

Operations Update



We are at the half-year point and time to pause for reflection on what 2023 has produced so far and how H2 is shaping up. A few noteworthy results to start with:

- After several years of detailed planning followed by testing and dress rehearsals, DXC Technology completed the most complex of **datacentre migrations** with no impact on central services performance. You can read about just how complex it was [here](#).
- PPL implemented the **'Next Generation' electronic trading platform** and shared plans for aligning the development roadmap with Blueprint Two deliveries, Core Data Record and all that. Version 3 PPL (powered by EBIX) will not be available for placing new or renewing risks after September 2023. *Contact: your PPL Relationship Manager or [Jane Perry](#).*
- Lloyd's and the London Market Joint Ventures (JV) announced the **testing and implementation approach for the new Digital Processing Services** which should be 'live' this time next year if all goes to plan. Full details are available [here](#). This was followed by Q&A sessions on Monday 10 July, recordings of which are expected to be published soon. *Contact: your Blueprint Two 'EC10' Market Engagement Lead or [Jane Perry](#).*
- The London Market Group Data Council has published the specification for **Core Data Record version 3.2 designed for Open Market** Direct and Facultative re/insurance risks. **Market Reform Contract version 3** was implemented to assist brokers with the creation of CDR content and the market consultation on process, roles and responsibilities for the creation, approval and submission of data required in the CDR was positively received by nearly 100 market organisations.
- Following the Lloyd's network incident in October 2022, a **new market Crisis Triage Group** has been set up consisting of the associations (IUA, LMA, LIIBA) and the London market shared services providers (JV, PPL, LIMOSS) along with Lloyd's corporation. The purpose of the group is to convene upon request from any of its members to assess market-affecting incidents. Typically, the trigger events are anticipated to be cyber incidents, but may not be exclusively cyber-related. *Contact: [Matt Wood](#).*
- The LMA has established a **new Crisis Communication channel** so that it can communicate with key nominated individuals in LMA member and central services provider organisations via SMS in the event the LMA email is either blocked or unavailable. Managing agents were invited to nominate up to three employees to provide their consent to sign up for the system. *Contact: [Matt Wood](#).*

- The LMA Delegated Authority Committee began the journey of realising their vision for a Digital DA marketplace, as envisioned by the 2021 DARE project, by showcasing the **Computable Binding Authority Agreement (CBAA)** proof of concept via [LMA Dare](#) and numerous market demos, receiving positive feedback from both managing agents and brokers. *Contact: [Carla Wise](#).*

Looking Ahead

Looking ahead to H2 2023, we will have the usual rounds of business planning and budgeting to close out. Noting the scale of change expected to land in 2024, we are working hard at the LMA to equip members with as much useful information as we can to assist with this process. Some things to watch out for are the rest of the year unfolds:

- The Blueprint Two market engagement team will be increasingly focused on **operational readiness**; does every managing agent and their chosen software partner(s) know what needs to be done over the next 9 months and are you doing it? In September, we aim to publish version 2 of the **Operational Readiness Playbook** for managing agents. There is another Lloyd's / JV Market Briefing scheduled for September. *Contact: [Matt Wood](#).*
- We will support the development of the market's understanding of the approach proposed for **Market testing and acceptance of the new systems, processes and digital services**. We are also seeking clarity on the approach the JV will take to providing Service Organisation Control (SOC) Type I and Type II reports (ISAE3402) pre and post-implementation. *Contact: [Rob Myers](#).*
- The LMA and IUA, working with LIMOSS, will continue the engagement with the JV to finalise **new contracts required for the new Digital Processing Services (DPS)** that go-live in summer 2024. These new contracts will replace the existing central services contracts every managing agent signed with the XIS and XCS JVs in 2017 and which were subject to a substantive update in early 2022. Fine detail such as service definitions, performance standards and service pricing will be resolved in H2 and we expect the signing process to run in H1 2024, completing well in advance of the Phase 1 DPS go-live planned for July 2024. *Contact: [Rob Myers](#).*
- The LMA is working with the JV to oversee the usage of anonymised 'production' Market Data to support testing of DPS and ensure that this is in alignment with the signed Market agreement. *Contact: [Jane Perry](#).*
- LMG Data Council work will see the publication of the **Final Recommendations for process, roles and responsibilities (PRR)** for CDR version 3.2 accompanied by the ACORD Implementation Guide and a new Good Practice guide aiming to assist with the deployment, operation and adoption of PRR recommendations. The Data Council will also extend its work into Claims, Treaty Reinsurance and Delegated Authority (DA) risks through H2. *Contact: [Rob Myers](#).*
- Following the positive reception of the Computable Binding Authority Agreement (CBAA) proof of concept, the LMA Delegated Authority Committee is sponsoring work to move forward with a full, **digital-first re-draft of the LMA Binding Authority Agreement wordings and developing a Contract Creator application** to enable the building of right-first-time binders. We aim to have this project up & running in H2 and it looks likely the end product will be available to early adopters at the end of 2024. The committee are also looking to collaborate with Lloyd's to complete the DA Data Strategy, which will bring the

work of the LMG Data Council, JV, DCOM and the new CBBA into alignment with a clear roadmap for the next 3-5 years. *Contact: [Carla Wise](#).*

- In the electronic trading space, we expect to see PPL version 3 fully retired in December and the **adoption of Next Gen PPL** gather pace during H2 as more brokers get on board. LMA and PPL are in regular discussion on this matter, so if you have feedback or questions, be sure to pass these to PPL or via LMA ([Jane Perry](#)), if you prefer.

Click [here](#) to read all about the 20+ priorities your LMA Operations Committee has agreed for 2023.

The LMA Academy

I wanted to take this opportunity to also highlight some training events relevant to the Operations community.

The LMA Academy has successfully delivered a second run of the Operations Management Business Simulation course by Active Ops this July, and in early November, for the second time, will also be running the Foundations in Operational Excellence course following positive feedback from last year. In addition, the LMA have partnered with EY to put on a series of webinars relevant to the market. The Insight Series powered by EY: Delegated Authority session on 20th September will feature [Carla Wise](#) (LMA) on the panel discussion, and The Insight Series powered by EY: LM Modernisation Agenda on 15th November will also include input from the LMA. In October, the Academy will be running the 'Delegated Authority in the Lloyd's market' which is now open for registrations. There are also a range of other courses within the Claims and Underwriting Academy that would be relevant for those working in operations teams.

For more information or to book on to any of these events visit the [Virtual Academy](#). For more information about existing and future courses, or areas where the LMA Academy can help support contact [Devi Shelat](#).