys - from placement through to accounting, payment, endorsements, claims, renewals and reporting - to deliver the seamless end-to-end processes our stakeholders asked us for, and which will be a fundamental component of our new digital market.

Our market participants and stakeholders told us we had to focus on fixing the disjointed processes and technology used in placement and claims and should make them seamless end-to-end experiences. They reinforced the importance of using data and technology to increase efficiency, reduce expenses and improve the user experience. They also confirmed their support for our ongoing work on people and culture, one of the critical foundations of the Future at Lloyd's.

## Building for Lloyd's AND the London market

All of the proposals set out in this Blueprint have been designed for Lloyd's participants recognising they form part of the wider London insurance market, often as part of larger insurance groups. The proposals therefore seek to avoid "Lloyd's-isms" and instead be available for and accessible to the wider London insurance market. We see that as essential to avoid separation of processes, duplication and additional cost. It is also essential to encourage market adoption as we completely understand that brokers and insurers do not want to have to use separate processes and systems. We will engage with broader stakeholders in the consultation and development work as we deliver Blueprint Two.

### Our design principles

We created a set of design principles, in partnership with market participants to help us align around what matters as we shape the new experiences, solutions and services.

- 1. Build for the entire market** - Designing and building solutions that improve the experience of informed, expert market participants
- 2. Customer at the heart** - Open and flexible to enable customers to interact and transact in a way that works for them
- 3. Simplify complexity** - Making it easy and getting it right first time. We will deliver value through high volume classes of business first
- 4. Data at the core** - Use data to inform how we design our solutions/products. Focused on quality, accuracy and speed of data flowing through our systems
- 5. Design for value** - Deliver fast, test throughout, iterate and scale – regular and timely delivery to the market
- 6. Foster trust through transparency** - Open communication and working together to forge strong relationships and better products
- 7. Design for the future** - Experiences underpinned by open and flexible architectures that are seamless, efficient and foster innovation
- 8. Think Global** - Design solutions with Lloyd's global reach in mind

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### The benefits delivered by Blueprint Two

The Blueprint Two solutions will offer market participants the opportunity to innovate in the way they serve their customers, and operate more efficiently, at a lower cost base – better, faster, cheaper.

We estimate that brokers and insurers could collectively reduce costs by over £800m (representing around a 3% reduction in operating costs) through greater efficiency, reduced bureaucracy and automation. This total is based on research carried out with a sample of managing agents and brokers, looking at their current processes and costs and working out how much these reduce if they adopt all the Future at Lloyd's solutions. It carries with it two caveats – that market participants adopt the solutions in Blueprint Two and that the current distribution model does not change.

As well as direct cost savings, these efficiencies will enable market participants to spend less time on non-value-add administrative activity and more on value-add activity that improves customer outcomes, including more time spent on developing a broader range of new, innovative products and services that closely align with customers' needs.

The work will be funded by the debt we raised in early 2020.

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### Transition

Our approach to transition between current systems and processes and new digital services will be based on two key principles:

1. **Collaboration** with market participants, using an iterative test and learn approach to the development process. This will allow us to ensure that services to be developed and transition plans to be developed can progress in the optimal way for market participants.
2. **Simplicity**, using common systems and processes to interface both new and old services to avoid dual running wherever possible to keep transition costs low.

Given the complexity of our market, transition will be done in a measured way over time starting within the next two years.

Building the most advanced insurance marketplace in the world will require new skills and ways of working in order to be successful. Our collaborative approach will be based on making the most of the world renowned talent we have in the market and also bringing in new, world leading talent and skills. Our approach will be people-centric, open, inclusive and transparent – building the future culture of the market as well as the systems and processes.

# Chapter 1

## Blueprint Two – the big picture

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The Future at Lloyd's will be digital from start to finish providing a highly intuitive user experience with data at its core.

Capturing complete and accurate data at the point insurance transactions are entered into will unlock a myriad of benefits for policyholders, brokers and insurers. This is the foundation for the Lloyd's market's digital transformation and this Blueprint sets out a two-year plan for its digital execution and delivery. This will include complete and accurate data, a Digital Spine and a set of services that links the lifecycle of transactions from placement through accounting, payment, endorsements, claims, renewals and reporting.

Blueprint Two describes how Lloyd's will support four ways of placing business, with a focus on the first two, which represent the bulk of Lloyd's business by transaction volume and value:

- Open market direct and facultative reinsurance
- Delegated authority
- Treaty reinsurance
- Automated placement (either open market or through delegated authorities)

The infographic on the next page shows the two key entry points for business being placed in the Lloyd's market, and shows their journey through the lifecycle of a transaction and the key components that support these journeys. These are described in detail throughout this document and will be delivered for some classes of business and processes during 2021 and 2022.

Lloyd's will drive the development of the solutions set out here. It is essential that they work for the whole of the market, so from the outset we will work in close consultation and collaboration with all segments of the market and our chosen service providers who will support the development and running of the technology components.

## Getting covered

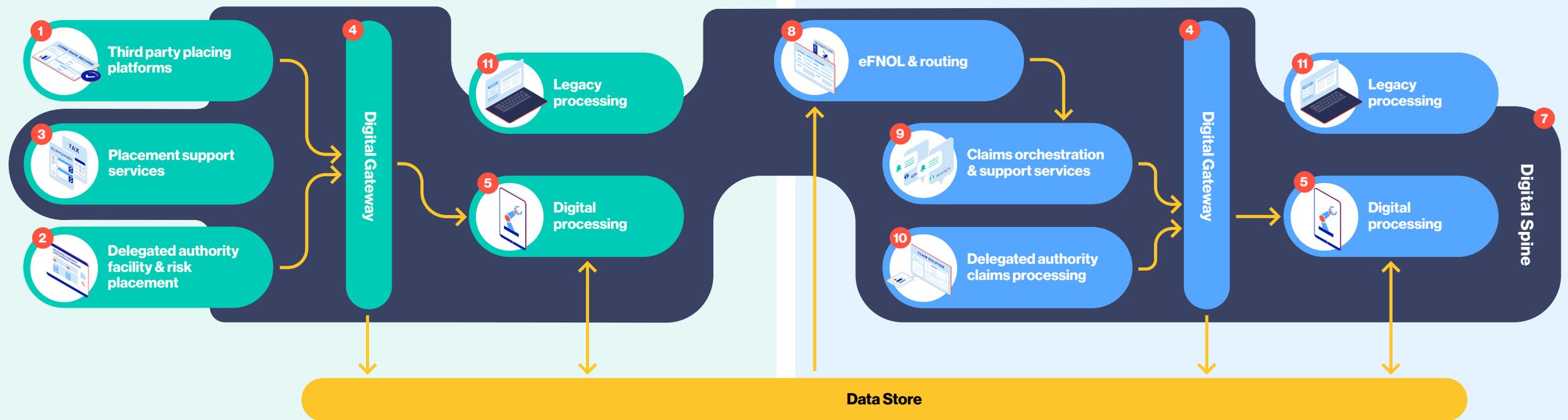
**Placement**  
New business,  
endorsements and renewals

**Placement processing**  
Accounting, payment  
and reporting

## Recovering from loss

**Claims**  
First notification  
and adjusting

**Claims processing**  
Accounting, payment  
and reporting



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**1 - Open market direct insurance and facultative reinsurance placement**

The open market placement user journey is supported by third party placing platforms. PPL is the most widely used platform in the market and, along with other platforms, it has supported a significant increase in the number of electronic transactions that have taken place during the COVID-19 lockdown. In order to deliver a more intuitive user experience and enable data led processing, PPL will deliver a new platform with significant enhancements during 2021 and 2022. This will be supported by Lloyd's and all of the market associations.

Lloyd's will not develop its own placement platform. However, in consultation with the market, Lloyd's will provide risk placement standards (data and process) enabling transactions to be processed faster through new digital processing and at a lower cost. In order for a placing platform to be accredited by Lloyd's it will be required to adopt these standards. These platforms will provide the trusted source of reliable data on which downstream activities will rely.

The placement processing data, created at the point of bind when enhanced with derived data, will form the Core Data Record and will be the single point of reference which connects all subsequent processes, including accounting, payment, endorsements, claims, renewals and reporting. This will be truly transformational enabling the market to become a digital marketplace.

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**2 - Delegated authority facility and risk placement**

The same principles apply as outlined in the open market journey – the platform will be intuitive and capture reliable facility and risk data. This will be the Core Data Record and will be the single source of data that connects all subsequent processes, including accounting, payment, reporting and following endorsements and claims. The delegated authority placement user journey will be supported by a Lloyd's owned platform, which will:

- Simplify the coverholder onboarding process and enable facility placement from H1 2021
- Third party platforms can also be used for facility placement provided managing agents register the facility in a standard format (through the Delegated Contract and Oversight Manager solutions)
- Provide Lloyd's coverholders with a risk placement and policy administration system (Coverholder Workbench). Third party risk and claims platforms can also be used by coverholders, with a requirement to provide risk premium and claims data in standard format
- Validate, record and distribute consistent and reliable risk, paid premium and claims data (Delegated Data Manager solution)
- Simplify the coverholder audit process

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**3 - Placement support services**

Lloyd's will offer a suite of services to be utilised in conjunction with the placing process to deliver a digital marketplace with intuitive user experiences and complete and accurate data at the core. There will be agreed data standards that will enable the market participants to get it right first time and build mistake proofing capabilities into the process:

- **The Virtual Room** – provides digital access to and collaboration within the Lloyd's marketplace from anywhere in the world.
- **Compliance checking** – provides a support service that gives central access to the tools needed for market participants to perform the following checks: sanctions, know your customer, politically exposed persons and anti-money laundering.
- **Risk and regulatory validation, licences and reference data** – a support service that assists with risk and regulatory checks, helping to ensure risk schedules are complete and local regulatory requirements are met; effectively digitising Crystal and other tools to provide lookup and validation for market and common Market Reform Contract reference data.
- **Tax calculation** – validates the relevant tax data and provides an accurate calculation of direct insurance taxes so there is tax certainty at the point of bind.
- **Doc-check placement validation** – checks the completeness and validity of placement data before bind to highlight any missing or inconsistent information, which confirms upfront whether the risk can be processed digitally.
- **Digital clause library and contract validation** – provides digital access to up to date model clauses and wordings, while allowing market participants to write and sense check bespoke language.
- **UR service** - Lloyd's will provide a digital service that will provide market participants and placing platforms with a truly unique reference (UR) for each contract and section. This UR can be used as a reference for the London companies market where the placement is a dual market.

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#### 4 - Digital Gateway

Today, there is no facility to provide data into processing directly from placement. This results in laborious data extraction, validation and manual processing. This leads to significant delays in processing, rework, errors and re-keying and rejection of risks post-bind.

Linking the accurate and complete data created from the placement process and electronic placement platforms to new digital processing is a fundamental and transformational change. The Digital Gateway is the link between placement (and claims) and processing. It has five roles:

1. To check that placement (and/or claims) data is complete and of the necessary quality
2. To enrich the placement data with derived data to create the Core Data Record
3. To route the transaction either through digital or legacy processing
4. To store a copy of the Core Data Record and the Market Reform Contract, associated schedules and supporting documents in the Data Store
5. To report on the adoption of digital processing in the market

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#### 5 - Digital processing

The primary aim of digital processing is to enable frictionless, automated accounting, payment, endorsements and reporting the moment placement data has been validated and the Digital Gateway determines the data record provided is of sufficient quality for new digital processing.

The creation of the technical account and associated ledger is at the heart of processing a risk – it is the basis for fast and accurate ledger record creation, payment, automated record keeping and reporting. Achieving right first time, real-time creation of the technical account will allow the market to avoid significant rework, reconciliation issues and error correction as well as rapidly accelerating downstream processing. A payment instruction will be validated against the accurate central technical account and ledger and this will provide input to central accounting as today, but the cycle time will be drastically reduced from weeks or months to hours or minutes.

With complete and accurate placement data held centrally, it will be possible to provide additional optional administration services, such as: invoicing, direct settlement, automated credit control, and exposure data aggregation. Consultation, research and experimentation is commencing to determine market appetite and feasibility of such additional services.

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**6 - The Data Store**

The Market Reform Contract will be updated to enable the creation of a structured placement processing data record, from which the Core Data Record can be derived. The Data Store will be the central repository for the market and will comprise:

- The Core Data Record
- The intelligent Market Reform Contract
- Links to disclosure documents where they are held on placing platforms

The Data Store will also include endorsements, renewals and claims records over the lifecycle of a contract. It will replace the Insurance Market Repository (IMR) for digitally processed business, will be fully searchable, and will have advanced access and security controls in place to ensure the appropriate data confidentiality.

The Data Store will only contain post-bind data - no submission or quote-specific data will be captured or stored. The Data Store will also store the information relevant for claims processing, captured during placement and supplied immediately post bind. This data will then be used as the base data for all updates and processing throughout the lifecycle of the contract.

The Data Store will be developed to support the whole of the London Market. We will wherever possible, adopt industry standards for data. Where there are gaps, we will define interim data standards in consultation with the market and work with the data standard bodies to incorporate these standards into their industry standards.

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**7 - The Digital Spine**

The end-to-end customer journeys will be underpinned by a modern digital architecture that focuses on data orchestration and a unified experience for the participants of the market. Our approach will be to assemble a flexible platform that enables improved customer experience, efficiency and innovation. This will:

- Enable the flow of data between Lloyd's and the wider market (via APIs and microservices)
- Eliminate the duplication caused by manual data processes
- Make it easier to automate
- Improve operational reliability, resilience and flexibility
- Support innovation so we can improve existing market services and create new ones

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**8 - Electronic first notification of loss (eFNOL) and routing**

The electronic first notification of loss and routing function will deliver three capabilities:

1. The receipt and validation of claims notifications, retrieving the relevant policy data from the data store
2. Coverage validation
3. Routing the claim to the most appropriate handling channel

Notifications will be submitted either directly through a simple portal or from broker systems connected via APIs. eFNOL will instantly link the notification with the associated policy records held in the Data Store using the UR. This will allow instant retrieval of Data Store records (captured during placement) and enrichment of claims information with data from third party sources where appropriate (e.g. satellite imagery).

Initial verification checks can be executed (e.g. whether policy is in force and the premium paid) and an intelligent routing engine will then direct the claim to the appropriate handling channel. This automated process will significantly reduce the time taken between first notification and the initiating of claims adjustment.

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**9 - Claims orchestration and claims support services**

Effective claims orchestration is fundamental to delivering an efficient claims process. We will therefore introduce a new platform to achieve this which will ultimately replace ECF and CLASS. Core to the new platform will be a workflow solution that interfaces with insurers' claims systems to create, assign, track and review tasks. Participants will be able to view the status of their claims, view or progress their own tasks and see the status of tasks assigned to others that are relevant to them. This will drive transparency and reduce claims lead times.

Simple tasks will be automated, regardless of the overall complexity of the claims, freeing up claim handler time for value-adding activities. New communication and collaboration tools will allow those involved in the handling of a claim improved collaboration and coordination, therefore providing greater transparency and faster outcomes for customers.

A faster claims payment service will be introduced that will facilitate fast track claims payments either via the broker or direct to the policyholder where our customers require rapid resolution of a claim.

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The platform will be delivered iteratively, component by component and therefore benefits will be realised before the full solution is delivered. In addition, we will consult with the market and explore the central provision of tools and services which would benefit from central procurement, such as access to third-party data sources (e.g. geospatial imagery, hurricane tracking) which are currently procured by all market participants.

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### 10 - Delegated authority claims processing

The Data Store will provide one source of delegated authority data and will support reporting. Direct catastrophe reporting has been made possible via a secure portal that validates the data submitted by delegated authorities and that allows them to report according to their regulatory requirements.

Delegated claims administrators and coverholders will be able to immediately identify the appropriate authority limits by directly accessing the binding authority agreements and underlying policy templates and certificates held on the platform.

The delegated authority claims solution will significantly remove duplication and manual, time-consuming administrative tasks that characterise the current process. We are building a solution with the capability to remove bordereaux and where loss funds are no longer necessary.

For claims outside authority, coverholders and delegated claims administrators can use the claims orchestration and claims support services to manage individual claims and automatically route claims for handling to the appropriate market participants.

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### 11 - Legacy processing

Given the nature of business in the Lloyd's market, legacy processing will continue for some time. However, given the many benefits of digital processing, we anticipate new business will switch over to this new process quickly. The use of the Digital Gateway will mean market interfaces will be consistent and avoid dual processing by allowing routing of business into new processing where possible and legacy processing where not. We will look to leverage the new capabilities to make improvements to legacy processing wherever possible, particularly for complex business.

We do not intend to migrate legacy systems and processes to new systems for historic business.

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**Treaty reinsurance  
and automated  
placement****Treaty Reinsurance**

Inward Treaty reinsurance is currently placed manually face-to-face or on bespoke platforms. There is an opportunity for Lloyd's to work with the reinsurance brokers and markets to support these platforms or help build a data-first platform. This will form the basis of consultation, research and experiments over the next year to determine the right way forward to support this business type and we will update the market further in 2021.

**Automated placement**

The use of artificial intelligence and algorithms to automatically underwrite business is evolving rapidly and its use is increasing - several innovative Lloyd's syndicates already offer algorithmically underwritten products to retail brokers and wholesalers. There is a significant opportunity for Lloyd's to support this placing method by providing connectivity from multiple markets to multiple retail brokers and wholesalers through an exchange of exchanges capability. This will form the basis of consultation, research and experiments over the next year to determine the right way to support this placement method in Lloyd's, building on the work done and infrastructure implemented for open market and delegated authority business described above. We will update the market further in 2021.

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**Better, faster,  
cheaper**

All market participants will realise benefits of the digital marketplace, the more they adopt the more they will realise. The new model will be:

**Better** – A high quality, accurate, Core Data Record is captured during placement and added to through endorsements, renewals and claims, which enables digital processing. This is the one irrefutable version of the truth.

**Faster** – The technical accounting ledger entries will be created in real time post bind rather than the weeks or months it can typically take today. This enables better capacity management, cash management and credit control. Claims cycle times will be radically reduced with eFNOL and digital claims orchestration.

**Cheaper** – The digitisation of the marketplace will save a significant amount of cost by doing it right first time, avoiding error correction and rework.

Blueprint Two delivers the vision set out in Blueprint One by:

- **Reducing the costs of doing business at Lloyd’s** – Our view is market participants’ collective administrative and support costs will reduce by over £800m a year, providing they adopt the Future at Lloyd’s solutions.
- **Offering even better solutions for our customers’ risks** – Through the combination of enhanced placing platforms, innovative approaches already delivered through syndicate in a box, and supported by the lower cost digital processing set out, Lloyd’s insurers will offer a more comprehensive range of solutions to meet customers’ evolving needs.
- **Simplifying the process of accessing products and services at Lloyd’s** – Highly intuitive electronic placement and claims platforms will mean the market can be accessed by more people, more easily, in more locations around the world. The Future at Lloyd’s solutions will be available to brokers and insurers anywhere in the world at any time.
- **Building an innovative and inclusive culture that attracts talented people** – Fostering an inclusive and open culture where innovation and new ways of working drives high performance. Retaining the best talent in the market and attracting the new skills to deliver the ambition.

# Chapter 2

## Delivery planning and approach

**Focus areas for  
2021 and 2022**

In line with the ambitions stated throughout this Blueprint, the Future at Lloyd's delivery in 2021 and 2022 will focus on:

- Setting the standard for data and the data record for the market. This will deliver, the iMRC and Core Data Record needed to provide accurate and reliable data at the point of bind that will support downstream digital processing and settlement
- Building placement support services e.g. tax calculator, to enable users to adopt the data and placement standards
- Research and experimentation in treaty and automated risk placement
- Enhancing the delegated authority journey from onboarding through to placement, data capture and claims
- Building a straight through digital processing capability once a transaction has been validated through the Digital Gateway
- Digitising the management of open market claims from first notification to payment
- Following testing in H1 2021 assemble the components of the Digital Spine to underpin the prioritised customer journeys e.g. APIs, microservices, process orchestrator and security
- Build the foundations of the Data Store that includes Core Data Record and iMRC and implement data governance in collaboration with the market
- Establishing the run model for the new digital services
- Developing an adoption plan in consultation with the market

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**Delivery approach**

We will build on the delivery already established within the Future at Lloyd's Programme. Taking a research driven and iterative approach to delivery that focuses on:

- Execution through test, learn, iterate and scale, or stop and refocus where approaches are not fit for purpose
- Market engagement and research underpinning all our work
- Learning and innovation through experimentation, encouraging new ideas to be shared and tested
- Foundations built on flexible technology architecture, which is assembled rather than built which enables capabilities to be plugged in and tested at speed
- Empowered multi-disciplinary teams working openly with the market, focused on joined up end-to-end user journeys

This approach has already helped us bring our delivery plans into sharper focus, to provide quick solutions to priority problems and refine emerging solutions with the market. The Virtual Room, which launched on 1 September 2020, is an example of a solution already created using this approach.

**Our achievements so far**

Since we published Blueprint One, we have worked closely with the market and other stakeholders to deliver value as quickly as we could to market participants. Our programme of work has carried out all the activities below and more on time and on budget.

**Offering even better solutions for our customers' risks'**



**Approved four new syndicates in a box:**

- Carbon syndicate 4747
- Munich Re innovation Syndicate 1840
- Ascot Parsyl Syndicate 1796
- Asta Picnic Syndicate 2460



**Approved a new syndicate - Ki.**

Ki is a fully digital algorithmically driven 'follow only' syndicate created in collaboration between Brit and Google Cloud.



Launched a **pilot for Small Claims Auto Settlement (SACS)** to reduce administration and speed up claims settlement.

**Simplifying the process of accessing products and services at Lloyd's**



Built quote and submission APIs enabling the **frictionless flow of electronic placement data** between carriers and brokers.



**Streamlined the claims process**, taking an average of three days off transaction times by reducing the number of people who need to approve our less complex claims.



Agreed and finalised Lloyd's stake in the London market's **electronic placing platform (PPL)**.

**Reducing the cost of doing business at Lloyd's**



**Reduced bureaucracy for claims processing** for binding authorities.



Reduced the need for **re-keying data as a result of new placement APIs** that enable data to flow between carriers and brokers.



Worked extensively with the LMA and Managing Agents on potential **Lead Follow standards**.

**Building an inclusive and innovative culture that attracts talented people to Lloyd's**



Continue to work with the market to develop the **Virtual Room** to alleviate challenges around remote working.



Launched a **new culture dashboard** and have set gender targets for the market.



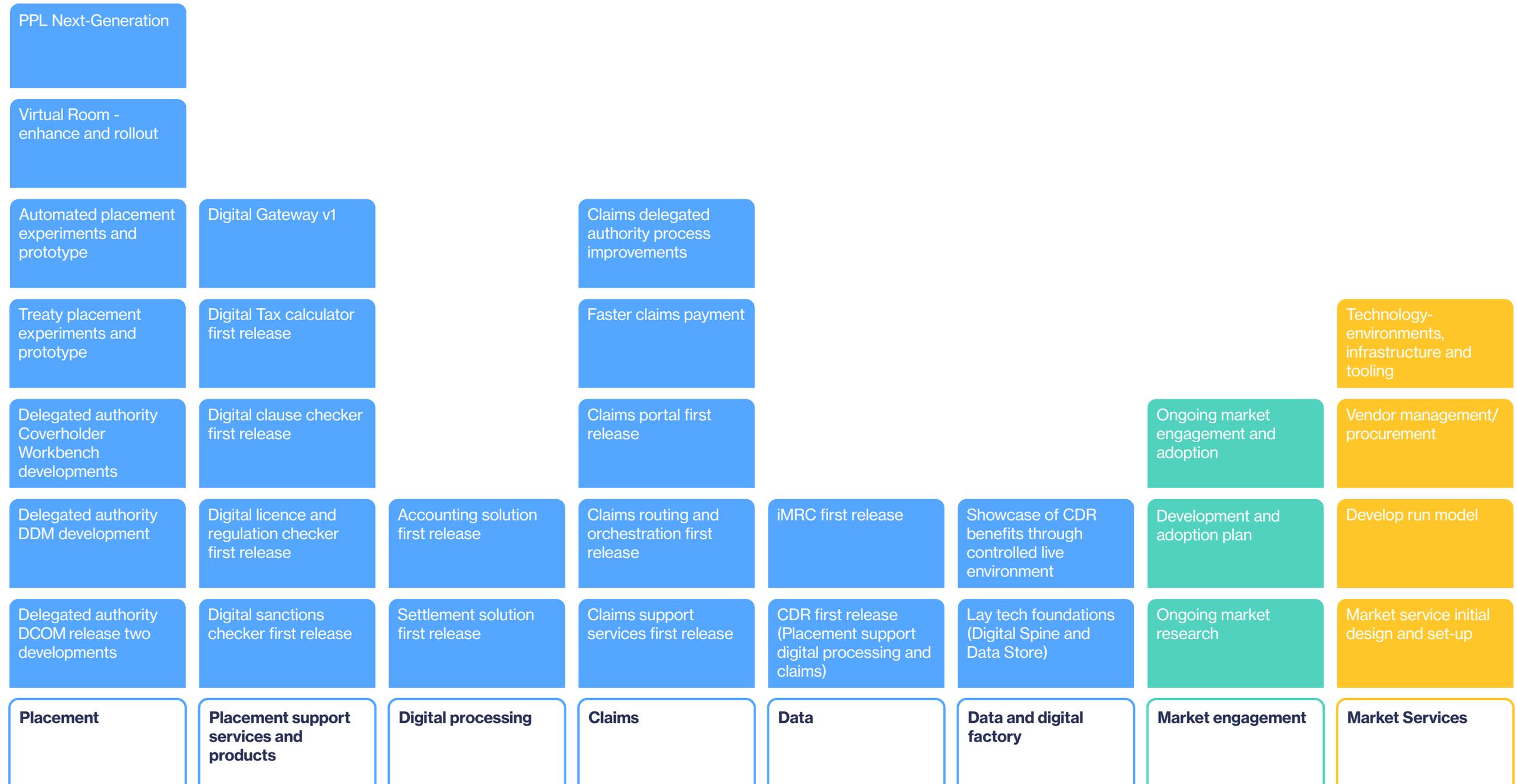
Established our **Cultural Advisory Group**

**Focus areas for 2021**

The focus areas for 2021 will be:

- First release of the data and placement standards including the iMRC and Core Data Record for chosen classes of business
- Launch of Next Generation PPL and further developments incorporating the data and placement standards
- First release of initial placement support services (compliance checking, tax calculation, Doc-check, placement validation and the UR)
- Rollout the delegated authority solutions from onboarding through to placement and data capture
- Research, design and prototype the treaty reinsurance and automated placement journeys
- First release of the Digital Spine and the Digital Gateway to enable the processing of the Core Data Record
- First release of the Data Store and supporting governance
- Set up the run model dedicated to running and supporting the new digital products and services for the market
- End-to-end test of the new digital processing solution post-bind, accounting and settlement against a single class of business
- Test a new claims solution focusing on eFNOL, routing and orchestration for open market claims
- Deliver delegated authority claims process improvements and faster claims payment interim solution for open market and delegated authority

**Building blocks for 2021 delivery**



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**Focus areas for 2022**

In 2022, the focus areas will be:

- Iterate and scale future versions of Core Data Record to support additional classes of business
- Roll out and scale across further classes of business for open market placement built in 2021
- First release of additional placement support services (e.g. digital clause library and contract validation, UR service) and release two of services delivered in 2021
- Scale the delivery of the digital processing solutions end-to-end tested in 2021
- Roll out and scale the new claims solution focusing on eFNOL, routing and orchestration for open market claims
- Roll out and drive market adoption for delegated authority claim process improvements
- Scaling onboarding of market firms to drive adoption and benefits realisation

# Chapter 3

Look back to  
Blueprint One  
and Blueprint  
One update

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**Syndicate in a box**

Great strides have been made with the development of the syndicate in a box concept which has transitioned into “business as usual”.

The success of this initiative can be seen in the results. The new entrants team has processed over 80 business enquiries and around 20 advisor discussions and now have four syndicates in a box:

- Munich Re, syndicate 1840 – innovation syndicate. This syndicate was formally launched 1 January 2020
- Asta Carbon, syndicate 4747 – international binder book via MGA. This syndicate was formally launched 1 July 2020
- Ascot Parsyl, syndicate 1796 – pharmaceutical / vaccine cargo syndicate. This has been agreed in principle by Council, with a target launch date of the end of 2020
- Asta Picnic, syndicate 2460 - providing bespoke cover to mutual schemes. This has been agreed in principle by Council, with a target launch date of 1st January 2021

In addition to this, we have around 10 proposals in the pipeline.

**What has changed**

The revised approach for review and approval of applications has meant that in all instances we have achieved the 90-day target we set.

In addition, we have been able to reduce the frequency of major returns for new syndicates established under the syndicate in a box initiative. This will help alleviate resource and cost burdens on syndicate in a box participants.

**Future Plans**

We undertook a review of syndicate in a box criteria and framework with all stakeholders in August 2020. The key areas for development are:

- Fine-tuning the criteria
- Making available further explanation and information on operating at Lloyd's and the requirements for setting up a syndicate in a box
- Working with managing agents to increase capacity to manage syndicates in a box

In addition, we will continue to review the oversight and reporting framework for syndicate in a box to create a more cost-effective environment for small start-ups.

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**Data**

A data strategy has been defined with the Data Working Group that covers the following elements:

- The concepts and early definition of a Core Data Record for open market and delegated authority business
- How the Core Data Record will be built up from the placement processing data and enriched with derived data
- How placement processing data will be embedded in and extracted from a new intelligent Market Reform Contract
- How data will be governed and managed
- The protection and security of data

*[Refer to Chapter 9 for further detail.](#)*

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**Capital solution**

In Blueprint One we set out on a journey to deliver:

- Simpler capital rules and processes to increase the ease and cost-effectiveness of engaging with Lloyd's for capital providers.
- New, complementary structured investment opportunities (such as ILS cell-structures, follow-only and tracker products).
- A central capital platform that increases the ease of matching risk and capital, and provides greater transparency of performance and risk.

We revisited all our plans in light of market feedback and the COVID-19 pandemic. It was agreed this work should be paused, to allow the programme and the market to focus on the areas where we could provide the most benefit in the immediate future.

Over the last few months we have developed a new state-of-the-art members' agent and investment manager digital portal to provide quick and easy access to Funds at Lloyd's data. Users will be able to extract and query their Funds at Lloyd's data in a flexible and efficient manner.

This platform went live in October 2020 and members who were previously signed up to the original online tool will have been transferred across to the new platform. If you would like to use the new portals please email [falonline@lloyds.com](mailto:falonline@lloyds.com) and the team will work with you to provide access to the new service.

The next phase to extend the platform for onboarding, know your customer and due diligence is underway. As part of this we will be looking across the end-to-end process to see where we can reduce duplication, digitise our data requests and provide a faster more efficient

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process for members. For example, in September the use of E-signatures was approved on all documents other than deeds, reducing the need for paper documents and wet ink signatures.

In addition, we have been looking at our capital setting processes, with the focus on:

- Making the processes more transparent and efficient, and having more predictable requirements
- Consolidating a large number of guidance notes and instructions into a single source
- Conducting more capital reviews throughout the year
- Launching a “fast track” pilot, which places more reliance on year-round reviews thus reducing the review activity in the busiest parts of the year

Lastly, we have continued to look at how we can expand the options for capital to back the Lloyd’s market. We have developed a new insurance special purpose vehicle (ISPV) that can be utilised by various sources of new capital. Our approach has included the development of standardised processes and documentation, all designed to make the process more transparent and quicker to instigate and to streamline the approach to regulatory approval for our investors.

We are supporting the UK’s protected cell company (PCC) regime as the construct of the ISPV and we are applying to the PRA and FCA for approval of a new market PCC, with the aim of getting it launched and ready for use, before the end of the year.

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### The Virtual Room

The Virtual Room is a digital platform which supports market participants to collaborate and maintain their connection to the Lloyd’s community, from wherever they are. Extensive research was used to shape the Virtual Room proposition through over 100 customer interviews with market participants, to deeply understand their pain points and challenges with the initial remote working period. We’re focussed on driving connectivity and a tangible sense of community across the market in order to sync up the physical room with its digital equivalent – the Virtual Room.

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### What we have achieved so far

The Virtual Room was launched to coincide with the re-opening of the physical Lloyd's underwriting room on 1 September 2020 and was delivered within a six week timeframe.

We have launched with four specific features:

1. **Broker and underwriter profiles** – Displaying key profile information such as line of business, risk appetite.
2. **Market-wide search** – Search by key attributes, to help identify and find the right contact.
3. **Chat** – Send an instant message to ask a quick question.
4. **Scheduling** – Identify when someone is available to speak, now or in the future, and schedule time with them.

The Virtual Room is supported by the 'Connect Bar' – a physical support desk in the Lloyd's underwriting room which can help with Virtual Room queries, demonstrations and Lloyd's-related queries.

The next focus for the Virtual Room is to concentrate on features which we know will continue to provide value to market participants. Testing continues to play an important role in how we iterate further releases. Likely enhancements include:

- Scheduler booking enhancements
- Search and compare by availability
- User experience enhancements
- Organisational team pages
- Enhanced chat functionality

The Virtual Room will form a core channel enabling access to the ecosystem of services that Lloyd's is creating – aiming to 'connect the world to Lloyd's'. From virtual queuing to maps detailing who is in the room, or even functionality that facilitates transactions through informal chat, the Virtual Room has the potential to change the way we work and interact. This is the first step on an exciting journey.

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### Services hub

Blueprint One outlined the services hub to build upon on existing capabilities and provide new, innovative services that offer value to market participants, customers and a competitive advantage for Lloyd's. This concept has been integrated into our overall approach. Refer to chapters [4](#) to [8](#) for the details of the key components that need to exist in placement and claims in order to enable the end-to-end journey.

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### Complex Risk Platform

Our thinking has evolved and Lloyd's will not develop its own placement platform for open market direct and facultative reinsurance business. However, in consultation with the market, Lloyd's will provide risk placement standards (data and process) enabling transactions to be processed faster through new digital processing and at a lower cost.

Lloyd's investment in PPL will accelerate the next generation of PPL guaranteeing it supports our new digital placing process, seamlessly integrating our new placing process.

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### Lloyd's Risk Exchange

The use of algorithms to automatically underwrite business is evolving rapidly and its use is increasing - several innovative Lloyd's syndicates already offer algorithmically underwritten products to retail brokers and wholesalers. There is a significant opportunity for Lloyd's to support this placing method by providing connectivity from multiple markets to multiple retail brokers and wholesalers through a Lloyd's risk exchange delivering 'exchange of exchanges' capability. This will form the basis of consultation, research and experiments over the next year to determine the right way to support this placement method in Lloyd's, building on the work done and infrastructure implemented for open market and delegated authority business described above. We will update the market further in 2021.

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### Claims

Our claims solution outlined in Blueprint One was to create a digital capability that triages and routes claims, automates decision making for the simplest claims and orchestrates complex claim handling. This would be underpinned by a new claims orchestration platform. Our need to modernise the claims function is further emphasised in Blueprint Two. Refer to chapters [7](#) and [8](#) for further detail on the underlying capabilities being developed.

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In advance of these strategic changes, a number of improvements have been made since the launch of Blueprint One. Most notably:

- The launch of a pilot, with eight managing agents, of the small claims automatic settlement (SCAS) process to automate the agreement of low value claim settlement transactions for claims where no complexity exists.
- The creation of a single catastrophe reporting portal that gives direct access into Lloyd's for delegated claims administrators reducing the need for ad hoc cat reporting.
- An updated Lloyd's Claims Scheme that doubled the financial limits by which claims can be agreed by leader only.
- Increased claims support services to the market, specifically through the appointment of a US Head of Claims to support our North American cat response and through the recent go-live of our DCA centralised approval process.

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### Middle and back office

Blueprint One laid out an ambition to develop a centralised, digital core accounting and settlement service to support placement and claims. Blueprint Two introduces an expanded scope and ambition as placement support services and digital processing. The aspiration of placement support and digital processing is to deliver frictionless post-placement and post-claim agreement processing enabled by reliable data from trusted sources.

The workstream has already:

- Defined the ambition and vision for frictionless processing
- Established market forums to address key strategic and design questions
- Agreed the scope in conjunction with the Advisory Board, Corporation and other workstreams
- Supported the data analysis performed by the Data workstream for the Core Data Record proof of concept
- Identified the products and services required to achieve the ambition

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## Technology

As outlined in Blueprint One, our technology architecture will be open by design, use best-of-breed components, and will follow a modular build approach to support a phased delivery of solutions for the market. We have developed this thinking in Blueprint Two by utilising modern digital technology that provides flexibility, with the ability to rapidly bring new solutions online and swap out underlying technologies should newer and better technologies become available. Refer to [chapter 10](#) for further detail.

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## People and culture

For the Future at Lloyd's, striving to achieve a high-performing culture will be key to establishing the market as a destination that is truly inclusive, draws the most talented people and offers the most modern working environment. It will ensure our business performance will improve, we'll be more competitive across the globe, and ultimately rise to the standards we have set ourselves.

Becoming a data-led digital market will be critical for us in attracting and retaining key skills. The insurance workforce now requires both traditional technical skills, such as underwriting and claims, and much newer skills such as digital design, data, research and digital engineering along with ways of working that reinforce a collaborative, test and learn environment.

In addition, the COVID pandemic has accelerated the adoption of a remote workforce model, now evolving into a hybrid model of working which is being embraced across Lloyd's and the broader market.

An independent [Culture Advisory Group](#) has been established, with Non-Executive Director Fiona Luck as Chair to advise Lloyd's as we take the steps to create a high-performing culture. Since 2019 we have embarked on a series of activities to ensure we are measuring our progress towards a high performing culture. In May 2019, we undertook the market's first Culture Survey, the largest of its type ever conducted in the insurance sector and to which we had more than 6,000 respondents. The results of that survey shaped our commitments in the following areas:

- **Wellbeing:** ongoing support and dedicated events to raise awareness of mental health issues and the importance of wellbeing, including another sell-out Dive In festival in September attracting over 18,000 attendees
- **Culture Dashboard:** informed by the Culture Survey and data related to policies and practises the dashboard provides a transparent view of culture in the market. On an annual basis we will report on our collective progress towards an inclusive environment where everyone can achieve their full potential

- **Culture Toolkit:** to support market organisations, we have developed a [culture toolkit](#) consisting of practical tools, techniques, KPIs and training advice. Driven from research, it provides a common framework focused on the elements required to create a high-performing culture
- **Gender:** One of the loudest messages we heard from the survey results was the need to radically improve the experience of women working in the Lloyd's market. We aspire for the market to achieve 35% female representation in leadership roles by the end of 2023
- **Ethnicity:** We are committed to rooting out any injustice or negative experiences when it comes to our Black and Minority Ethnic colleagues, whose lived experience is not the same as it is for white colleagues. Earlier in 2020, we [launched the specific actions](#) we are taking to help improve the experience of Black and Minority Ethnic talent in our market. We are also committed to increasing the representation of Black and Minority Ethnic colleagues across the market, and importantly across our leadership population. The Ethnic Diversity in the Workplace report published in October 2020 provides practical guidance and case studies to help identify the steps market participants can take

As we deliver the next stage of the Future at Lloyd's we will be continuing to embed and encourage adoption of the steps taken so far on culture. We will also continue our efforts to improve market data and measure progress against it. The second annual Culture Survey ran in October 2020 and the findings will help us to continually benchmark our progress and prioritise our focus for the future.

## Lead Follow

Substantial progress has been made on the lead follow initiative in 2020. Two new "follow-only" syndicates from Brit (the algorithmically driven Ki) and Nephila were approved by Lloyd's. Additionally, revised standards were issued to the market for consultation over the summer, with specific emphasis on portfolio management, portfolio underwriting and pricing standards, each of whom are intended to enable a future lead follow model.

During 2021, we will articulate a revised lead follow vision and its numerous dependencies on the other elements of the Future at Lloyd's strategy. We will also conduct detailed analysis and assess the regulatory and oversight impacts of this vision. Importantly, we are challenging ourselves and the market to thoughtfully articulate the precise role of both leaders and followers in this future vision. We will update the market further during 2021.

# Section 2

## The Future at Lloyd's customer journeys

# Chapter 4

## Open market placing journey

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**The critical role  
of placing**

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The digital marketplace we are building will depend on five critical elements:

- Highly intuitive user interfaces
- Data standards
- Placing process standards
- Placing support services
- A Digital Gateway

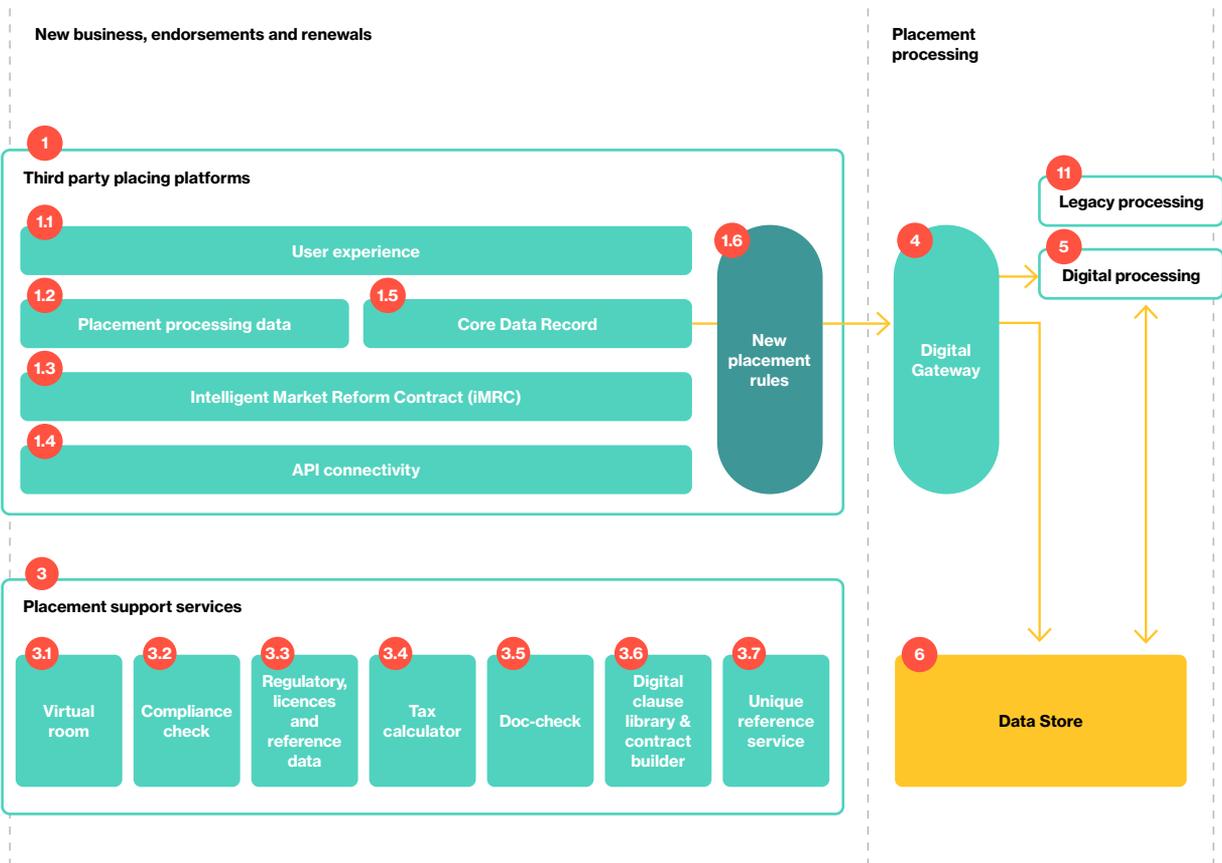
We will develop them by:

- Supporting providers as they redesign their placing platforms based on user experience, research and feedback. We must ensure the platforms are used out of choice rather than necessity.
- Defining and enforcing placing process standards.
- Defining what data must be captured at bind and ensuring it is collected as a seamless part of the placing process.
- Providing placing support services that enhance the user experience and ensure the data is accurate from the start of the process.
- Providing a Digital Gateway that allows data to be validated before it is used for digital processing.

This will allow accounting records to be established in real time and Core Data Records to be created that can then be used for payment, endorsements, renewals, reporting and, critically, claims processing. All of this will benefit the customer by enabling easier accessibility to the market, faster risk placement and greater transparency.

The diagram below shows how the open market placing process will work and the key elements needed for each stage.

## Getting covered - Open market



**Open market –  
end-to-end  
user journey**

Blueprint Two focuses on this user journey because a substantial part of Lloyd's business is placed this way. Our thinking on this journey has evolved from Blueprint One, where we said we would build a Complex Risk Platform for open market business. We will now focus on supporting third party placing platforms.

We will continue to set standards which platforms will need to adopt to be accredited to work with the Lloyd's market. These will include:

- A defined set of placement data that will form part of a new intelligent Market Reform Contract
- Placing standards and rules
- Interoperability with Lloyd's placement services. This will include, for example, a tax calculator
- A requirement that placement data must be submitted directly into the Digital Gateway. Lloyd's will not collect any data pre-bind
- A way of enhancing placement processing data from other sources to form a new Core Data Record for each transaction, which will be kept in a new Data Store

**Electronic placing platforms – improving their capabilities (1)**

We will support further development of placing platforms. To speed up this development, we have provided financial backing to PPL to help develop its next generation platform. However, brokers and insurers will be able to use any Lloyd's-accredited platform so long as the platform adopts our standards. We will be working with other platform providers to help them adopt these standards.

**Providing a highly intuitive and compelling user experience (1.1)**

The next generation of placing platforms must be more intuitive to use in the way other technology such as mobile phones and tablets are. They must also be more practical for market participants to use, allowing them to collaborate and create insurance contracts and negotiate more easily. One of the main objectives of the next generation PPL is to provide a much better user experience.

**Creating a placement data record at the point of bind (1.2)**

Currently, market participants have to collect the information they needed to process insurance contracts from multiple sources, including the Market Reform Contract, tax schedules, and from ad hoc enquiries made by the central processing bureau to the broker and the underwriter. Typically, multiple Premium Advice Notes have to be submitted but on occasions up to 2,600 Premium Advice Notes have been submitted for a single coverage.

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We will address this inefficient process. As the first step, we have identified the information required to process insurance contracts for several classes of business. This is known as the placement processing data. This will be enhanced automatically with additional data from Lloyd's central reference sets, and together with the placement processing data will form the Core Data Record for each insurance contract.

This ability to create a Core Data Record immediately post-bind is essential for digital processing, as it will be used to drive all subsequent processing and reporting. The Core Data Record will vary by class of business and will contain the absolute minimum data required to enable the transaction to be processed. Using data in this way is the keystone on which the Future at Lloyd's strategy is built.

### **Evolving from a “document plus data” to a “data-first” process - Intelligent Market Reform Contract (1.3)**

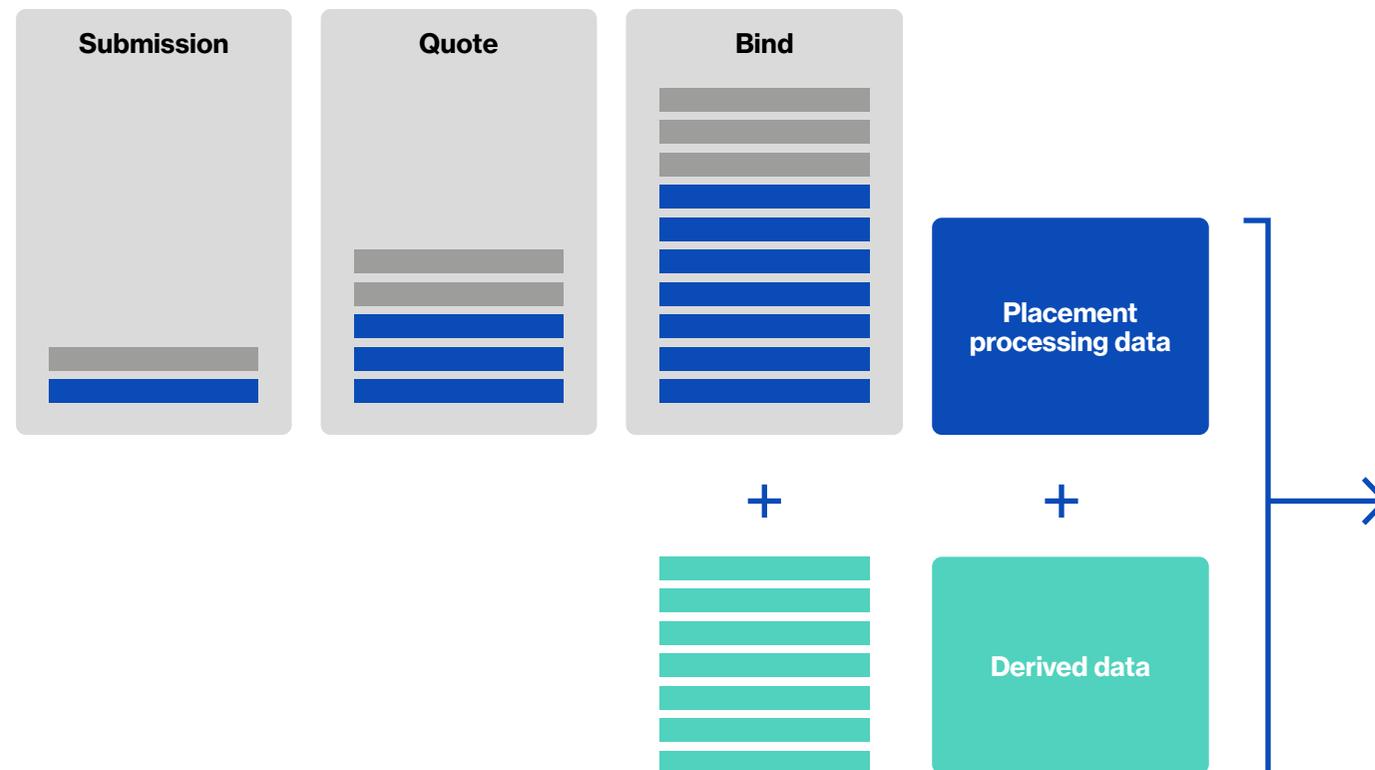
The market currently relies on documents to create insurance contracts. We will digitise this process using data rather than documents – a data-first approach. In a data-first world the core contents of insurance contracts will be built and maintained digitally. The next generation placing platforms described earlier in this document must help the market make this transition (e.g. requiring structured data to be used so the intelligent Market Reform Contract can prioritise digitised data over information held elsewhere in the document).

In order to support the extraction of key contract data, the intelligent Market Reform Contract (iMRC) will place the primary fields in a header, banner or specific location or format. These primary fields will form the definitive record of the transaction. Placing platforms and other technologies can then extract the core data required from these contracts to support subsequent processing.

### **Enabling the exchange of data electronically between brokers and insurers during placement (1.4)**

Lloyd's standards will make it easier for brokers and insurers to exchange information from submission, through quote to bind. We will build a series of APIs that support this. Lloyd's will not own or control the electronic placing platforms, the detailed process or receive any pre-bind data.

### The Core Data Record available post bind (1.5)



#### What is the Core Data Record?

The Core Data Record (or CDR) denotes the critical transactional information which needs to be collected by the point of bind, in order to drive downstream processes

#### Data fields in the Core Data Record can be split into two categories:

- **Placement processing data:** critical processing data that must be captured during the placement process and available at the point of bind
- **Derived data:** fields that form part of the minimum requirements, but can be derived / calculated without the need for manual input

#### The Core Data Record

Is the critical data required to be collected at the point of bind.

It serves as the input to digital processing that will be used to drive all essential downstream processing and reporting.

This data record will vary by class of business and will only contain the minimum data required for transactional processing

#### Example processes the CDR drives

- Creating an invoice
- Creating payment schedule
- Settling premiums
- Regulatory reporting
- Validate loss notification
- Coverage check

#### The purpose of defining the CDR

Provides transparency and clarity on what data is required, and what it is subsequently used for (downstream digital processing)

Ensures that the data critical to downstream processes is complete and captured consistently across the market, to enable automation and straight-through-processing

Informs the design of the future data model which is a foundational capability of a data-first marketplace

Identifies information that can be derived through business rules, or enriched with internal or external data, to avoid re-keying, and to reduce the admin burden on the market

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**Example of the Core Data Record**

To illustrate the Core Data Record that will be created from placement processing data and derived data, we have worked with the market to identify the data fields necessary to process a simple North American property risk. This contains a maximum of 105 data fields of which 34 must be completed at bind (placement processing data), with the remaining 71 filled in from information derived from the 34 primary fields (derived data).

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**New placing rules****New placing rules (1.6)**

Many of the placing practices in the Lloyd's market that have evolved over the years have served the market well in a face-to-face context. However, they can overcomplicate the process and can be difficult to transfer into a digital environment. We intend to address this whilst seeking to preserve the flexibility face-to-face offers where it adds value.

**Signing down**

This can be important for brokers and customers, especially where there are many insurers subscribing to the risk or where insurer participation is subject to customer referral. However, it can complicate downstream processes and add delays for many market participants. In extreme cases, signing down can jeopardise contract certainty if it takes place after the inception of the contract.

Today, if an underwriter does not want their line to be signed down, they must write "line to stand". We propose reversing this presumption, so that going forward, if a broker wants to sign down, they must select "to be signed down" with the default as "line to stand". This keeps the broker's and customer's options open.

Where the default is "line is to stand":

- Placement platforms will not allow placements in excess of 100%
- For other placements, the Digital Gateway will remove lines that take the placement over 100% with the relevant underwriters receiving immediate notification
- This will allow the full accounting record to be created (for the broker and the underwriter) immediately at the point of bind

Under our new process, if a broker elects to retain signing down, then:

- It will be formally recorded as part of the placement process
- Lloyd's will introduce a signing down period, which will either expire on the inception date of the policy or 28 days from when the first insurer entered into the contract, whichever is soonest

- If the end of the signing down period is reached and signing down has not been completed by the broker, the risk is automatically signed down on the placement platform proportionally, incorporating any individual “line to stand” clauses
- A reminder will be sent to the broker highlighting that automatic signing down will be happening
- If signing down cannot be completed automatically, this will be highlighted as an exception when the signing down period expires

**Getting placing data right first time**

By capturing placement processing data accurately during the new placing process, we will:

- Eliminate the need for brokers to produce and submit London Premium Advice Notes (LPANs) and tax schedules for central processing
- Create one irrefutable version of the truth, eliminating almost all rework and error correction in brokers’ and insurers’ back offices
- Facilitate better credit control
- Make it easier for insurers to manage capacity
- Facilitate faster payments

This is a transformational change from how we do things now. This will make a significant difference to broker and insurer back office and central market processing functions, making them more efficient, more transparent and lower cost.

**Placement support services**

Placement support services are the tools and capabilities needed to support an intuitive and compelling user experience, and to create complete accurate placing data. Initially, we will provide seven placement support services for the open market placement user journey.

**The Virtual Room (3.1)**

Our recently launched Virtual Room is a digital channel which connects the market and its participants from anywhere in the world. The Virtual Room’s features are based on feedback from market participants and include a searchable participant profile directory, online chat and a way to schedule meetings across the market. It will connect those working in the Lloyd’s underwriting room in London and those working outside the Lloyd’s building throughout the placing process. We will keep enhancing the Virtual Room through regular releases based on further research and experiments. We will work closely with the placing platforms and other placing support services to deliver an integrated user experience.

**Compliance checking (3.2)**

This service will centralise access to sanctions, know your customer and anti-money laundering checking tools and share this information between market participants involved in the insurance transaction, ensuring consistency and reducing costs through economies of scale across the market. Users of this service will remain responsible for completing the required checks. To support this they can submit and receive information digitally, and use it to make decisions based on their own risk appetite. The service will automatically notify users to changes to the status of entities they are enquiring about.

**Regulatory, licences and reference data (3.3)**

This service helps ensure risk and regulatory certainty by providing accurate jurisdictional licence and regulatory data information. The service will automatically check and notify the user whether or not the transaction is in line with local licence and regulatory requirements. This will digitise Lloyd's Crystal database and other tools, where this information is currently held, and will make them available for Lloyd's approved placing platforms to use.

**Tax calculator (3.4)**

This service will ensure the direct taxes applicable to insurance premiums are calculated accurately. Market participants and placing platforms can access this centrally maintained tax calculator, using Lloyd's tax rules. Placing platforms can then return a tax calculation automatically for the bind process, enabling full pricing of the insurance product at the point of bind. The tax calculations will be recorded in the Core Data Record.

**Doc-check (3.5)**

Lloyd's doc-check data validation service will be used by the placing platforms pre bind to check the Core Data Record complies with Lloyd's standards. Missing information or data in the wrong format will be highlighted, giving the user the opportunity to make corrections before finalising the contract.

**Digital clause library and contract builder support (3.6)**

Building on existing clause libraries, this will be a digital library of model clauses and wordings for contracts, with variations for each class of business and regional/local legislation. The placing platform will connect with this library and submit core risk information when the contract is being built to identify model clauses when developing the contract. Brokers and managing agents will be able to build bespoke clauses or access their own local clause libraries for in-house preferred clause terms.

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**Third party placing platforms: advances in PPL in collaboration with Lloyd's**

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**Unique reference service (3.7)**

We will provide market participants and placing platforms with a Lloyd's reference number that can be applied to each transaction at the point of bind, which will attach to the risk throughout the policy term. This number can also be used as a reference by the London market in cases where the placement is dual market.

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Lloyd's has invested in PPL to develop their next generation placing platform, guaranteeing it supports our new digital placing process seamlessly integrates Lloyd's standards. This will provide a compelling user experience from the start to the end of the placement process with all the benefits of digital processing brings, such as significantly increased speed and lower cost.

Next generation PPL will be a completely new electronic placement platform built using cutting edge technologies to deliver an intuitive digital platform. This new platform will support the placement of complex risks in Lloyd's, the London market and the wider insurance industry by using a data-driven process.

Next generation PPL is being designed to support improved digital collaboration and negotiation on risks. It will integrate with brokers' and insurers' in-house systems and other market systems via APIs, and will enable data to flow seamlessly from placement into downstream processing.

Its functionality is broken down into seven areas:

**Submission** – enables brokers to create submission and issue quote requests, and negotiate on the business with underwriters in an efficient and intuitive way.

**Firm order** – enables a seamless process of agreeing and finalising the insurance contract between the broker and the underwriter.

**Endorsements** – the creation and response to endorsements.

**Renewals** – allows brokers to plan and manage their renewals by prioritising risks nearing expiry, and creates an effective placing process for the renewed contacts.

**Facilities** – provides the ability to handle facility business by establishing agreements between coverholders and insurers.

**Cross-process** – this will cover document digitisation and comparison, voice/video collaboration and operational dashboards across users and teams.

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**Market intelligence and reporting** - an interactive and flexible reporting solution that will allow users to gain insight into risks across the placing process.

PPL will work in alignment with the Future at Lloyd's objectives to embed and enforce placing data standards and rules so using the new platform will unlock all the benefits of digital placement processing.

PPL will consult with the market throughout the development of the next generation platform, providing early sight of the functionality and user experience from early 2021. PPL will also be working with market participants to plan the transition to the new platform service, which they expect to be available in H2 2021.

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## Digital Gateway

### **Gateway to digital processing (4)**

Once a contract is bound the intelligent Market Reform Contract (iMRC) and associated schedules and supporting documents will be sent from the placing platform to the Digital Gateway. The Digital Gateway is the first component of digital processing. It has five functions:

- To validate the placement processing data for completeness and quality
- To enrich the placement processing data with derived data sourced from authoritative internal and external reference sources, and associated calculations, to form the Core Data Record
- To route the transaction for either digital processing or legacy processing based on the result of step one
- To store a copy of the Core Data Record, iMRC and any other relevant data to the Data Store. Over time, the Data Store will replace the current Insurers' Market Repository (IMR) and will become the single repository for core data for the Lloyd's market for digital processing purposes. The IMR will remain for the foreseeable future for legacy processing
- To enable Lloyd's to report on the take-up of digital processing

**Benefits****The benefits of the placement support services**

The benefits these services will unlock include:

**An enhanced experience for market participants**

- A simplified and intuitive digital placement experience which market participants will be able to access from anywhere in the world
- Simplified and transparent processes underpinned by a right first time workflow which will remove duplicated tasks, resulting in faster placement overall

**Reduction in the cost of doing business at Lloyd's**

- Fewer handoffs and the automation of key validations that traditionally occur post-bind
- A digital flow of information across the end-to-end placement journey and in to claims
- A reduction in manually captured data using data enrichment technology that will reduce the amount of time brokers and underwriters spend on data entry

**Lower operational risk**

- Reduced errors through the validation and centralisation of the data provided
- Enhanced transparency of each stage of the journey and adherence to compliance

**The ability to retain and drive gross written premium growth**

- The ability to transact business anywhere, from any market in the world, using a core set of enhanced technology and services

# Chapter 5

## Delegated authority facility and risk placement

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### The importance of delegated authority business

Nearly 40% of the Lloyd's market's business is transacted through our worldwide network of over 4,000 registered coverholder offices and over 350 service companies. The coverholder and service company network is also supported by our network of over 400 expert delegated claims administrators (DCAs).

This network allows the market to efficiently serve its customers. It is especially suited to supporting Lloyd's SME and consumer segments with Lloyd's providing cover to over 16 million policyholders worldwide. This network also provides an unparalleled and diverse network of on the ground expertise and customer engagement.

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### Delegated authority end-to-end customer journey

Blueprint One proposed the creation of a Risk Exchange to support automated business solutions. We have now widened our ambition to focus on creating an end-to-end operating platform that supports everyone involved in delegated authority business. Our ambition is to build a seamless platform that enhances customer experience and makes it better, faster and cheaper to do delegated authority business.

Lloyd's delegated authority platform will provide centralised solutions for each stage of the coverholder placement journey including facility placement, risk placement, data capture and reporting. However, market participants will continue to have the option to use their own systems or third-party platforms.

At the heart of this will be the use of complete and accurate data to support the acceleration and simplification of downstream processing. That data will allow us to automate processing and eliminate manual processes currently undertaken by the market. Data collection will be built into the Lloyd's platforms without the need for additional processing, should participants choose to use them. If not, we will provide a range of options to submit data, including API integration for a seamless experience, point-to-point file transfer or a simple drag-and-drop file upload. To achieve this we will need to expand the requirement to provide data to Lloyd's in a timely manner.

The key features of the Lloyd's delegated authority platform will include:

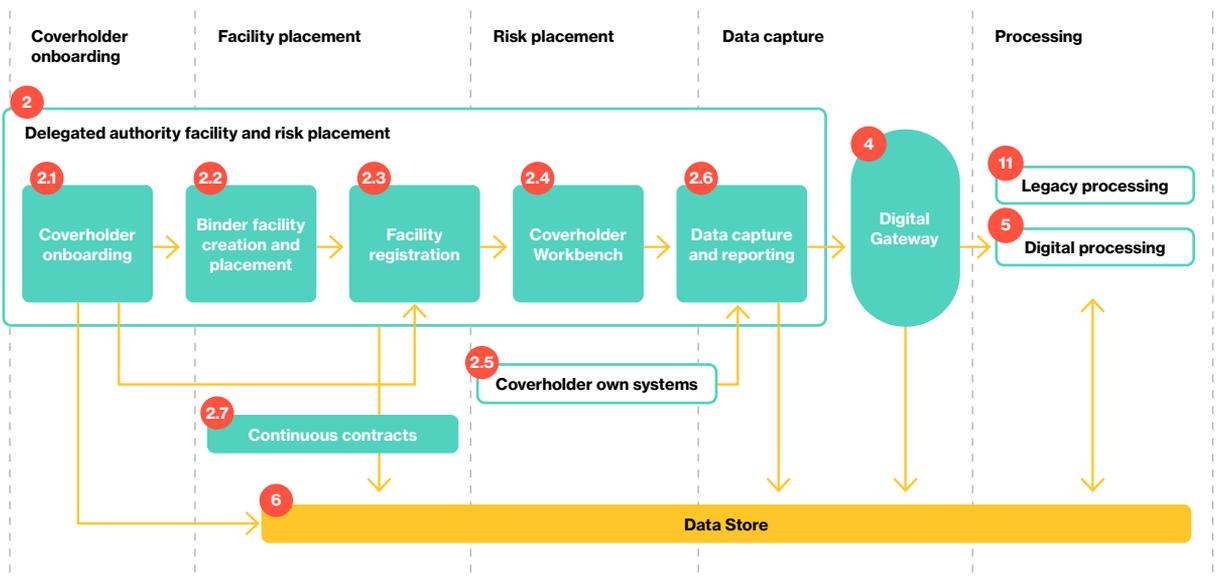
- A streamlined coverholder onboarding process
- Optional digital binder creation and placement
- Digital binder registration
- Evergreen binding authority contracts
- Optional quote and bind trading platform for coverholder use

- Delegated Data Manager (DDM) to support the Data Store
- A single set of delegated authority data standards
- Integration with digital processing, for automated transaction accounting, record keeping, reporting and payment
- Centralised compliance oversight and audit management
- Support to Lloyd's and the London market (especially in terms of facility placement and data submission)

We have already delivered some components of the end-to-end solution, including the Delegated Data Manager (capture and storage of transaction data), the Delegated Audit Manager (centralised coverholder audit management) and the centralised ongoing compliance oversight process.

Many of the solutions to support the coverholder model will also support delegated claims administrators. In particular, the onboarding, agreement creation and data submission capabilities will all be made available along with our centralised compliance and audit solutions. They will also be available to London market participants, where appropriate.

### Getting covered - Delegated authority



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**Coverholder onboarding (2.1)**

We will create an onboarding process that will collect the relevant information in a single workflow, known as Delegated Contract and Oversight Manager (DCOM). This will allow relevant stakeholders to make a decision whether to onboard a coverholder. It will remove the existing duplication of processes by Lloyd's and managing agents and allow them to run in parallel, reducing the overall time taken. The system will be intelligent and will therefore ensure only the right questions are asked depending upon the coverholder's risk profile (e.g. class of business, location, and conduct risk profile), further streamlining the process.

Additionally, the lead underwriter's assessments of a coverholder will be made available to followers reducing the need for duplicative assessments.

Key benefits to the market will therefore be:

- A single onboarding workflow that a new coverholder will go through
- A reduction in the end-to-end onboarding time of over 60%
- Where the applicant uses all Lloyd's systems (e.g. Coverholder Workbench), the Lloyd's part of the onboarding process will be reduced to 24 hours
- A more risk-based approach to approval that focuses on the profile of the business
- Key information being provided once and shared with all relevant stakeholders

The full onboarding functionality will be available to the market in 2022. In the meantime, we are piloting the delivery of a new 24 hour approval turn-around service level for coverholders, including those introduced via the Lloyd's Innovation Lab.

The delegated authority platform will also support the ongoing compliance oversight of coverholders, with the platform removing duplicated compliance processes while still ensuring standards are met. In this regard we have already:

- Launched a portal to scope and co-ordinate coverholder and DCA audits
- Instituted a process of annual centralised minimum compliance checks that means Lloyd's collects and checks key compliance information once and shares this with interested parties

In 2022, we will introduce a fuller set of centralised checks through DCOM. This will include checking solvency and current financial records, licence, business continuity, controllers and key performance metrics. Information collected will be shared on-line with all interested stakeholders. Where information is outstanding, the system will automatically send a chaser request to the relevant coverholder.

### **Binder facility creation and placement (2.2)**

We will continue to develop the functionality for DCOM to support the process of creating binders and placing them in the market. Should market participants wish to negotiate and place binders on other platforms, this will continue to be possible, but they will also need to register the binder with Lloyd's, as has been the practice for many years.

Brokers and managing agents will be able to use DCOM to negotiate and generate a digitised binder wording based on the existing Market Reform Contract format. Facilities will be created much quicker, with far fewer errors (currently over two million errors are identified annually in delegated authority wordings that need correction later).

DCOM will have a document collaboration capability, which means that brokers, coverholders and managing agents will be able to negotiate virtually using the system and amend the draft binder contract that is being created (either separately or together). There will be a clear audit trail of changes during the negotiations process.

The binder creation process will be aided by the following to support right first time contracts:

- Validations against the approval details already held in DCOM through the onboarding process, for example, to ensure that the facility does not seek to give permission to a coverholder to bind risks for a class of business it is not permitted to transact.
- Pre-bind quality assurance, with over 300 checks based on the Crystal database and other sources.
- Use of up-to-date clauses and wordings, with full access to the Lloyd's Wording Repository provided to all DCOM users at no additional licence cost as well as the ability for brokers and managing agents to add their own clauses.
- API connectivity will allow brokers to submit data directly from their systems into the contract builder functionality in order to aid binder registration.

Endorsements will be supported, so that there will be a single central, up-to-date version of the facility wordings which can then support other applications, including continuous contracts. Once created, the binder can be electronically signed using functionality that is already in development. A first release of the contract builder will be delivered in H1 2021 with further releases, including e-placement functionality, thereafter.

The key benefits to the market include:

- Ability to electronically place and validate binders
- Right first time binders can be created reducing time and pain points
- Reduction in bureau checks and consequentially fewer delays
- A current version of the binder will be maintained (including endorsements) to support evergreen contracts
- All DCOM users (managing agents, brokers and coverholders) will have access to the wording repository without the need for a separate licence fee. Following signature of a new agreement all Lloyd's market users now have unrestricted access to the Lloyd's Wordings Repository

### **Facility registration (2.3)**

Lloyd's requires binders to be registered in a single repository (BARS) in order to support Lloyd's regulatory requirements. Data captured in BARS is limited and does not support downstream activities such as settlement.

The new DCOM platform will replace the existing BARS system, for the capture of structured data during the binder registration process and make this data available for subsequent downstream processing. Where DCOM is used to create the binding authority contract, then the registration process will be automatically completed and no further work will be needed. If the binder creation function is not used, then binders will need to be registered separately into DCOM. APIs from broking systems may be used to facilitate that process. The data collected at this stage will form part of the Core Data Record for delegated authority business.

The key benefits to the market of the new registration process include:

- Collection of structured data for the delegated authority placement process, allowing subsequent digital processing
- Key data is collected up-front and can be reused, reducing re-keying
- The process populates the contract details in Delegated Data Manager (DDM), allowing DDM to start accepting data from the coverholder immediately

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A technical delivery of the registration functionality will be available to the market by the end of 2020 along with the first iteration of the contract builder functionality. The registration system will go-live for market use in H1 2021.

#### **Coverholder Workbench (2.4)**

One of the main operational barriers coverholders can face at Lloyd's is having a suitable trading system that both supports their business and also meets Lloyd's data requirements.

We have therefore developed a simple, cost effective, and easily configurable platform called Coverholder Workbench, available both to new and existing coverholders and service companies. The system is now ready for use and contains all the functionality a coverholder needs to trade. This includes quote and bind, exception referrals, policy production, reporting and credit control capability.

This functionality will link directly into Delegated Data Manager (DDM), allowing the coverholder to submit delegated authority data directly into DDM in accordance with the coverholder reporting standards. This means that risk data will be provided directly to the broker and managing agents in accordance with the coverholder reporting standards, without the need for a separate bordereau submission.

Lloyd's has also already developed an insights portal that uses the data held in Coverholder Workbench to allow managing agents and other stakeholders greater oversight of their delegated authority partners across their portfolio.

Key benefits of Coverholder Workbench include:

- A cost effective and quick to market solution
- Products can be built and policies created quickly and easily
- Interface directly with DDM, based on Lloyd's data standards
- Real time validations on risks that are being bound
- Lloyd's approval time reduced to 24 hours for new coverholders using the system (subject to there being no performance or underwriting issues)
- Greater MI and performance oversight

**Coverholder own systems (2.5)**

Many coverholders will continue to use their own operational systems to support the placement of risks and policy administration. We will enable API connections to allow coverholders who do not use Coverholder Workbench to directly link into DDM.

**Data capture and reporting (2.6)**

We have already created a single data capture platform (DDM) to house submitted premium, risk and claims data. On receipt of premium and claims data in DDM, automatic instructions will be created and provided to the digital processing and settlement process, triggering payment. This will remove significant manual processing currently required (including the need for separate LPAN submissions), as well as reducing errors and allowing faster end-to-end processing.

From H2 2021, it will become mandatory for all delegated authority data to be submitted into DDM, with initial requirements in place for premiums and claims data, providing a single source for all delegated authority transactional data. Whilst some insurers may wish to use DDM to support their own bordereaux processing and administration, there will be no requirement to do so. Where other systems are used for this, we will make a range of interface and upload methods available, including APIs, to enable seamless data submission. The move to mandatory DDM use is being made in order to enable the end-to-end journey and improve system efficiencies.

By 2022 we will have confirmed the full set of risk level delegated authority standards that will be submitted and as a result, we will remove the need for separate managing agent risk level reporting and bordereaux submissions. We will work with the market to enable data to be submitted directly into DDM from the original source (i.e. from the submitting coverholder or their respective broker).

The data submitted into DDM will be used to support:

- Managing agents' oversight of their DA business
- Accelerated digital processing and settlement
- The centralised collection and reporting of exposure data
- Lloyd's regulatory and tax reporting

**Continuous contracts (2.7)**

Risk level oversight given by DDM, along with the centralised collection of compliance information, allows managing agents to have greater control over their delegated authority arrangements. This means the renewal process should be easier and quicker, as contracts should be continuously managed.

Furthermore, where a coverholder has submitted all premium, risk and claims data into DDM (meeting the relevant data requirements) then Lloyd's will permit evergreen binders to be placed that will remain in force until cancelled. The dependency for this will be ensuring a full validated data set is available in DDM. This process will be supported by an automatic annual re-signing process to ensure risks are allocated to the correct year of account.

The submission of risk data into DDM will be required in 2022 and, from that date, managing agents will be permitted to enter into evergreen binding authority contracts, eliminating the administrative burden of the annual renewal process.

**The benefits of  
the new Delegated  
Authority solutions**

Delivery of the solutions set out above is well advanced already and we expect to see significant benefits in the coming years. These include:

**Enhanced experience for market participants**

- Simplification of the processes for coverholders and avoidance of duplicate compliance processes
- Reduction of the need for manual data submissions through the creation of an integrated end-to-end platform
- Availability of a seamless process to create binders, place them in the market and register them at Lloyd's

**Reduction in the cost of doing business at Lloyd's**

- Removal of duplicate compliance processes and streamlining of the essential elements that remain
- Simplification of data submission processes and integration of these with digital processing to remove the need for LPAN creation

# Chapter 6

## Digital processing

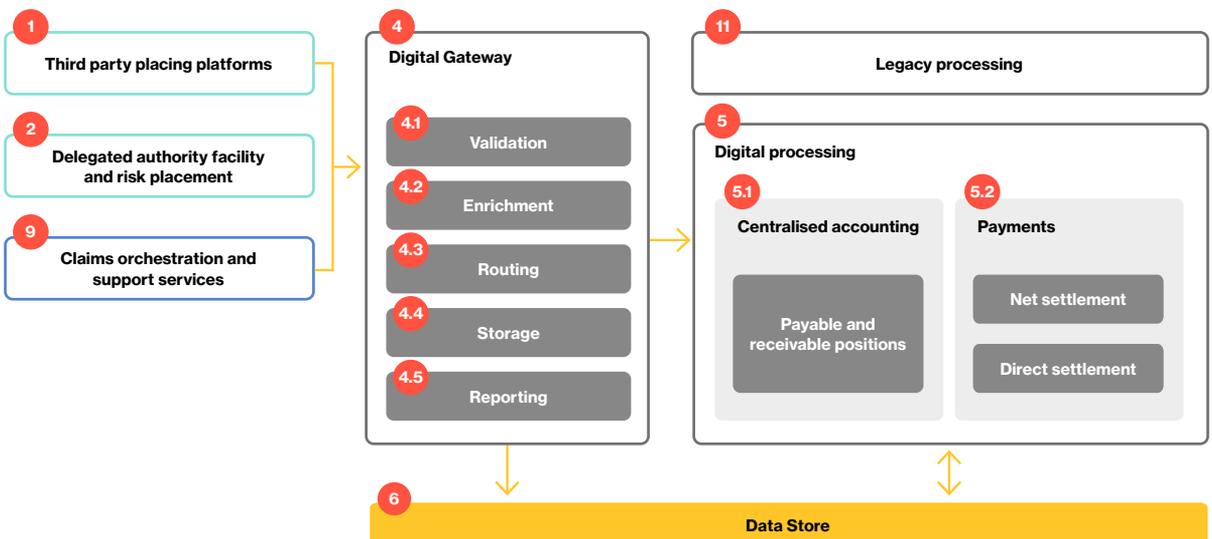
**Core components of new digital processing**

The future digital market is based on complete and accurate data records sourced from electronic placing and claims platforms forming the irrefutable record for the market. This will enable digital processing – achieving processing steps in seconds that used to take months or weeks. To do this, we will:

1. Implement a Digital Gateway that is the interface between the electronic placement platforms and digital processing. Once the placement processing data has been validated, the Core Data Record will be created and digital processing invoked.
2. Establish a new ledger for the market which will create the ledger entries and inform the broker of the invoice data.
3. Inform insurers of their market positions of payables and receivables, using established and new market messaging.
4. Maintain the net settlement capability, fed by a payment file derived from the new digital processing ledger.
5. Establish a Data Store that will persist and update the Core Data Record throughout the life of the risk.
6. Work towards invoicing and direct settlement – using data contained in the Core Data Record to create and invoice and enable direct settlement.

These elements will transform processing for premium and claims. This chapter sets out how we will do it.

**Digital processing**



Getting central accounting right post-bind, drives the timeliness and quality of everything that follows. The data to perform accounting will no longer be provided by slow, error-prone (and often manual) serial processes, requiring reconciliation before finalisation. Digital processing will take data directly from the contract that was agreed during placement, to create technical accounting ledger entries within seconds. Tax and regulatory reporting required by Lloyd's will also be served from the source data.

With irrefutable data recorded centrally upon completion of placement, processing notifications can be instantaneous, accurate and reliable. Additional, optional administration services will also be possible.

The benefits of digital processing are far-reaching:

- Transactions (including payments) will be processed faster with greater transparency and at a lower cost, supporting a better experience for customers
- Accounting will be rapid, accurate and consistent between all parties, using existing Acord & EBOT and ECOT standards where possible
- Manual LPAN-based central submissions and supporting schedules will be eliminated for those moving onto the new digital services
- Insurer invoicing will be accelerated and more transparent and cash management will be improved
- Market-wide efforts to achieve reconciliation, error correction and re-work will be largely eliminated

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### **Digital Gateway - The gateway to digital processing (4)**

The Digital Gateway is the link between both placement and processing and claims agreement and processing. The Digital Gateway has five roles:

1. Validation
2. Enrichment
3. Routing
4. Storage
5. Reporting

The details of these roles are described in the open market placement chapter 4.

**Digital processing (5)**

Digital processing will enable automated processing (accounting, payments and reporting), from the moment placement and claims data has been validated by the Digital Gateway. The majority of tasks will complete in seconds, rather than the days or weeks it takes today, and delays will only occur where a confirmation (such a payment notification or claims agreement) is required. Regulatory reporting will be separated from the technical accounting, but will utilise the same data from the Data Store.

The immediate creation of an irrefutable technical account and associated ledger entry is the basis for fast invoicing and payments. With reliable placement and claims data held centrally, automated accounting and payment will be possible for the market, avoiding significant reworking, reconciliation of errors, and acceleration of downstream processing. It will also enable optional administration services, such as invoicing and direct payments.

**Centralised accounting (5.1)****Payable and receivable positions**

The fundamental element of the accounting service will be a single accounting ledger which will establish and maintain an irrefutable financial record for all parties.

For delegated authority business, where data has been submitted into DDM in line with Lloyd's standards, no further submissions are required to establish the ledger entries. DDM will be integrated into digital processing to create the relevant entries automatically. Initially, we expect data to be submitted on a bordereaux basis, with corresponding ledger entries and settlement happening on a monthly basis. However, should coverholders and insurers wish to move to the use of DDM at a risk level, this will trigger the creation of ledger entries at the risk level and trigger the settlement of premiums and claims as required. This will significantly improve cash-flow and remove the need for loss funds.

**Ledger positions for "line to stand" placements**

Ledger positions can be established for each line bound before the risk is fully bound (if line is selected to stand). The effect of this is to transform the market ledger into a real time reflection of all the bound contracts as they are entered into.

This will not change the requirement for premiums and claims to be received/paid as a "whole" for the participating Lloyd's market but will give a more accurate and timely position of the payables and receivables.

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**Ledger positions for signed down placements**

Where signing down has been selected during placement there will remain a time gap between the written line being established (at point of bind), the signed line being confirmed and the ledger entry established. Under the new placing rules, this will be initially set to a maximum of 28 days from first bind which is more transparent and will be faster than at present.

**Payments (5.2)**

Payment will be triggered by a number of mechanisms, principally:

- Once an instruction to pay, issued by the broker on receipt of premium from the policyholder, or based on automated premium settlement rules agreed by the market participants
- In settlement of a claim or for claims-related expenses, either once approved for payment on the new claims orchestration platform or via the automated claims settlement process
- Where agreed, on payment by the policyholder of an invoice created through a new invoicing service

These mechanisms will replace the current online and message-based instructions currently in operation.

The future settlement service will provide direct and net settlement capabilities, supported by the current Lloyd's central currency conversion treasury service, to enable parties to settle debt established following binding of a risk and agreement of premiums, commissions and taxes due or agreement of a claim.

The focus in the near term for settlement will be to ensure the net settlement process and the new digital ledger are effectively integrated, giving greater transparency to the market.

**Net settlement**

This service will continue to provide a net settlement capability for Lloyd's syndicates and brokers. It will remain the primary means of settlement in the near term. The service will, in time, interface with the automated and enhanced accounting service which will reduce net settlement cycle time.

**Direct settlement**

We will test how the provision of digital invoices can allow market participants and policyholders to make payments directly.

**Legacy processing  
(11)**

Transactions which do not pass validation in the Digital Gateway or have not yet been enabled for digital processing will be directed into the existing legacy processing and will experience limited benefit from the efficiencies and cost savings enabled by digital processing. Market participants will need to continue to submit LPANs into central processing services to utilise and effect downstream accounting, payment and other processing and reporting.

**The benefits that will  
be realised when this  
is achieved****Enhanced experience for the market participants**

- Elimination of the creation and submission of LPAN and tax schedules into central processing, enabling faster accounting and settlement with fewer errors
- Greater transparency in the process and financial position for all participants in the distribution chain
- Better credit control and faster payments, especially claims payments

**Reduction in the cost of doing business at Lloyd's**

- Reduced time spent on reconciliation of both technical accounts and related cash
- Fewer handoffs and the automation of validations that traditionally occur post-bind to enable faster, automated processing
- Flow of information from the Core Data Record across the end-to-end placement journey and in to claims
- Reduction in manual processing to capture placement processing data

**Reduction in operational risk**

- Reduced errors through the validation and centralisation of data provided
- Enhanced transparency of each stage of the journey and compliance adherence

# Chapter 7

## Open market claims journey

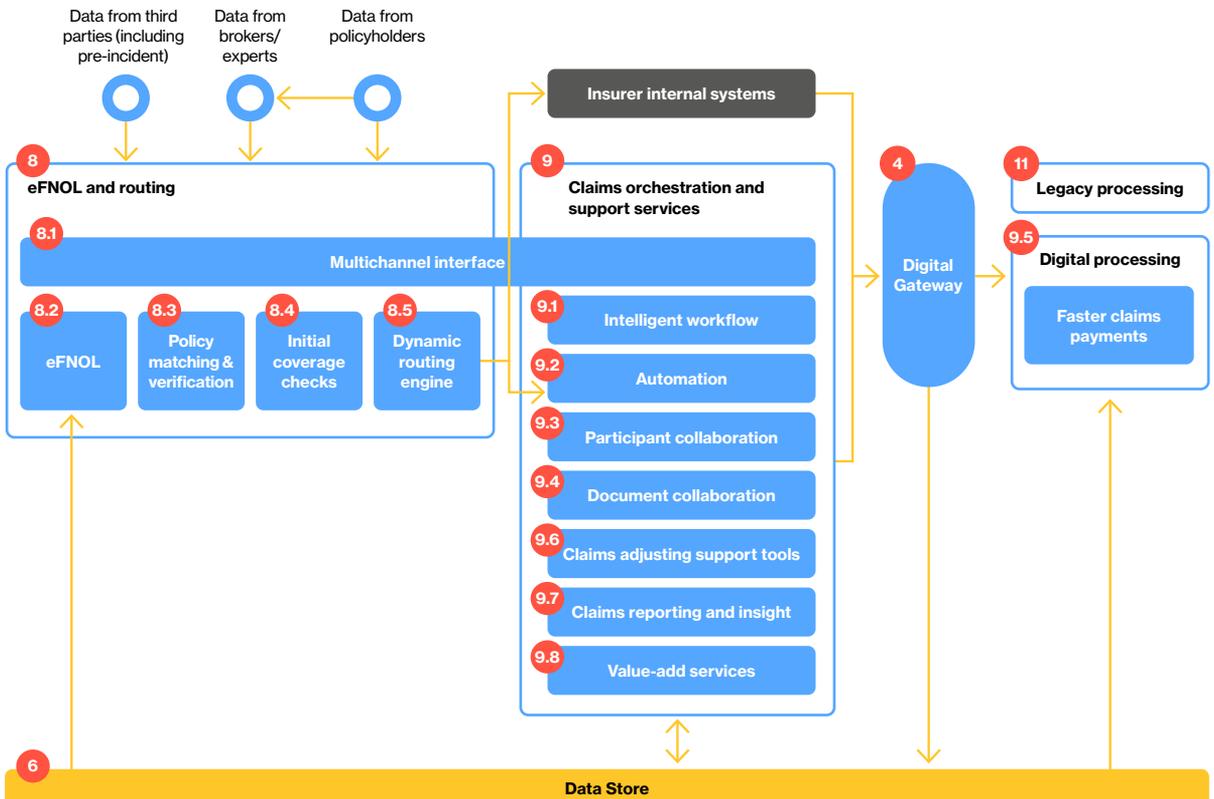
**Recovering from loss – supporting our customers in their time of need**

Claims is the moment of truth for our customers. The ability to respond quickly and openly, while delivering a high-quality experience, from notification of a claim to payment is critical for the market’s reputation and customer loyalty.

We will deliver a platform that will lead to a seamless customer experience designed to meet their expectations. Straightforward claims will be resolved automatically (or with limited manual touch points). More complex claims will be supported by greater use of collaboration and workflow solutions. All claims will be supported by better data driven from placement as well as by a suite of centralised support functions.

The key to delivery will be a new claims platform to replace the existing Electronic Claims File (ECF) and CLASS platforms. This new platform will be available to support the whole London market.

**Recovering from loss - Open market**



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**End-to-end claims customer journey**

We will deliver the vision for claims we set in Blueprint One. That includes having leading edge infrastructure, automation and artificial intelligence and drawing upon third party data sources. The platform will have the following features:

- A streamlined electronic first notification of loss process to start a claim, where notification will be automatically matched with the Core Data Record created during the placement process using the Unique Reference, allowing validations to take place instantly.
- A triage approach delivered by a dynamic routing engine that intelligently routes claims into the appropriate workflow.
- A modernised and collaborative workflow platform that allows all relevant parties to interact with each other in the most efficient and transparent way to progress the claim through its lifecycle.
- Solutions to automate parts of the claims-handling activity e.g. automated adjudication.
- A suite of support services to support better, data-driven decisions such as event-notification tools, geospatial imagery and hurricane tracking to support claims adjusting.

Underpinning each of these is complete and accurate data contained in the Core Data Record and held in the Data Store. The relevant data for claims processing is captured at placement and is retrieved at the start of the claims process. The core claims data is then enhanced with additional data throughout the claims lifecycle. It will be this data that drives claims decisions, workflow and reporting.

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**Building on the progress made in 2020**

Delivery of the platform will also be informed by, and build upon, the key design work we have already undertaken along with the following specific deliverables already completed in 2020:

- The launch of a pilot, with eight managing agents, of the Small Claims Automatic Settlement (SCAS) process which successfully demonstrated the ability to automate the agreement of low-value claims where no complexity exists.
- The creation of a single catastrophe reporting portal that gives direct access into Lloyd's for delegated claims administrators, reducing the need for ad hoc cat reporting.
- An updated Lloyd's claims scheme that doubles the financial limits for which claims can be agreed by leader only, reducing the number of touch points needed across the market to agree these claims.

- 
- Starting delivery of greater claims support services to the market, specifically through the appointment of a US Head of Claims to support our North American cat response and through the recent go-live of our delegated claims authority centralised approval process.

The claims solution will be fully supported with appropriate security and access rights, reflecting the role of the various participants involved in handling a claim.

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### Starting a claim - eFNOL and routing (8)

#### **Notification**

Brokers and policyholders will be able to notify a claim through an intuitive multi-channel interface that allows them to connect either directly into the platform, or which connects the platform to their own systems through **APIs (8.1)**.

During the electronic first notification of loss (**eFNOL (8.2)**) the critical information required to start the claims journey will be captured using an intuitive interface.

#### **Policy matching and verification (8.3)**

The platform will instantly match the claim to the right policy (using the Unique Reference), and automatically retrieve policy details that are part of the Core Data Record from the Data Store.

The platform will automatically carry out basic validation checks removing the need for initial manual checks which cause delay.

#### **Initial coverage checks (8.4)**

Having matched the claim notification to the policy information, the platform will undertake initial automated checks to determine whether coverage can be confirmed based on the information available in the Core Data Record. These will be simple checks such as:

- Ensuring the location of the loss is covered by the policy
- Validating that the premium has been paid
- Confirming the peril that caused the loss is covered by the policy

No claim will be denied by reason of automatic checks only without reference to a claims handler to review the decision.

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**Triage - dynamic routing engine (8.5)**

Assuming the claim passes these initial checks, the platform will then triage and route the claim. This engine will use multiple sets of rules to break down claims activity into tasks that route into the most appropriate handling channel.

This routing at a task level is a significant improvement from today's approach. We anticipate the routing engine will focus on three sets of routing rule types for specific tasks:

- Policy information (including class of business, perils, coverages, limits and deductibles, policy period etc.)
- Claims characteristics (including claim type and size, loss date and location, jurisdiction and loss history etc.)
- Any other relevant characteristics (such as customer type)

Lloyd's will set the base rules for the routing engine and set clear service expectations based on Lloyd's minimum standards.

The key benefits in having this new eFNOL and triaging capability include:

- Claims will be automatically matched to the right policy leveraging the Unique Reference and the Core Data Record
- Claims can be assigned to the right claims' parties at the earliest opportunity
- Claims that are clearly not covered can be identified as soon as possible
- Opportunity to streamline workflow upfront to find the fastest path to resolution
- Decision making in the later stages of the claims lifecycle will be enabled through the Core Data Record, which is enhanced through information entered using the solution and enriched using other sources

**Adjusting and managing a claim - claims orchestration (9)**

The routing engine will pass the claim tasks into a new intelligent workflow platform. This will replace ECF (the market's current workflow platform), allowing access to the market claims workflow for all relevant parties and providing the following:

- Workflow assignment and management for claim tasks
- Automation of claim tasks and the use of third-party data
- Market participant collaboration on claims tasks and document management with the appropriate security and access

Market participants can either connect to the platform directly or use their own systems, connected via APIs.

To aid market adoption and transition to the future state, we will build on existing market concepts and data standards such as Write-back and ACORD in the delivery of intelligent workflow for claims.

**Intelligent workflow (9.1)**

The workflow functionality will provide the ability to create, assign, track and review tasks, in coordination with market participants' internal claims workflow systems. This interaction with other systems will be provided by APIs into the Digital Spine.

Market participants will be able to identify and action their own tasks (including tasks that have been automated on their behalf), and track the progress of tasks assigned to others where appropriate.

The workflow functionality will update the status of the claim and synchronise it with the Core Data Record in the Data Store. This will create greater transparency and accountability across market participants and importantly provide visibility for customers on the progress of their claims.

**Automation of tasks and use of third-party data (9.2)**

The routing engine will direct simple tasks to be automated as far as possible (regardless of overall claim complexity) speeding up the completion of the tasks themselves and releasing time for claims handlers to focus on value-adding tasks. We will deliver this by building on the learning from the Small Claims Automatic Settlement (SCAS) pilot, which demonstrated that we can automate tasks within a claim already, based on information held in the claims record. In this pilot, we successfully automated the agreement of low-value claim settlement transactions for claims within specified criteria.

Where a claim requires only a small number of manual interventions, the platform will support this service, before the claim reverts back into the automated workflow. We will work with the market to increase the level of automation through test and learn cycles. Chains of automated tasks will be linked, making significant progress towards a fully automated claims service for the simplest claims.

**Participant collaboration (9.3)**

As well as supporting technical tasks our solution will also support collaboration and interaction between the various participants. This will deliver streamlined communication between customers, market participants and experts thereby reducing delays. It will support collaborative discussions, information requests or queries in a single view. This will give transparency around the current status of the claim and who has been allocated responsibility to action the next step.

We will enable different ways of communicating depending on the nature of the query and will provide private and secure communication for even the most sensitive matters. Where appropriate, the solution will be sufficiently flexible to allow managing agents to request documents or other details from customers directly.

**Document collaboration (9.4)**

The platform will have a document collaboration feature which will allow participants the ability to request, upload and share documents which are stored in the Data Store. Where metadata is stored in a standardised format and is accessible (e.g. photograph time stamps or geo locations), the solution will harvest this data to support the claims handling process. The solution will be compliant with the appropriate controls for data security and access rights management.

The key benefits from this new workflow and collaboration capability will be the ability to:

- Interact with the market participants' own systems
- Collaborate seamlessly across participants
- Support automated claims handling tasks

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**Claims support services**

A set of core and elective **claims adjusting support tools (9.6)** will be made available for those who wish to use them. We will continue to consult with the market around the most impactful services that could be provided to the market for elements of the claims tasks and which would support the claims workflow functionality.

We will also provide a centralised solution to support **claims reporting and insight (9.7)**, including claim status reporting (e.g. claims performance and outcomes), market participant insights and common reporting requirements (e.g. regulatory returns after a catastrophe). We have already delivered a catastrophe reporting portal (through the Lloyd's Lab).

We will explore other potential **value-add services (9.8)** such as customer experience (or satisfaction) measurement services.

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**Claims settlement and payments - faster claims payment (9.5)**

The speed at which our customers receive their payment once a claim is agreed (whether that is by automation or not) remains a top priority for us.

The claims solution will be linked to the new digital processing solution. Once a claim has been agreed and requires payment, the workflow module will generate settlement requests and submit these to digital processing enabling the automation of subsequent payment.

The claims solution will significantly reduce the time for claims to be paid by implementing an automated payment solution. This will facilitate payments directly from managing agents to appropriate parties (e.g. customers) where appropriate. This will reduce the number of touch points required for payment to reach the customer. Brokers will receive notification of any payments made and reconcile this with their own accounts.

**The benefits that will be realised when this is achieved****Enhanced claims experience**

- Significantly reduced time to agree and pay claims
- Increased transparency and collaboration across the claims lifecycle

**Reduction in cost of doing business at Lloyd's**

- Automatic routing and digital processing
- Reduction in manual data capture and validation
- Fewer handoffs and queries and automation of simple steps
- Lower loss adjusting expense through the use of technology to drive efficiency

**Reduction in operational risk**

- Reduced errors through greater validation, centralisation of data provided and greater automation
- Enhanced transparency at each stage of the journey driving one version of the truth regarding claims status and next steps

**Ability to retain and drive GWP growth**

- Increased customer satisfaction, driven by faster claims outcomes and improved transparency, drives retention
- Reduced cost and ease of operating within the Lloyd's market attracts and retains market participants

# Chapter 8

## Delegated authority claims journey

**Delegated authority claims components**

The majority of the claims handled under binding authorities are delegated to our coverholders and delegated claims administrators (DCAs). This enables them to deal directly with customers providing high quality claims service. Our vision is to support this delegated claims model through:

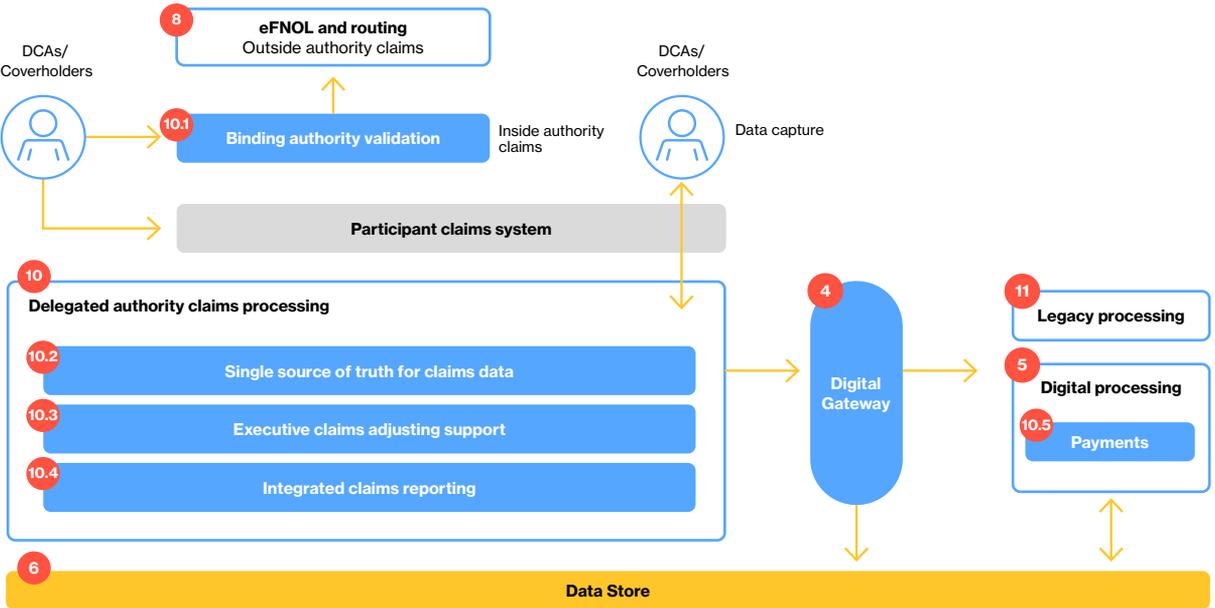
- Digital data capture with access to authority limits, policy records, and other details reported by DCAs or held within the Delegated Contract Manager (DCOM) system for coverholders and DCAs.
- Intelligent quality checks for all incoming data that ensures high quality capture of claims data by coverholders and DCAs into Delegated Data Manager (DDM), which will provide one source of truth for standardised and accurate delegated claims data and support the Core Data Record.
- Automatic workflow that routes both claims data from DCAs and larger, more complex claims back to the solution as described in the open market claims journey above.
- Automatic funding and cashflow, including an automated claim payment solution which will ensure covered claim payments are made direct to the customer within hours of settling a claim.

By delivering this we will move significantly towards eliminating the need for loss funds (with their challenges of trapped funds or requirements for frequent cash calls) and claims bordereaux (with their challenges of lack of real time and reusable data).

We will deliver this vision by building upon the delegated authority placement solutions (including DDM) that are already either in use or in development. The initial focus in the next two years will be on driving targeted process efficiency and reducing cycle time through enhanced data validation and reporting through DDM, coupled with use of a faster payments solution.

These activities will include initial changes from the recently completed delegated authority claims process re-engineering activity, addressing the participants' pain points and building a list of recommendations to take forward from 2021.

**Recovering from loss -  
Delegated authority**



**Delegated authority  
claims handling****Claims within authority**

In contrast to open market claims, we are not creating a new workflow process for claims that are within the level of authority, as the benefit of using the delegated model is that the coverholder and DCA will be able to handle and progress claims within authority. Accordingly, our key deliverables are:

**Binding Authority validation in DCOM (10.1)**

Delegated claims administrators will be able to see both the binder details and DCA data and information held in the DCOM platform, the central repository of all binding authority arrangements. At the inception on the binder this information will be notified to them. This will allow DCAs to identify whether the claim is within the scope of their delegated authority, and to identify the correct managing agent to escalate to if it is not. This will reduce time consuming queries back and forth between stakeholders.

**eFNOL, triage, adjusting and managing claims**

Claim notification, triage and adjusting will be carried out within a coverholder or DCA's own system. The agreed data resulting from these activities will be submitted through DDM.

**Elective claims adjusting support (10.3)**

Coverholder and DCAs will have access to a prioritised set of elective claims adjusting support tools for those who wish to use them. Some of these tools will be available to DCAs and coverholders to use on a per service basis as appropriate, for example satellite imagery to support claim investigation.

**Delegated authority claims processing (10)**

We will streamline and automate ways for processing and accounting for delegated authority claims managed by coverholders and DCAs supported by enhanced digital processing through:

- Consistent data standards being used
- Use of intelligent data templates with increased validation
- Automatic validation checks of claims data submitted
- API enabled submission to DDM from coverholders and DCAs
- Support services in place to manage the process with bordereaux process using a workflow tool to ensure transparency

This will integrate with other delegated authority data sources using the Digital Spine with DDM being the **single source of truth for delegated claims data (10.2)**.

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**Integrated claims reporting (10.4)**

There will be one source of truth for delegated claims data submitted into DDM to enable increased analytics, MI, performance management and simplified reporting processes. This data can also be used to enhance customer experience by monitoring claims handling performance.

**Payments - support auto-funding and faster payments (10.5)**

We will support auto-funding and improved cash flow by:

- Removing touchpoints in the settlement process to accelerate the delivery of funds to policyholders
- Implementing an automated claim payment solution, which will allow DCAs and coverholders a direct and timely access to claims funds from insurers, accelerating claims payments to policyholders

We will use a rapid test and learn methodology that will focus on the real time submission of claims data through its lifecycle with selected DCAs and coverholders to develop our solution. This could be through accessing the solution directly or from DCA and coverholder own systems connected via APIs.

We will define the claims and policy level data required to deliver effective claim solution capabilities for delegated authority claims. This includes the data required to automatically identify if a claim is within or outside authority, to provide a routing engine which routes the claim based on this and automatic policy matching and basic policy checks

Once in place, there will be no need for bordereaux or loss funds, as DCAs and coverholders will be able to utilise real-time and granular data available throughout the claim lifecycle, and claims payments can be made as soon as the claim is agreed.

**The benefits that will be realised when this is achieved****Enhanced experience for the market participants**

- Reduced time to settle and pay claims, driven by improved up-front data capture and validation for bordereaux and use of a faster-payments solution
- Increased transparency and reduced communication friction due to a single shared view of binding authority and claims data

**Reduction in the cost of doing business at Lloyd's**

- Reduced delays and effort due to queries and manual correction through improved up front data capture and validation in bordereaux
- Reduced effort in regulatory and non-regulatory reporting by using DDM and cat reporting portal
- Reduced effort and touch points in the administration of loss funds and bordereaux management through implementation of an automated payment solution

**Reduction in operational risk**

- Reduced errors through greater validation, centralisation of data provided and greater automation
- Increased transparency due to single shared view of binding authority and claims data

**Ability to retain and drive GWP growth**

- Increased customer satisfaction, driven by faster claims outcomes and an efficient claims service, drives retention
- Reduced cost and ease of operating within the Lloyd's market attracts market participants

# Section 3

## Foundations of our future market

# Chapter 9

## Data

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**Key focuses**

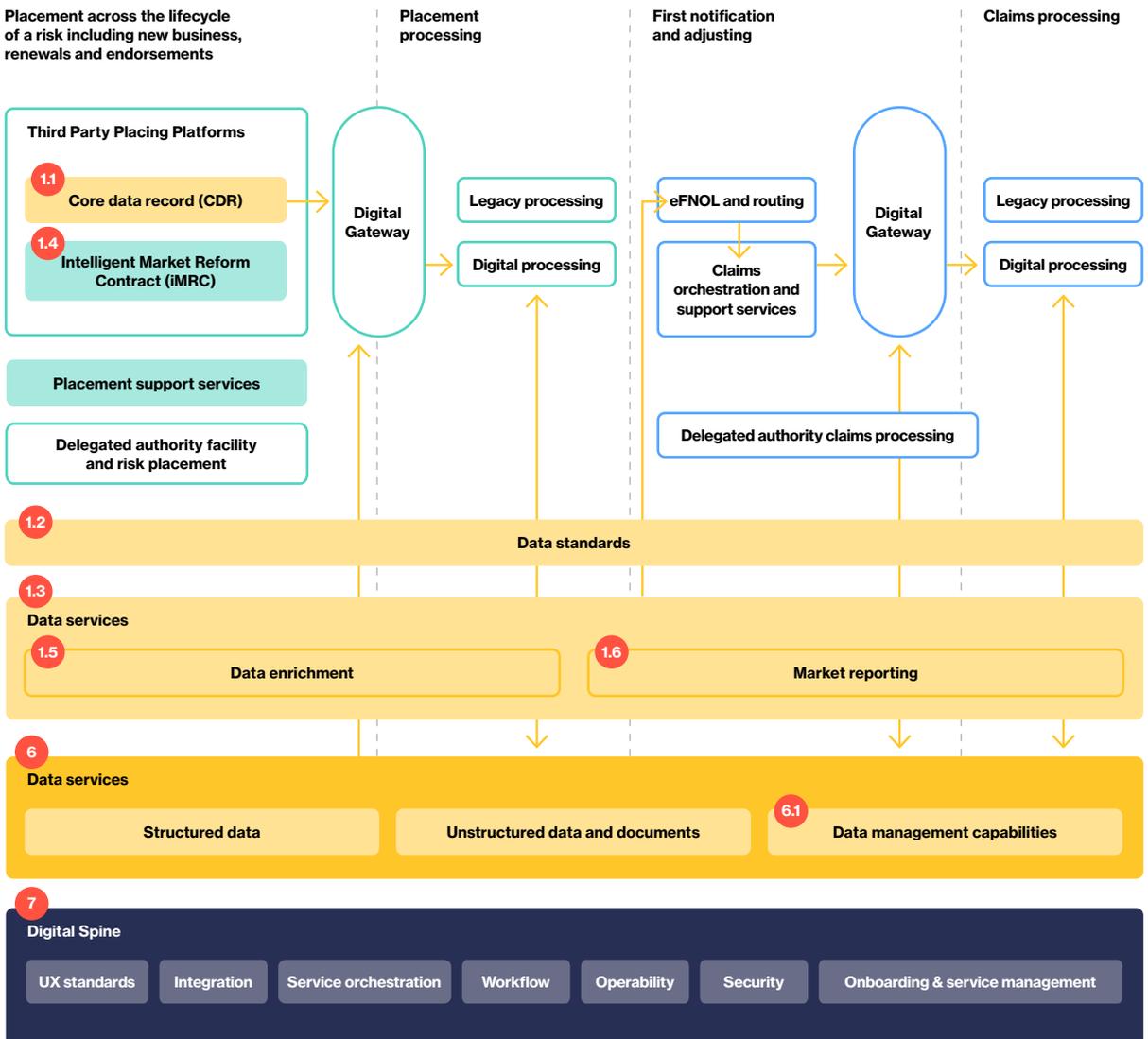
The transformation envisaged by this blueprint is only possible if complete, accurate and timely data is available to support and connect digital processes. It is the quality of this data that makes the difference between an automated process that happens immediately and a manual process that routinely takes days today.

We have focused on the following and we will:

- Support placement services to ensure that data is accurate and complete at the point of bind
- Collect a placement processing record at the point of bind and enrich it to create the Core Data Record which drives downstream digital processing
- Manage a Data Store and a Digital Spine which underpins a data first marketplace, and which holds the irrefutable record for a contract across its lifecycle
- Work with market participants, standards bodies and suppliers to define and enforce the quality of the data being used across the market

The diagram below highlights the data capabilities discussed in this chapter, using the example of the end-to-end journeys for open market getting covered and recovering from loss to illustrate how the services and capabilities are accessed to enable data flows.

### Data



**The Core Data Record** The placement processing data, created at the point of bind and when enhanced with derived data will form the Core Data Record and will connect all subsequent processes, including accounting, payment, endorsements, claims, renewals and reporting. This will be truly transformational enabling the market to become a digital marketplace.

**What is the Core Data Record?**

The Core Data Record (or CDR) denotes the critical transactional information which needs to be collected by the point of bind, in order to drive downstream processes

**Data fields in the Core Data Record can be split into two categories:**

- **Placement processing data:** critical processing data that must be captured during the placement process and available at the point of bind
- **Derived data:** fields that form part of the minimum requirements, but can be derived / calculated without the need for manual input

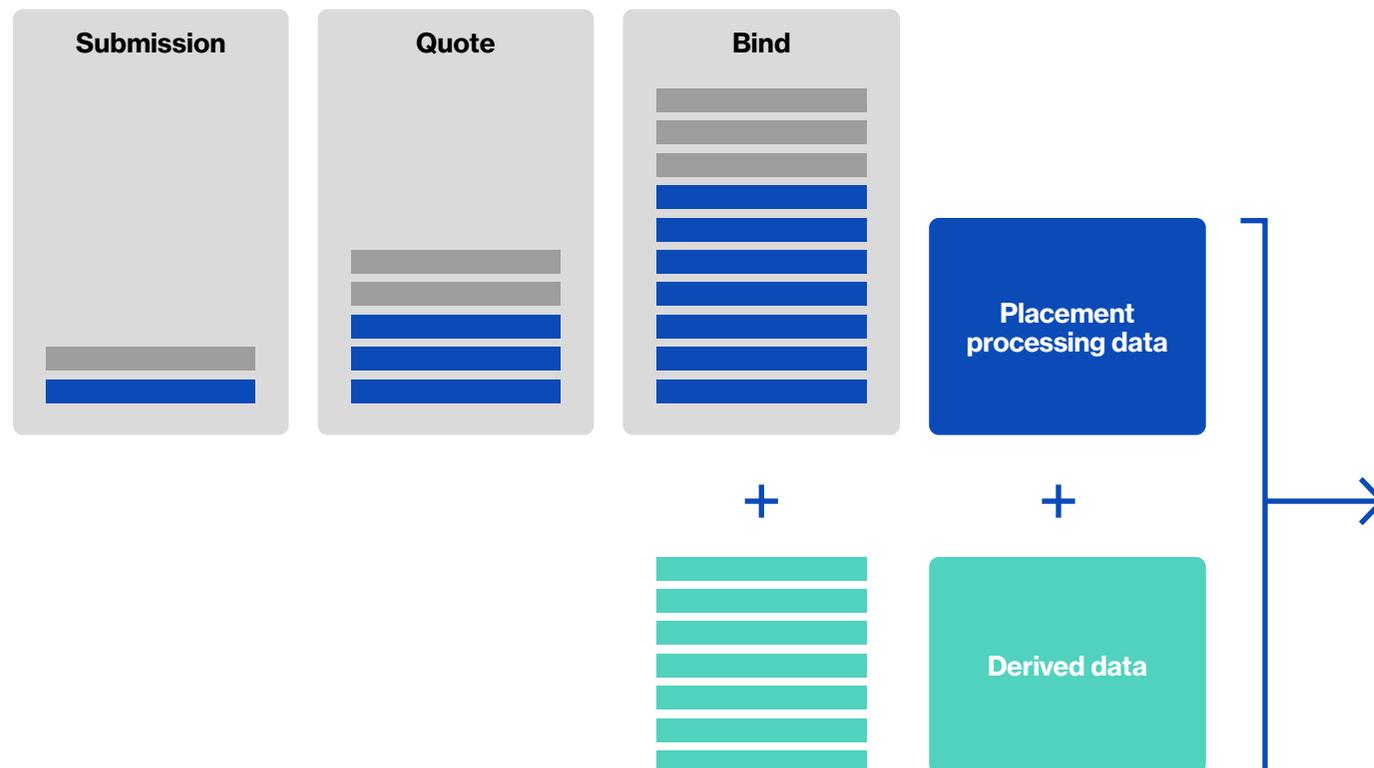
**The purpose of defining the CDR**

Provides transparency and clarity on what data is required, and what it is subsequently used for (downstream digital processing)

Ensures that the data critical to downstream processes is complete and captured consistently across the market, to enable automation and straight-through-processing

Informs the design of the future data model which is a foundational capability of a data-first marketplace

Identifies information that can be derived through business rules, or enriched with internal or external data, to avoid re-keying, and to reduce the admin burden on the market



**The Core Data Record**

Is the critical data required to be collected at the point of bind.

It serves as the input to digital processing that will be used to drive all essential downstream processing and reporting.

This data record will vary by class of business and will only contain the minimum data required for transactional processing

**Example processes the CDR drives**

- Creating an invoice
- Creating payment schedule
- Settling premiums
- Regulatory reporting
- Validate loss notification
- Coverage check

The Core Data Record will be collected through working with placing platforms, the intelligent MRC, data enrichment and through API's to market participant systems. It will be made available back to the relevant brokers and insurers through APIs and updated messaging, enabling market participants' core platforms to receive data, minimising rework.

An experiment was conducted in the summer which looked at a simple US property risk, which identified that there was a minimum set of 34 data fields needed to drive downstream processes. The experiment found that this data set could be captured from placement processing data and subsequently enriched to form the full Core Data Record.

### Illustration of the Core Data Record



The next phase of the Core Data Record development will focus on the data required to drive the first release of digital processing described in this document. We will work closely with the market, suppliers and standards bodies to define the Core Data Record and wider data sets to enable digital processing and apply the appropriate standards to it.

The Core Data Record will evolve over time as new coverage requirements and/or new digital processing services are introduced. We will set up a new Data Standards Oversight Committee with representation from the market, standards bodies and suppliers to ensure the data standards and technology design comply with the regulation in each jurisdiction and will consider adoption pathways for market participants, data standards bodies and suppliers.

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**Data standards (1.2)**

We will wherever possible, adopt industry standards for data. Where there are gaps, we will define interim data standards in consultation with the market and work with the data standard bodies to incorporate these standards into their industry standards.

We will enforce data standards which cover the Core Data Record and the supporting data required to drive digital processing (such as reference data sets). As part of the placing platform accreditation process, the data standards will be adopted by the placing platforms.

A market data model will be developed and published enabling data mapping to market participant systems ensuring consistency across the market. Market participants and suppliers will regularly be invited to contribute, explore and review sessions and will have access to the model as it develops to ensure adoption.

To ensure the data standards and data quality required for new digital processing are met, Lloyd's will introduce data certification for market data providers, placement platforms and suppliers.

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**The intelligent MRC (1.4)**

In the interim document plus data world, we will work with the placing platforms and the market to experiment on the most efficient way to capture placement processing data. The exact process will vary by placing platform and will likely include a combination of the following approaches:

- Introducing more structure into the MRC with the creation of an iMRC which may include a header section in which the placement processing data sits. These data fields will form the definitive record of the transaction
- Using well established analytics techniques (e.g. AI) to extract data from the relevant fields from within the iMRC
- Use APIs to transfer information from placing platforms and market participant's systems to populate the Core Data Record

We will build on the lessons learned from structured data capture and from work with placing platforms providers and the MRC standards committee to design, iterate and deploy the first version of the iMRC.

**Digital Risk Classification**

In order to run an efficient marketplace, Lloyd's needs a standardised risk classification scheme so that tax and regulatory requirements can automatically be applied. As a data first service provider Lloyd's can relieve the market of an administrative burden whilst also fulfilling its

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regulatory and market oversight responsibilities. The fundamental pieces of information required will be already be part of the Core Data Record.

Where there is still a requirement for the existing methods of codifying risks, for example, Lloyd's tax codes (foreign insurance legislation codes) and trust fund codes can be derived and added to the details of the risks as part of central enrichment services, rather than being manually looked up by market participants.

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### Data services (1.3)

In addition to smart data capture, data enrichment and data validation services will support the capture, accuracy and quality of data across the end-to-end journey of a risk, including but not limited to the Core Data Record. Data enrichment and data validation services can be called at various points in the journey:

- **At placement:** Data enrichment and validation services will be channelled via Lloyd's placing support services to increase the completeness, accuracy and efficiency of data capture on third-party placing platforms
- **In the Digital Gateway:** Data services will be used within the Digital Gateway to further validate and enhance the data before it enters the Data Store
- **During claims:** After a loss and throughout the claims process, data services will help to enable eFNOL, routing, claims orchestration and the new claims support services

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### Data enrichment (1.5)

We will provide the following types of data enrichment services to the market at each of the above points in the journey:

- **Lloyd's managed reference data** - We will release Lloyd's reference data sets for use by the market. Reference data will be called by the new processing services being introduced, including to assist with the creation of the Core Data Record derived data fields, as well as being made available to market participants and suppliers via APIs. Examples of reference data sets that Lloyd's manage include catastrophe codes and syndicate, broker and coverholder details (where appropriate), licenced territories (e.g. from Crystal) and industry codes.
- **Certified external data sets** - External reference data sets (for example company address data, shipping registers or global industry codes) will be used to drive completeness and coverage in enrichment services. This may include Lloyd's certifying and recommending the use of particular external data sources for

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specific use cases - any external sources must meet Lloyd's data standards requirements and be certified for use.

- **APIs from market systems** - We will increase the coverage of APIs which connect market participants' systems with central market systems which will reduce effort and duplication for data entry, reconciliation and error correction.
- **Derived and calculated data** - Where feasible, we will use algorithms and rules engines to calculate data fields required for the Core Data Record. This might include determining which tax jurisdiction applies and calculating applicable taxes based on the sum insured and location data fields supplied; allocating premiums between participants; and digitally determining risk classification.

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### Market reporting (1.6)

#### **Automating Lloyd's returns, tax and regulatory reporting**

As a consequence of having accurate and complete data within the Data Store, Lloyd's will be able to reduce the reporting burden on managing agents by automating the reporting requirements to meet local regulatory, tax and financial requirements.

#### **Future analytics services**

Lloyd's will work closely with the market to define what the analytics requirements will be in order to improve overall market operation.

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### Data Store (6)

The Data Store will be the single source of truth for the information held on a risk in the Lloyd's market. It will also include the processing rules required for the automation of processes and data quality.

It will centrally store structured and unstructured data for the market. Examples of records and documents which will be stored, managed and linked to a unique reference number for each risk might include:

- The iMRC
- The Core Data Record
- All associated schedules
- Endorsements
- Renewals information
- Links to disclosure documents where they are held on placing platforms
- Claims records

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The Data Store will be developed to support the whole of the London Market. It will be underpinned by a collection of modern data technologies and capabilities, for example master data management and unstructured data management.

There is no intention to undertake a migration from the IMR to the Data Store in respect to legacy business.

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### Data management capabilities (6.1)

#### Unique Market Reference

The Core Data Record will be identified by a unique reference which is supplied by the UR service available to all market participants (as appropriate) and placing platforms.

Market participants may choose in parallel to continue to use their existing market references or agreement numbers and mappings can be enabled.

#### Access, privacy and security framework

As with the IMR, data will only be accessible to the relevant market participants. Lloyd's will have a comprehensive data access, privacy and security framework in place to govern and protect market data that enters the Lloyd's Data Store. This will include:

- Encryption of data at entry and in transit, with information sharing based on agreed permissions and consent
- Profile led access, security and authentication protocols on systems to enable trust in information exchange between market participants.
- Designation and validation of user accounts to ensure digital security and reduce the risk of inappropriate information sharing and cyber misconduct
- Data regulation compliance monitoring process to protect against misconduct (e.g. exchange of personal data under GDPR)

Metadata on the information in the Data Store will also be provided to assist with data lineage and security. We will establish data ethics and trust protocols and appropriate governance to ensure the ethical use of data

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### Orchestrating data services via the Digital Spine (7)

The Digital Spine (see [chapter 10](#)) is critical to flowing data seamlessly across the market and providing access to the new data and digital services described throughout this document. The Digital Spine will provide consistent access for secure, standards based data transmission.

# Chapter 10

## Technology

## Introduction

Our approach to technology is to build an open architecture that utilises modern digital tools. This will provide flexibility to rapidly assemble and bring new solutions online at high speed and low cost and to swap out underlying technologies should newer and better alternatives become available. It will create a resilient platform capable of supporting critical applications for the market with appropriate scalability and security built in.

**Conceptual Architecture**  
[See following page](#)



## Conceptual Architecture

### Participants

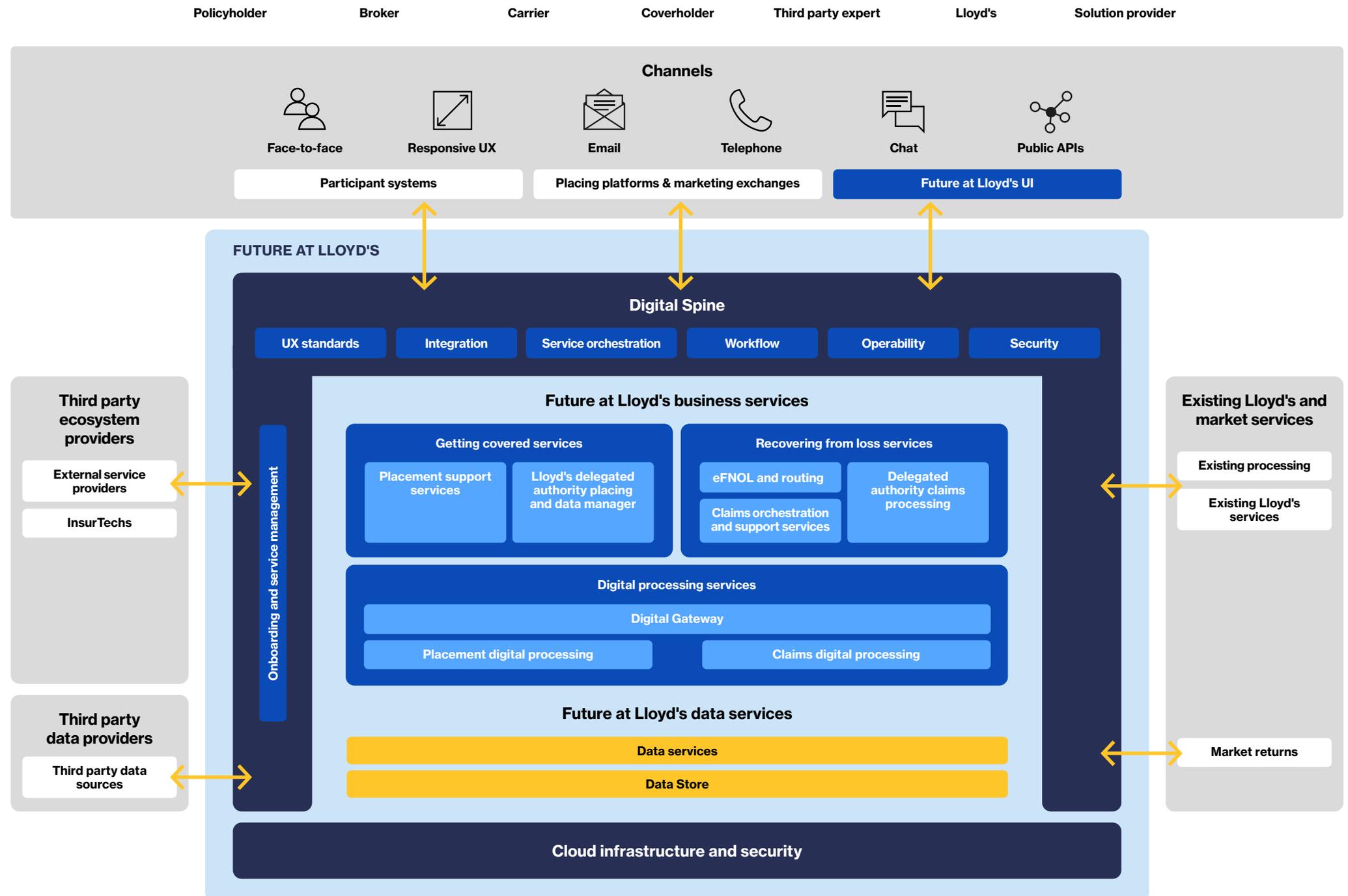
### Experience layer

### Integration

### Business services

### Data

### Infrastructure & security



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## Digital Spine

In Blueprint One, we talked about the core technology platform which will leverage the emerging technology trends around cloud-based infrastructure, an advanced data platform and an API based approach.

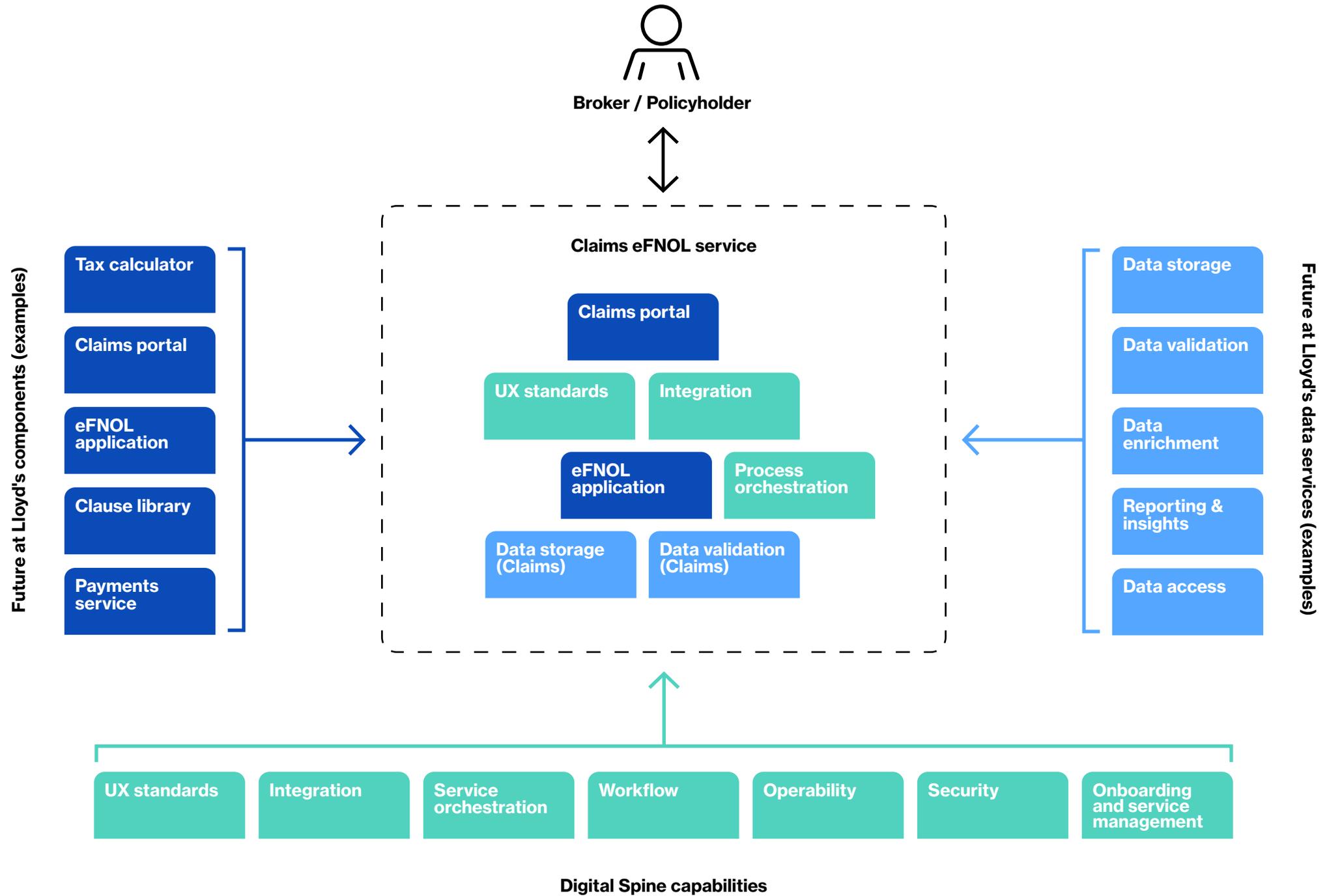
We have identified an initial set of digital platform capabilities that will be used to support the delivery of technology solutions set out in this Blueprint. API management, service orchestration, workflow and security are collectively referred to as the Digital Spine. Some of these capabilities, such as the [API developer portal](#) are already available for discovery and use in the market and will be developed further as part of the Digital Spine.

The Digital Spine will enable:

- A consistent, secure interface point for market participants to integrate with Lloyd's solution
- The safe transfer of data between market participant systems and central services under the Future at Lloyd's
- An event driven architecture that enables systems to deliver their end-to-end workflow in a flexible and maintainable way

We will adopt a platform based approach which allows us to accelerate the design, build and release of the technology solutions through the re-use of components. As an example, we have set out an illustration on the next page of the eFNOL solution described above. The Digital Spine will provide a framework for assembly of components so there is a consistent, reliable, scalable and secure way to use that service. This will be available as an API on the Lloyd's developer portal providing the specification (conforming to the open API specification v3) and a sandbox environment to enable discovery, exploration and easier integration with other systems.

Example of business service "assembly"



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The Digital Spine will be used in the following ways in the overall architecture:

- Providing a single and consistent point of access for participants (APIs, security, experience layer)
- Providing a façade to sit over existing applications, allowing the existing integrations and messaging to be used whilst the new integrations are being developed, thereby improving the parallel run experience
- Managing movement of data between Future at Lloyd's applications to avoid point to point interactions for example passing an agreed claim transaction to digital processing service
- Facilitating hand-offs between new and existing applications where necessary (e.g. passing to legacy processing where adequate data is not available for digital processing) during transition
- Rapidly developing or assembling new systems and applications using capabilities offered by the Digital Spine
- Providing market access, accreditation and onboarding for participants, third party data and InsurTech firms to develop adapters and services to offer the community

In summary, the Digital Spine, as a data and process orchestration layer, is the enabler for the future Lloyd's experience. We will stand up a beta version in early 2021 against our priority end-to-end journeys to test and learn our approach.

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### Connecting to the Digital Spine

Building on the API factory and beta-developer portal for placement APIs launched this year, we will continue to roll out a set of services that can be utilised by market participants to integrate with Future at Lloyd's solutions, such as document collaboration for placement and claims or a tax calculator. These will be made available as widgets and APIs for easy integration into participant systems and solutions. We will provide a simulated technical environment with a plug and play setup for our registered users to experiment and trial new capabilities.

We will use cloud-based telemetry to provide market participants with usage analytics, status updates and availability reports. In some areas, like the claims multi-channel interface, we will also provide new user interfaces that allow for convenient and accurate data capture and which have the ability to show the latest status of those claims. These capabilities will be provided both as a user interface and as APIs.

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### Third party ecosystem and data providers

We will partner with ecosystem solution and data providers to deliver these future capabilities, leveraging innovation in the market by building on the Lloyd's Lab momentum and global InsurTech talents to deliver value to and for the market.

To do this we will open the platform at key points such as claims event data ingestion, allow providers to safely build and test adapters to their own solutions, and establish a robust process to accredit and on-board new vendors that comply with the standards and patterns for our applications.

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### Existing Lloyd's and market services

The transition of business to new Future at Lloyd's applications will be incremental, and where sensible existing market services and investments will be re-used and will continue to form an important part of the lifecycle. Therefore, existing Lloyd's and market solutions will continue to be key components of the ecosystem. We will use new components like Digital Spine to extend over the existing applications for integration across applications to minimise disruption for different participants. We will aim to achieve compatibility with existing messaging and integration standards (for example, Write-back for claims), whilst offering to have more modern, easier and reliable interfaces offered through the Digital Spine.

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### Cloud infrastructure and security

Given the breadth of applications and solutions within the Future at Lloyd's, we are designing a secure, reliable, and scalable platform, following leading security practices and using cloud-based technologies.

The Future at Lloyd's technology platform will be run on a cloud environment using an open architecture, and modern practices such as infrastructure as code and continuous deployment. We have already started work on the set-up of some foundational components.

We recognise the importance of handling sensitive data, managing different threats and securing access to our applications. By using secure, standards based interfaces exposed on the Digital Spine, we will ensure that we apply robust role based access control along with cloud enabled monitoring, so we have the ability to detect and mitigate security threats and vulnerabilities. A key activity for 2020 has been an upgrade to the Lloyd's security infrastructure and processes to support participant self-service. As part of the initial delivery, we have built the new Identity at Lloyd's service which is securing existing Lloyd's applications, as well as new Lloyd's applications (like Delegated Contract Manager) and forms a foundational layer of the Digital Spine.

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### Transition

There will be a need for interoperability between new and existing applications as these new services evolve. To minimise transition and adoption challenges, where possible we will use the Digital Spine to link new and existing applications. This will also be the case should some activities need to take a legacy route at a later stage in the lifecycle, and to maintain audit and traceability for such activities. As an example, if a risk is placed which does not meet the data requirements for digital processing, it will be routed to existing processing.

The introduction of new ways of working will need to co-exist with existing processes for some time while existing policies and claims are active, and for teams within organisations working in lines that are yet to adopt new solutions. Where possible we will take steps to mask this complexity for participants by providing a single access point to both new and legacy processes. The Digital Gateway is an example of how to shield participants from operational complexity of parallel systems run together during transition, by providing a single access point to both Digital Processing and legacy processing through third party placement platforms which is then routed by the Digital Gateway to the appropriate channel.

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### Collaboration with the market

With your support and input we have already been able to shape the Future at Lloyd's programme. It is absolutely key that we continue to have market participants and vendors engage and pilot with us, to ensure that we can deliver technology solutions that drive mutual benefit and value at all sides. As with the Virtual Room and various Advisory forums, by collaborating with Lloyd's on the design and early adoption of new standards and solutions, market participants can ensure that the solutions are tailored and enhanced to fit their needs. We want to make it easier for the market to explore, adopt and extend the applications offered by Lloyd's, and will provide access to technical content (market webinars) and environments such as the Lloyd's developer portal to support all sides in this journey.

## Benefits

The future of Lloyd's technology will enable the creation of modern, digital, easy to access marketplace, improving market and customer experience, driving innovation, and ensuring the seamless flow of information across the end-to-end value chain.

Through the incremental delivery of the technology platform, we will drive the following benefits for market participants:

- **Flexibility:** The agility of the new platform and approach will enable Lloyd's and market participants to adapt and scale new applications and opportunities, through easier integration and faster delivery of change.
- **Unified experience:** Applying a consistent, unified experience and simplified access to Lloyd's applications will deliver a better customer experience than today, reduce technology barriers for new participants to enter the market and make it easier for existing participants to operate within the market.
- **Connectivity:** The orchestration of data and workflows across the market using secure, standards-based connectivity between participants and applications will drive collaboration, reduce re-keying and duplication of activity across the market.
- **Opportunities for operational efficiencies:** By delivering solutions that standardise data flows, automate processes and reduce administration efforts we will use technology to reduce the costs of processing, increasing transparency and enabling participants to focus on customer value.
- **Embedding innovation:** Building an inclusive, innovative culture and opening the Future at Lloyd's platform to the broader technology ecosystem will provide the ability to test new ideas, gather insights from others and attract talent.
- **Minimise barriers to adoption:** Where feasible to do so, by embedding interoperability between new and existing applications we will minimise the barriers and cost to adoption, and reduce ongoing operational cost during any parallel run.

# Section 4

## Engaging with the market

# Chapter 11

How you can  
get involved

**Ways in which you  
 can get involved**

Success in delivering this Blueprint will only be possible if the whole of the market continue to work hand in hand. Our approach to delivery will be iterative. That means that there are opportunities for early adopters to get the benefit of these changes early and for them to influence the development of solutions over time.

Each area within the Future at Lloyd's has:

- **An advisory group** – Senior market representatives and Lloyd's collaborating on the direction and priorities of activities and managing the plans and budgets.
- **Working groups** – Market practitioners who understand the current technology, process and issues to help shape the design and implementation of future technology and ways of working.
- **Research panels** – Senior and practitioner level market individuals providing insight and direction. To join this group, [you can register your interest here](#).

In addition, in order to promote engagement with the market we have established a COO Advisory Board made up of market COOs and association CEOs and a change network.

**Adoption considerations**

By considering future adoption at every stage of the process, we can make the right decisions based around cost and benefit. Our change model focuses on providing support to the market during pre-launch, launch and post launch for each initiative:

**Pre-launch**

- Advisory group
- Working groups
- Research panels
- Experimentation
- Training
- Testing
- Information sessions
- Market 1-2-1 meetings
- Onboarding checklists
- Workstream support
- Change toolkit / advice
- Adoption guide / web guide
- Change network forum

**Launch**

- Market communications
- Technical assistance
- Issues feedback loop
- Training

**Post-launch**

- Adoption tracking
- Ongoing feedback loop
- Ongoing training
- Adoption support
- Case studies
- KPI progress checks

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**General considerations for future adoption:**

We all have a part to play in achieving the aims of the market as whole, and the following considerations are a good starting point:

Considerations	Actions
<b>Get involved - if you don't share your views, they can't be considered</b>	<ul style="list-style-type: none"> <li>– Sign up for our market research panel</li> <li>– Represent your firm on a market engagement group</li> <li>– Participate in our blogs</li> <li>– Ensure your change lead attends the Change Network</li> </ul>
<b>Build your knowledge - keep up to speed as our market's thinking evolves</b>	<ul style="list-style-type: none"> <li>– Register for regular programme updates</li> <li>– Read and participate in the blogs</li> <li>– Engage with the Future at Lloyd's microsite</li> <li>– Sign up for market engagement sessions</li> </ul>
<b>Map your priorities - link the Future at Lloyd's to your strategy</b>	<ul style="list-style-type: none"> <li>– Identify the elements of the Future at Lloyd's that support your business plans and invest time in supporting these both within Lloyd's and your own company</li> </ul>
<b>Secure executive sponsorship - without their backing change is unlikely to happen</b>	<ul style="list-style-type: none"> <li>– Put the Future at Lloyd's on your executive team's agenda and schedule periodical updates</li> <li>– Assign a senior internal owner for each focus area</li> </ul>
<b>Consider your resources – is there capacity to manage change?</b>	<ul style="list-style-type: none"> <li>– Register that resources will be required to participate in shaping the future, whether as part of the Lloyd's engagement groups or in preparation for adoption (including practitioners and project teams)</li> </ul>
<b>Recognise that change is hard – it involves people, processes and technology</b>	<ul style="list-style-type: none"> <li>– Ensure you understand the impact of the change and potential barriers to change – whether that's technology limitations or helping employees overcome resistance to changing the way they've always done things</li> </ul>

Further information on the specific changes to prepare for, will follow early in 2021. We will continue to engage with market firms on a one to one basis, to help firms understand the specific impacts on them and what they can do to prepare for change.

We hope that you will join us on this journey to a digital future. The benefits of becoming a digital market-place, for customers and all segments of the market, have been discussed for many years. It is time to make this talk a reality by implementing the plans set out here.

# Section 5

## Glossary of terms

<b>API</b>	Application programming interface	An interface that allows systems to connect and exchange data
<b>BAR</b>	Binding authority registration system	Lloyd's current binder registration system
	Beta testing	A testing method whereby users test a system in a live setting
<b>CDR</b>	Core Data Record	The critical transactional data which needs to be collected by the point of bind, in order to drive downstream processes
<b>DA</b>	Delegated authority	An arrangement under which an insurer delegates its authority to a coverholder to enter into contracts of insurance or handle claims on its behalf
<b>DCOM</b>	Delegated contract and oversight manager	Lloyd's new platform to support coverholder onboarding, facility placement and binder registration, replacing ATLAS and BAR
<b>DDM</b>	Delegated data manager	Centralised Coverholder reporting system
<b>EBOT</b>	Electronic Back Office Transactions	A premium message standard
<b>CLASS</b>	Claims Loss Advice and Settlement System	Market claims system
<b>ECF</b>	Electronic Claims Files	Current market system to enable insurers to review and correspond on claims
<b>FNOL</b>	First notification of loss	First notification of loss
<b>GWP</b>	Gross written premium	Original and additional inward premiums, plus any amount in respect of administration fees or policy expenses remitted with a premium but before the deduction of outward reinsurance premiums
<b>IMR</b>	Insurance market repository	Current market document storage

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<b>iMRC</b>	Intelligent market reform contract	A market reform contract which is structured in a manner in which key placement processing data can be extracted
<b>LPAN</b>	London premium advice note	Communication of the technical account information
	Microservices	A way of designing software applications as suites of independently deployable services
<b>MRC</b>	Market reform contract	The standard for insurance contracts in the London market, established by the LMA, IUA and LIIBA
<b>PPL</b>	Placing Platform Limited	A commonly used third-party placing platform
<b>SCAS</b>	Small claims automated settlement	A pilot programme to establish the process and protocols for the automated settlement of low value claims
<b>TPA</b>	Third Party Administrator	An organisation which acts as an outsource provider to insurers
<b>UR</b>	Unique Reference	A unique identifier for each contract of insurance bound that attaches to that contract throughout its life