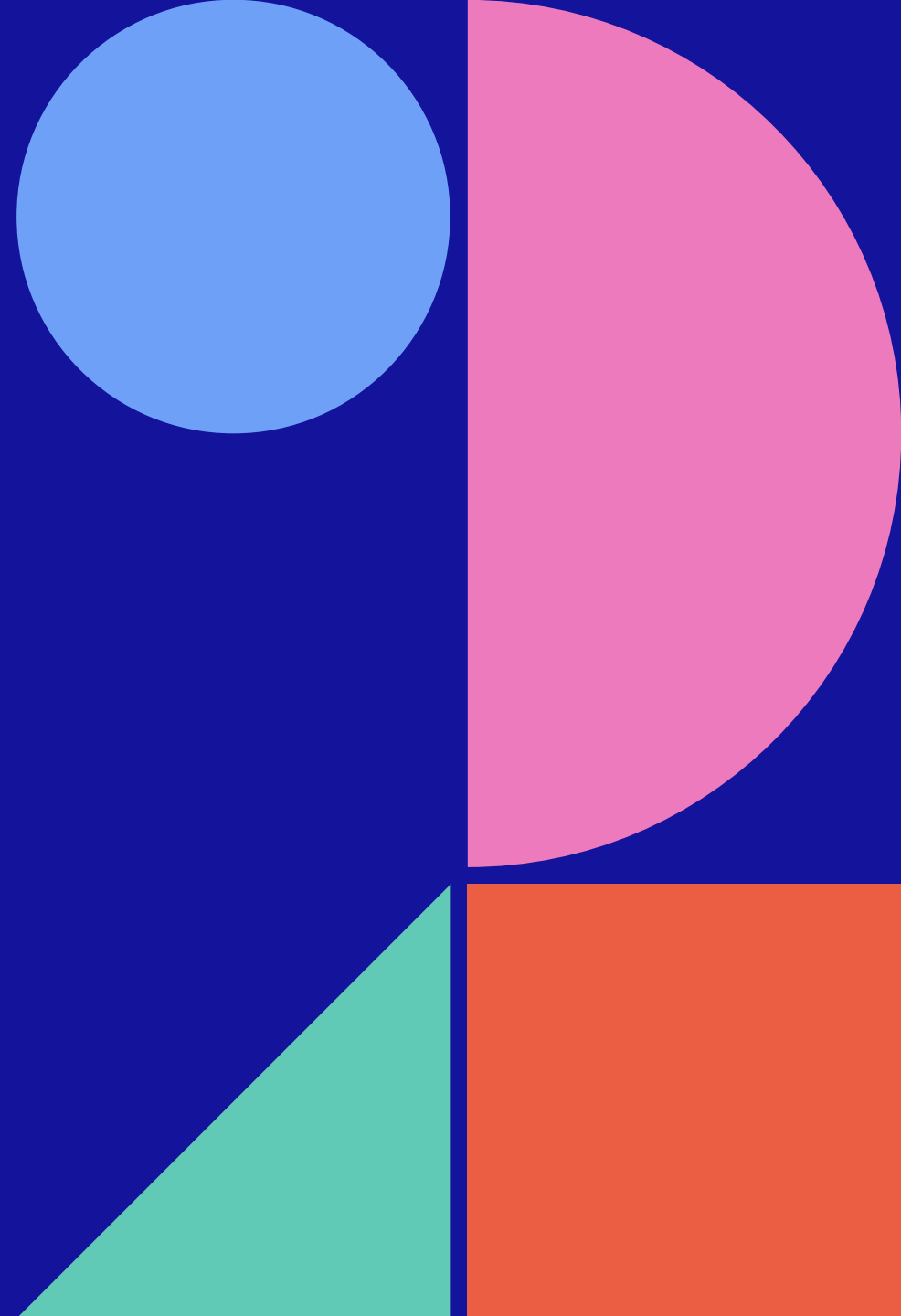


LLOYD'S

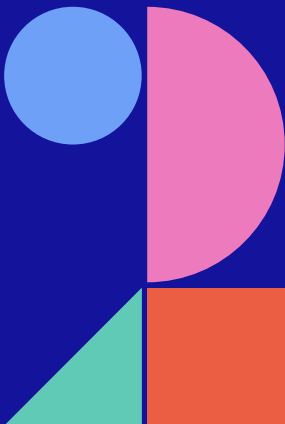
Future at Lloyd's

April 2022

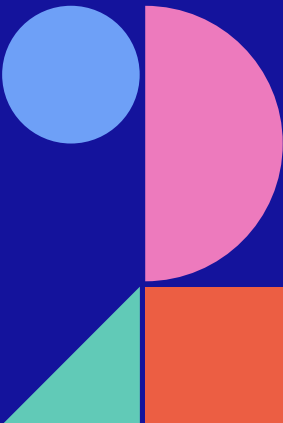




Through Blueprint Two, we're building solutions that will digitalise our market, making it better, faster, and cheaper for all participants



Our areas of focus for 2022



Open market

- The introduction of the CDR standard in conjunction with automated validations in the Digital Gateway will enable a right first-time approach to data while strengthening its quality across the Lloyd's and company market.
- Designed to be system agnostic, these solutions allow market participants to operate on their preferred platform or integrate directly, maximising digital benefits while driving accuracy and consistency.
- Users of the CDR and iMRC will benefit from more efficient digital processing, avoiding high failure rates and significantly reducing operating costs.

Core Data Record Scope

The Core Data Record (CDR) has been defined for use across both the Lloyd's and Company markets and is governed by the Data Council of the London Market Group. It was approved by the Data Council in March 2022 and provides the critical transactional data which needs to be collected by the point of bind to drive downstream processes covering: premium validation and settlement; claims matching at first notification of loss; tax validation and reporting; and regulatory validation and core reporting.



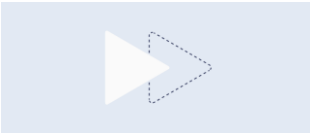
Tax Validation & Calculation
...validate taxes, enabling tax certainty and reducing friction with premium processing.



Accounting & Settlement
...reconcile technical and financial accounts, allowing funds to be settled automatically.



Regulatory Reporting
...satisfy regulatory and supervisory functions, keeping licenses in place without inefficient queries.



Claims Matching
...match First Notice of Loss to the relevant Market Reform Contract and identify the claim agreement parties.



Core Data Record Fields

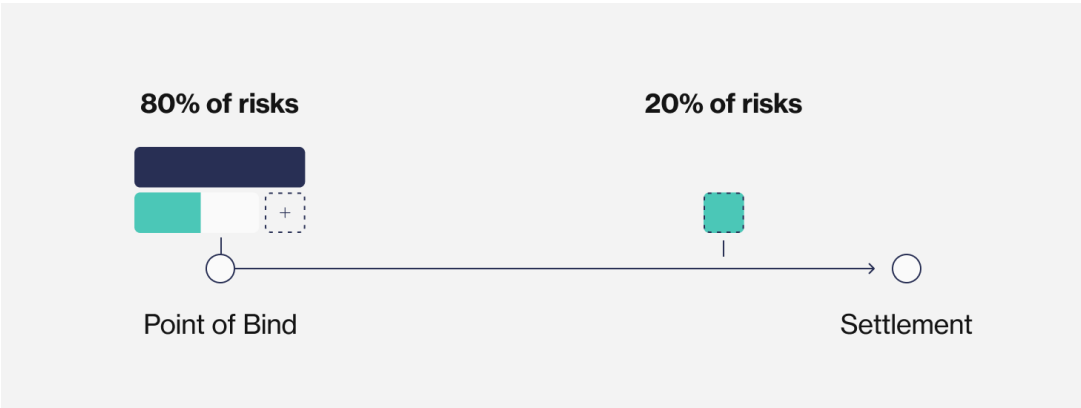
The CDR is comprised of 45 mandatory fields which must always be provided at the point of bind, and 80 conditional mandatory fields of which a subset will need to be provided at the point of bind subject to the conditions specified.



More complex risks, for example multi-territory or contain certain item types, will require a further set of conditional fields at a more detailed asset level, or that specify specific regulatory information. There are 44 of these fields in total but all are conditional, for example to territory.

This information must be provided prior to monies being settled. Information on taxes payable will also be expected at this later point in the process, prior to settlement. We are working with the Data Council on the most effective way to capture this second set of data.

A series of fields which are included in the CDR will be derived from the information provided. There are 20 of these fields.



Core Data Record Fields

A summary of the Core Data Record and the information it covers is shown below.

Each block is a series of fields in the CDR. The number in brackets shows the total number of fields in the block including all of the mandatory, conditional and derived fields. As set out above, not all of this information will need to be provided for all risks; nor does it all need to be provided at the point of bind; many fields are conditional and others only need to be provided prior to settlement.



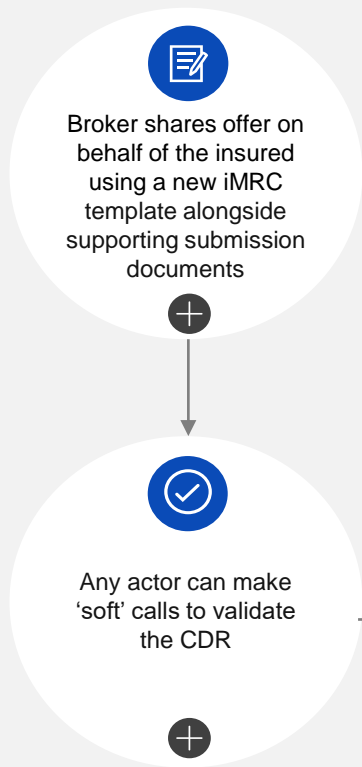
Utilising the Core Data Record

Open Market – Getting covered

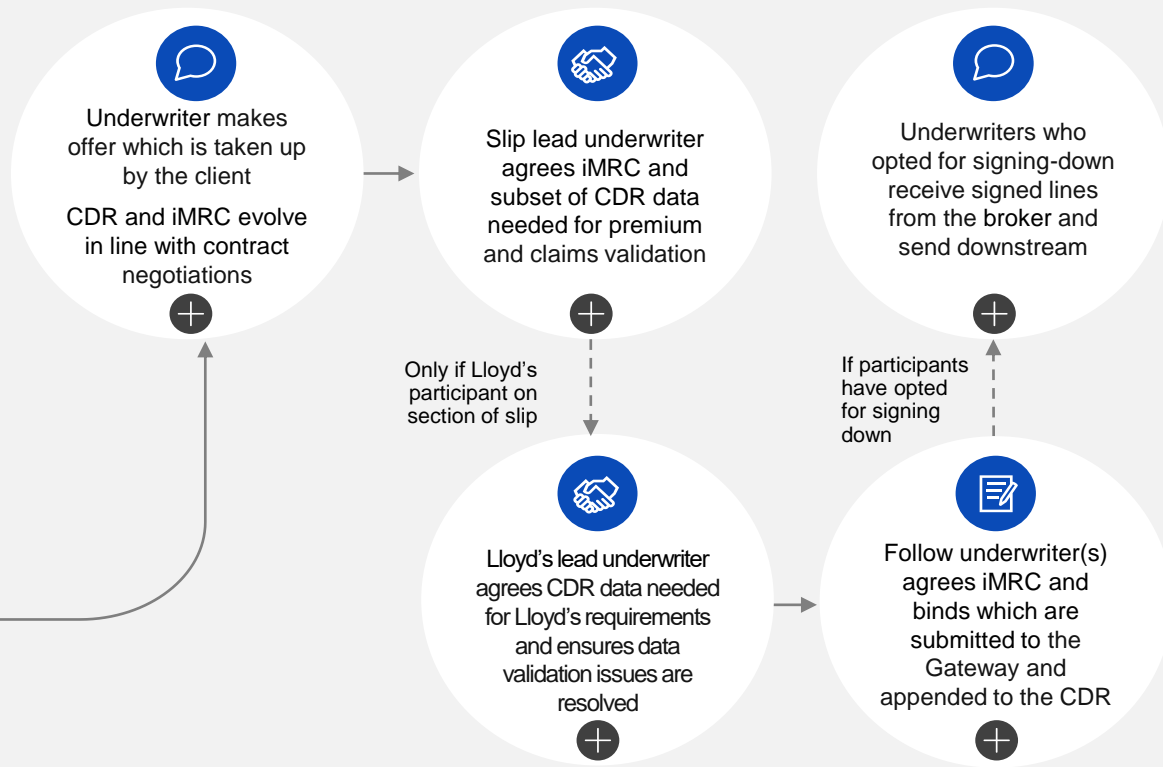
2023 / 2024

Target State: Enhanced third-party placing platforms will enable a shift to a right-first-time approach and adherence to upfront data quality controls, rapidly expedite processing times, while providing an opportunity to reduce placement and indirect costs.

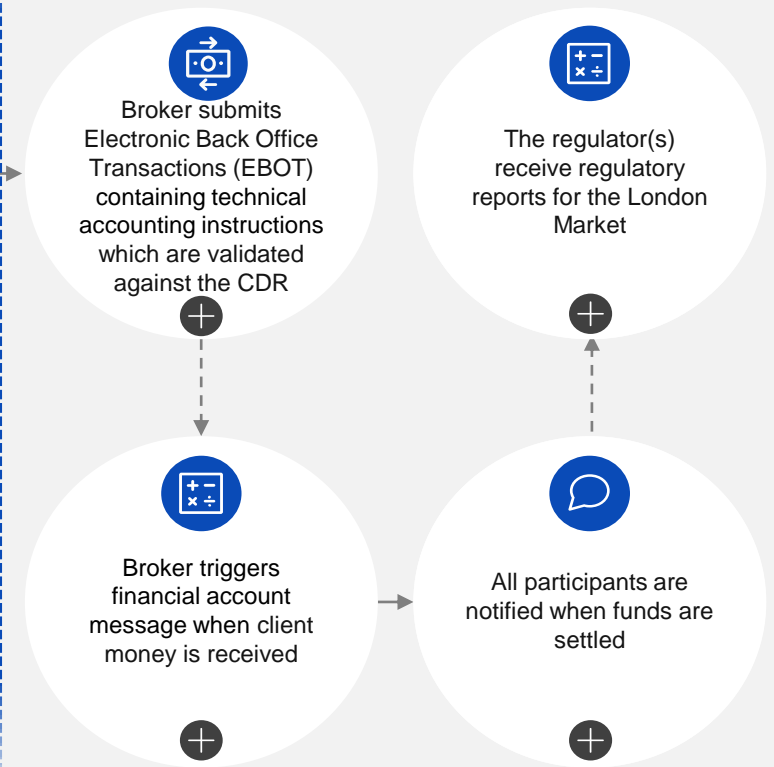
Risk Placement | Submission/Quote



Risk Placement | Firm order & Bind



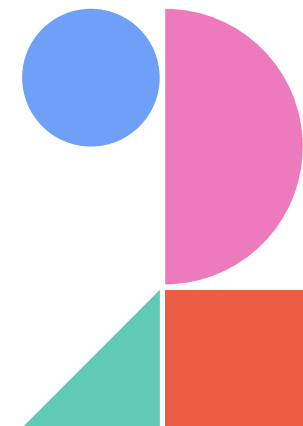
Digital Processing | Post-Bind





Delegated authority

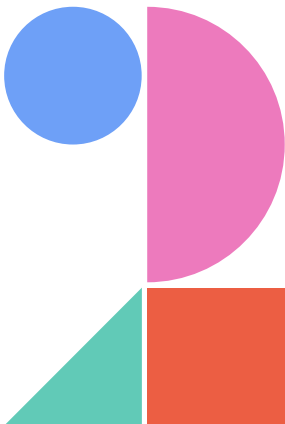
- We have widened our ambition to focus on creating an end-to-end operating platform that supports everyone involved in delegated authority business.
- We are building a seamless platform that enhances customer experience and makes it better, faster and cheaper to do delegated authority business.
- This platform provides a base from which the market can continuously innovate how they trade with each other. The platform will also be API-enabled facilitating easy adoption of innovations across different systems.









Claims

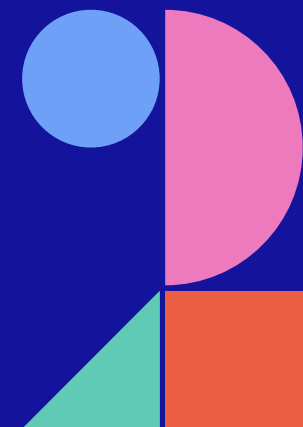
- Our new digital claims solution for open market and delegated authority will be delivered from 2022 through to 2024.
- This will allow digital interaction with brokers and insurers with enhanced functionality, reduced processing, greater transparency for customers and faster agreement and settlement.
- Once fully adopted, the solution will enable insurers and brokers to manage claims in their own claims management systems.



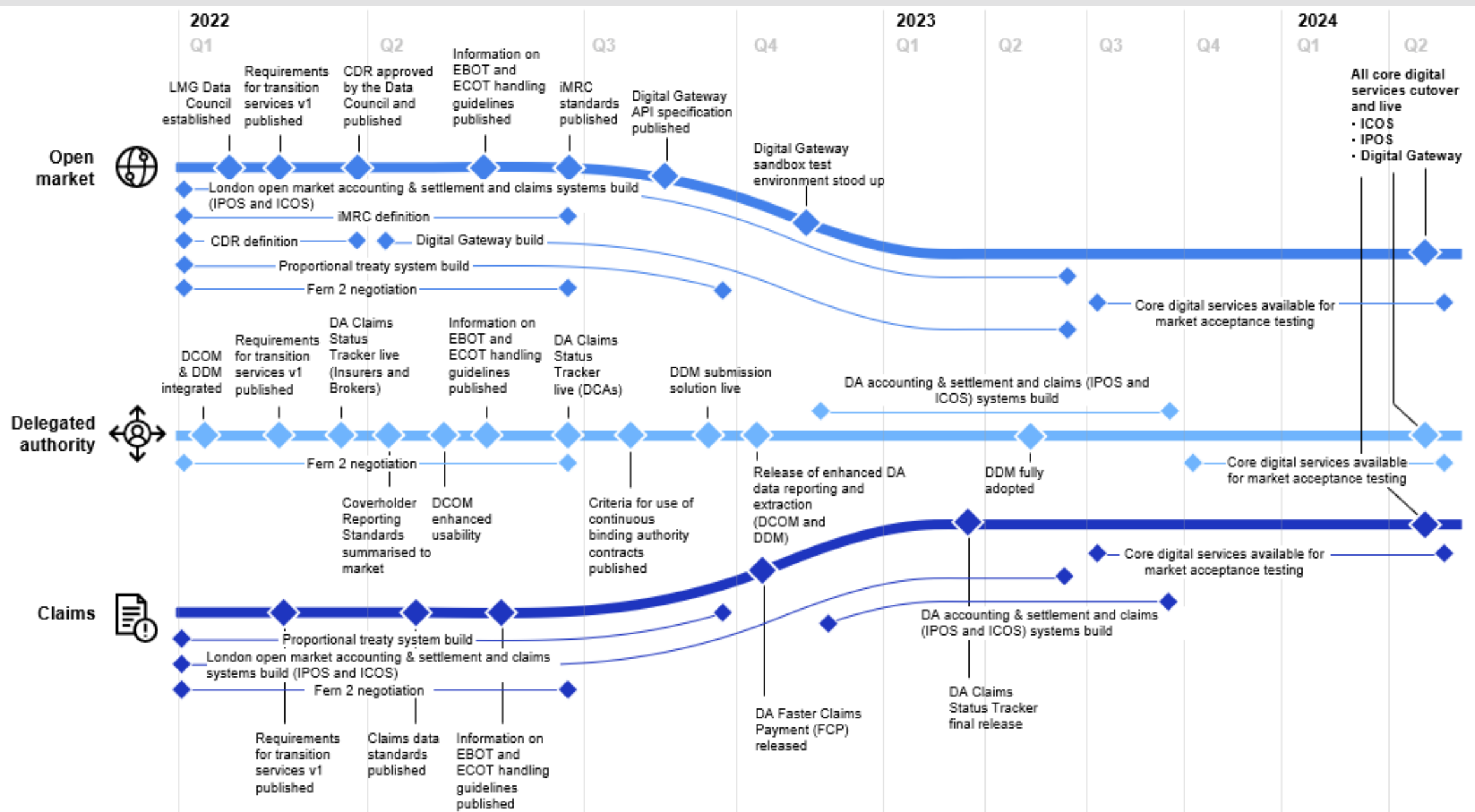
Moving to digital market services

For organisations seeking to achieve full digital adoption, the key solutions for open market, delegated authority and claims are outlined below.

 Open market	 Delegated authority	 Claims
<ul style="list-style-type: none"> ✓ Core Data Record (CDR) Covering all classes of business and territories Simplifying tax and regulatory data, reducing the volume of mandatory data ✓ Intelligent Market Reform Contract (iMRC) Allowing seamless data extraction to populate the CDR ✓ Digital Gateway Validating data earlier in the lifecycle 	<ul style="list-style-type: none"> ✓ Coverholder Reporting Standards (CRS) Updating the core set of regulatory, tax, premiums and claims information ✓ Delegated Contract and Oversight Manager (DCOM) Supporting coverholder onboarding, facility placement and binder registration ✓ Delegated Data Manager (DDM) Centralising coverholder reporting and data distribution 	<ul style="list-style-type: none"> ✓ Claims data standards Capturing data driving first notification of loss matching (FNOL) and adoption of digital messaging (ECOT) Faster Claims Payment (FCP) solution Facilitating fast track claims payments for delegated business Delegated Authority Claims Status Tracker Driving greater transparency
 Digital accounting		✓ = solutions identified to enable digital processing
<ul style="list-style-type: none"> ✓ Adoption of digital messaging (EBOT) Protocols used for accounting and claims settlement ✓ Develop API capability Enabling straight-through automated processing 		



Key market milestones



Advisory groups and engagement forums

	Group	Purpose
Advisory Groups	Claims Advisory Group	Provide senior market participant insight for claims
	Delegated Authority Advisory Group	Provide senior market participant insight for DA
	Digital Processing Advisory Group	Provide senior market participant insight for premium accounting & settlement and claims settlement
Forums	Change Network	To provide a holistic view of the Future at Lloyd's to market firm change leads
	COO Advisory Forum	Provide a holistic view of the Blueprint Two programme to market COOs and receive feedback on delivery and adoption
	Service Provider Forum	Provide a holistic view of the Blueprint Two programme to existing market service providers
Access Groups	DA Claims Improvements	Provide market participant insight for claims
	DCOM User Group	Provide feedback and development requirements on DCOM
	DDM Steering Group – run by LIMOSS	Provide market participant insight for DDM
	DDM User Group – run by LIMOSS	Provide feedback and development requirements on DDM
	Joint Solution Plan market SMEs	Provide insight and feedback on specific joint solution plan topics

We have worked with the market associations to agree the engagement structure for 2022, with three key market advisory groups covering digital processing, claims and delegated authority.

Members of these groups were nominated in conjunction with each association to ensure representation of senior participants from across the London market.

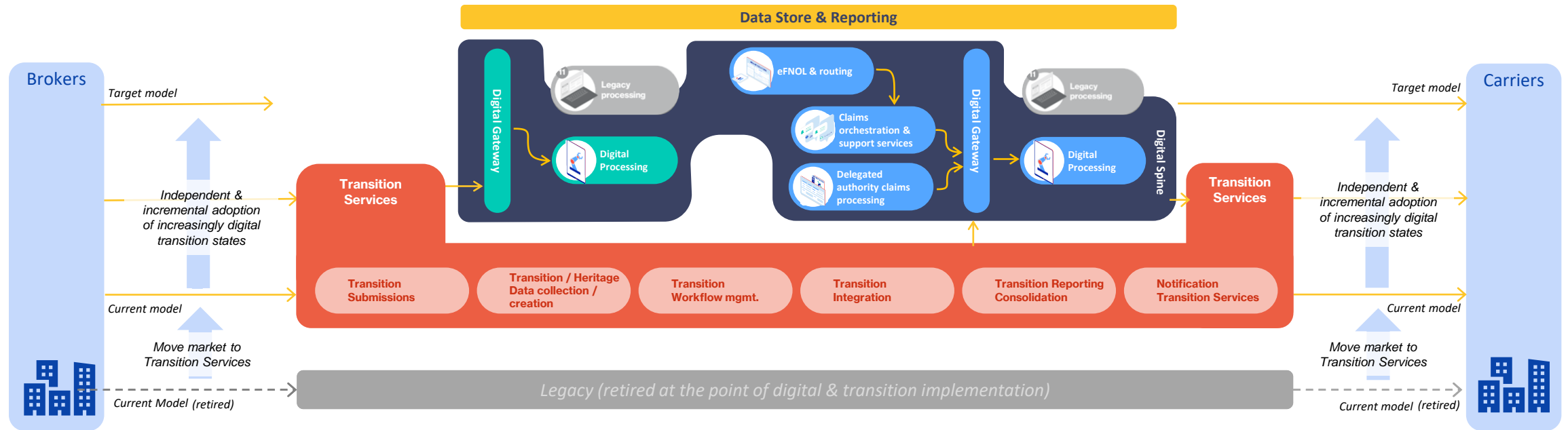
We will also engage market experts at a practitioner level through our market access groups, via the market associations, in line with the agile delivery model under the joint venture.

The Data Council has also been established under the LMG, along with key supporting Technical Groups, to manage data decisions for the market.

Joint Solution Plan

Joint Solution Plan – What is it?

Blueprint Two outlined the target state solution vision. JSP delivers the Digital Processing and Claims Orchestration with additional Transitional Components



Summary

1. It is a complete new build of digital services to replace current core and elective central (bureau) services
2. It does not use or rely on existing service infrastructure. The JSP will allow the full retirement and decommissioning of legacy infrastructure such as POSH, LIDS and ECF
3. The new services are fully digital and automated, manual intervention is only at failure / query
4. Legacy submissions (e.g. claims movements on legacy claims, premium instalments on legacy placement) will be managed in service accessing legacy data to support processing
5. Day 1 digital adoption by organisations is the preference and brings the biggest benefits, but transition services will be in place to support day 1+ digital adoption

Key Market Activities For Core Digital Services - 2022

Actions to take depend on your route to digital: full, blended, or using transition services

Digital

Changes required to continue operating in the market after the market-wide cutover in mid-2024

Adopt EBOT and ECOT messaging

ACORD EBOT and ECOT protocols will be used for accounting and claims settlement, following the ACORD 2016.10 standard, with information provided via API or portal. EBOT and ECOT is currently supported by XIS and is the standard that will be adopted for accounting submissions within the digital processing solutions.

Develop API capability

Some of the interactions in the new digital services are via API e.g. Digital Gateway.

Use the placement data standards through the CDR and iMRC for open market business

Adoption of the iMRC and CDR standards are key to unlocking the ability to automate processing and remove the manual checking required today. The iMRC template will ensure that all required CDR data is contained within the contract in a standardised, human and machine-readable form. The CDR standard will specify the structure of the data submission, reference data sets that must be used and the required data formatting to allow it to flow through the new digital process.

Transitional

Changes required to adopt transition services at market-wide cutover

Messaging

Changes to messaging will cover: DRI submissions/notifications, LIMCLM submissions, Writeback, CWT and EDI. Insurers and brokers need to ensure they have made any changes needed by Q4 2023. Specifications for EDI changes are already available, and others will be published as early as possible throughout 2022 with the aim of giving at least 9-12 months advance notice of the change required.

Portals

The building of new digital services means that all existing user interfaces or portals will be discontinued and replaced by new digital portals. This will not be 'like for like' basis due to some changes and improvements as to how the services are delivered. While these will be as intuitive as possible, users will need some familiarisation training and web addresses and login credentials. This includes the replacement of the following: LIDS, POSH, IPC, CWS, ECF, CASA, Tracker, Knowledge Base, Account Enquiry and Support Interfaces / Screens. Designs for these portals are being developed as part of the agile build and will be reviewed across the market in 2022. Market participants should plan for training to take place from early 2023.

Reporting

Data generated from the new services will be linked with legacy data to ensure a consolidated picture. This will require some low impact changes to reporting services overall including the content of reports, new user credentials and some light training.

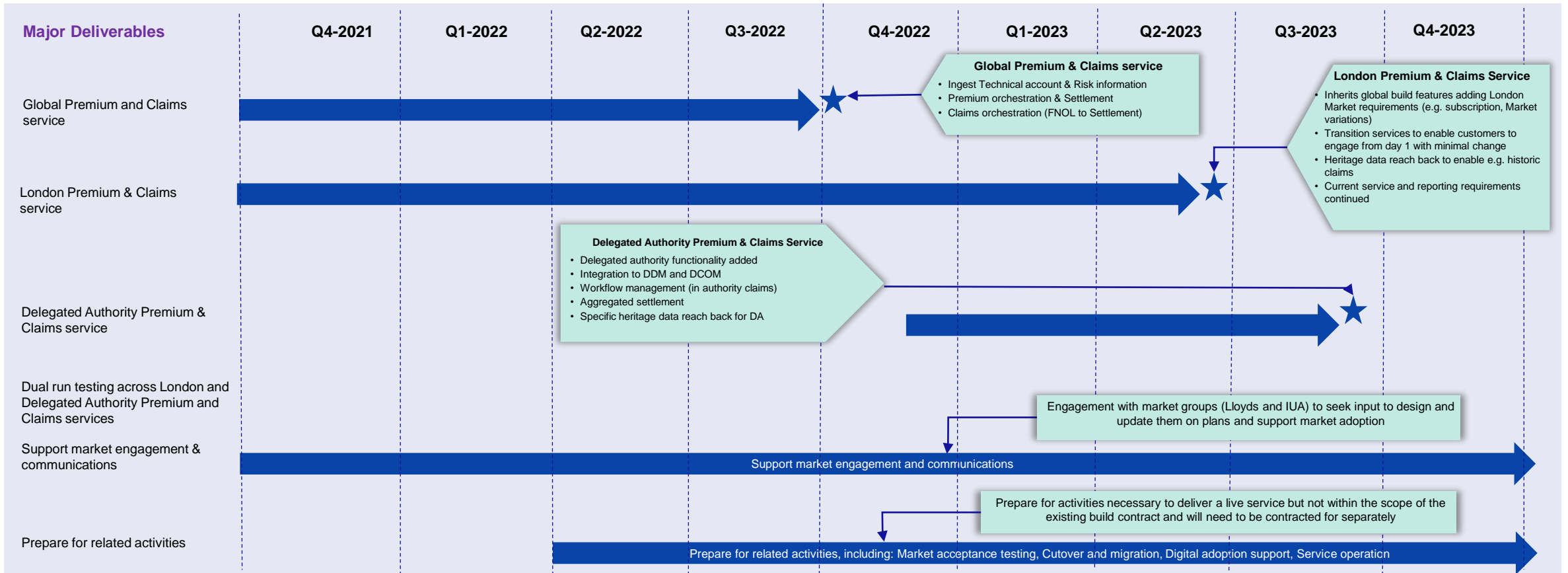
Phasing out of heritage solutions

To get ready for transformation some changes will be made to current services (e.g., low usage message variants, bespoke participant services). Selected participants using these solutions will need to change to market norms.

You can move to full digital processing from day one of the new services. If you cannot achieve this you will need to use transition services for which you will need to make some low level mandatory changes and can use a blended approach as you move to full digital



Timeline

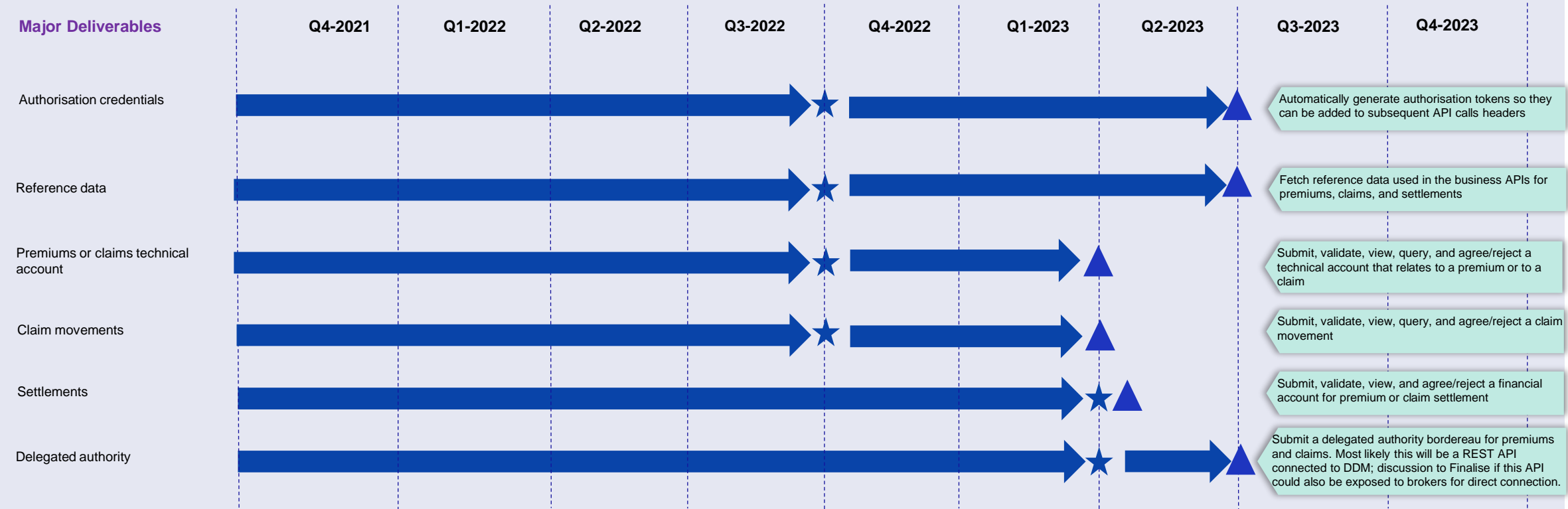


KEY Focus

- London Market Central Digital Premium, Claims and DA Digital Services ready for MAT Q3 2023
- Integration and Market Acceptance Testing likely to last **6 months** given scale of change
- London Market Services go live estimated **Q2 2024**
- **Global Services live from Q3 2022** showcasing many aspects of **Core Digital Services**



API Timeline



★ = Release of London Market endpoint specs
 ▲ = Release of London Market API contracts specs

API's to be determined/decided

- Reporting & Raw Data APIs
- Risk/CDR/Gateway APIs
- London Market specific API for claim submissions



Q & A and next steps

