

Blueprint Two FAQs



Frequently Asked Questions

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Programme

1. There are transition services described in second edition of the Blueprint Two interactive guide and it is indicated that these will not be in place forever, do we have a timeline for when they will be switched off?

Transition services are not services in their own right. They represent separate 'components' that allow the new services to support some of the current practices, and to allow an easier service transition for the stakeholders who are not ready to go fully digital on cut over.

Good examples of these services are the continuing production of (legacy) London Market EDI messages, and the conversion of London Premium Advice Notices (LPANS) to digital submissions.

These services or components are designed to, support market stakeholders as they transition to full digital solutions at their own pace. That said, transition services are not intended to be in place indefinitely.

You should be aware that transition services will attract their own costs and/or have a higher overall cost than their end-state digital alternatives. The intention is that transition services will be switched off after a suitable period post go live.

The market (which owns this decision through the appropriate market forums) is still finalising when these services will be fully decommissioned. We will be able to give an update in Q1 2023.

The engagement will commence once all the relevant information is available to enable adequate consultation.

2. The material we have seen seems to indicate the current underlying bureau systems will be 'switched off' – how will this work in practice, and will this mean we lose access to historical data?

The digital services for premium and claims are new business services, operating on a new cloud platform. Once they are live, the existing mainframe systems (POSH, LIDS and all CLASS / ECF versions), cease to be operational systems and will become historic data repositories. This ensures no data is lost and removes the risk of a mass migration at cut over.

If a premium or claims submission, or movement, is received into the new service, that is based on a transaction previously carried out in the old service, the new service will use a 'reach back' function, to retrieve the information required to process the submission and process it on the new service.

No processing will occur in the old systems.

The quality of the historic information is variable, so it may be the case, that some back-office processing effort is required, to augment the data retrieved. This will ensure that the information is sufficient to process the submission or movement. This is similar to today, where some investigation is required on older premiums and claims, to facilitate processing.

At some stage after go-live, it is expected that the legacy data will be moved to a new platform to allow the underlying architecture to be fully decommissioned. This will be a move of the database, rather than migration into the new services. However, this approach will be planned out closer to the time of the transition of data.

3. How are you going to engage with the market?

Engagement is a key effort in Blueprint Two.

We want to ensure the market understands:

- a) what digital transformation under Blueprint is?
- b) what is in it for their organisation.
- c) what they need to do; and
- d) by when.

To support this, we have:

- a) created communities across the entire market, covering carriers, brokers, and service providers, with a dedicated engagement partner for each community.
- b) produced customer journeys, to help describe the solution.
- c) produced a benefits framework, which shows the possible benefit levels that organisations can explore.
- d) co-authored two Playbooks with the Lloyd's Market Association and LIIBA, which gives as much guidance as possible, regarding what managing agents and brokers need to be thinking about, and covers 'known unknowns'; and
- e) produced FAQ reports and market readiness surveys which will be released during Q4 2022.

We are currently working on a market version playbook version working with IUA.

In addition, we are working very closely with the market associations, on engaging their members at both senior leadership and market practitioner level, mainly through communities, to ensure the right level of market insight.

Information on the communities and downloadable versions of all the artefacts are available on the [Blueprint Two \(blueprint-2.com\)](https://blueprint-2.com) website

4. How confident are you around timelines, as this will help us plan for the cost of change?

There are many factors contributing to a high level of confidence of delivery.

- a) For the first time, we have a contract in place to deliver the placement, premium and claims service. Previous efforts (especially around the bureau premium and claims services) have discussed what the future could look like, but never got to the contracting stage.
- b) The Global Services represent a fully functioning end-to-end premium and claims service. The London Market services are not separate to these, rather they are an addition to the global services. This means that from the go live of the global services, we are adding variations and specificities to a live service, not building a separate one. This will result in a much lower delivery risk.
- c) It must be borne in mind however, that given the scale and complexity of this programme, delivery will always be one of the biggest risks. Any additions to scope, unexpected complexity in design or resourcing issues could disrupt the schedule. This has been mitigated as much as possible but cannot be completely eradicated.
- d) There is currently no significant risk in the ability to deliver the solutions to the required standard.
- e) We are already seeing other elements across the Programme being delivered – a Core Data Record (CDR) structure has been agreed, the intelligent Market Reform Contract (iMRC) has completed consultation, Faster Claims Payment has gone live to schedule and (Delegated Contract & Oversight Manager) DCOM releases 1.1 to 1.4 have also gone live. All of this shows a positive delivery cadence.

Gateway

1. Will the final iMRC/CDR data come from the TPPP or DXC?

Given the high usage of third-party placing platforms (TPPP) in the market (90%+), we expect the majority of submissions to come from these.

Design work is ongoing, but it is likely, in a significant number of cases, that the iMRC will not contain all of the data required for the CDR. The ongoing analysis will bottom this out, as well as agree how any additional information is sourced and handled.

There are other methods to submit data.

- a) The broker could submit directly from its core system, which would enable them to manage return queries.
- b) The submission could be via an iMRC extraction service.
 - i) However, this does need to be extracted from a fully completed iMRC, and hence we would still need to consider how to fill any CDR gaps from the iMRC (following analysis referred to above).

Direct submission from a carrier system to Gateway will not be possible, as the carrier will not have a complete view of placement.

Whatever method is used to submit the CDR data to the Gateway, this will need to comply with the rules surrounding the compilation of the CDR, that are currently being developed on behalf of the Data Council.

The iMRC would still be produced by the broker.

2. How will we encourage brokers to enter data earlier in the process, rather than negotiating and adding details to the TPPP at bind?

The practice of 'back loading' placements on to TPPPs is fairly common. The new services reward early action with many benefits, such as better capital management, increased (timely) contract certainty, reduction in errors and omissions speeding up premium and claims processing etc.

It is hoped that given these benefits, the market will make a concerted effort to take (central) data creation back to an earlier (quote) part of the process, rather than at the end.

It will also be much easier to report who is practicing early data creation and who is not. The responsibility to do this rests mainly with the broker, although carriers can request for the quote to be managed via a TPPP at an earlier stage.

3. What is the difference between how endorsements are treated between the existing and new worlds?

In today's world, there is no consistent way to handle endorsements across the market, with notifications happening in many formats and through many routes.

In respect of central services, this does cause issues, e.g. premiums are received that do not match the risk information (MRC today) as endorsements are not present or have not been sent.

In the digitised market we are collectively building, we are creating an irrefutable risk record through the CDR.

The CDR must reflect any and all adjustments, so it is complete both in terms of data and the changes through the lifecycle of the risk. Endorsements will have to be timely, in an agreed format and submitted via the Digital Gateway.

The exact process is still being worked on within the team.

For further information please refer to Lloyd's dedicated webpage on the CDR at <https://www.lloyds.com/conducting-business/requirements-and-standards/core-data-record>

4. How will the new Digital Gateway take the iMRC and turn that into a complete CDR record? Will there still be manual intervention required?

The Gateway will carry out two distinctive actions to create an 'irrefutable' CDR.

- a) It will validate the information in the CDR by performing self-referential testing and validation against external reference information. It will then pass any queries back to the submitter.
- b) It will augment the record with agreed derived fields (B Fields) following pre-agreed rules.

The complete, validated CDR is then placed in the data store.

In some cases, additional information will be provided post bind and before accounting and settlement. This process is currently being discussed within the team. It is hoped that the process can be completely automated, but some manual intervention in the short to medium term may still be required for complex cases.

Premiums

1. Are there two gateways? I am hearing references to the Digital Gateway and the ASG Gateway, are they different and if so, what do they do?

These are two different and separate functions, the Digital Gateway and the ACORD system group, ASG Gateway.

The Digital Gateway is focused on CDR processing. It will receive CDR APIs, then validate, augment and store these, as well as making them available for retrieval by carriers or brokers. The ASG Gateway handles inward and outward messages (ACORD / Service APIs and Electronic Data Interchange (EDIs) on behalf of the International Premiums Orchestration Service (IPOS) and the International Claims Orchestration service (ICOS).

2. The new digital services are using ACORD messages to manage premium and claims settlements. How close will the messages and the process be to the global messages and process (Ruschlikon)?

ECOT, CMs, EBOT TA (technical account messages) and FA (financial account messages) are completely aligned to the current 2016.10 ACORD standard. There will not be any content included that is not in the standard, save as set out below.

The process for the broker will be the same as the Ruschlikon process. They will receive technical response messages (L3 acknowledgements/rejects) and business messages (L4 acknowledgments/queries/ rejects) at the same time in the process as they do today.

However, the carrier process is slightly different. In Ruschlikon, the TA and FA need a response from the carrier, however, in the IPOS service, the response on behalf of the carrier is provided by the service.

For claims (ICOS) business responses from all parties in agreement parties will be required.

There will be some changes required to the 2016.10 standard, to ensure it can fully handle the subscription market and to allow for in some circumstances the CM/TA/FA message will be (to non-agreement party carriers) for information only. Hence the actual data load can, and will, vary as elements of the subscription market are brought online.

We will include more information on message handling in the next version of the customer journeys, which should be produced in in December. These will be available on the Blueprint Two website.

Claims

1. Is there a view on the changes required to the ECOT message to accommodate additional data fields that writeback currently has? We have been advised Writeback will continue post transfer; are there any changes or impacts to the Writeback message?

The Programme has identified that many changes need to be made to the ECOT message to make it suitable for the London Market. The first tranche of these changes was presented to ACORD at the end of September. The remaining changes are not going to emerge until the detailed work is completed in H1 2023 and these will be grouped and discussed with ACORD.

This will include consideration as to what changes are required to ensure it can cover the level of interaction and information provided by the highly effective Writeback messages.

If any of the changes cannot be accommodated, separate API(s) will be created to ensure a full suite of notification and interaction is in place.

As with EDI messages, there is no intention to amend the structure of the writeback message, but some changes to content is required, as the messages will be produced from the new digital services rather than the mainframes. Some areas are impossible to maintain and/or will become meaningless and these need to be addressed. Any changes will be made in consultation with the writeback Steering Group.

Messaging

1. I understand that the new digital services will still produce a version of EDI messages. Can you explain what sort of changes we can expect and how they fit in the new digital services? Can I just use EDI, or do I need to use EDI and some other form of notifications?

The new digital services will continue to produce EDI messages.

There is no expectation that the structure will change. However, there may be some changes to the content. This is unavoidable as some of the data (such as a batch code for instance) cannot be replicated by the new service. The location of the daily file will change, and bespoke (carrier / broker specific) versions of EDI messages will not be supported.

If you are continuing to use EDI, as it does today, EDI does not cover all the interactions (for example EDI does not handle queries on premiums which are handled today by calls or emails), so the benefits gained from the new services will be limited. To cover full interaction with the service post transfer, EDI will be used along with portal notifications and responses.

The EDI messages do not operate as a standalone service. The digital services run as normal and at the appropriate point in the process, it will convert the digital message into an EDI message, or if inward, translate it into a digital message for processing.

The EDI technical specification release schedule and technical specifications (when released) are available at <https://www.blueprint-2.com/technical-resources>

Technology

1. Can you give me an understanding of the overall changes I need to be thinking about to onboard to the new digital services? Does what I need to do change depending on whether I am looking at interacting on a transitional or end-state digital basis?

We suggest that you focus on the interaction of the services to ensure that the services do what they need to do for your organisation.

The service contract will create the correct service definitions and service levels on your behalf.

You should ensure that:

- a) you can submit the information needed into the service.
- b) you can consume the information coming back; and
- c) the information coming back to you contains the information you need.

It would also be helpful to understand the changes to the delivery of reports you currently use, once the new approach has been communicated.

Full end-state digital services

If you are looking to onboard on a full end-state digital basis, you need to understand where the CDR API is being generated from in your organisation and your role in that process. For premium and claims, you need to ensure you can produce and consume the relevant ACORD messages and your downstream processes, especially finance, have made the necessary changes to work with the ACORD messages rather than EDI.

We will publish API end points, so that you can start to develop towards them, and authentication will be part of the onboarding process, but will be available for testing during vendor integration testing.

Transition services

If you are onboarding on a transition basis you should ensure, by working with your service vendor and the engagement teams, that you understand the changes to EDI messages. There will be a new gateway for transition messaging.

You should also ensure you or your vendor have an approach for making the changes required to be able to still produce and consume the messages.

You will need to ensure that (when they are available) you have trained the relevant teams on the portals and understand the changes on reports.

Legacy systems

1. I have heard a lot around transition services and end-state digital services. Can you explain the differences between these and how they fit together? Are transition services stand alone or an element of the overall service?

Transition services are part of the overall service. They are on integration route you can choose to use. They are only in place for premium and claims services. The Digital Gateway is a new service and therefore does not have any transition elements. For premium and claims there is only really one (digital) process per service.

Transition services are a recreation of the existing legacy services. They are temporary and intended to give organisations time to adapt and move towards end-state digital services. The transitional inputs and outputs (LPANs, EDIs) will be converted into digital and vice versa, so they be managed by the digital service and consumed by other organisations that choose to interact digitally.

2. What is Lloyd's Direct Reporting Service (LDR) and how is it impacted by Blueprint Two?

Lloyd's Direct Reporting (LDR) enables participating managing agents to submit their regulatory and tax information straight to Lloyd's. LDR is an elective data submission service, that bypasses the costs and resource associated with normal bureau processing.

Using ACORD Standard XML messages, LDR is an automated online service which automatically validates, and processes received data. Data is submitted at a transactional level (as opposed to reporting information being derived from the bureau accounting process), thereby breaking the link between accounting and reporting.

LDR is for 100% business non-cash service company or cover holder business, where an insurer underwrites the whole risk, or 'separate' subscription business, where an insurer underwrites part of a risk using a separate insurance document to other insurers.

There are currently eight managing agents on the service, which is currently closed to new entrants. The service is completely within Lloyd's and has no touch points with the Joint Venture central services and is therefore not impacted by the move to digital services.

While there are no current plans to alter or discontinue the LDR service, as the central services provision develops (especially in respect to delegated authority business), there may be an opportunity to utilise this. This is to allow the function that LDR provides to be delivered more efficiently via the central services provision. Any change would only be after discussion with the current users.