

Market Comprehension Levels

28 February 2023



Background

- This is the second quarterly survey that focuses on the market's perceived understanding of, and readiness for, the transition to the new digital services. This information will give us a clear indication of how ready the market is and will allow us to adjust our engagement strategy if needed.
- The survey was sent to the top 25 Brokers (by GWP) and 82 Carriers in January and February of 2023 asking them 12 questions (the full question set is included at the back of the deck).
- In this report we have focussed on 10 of the 12 questions asked as the key indicators of progress. Some questions have been repeated from the last survey to track progress and additional questions have been introduced, focusing on the Placement, Premium and Claims services specifically to understand where firms have more knowledge or may require further support.
- Overall, we have seen the level of understanding of the solutions, the benefits they bring, the understanding of changes required and the understanding of proportional treaty increase. We've also seen a marked increase in firms working with their service providers on solutions to support Blueprint Two. This is positive and shows the 1-2-1 engagement with firms and market events are beneficial. The main focus for the next quarter is to increase knowledge of ICOS/ IPOS and we aim to demonstrate the global solution and increase the focus on the customer journeys. Additionally, there appears to be less knowledge and understanding of the digital gateway and we will also focus on filling that gap.
- In this wave of the survey market firms were asked if they would be comfortable in sharing their answers to individual questions at a company level. Responses showed that around 50% were comfortable to do this yet. On this basis, only aggregated scores and findings will be published at this stage.
- The next survey will be conducted in Q2 2023 and will focus on tracking the market's continued understanding and familiarity with Blueprint Two solutions.
- In Q3 of 2023 we intend to expand the question set to include readiness questions. As market firms move from understanding to readiness we can expect a drop in scores as they face a new challenge of the practical application of their knowledge to their own firm's operational structure, driving further questions and seeking deeper clarification to build their plans.
- If you have any questions on the survey please [submit them here](#).



**High level findings from
Q1 2023 survey**



High level findings from Q1 2023 survey

We have seen increases in both the survey participation level by 2% and an overall increase in the comprehension level of 7%.

This was driven by increased understanding of the Solutions as a whole, changes that need to be made by market firms, the benefits that Blueprint Two brings and a step forward in understanding of the Prop Treaty solution.

We are also seeing traction in market readiness with a 55% increase in market firms holding discussions with their service providers around the changes they need to make to support Blueprint Two.

Measure	Target for Q2 23	Result	Q1 23 results and movement from Q4 22		
			Brokers	Carriers	Market
Overall survey responses	Maintain Q4 '22 Baseline	Increased by 2%	88% (+0%)	89% (+2%)	89% (+2%)
Comprehension levels	Increase from Q4 '22 Baseline	Increased by 7%	61% (+2%)	60% (+7%)	61% (+7%)
Blueprint Two solutions understanding*	Increase from Q4 '22 Baseline	Increased by 6%	3.71 (+0.04)	3.71 (+0.42)	3.71 (+0.33)
Blueprint Two changes understanding*	Increase from Q4 '22 Baseline	Increased by 8%	3.57 (+0.24)	3.37 (+0.53)	3.42 (+0.46)
Blueprint Two benefits understanding*	Increase from Q4 '22 Baseline	Increased by 7%	3.70 (+0.08)	3.81 (+0.49)	3.78 (+0.39)
Prop. Treaty service understanding*	Increase from Q4 '22 Baseline	Increased by 11%	1.88 (+0.17)	2.23 (+0.85)	2.14 (+0.68)
Discussions with primary service providers	Increase from Q4 '22 Baseline	Increased by 55%	91% (+72%)	84% (+50%)	86% (+55%)

*Understanding Scoring: 1 = Zero, 2 = Basic, 3 = Low, 4 = Medium, 5 = High, 6 = Expert

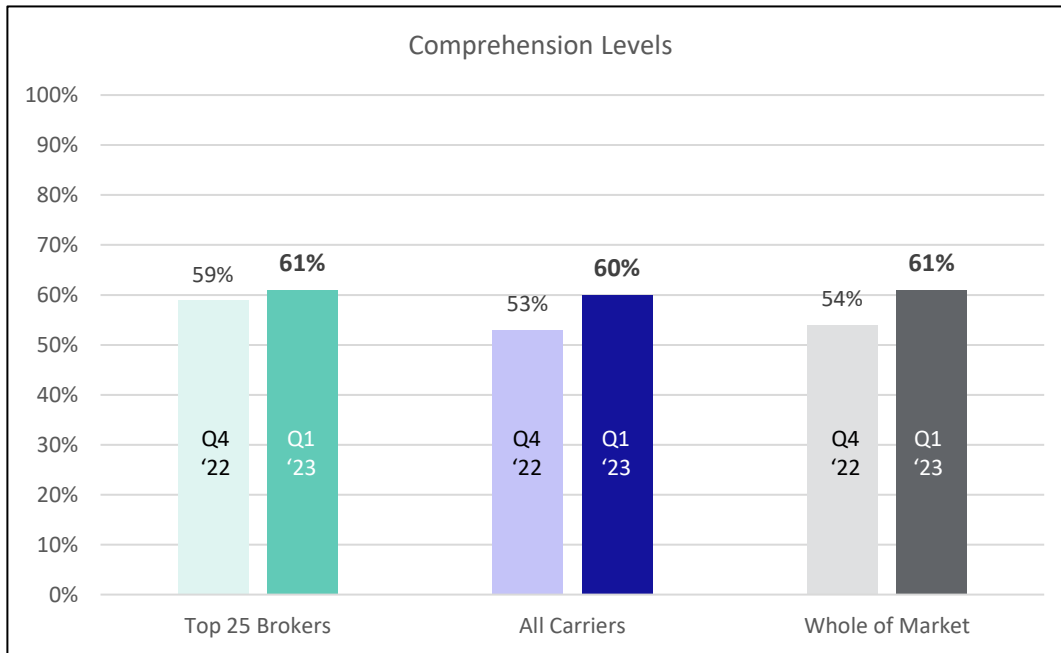
Comprehension Levels Overview

Brokers and Carriers



Overall Market Comprehension

Comprehension levels percentage based on responses to the three key understanding questions.



The market's **Comprehension Level** score is currently **61%**, up from **54%** in the last survey (+7%)

The comprehension score has increased for both Brokers and Carriers over Q4 22.

Carriers are now more evenly matched to Brokers than in Q1 2022, where the Brokers' comprehension score was 6% higher than Carriers. The change links to Carriers now having more equal exposure to topics such as the CDR, MRCv3.

The overall increase of 7% can be attributed to additional information being shared with the market including customer journeys, EDI specifications, conversations with service providers, group events and engagement partner meetings.

This increase in comprehension is reassuring and 61% is seen as reasonable at this stage, as key information regarding processes, roles and responsibilities and the roll out approach are still in discussion.

This comprehension score will continue to be part of future surveys.

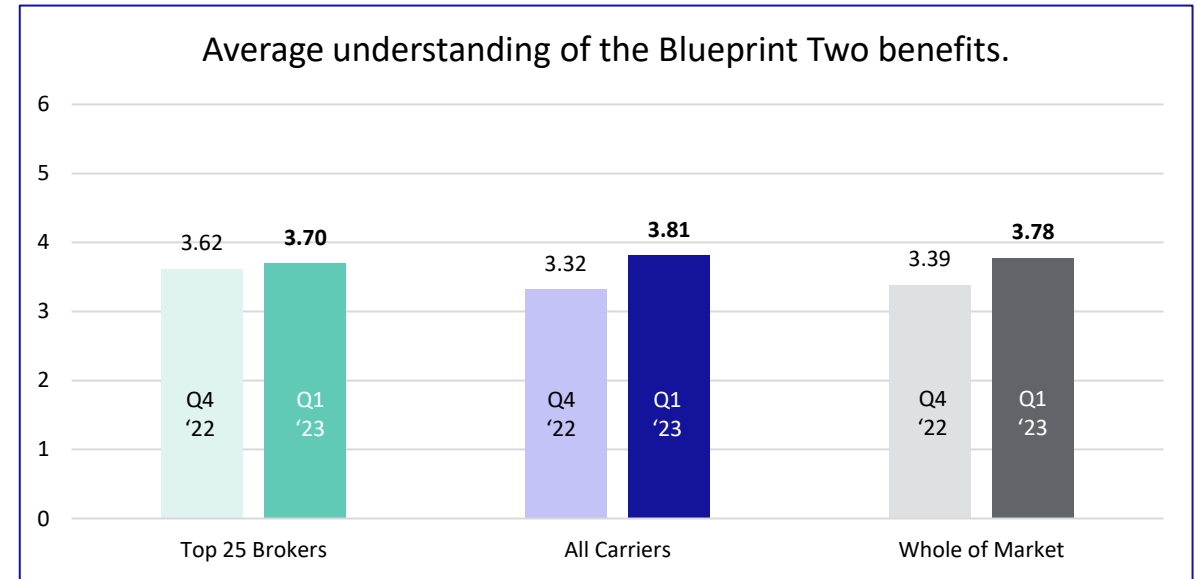
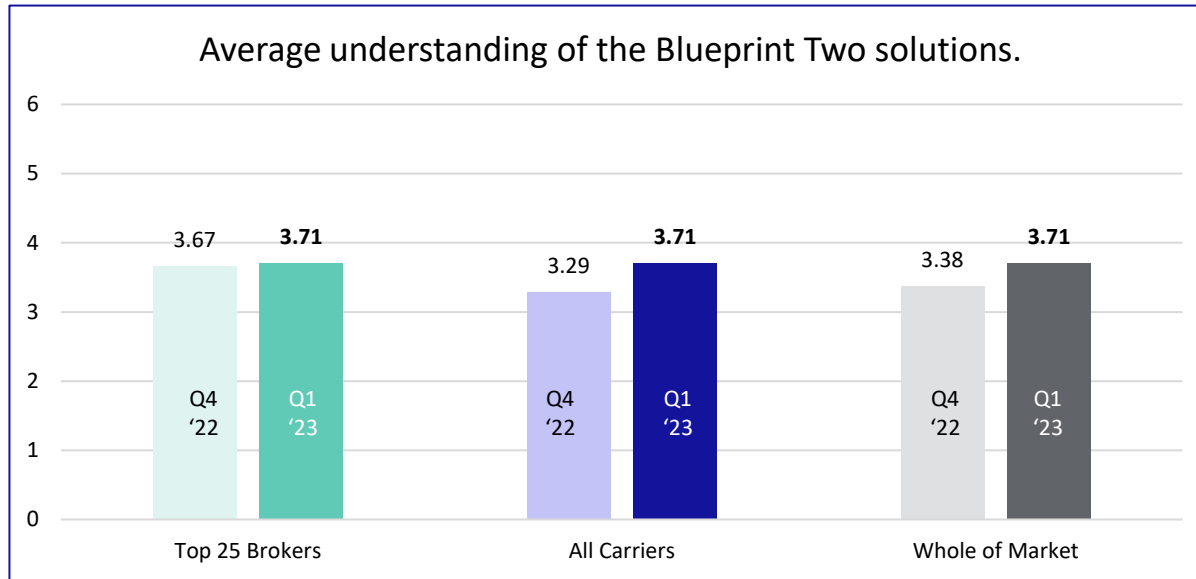
There were 94 respondents in this wave of the survey (21 Broker, 73 Carrier) out of a possible 106 market responses (24 Broker, 82 Carrier)*, providing an 89% response rate (up from 87% in the last survey).

The comprehension score is based on the combined average score of the three key questions detailed on slides 8 and 9 covering the market firms' understanding of the solutions, benefits and changes they are required to make to be ready for the new digital solutions.

Key Question Responses



Understanding Solutions and Benefits



There has been an increase in understanding across the market. Most notably, Carriers have moved from a lower level of understanding in Q4 2022 to almost a medium level for both understanding the Blueprint Two solutions and the Blueprint Two benefits. Whilst the Brokers understanding has also moved forward it was less pronounced and is now more consistent with the Carriers.

We had optimistically aimed for a 1 point increase in the overall score but, from discussions with market firms, there are still areas that are needed to increase understanding. These include the process, roles and responsibilities for the new digital services and full details of technical messaging and API specifications to help them plan. The main positive shift has been seeing the majority of market firms moving out of the Zero or Basic level of understanding range.

The average understanding of the BP2 solutions was 3.71 (3.71 Broker, 3.71 Carrier), **all up** from the last survey (3.38, 3.67 and 3.29 respectively).

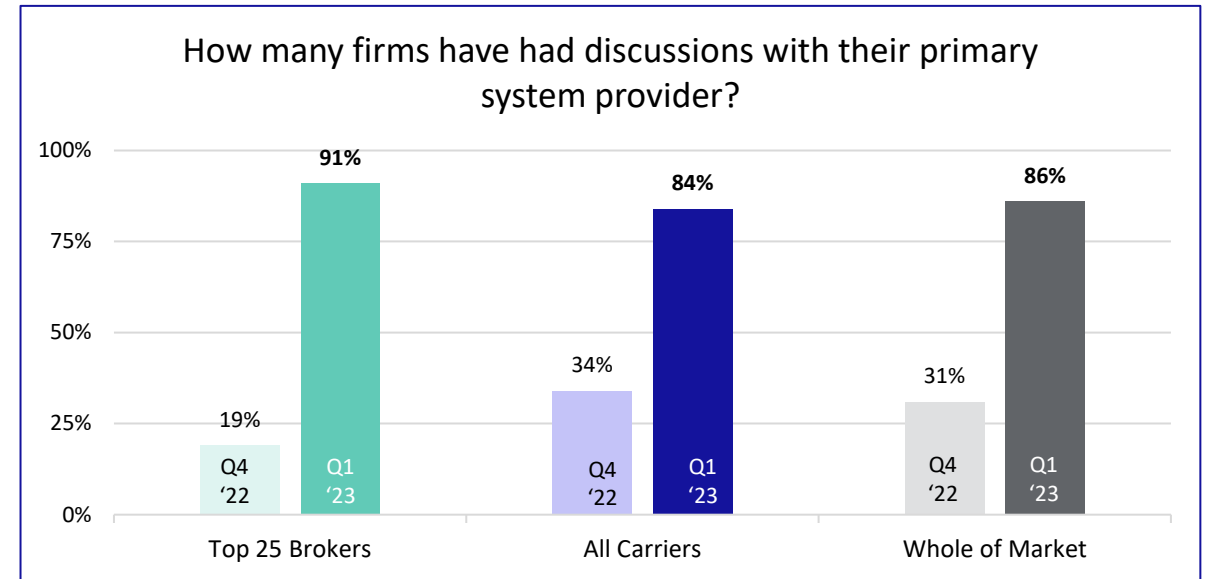
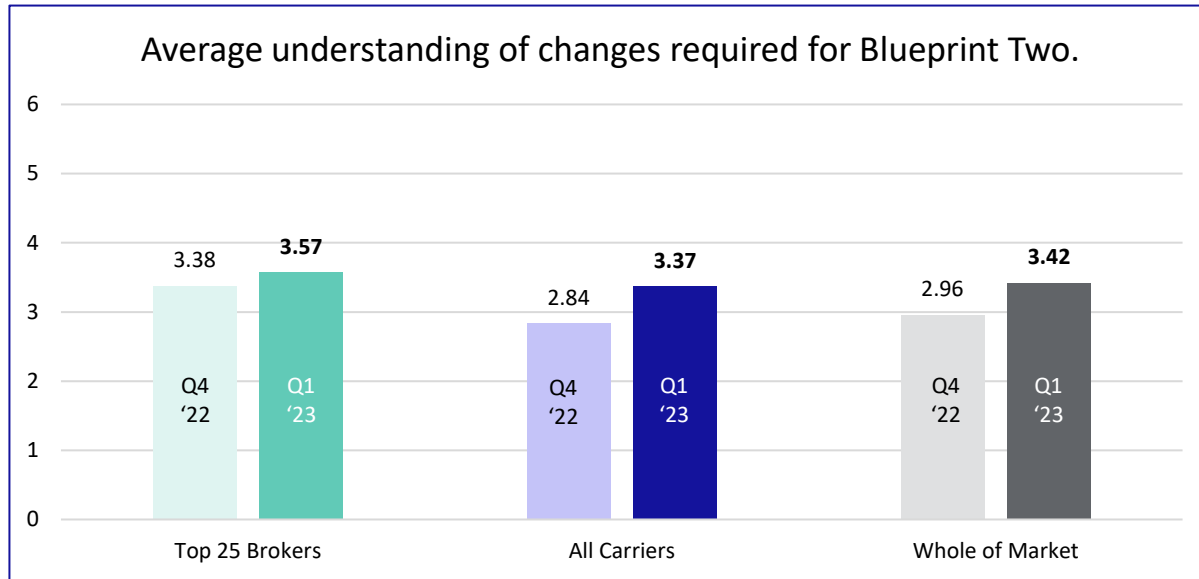
The average understanding of BP2 benefits was 3.78 (Broker 3.70, Carrier 3.81), **all up** from the last survey (3.39, 3.62 and 3.32 respectively).

Generally in terms of solutions and benefits the understanding is now at the higher end of low towards medium based on the **understanding scoring** below.

The aim for the next survey is to increase these scores further towards a Medium level of understanding .

Understanding Scoring: 1 = Zero, 2 = Basic, 3 = Low, 4 = Medium, 5 = High, 6 = Expert

Understanding Actions Required and Talking to Vendors



Once again we have seen an increase market firms' understanding, in this case for the changes they need to make to be ready for the new digital solutions. Carriers are now above a basic and low level of understanding, having moved forward significantly over the last quarter and more in line with the Brokers.

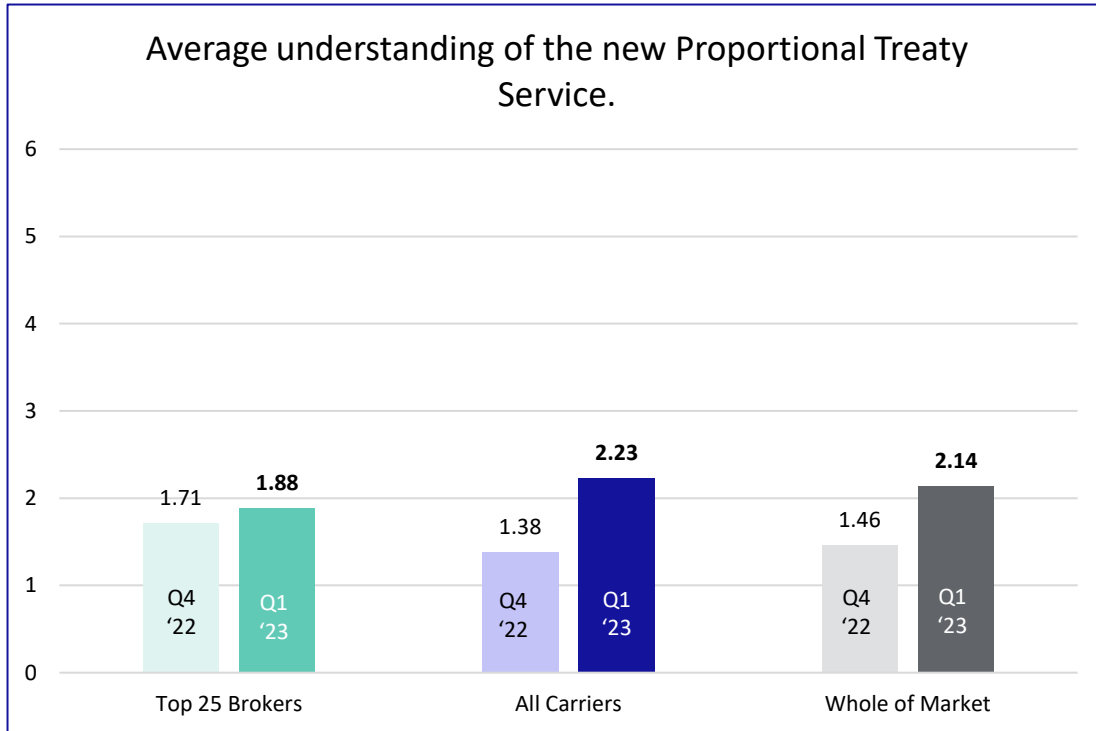
There has also been a notable shift in the number of firms having discussions with their primary system providers. In Q4 2022, the majority had not spoken to their providers whereas in Q1 2023 the majority of firms have now engaged. This is a highly significant step forward as in many cases it is the service providers that will provide a significant contribution to enabling market firms to be ready for the digital solutions.

The average understanding of changes required as a result of BP2 was 3.42 (3.57 Broker, 3.37 Carrier), **all up** from the last survey (2.96, 3.38 and 2.84 respectively).

Overall it is to be expected that the knowledge of the changes required will be lower than the understanding of the solutions and benefits as, given the nature of the programme, the detail on the changes will not be available until later. These scores will only move significantly once the actual detail around the changes are known including the role out approach, full EDI and API specifications and more clarity around process, roles and responsibilities.

Understanding (changes required) Scoring: 1 = Zero, 2 = Basic, 3 = Low, 4 = Medium, 5 = High, 6 = Expert

Understanding New Proportional Treaty Service



These figures are based on Carriers and Brokers that write proportional treaty business.

Overall we have seen a marked shift of the scores from Carriers with a jump of nearly 1 point, surpassing a marginal increase in knowledge from the Brokers. This increase can be linked to additional materials being shared with the market to support understanding.

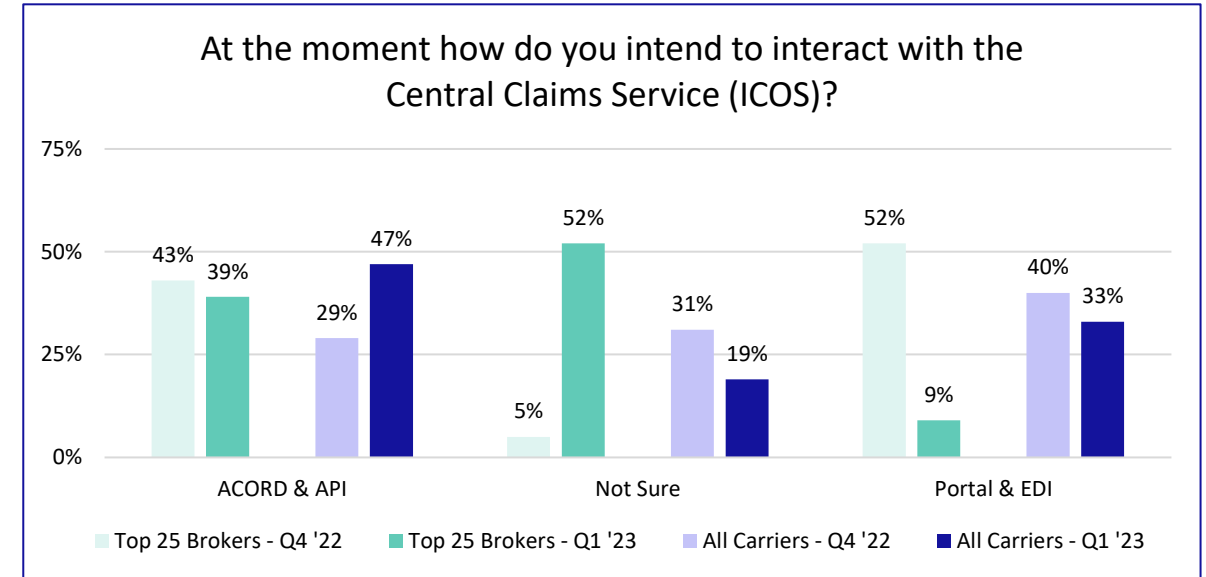
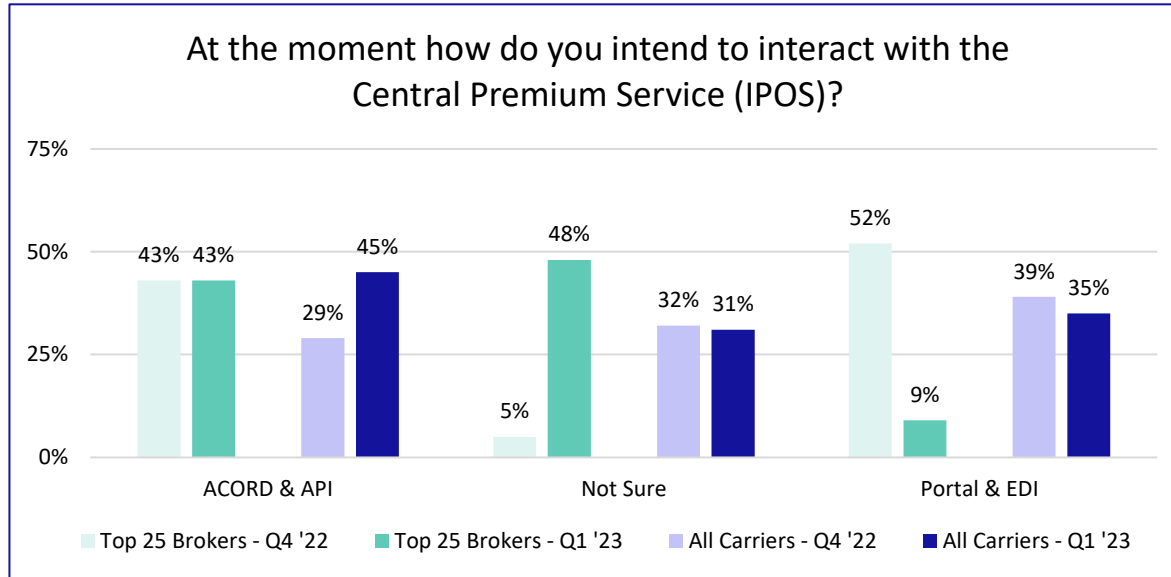
The average understanding of the new proportional treaty service was 2.14 (1.88 Broker, 2.23 Carrier), **all up** from the last survey (1.46, 1.71 and 1.38 respectively).

The aim from last survey was to move the understanding of Prop Treaty closer to the understanding of other BP2 solutions. However, there is still more than a 1 point gap, which shows that there is still more work to do to increase understanding further.

The lower scores may reflect that fact that work on Prop Treaty was paused to align it with the wider digital services delivery and the continuing work to identify market firm reps previously involved in the Prop Treaty work to connect them with those completing the survey.

Understanding (changes required) Scoring: 0 = N/A 1 = Zero, 2 = Basic, 3 = Low, 4 = Medium, 5 = High, 6 = Expert

Premium and Claims – Digital or Transitional ?



These charts provide an early view of the market's intent to either go digital (ACORD and API) or transitional (Portal & EDI) when the services go live.

The key movements are similar for both the IPOS & ICOS platforms. Carriers are showing a 16% and 18% increase in looking to go digital for IPOS and ICOS respectively. For Brokers, there has been a marked, 43%, shift from the intent to use transitional services to now being unsure on their approach. This can be seen as a positive indicator as it shows they may be open to considering digital.

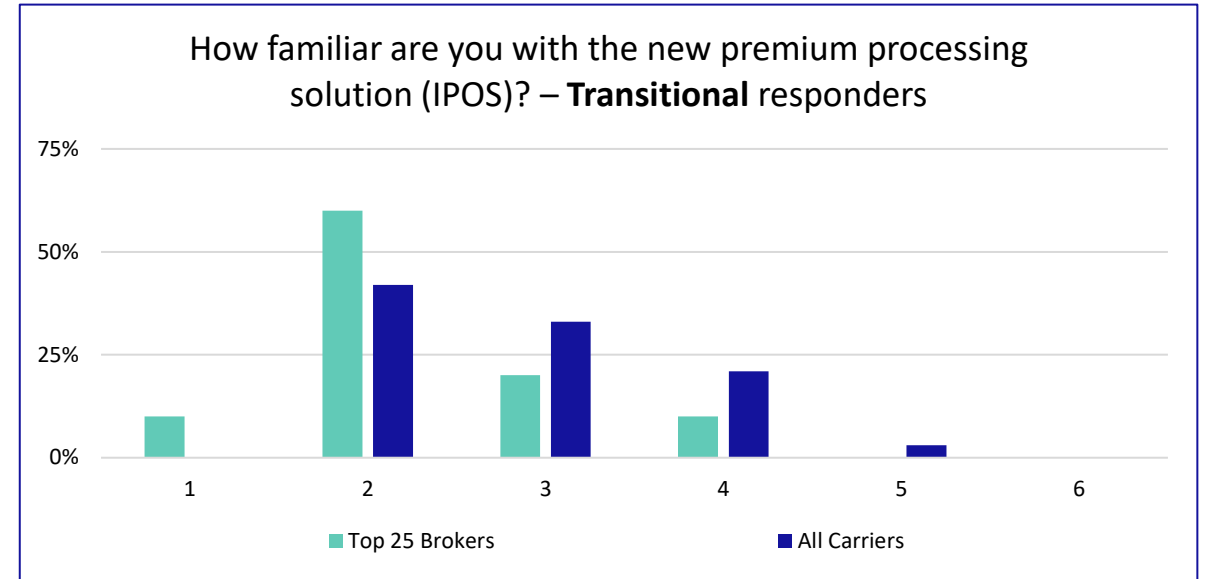
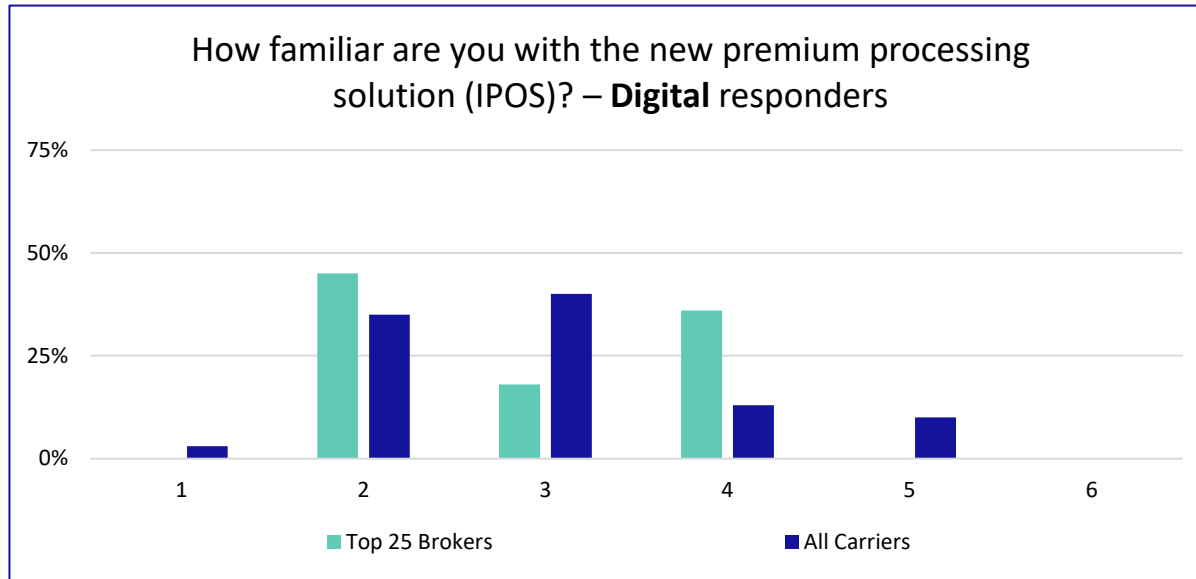
Overall 43% of Brokers are currently considering digital for IPOS and 39% for ICOS. 45% of Carriers are now currently considering digital for IPOS and 47% of ICOS.

Please note that these scores are a 'moment in time' indicator, and Carriers and Brokers may change their approach as they improve their understanding of the changes they need to make, the support available from their service providers and more detailed analysis of their approach.

New Question Responses



IPOS solution familiarity



This is the first time these questions have been asked. The aim is to get a more granular view of familiarity of the specific solutions and the “distribution of scoring” charts have been used rather than “average score” charts as there is no prior comparison from the last survey.

In general there is a higher level of familiarity with IPOS for those Brokers and Carriers that are intending to go **Digital** as opposed to **Transitional**.

The distribution of familiarity is very wide and we will seek to dig deeper into this ahead of the next survey. Anecdotally, some respondents mentioned they hadn’t seen the platform as it’s still in build or were not sure how it will work in practice, and those that scored more highly tended to have a good grasp of the customer journeys for IPOS. In addition, those that were intending on a transitional pathway were less interested in IPOS, ICOS and the Digital Gateway.

The average familiarity of the IPOS solution for Digital responders was 2.92 (2.91 Broker, 2.93 Carrier).

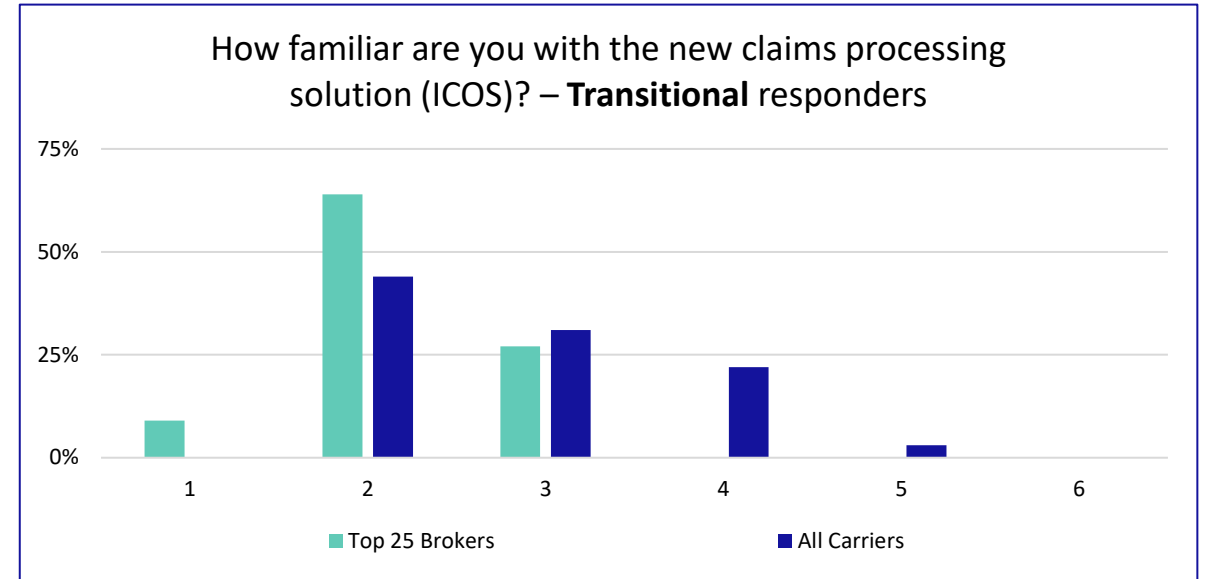
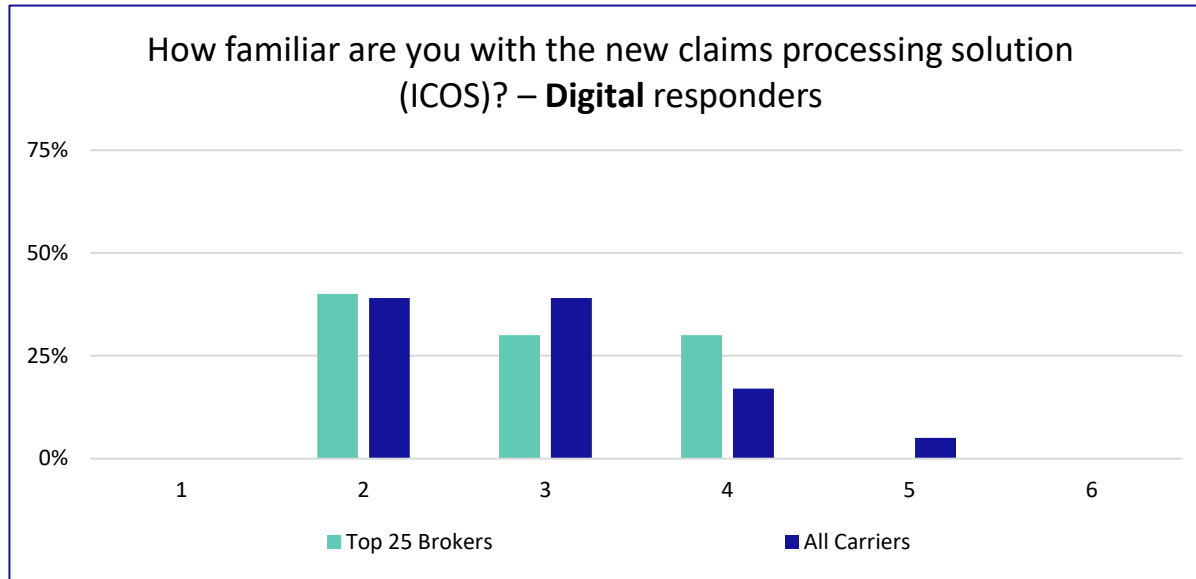
The average familiarity of the IPOS solution for Transitional responders was 2.72 (2.30 Broker, 2.85 Carrier).

These average scores place the market at the higher end of basic to low familiarity based on the **understanding scoring** below.

Being able to bring IPOS to life through a demonstration of the global solution and an increased focus on the customers journeys should increase familiarity over the next quarter.

Understanding Scoring: 1 = Zero, 2 = Basic, 3 = Low, 4 = Medium, 5 = High, 6 = Expert

ICOS solution familiarity



This is the first time these questions have been asked. The aim is to get a more granular view of familiarity of the specific solutions and the “distribution of scoring” charts have been used rather than “average score” charts as there is no prior comparison from the last survey.

In general there is a higher level of familiarity with ICOS for those Brokers and Carriers that are intending to go **Digital** as opposed to **Transitional**.

The distribution of familiarity is quite wide, with Brokers generally less familiar with ICOS. We will seek to dig deeper into this ahead of the next survey, and the anecdotal comments regarding seeing the platform, having a good grasp of the customer journeys for ICOS and those following a transitional route still apply.

The average familiarity of the ICOS solution for Digital responders was 2.88 (2.90 Broker, 2.88 Carrier).

The average familiarity of the ICOS solution for Transitional responders was 2.67 (2.18 Broker, 2.84 Carrier).

These average scores place the market at the higher end of basic to low familiarity based on the **understanding scoring** below.

Being able to bring ICOS to life through a demonstration of the global solution and an increased focus on the customers journeys should increase familiarity over the next quarter.

Understanding Scoring: 1 = Zero, 2 = Basic, 3 = Low, 4 = Medium, 5 = High, 6 = Expert

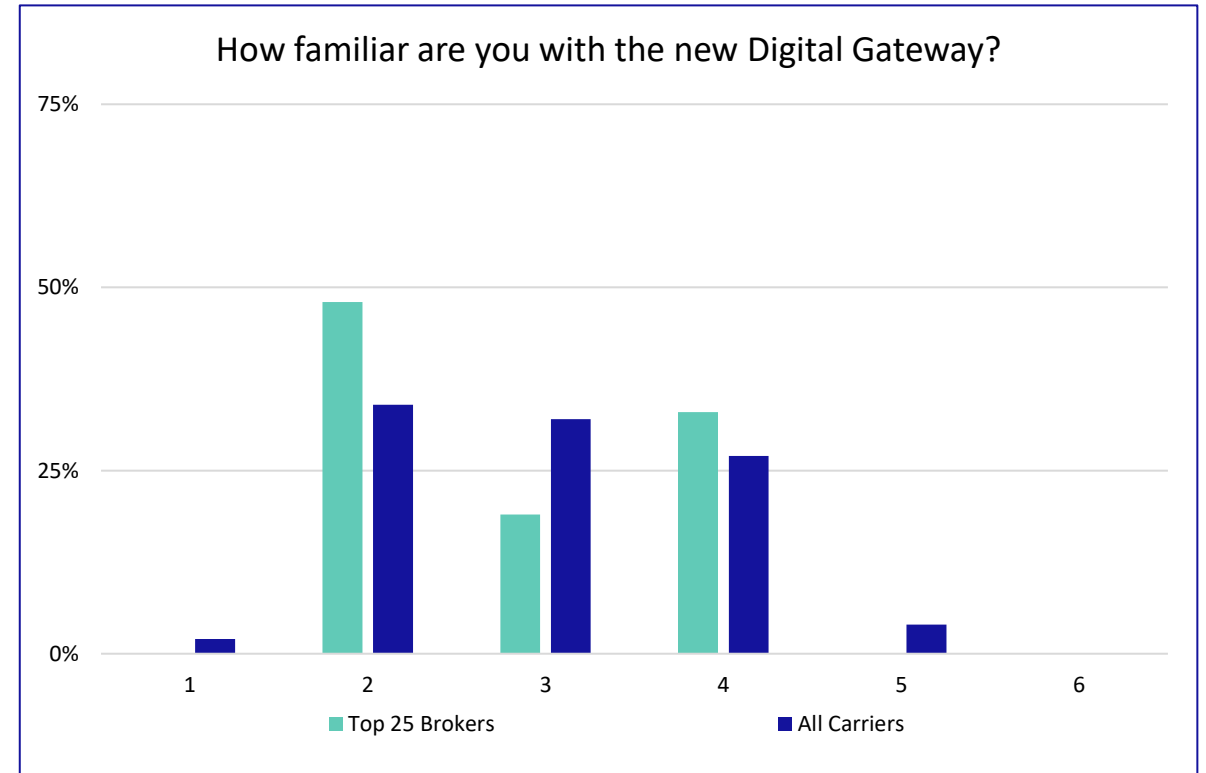
Digital Gateway familiarity

This is the first time this question has been asked. The aim is to get a more granular view of familiarity of the specific solutions and the “distribution of scoring” charts have been used rather than “average score” charts as there is no prior comparison from the last survey.

In general there is a fairly even average level of familiarity with the Digital Gateway for both Brokers and Carriers.

The average familiarity of the Digital Gateway was 2.93 (2.86 Broker, 2.95 Carrier). These average scores place the market at the higher end of basic to low familiarity based on the **understanding scoring** below.

The aim for the next survey will be to increase these scores further. This will be mainly achieved by working with the lower scorers to identify the gap in understanding and identifying what they need to increase their understanding.



Understanding Scoring: 1 = Zero, 2 = Basic, 3 = Low, 4 = Medium, 5 = High, 6 = Expert

Appendix

Q1 2023 Survey question set



Q1 2023 Question set and full results

Question Number	Question Type	Question	Results for whole of market
GQ1	Repeat	How would you rate your understanding of the Blueprint Two solutions?	See Slide 8
GQ2	Repeat	How would you rate your understanding of the changes you need to make?	See Slide 9
GQ3	Repeat	How would you rate your understanding of the benefits the Blueprint Two represents?	See Slide 8
GQ4	Repeat	At the moment how do you intend to interact with the Digital Gateway?	Direct API = 22 (23%), Trading Platform = 57 (60%), Extraction Service = 2 (2%), Not sure = 14 (15%)
GQ5	Repeat	At the moment how do you intend to interact with the Central Premium Service (IPOS)?	See Slide 11
GQ6	Repeat	At the moment how do you intend to interact with the Central Claims Service (ICOS)?	See Slide 11
GQ8	Repeat	At the moment how would you rate your understanding of the new Proportional Treaty Service?	See Slide 10
GQ14	Repeat	Have you had any discussions with your primary system provider?	See Slide 9
GQ17	New	Are you happy for your individual answers, at company level not individual, of this survey to be shared with the market?	Yes = 48 (51%), No = 40 (43%), Not sure = 6 (6%)
GFD1	New	How familiar are you with the new Digital Gateway?	See Slide 15
PFD1 or PT1	New	How familiar are you with the new premium processing solution (IPOS)?	See Slide 13
CFD1 or CT1	New	How familiar are you with the new claims processing solution (ICOS)?	See Slide 14