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Blueprint Two

Annual progress update

11 December 2023

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Opening remarks

John Neal
CEO, Lloyd's

Blueprint Two

What does successful delivery of Blueprint Two look like?

Phase one objective:

Market participants are ready for cutover by end of June 2024

Phase two objective:

All brokers and carriers are successfully using full digital services

Technical readiness

- Platform meets all agreed technical and design specifications
- Functionality validated through Vanguard programme, with robust user testing coordinated by LIMOSS

Organisational readiness

- Training on new portals provided
- Onboarding, support and operations help desk scaled and ready

Market readiness

- Market stakeholders understand benefits and changes needed and are ready to adopt
- Regulators are engaged and quality assurance for new platform services is completed

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On track to deliver Blueprint Two in 2024

We remain on track to deliver the Blueprint Two roadmap

Technology build continues to progress

Phase one digital services will be live on 1 July 2024

Four critical activities required to prepare for cutover

We'll share the H1 2024 adoption plan with you today

Classification: Confidential

Four actions to prepare for cutover

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Testing

Prepare to test your processes and technology with the new platform

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Messaging

Work with your service providers to implement messaging changes

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Training

Identify users of the new portals and ensure they are appropriately trained

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DPSA signatures

Clarify who is accountable for driving adoption and completing your DPSA

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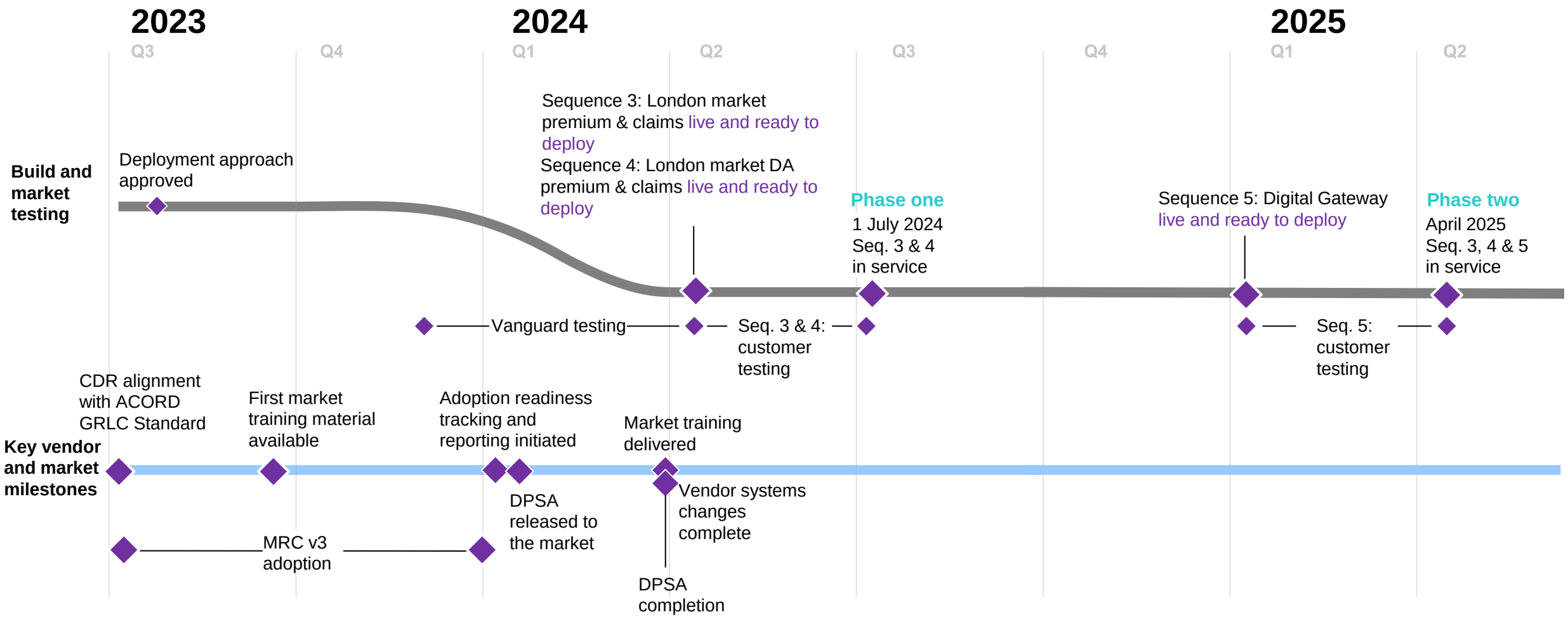
Delivering Blueprint Two through 2024 and 2025



Full digital functionality will be available from 1 April 2025

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Panel discussion

Sheila Cameron
CEO, LMA

Christopher Croft
CEO, LIIBA

Richard Dudley
Global Head of Climate Strategy, Aon

Dave Matcham
CEO, IUA

Sean McGovern
CEO, AXA XL UK & Lloyd's

John Neal
CEO, Lloyd's

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Breakout session one:
Build, Vanguard and testing

Ruan Ebersohn
Program Director, DXC

Ray Johnston
Head of Customer Success, Velonetic

Sian Keeble
Product Manager, Velonetic

Alvaro Montenegro
Product Technology Director, Velonetic

Blueprint Two

Strong progress made on phase one technical build

Build on track and phase one services go live on 1 July 2024

Build adjusted to include 39 customised EDI messages to aid adoption

Proportional treaty will be included in phase one delivery

Phase two postponement enables enhanced Gateway content from market feedback

Watchlist items: proportional treaty, EDI and MI

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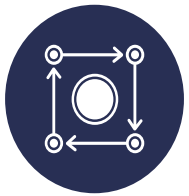
We'll have three end-customer testing offerings



Vanguard testing

Early functionality testing by select customers

Coordinated self-service

Test environment for wider market, with coordination by LIMOSS and support by Velonetic

Enhanced self-service

Additional Velonetic support for supplementary testing beyond coordinated self-service, at an added cost (pricing TBC)

Findings from testing to be coordinated across all 3 offerings

Test reports will feed into the overall governance process

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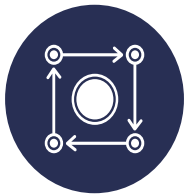

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Significant strides have been made on Vanguard

1. Vanguard test environment is now ready
2. Initial connectivity testing has begun
3. Participant set has expanded to over 30 brokers and carriers, consistent with scale of previous market testing efforts
4. Training approach is being piloted with participants, as part of a comprehensive and coordinated testing framework
5. Progressing to London market testing in 2024, with focus on comprehensive coverage across phase one services
6. 2024 will also ramp-up a dedicated vendor workstream to facilitate vendor communication and enhance coverage for technical integration

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Vendor testing is embedded within the approach

1. Technical integration across major vendor platform verified via connectivity testing
   - Connectivity testing, covering key vendor testing aspects, is the first phase of Vanguard testing
   - Integration of customer systems with platform endpoints, and ability to transmit/consume files validated

2. Further vendor connectivity testing enabled via ASG gateway (already accessible)

3. Dedicated vendor workstream will ramp-up in 2024, streamlining communication and providing opportunity to drive improved coverage on technical integration

Majority of key technology vendors are represented by their customers in Vanguard

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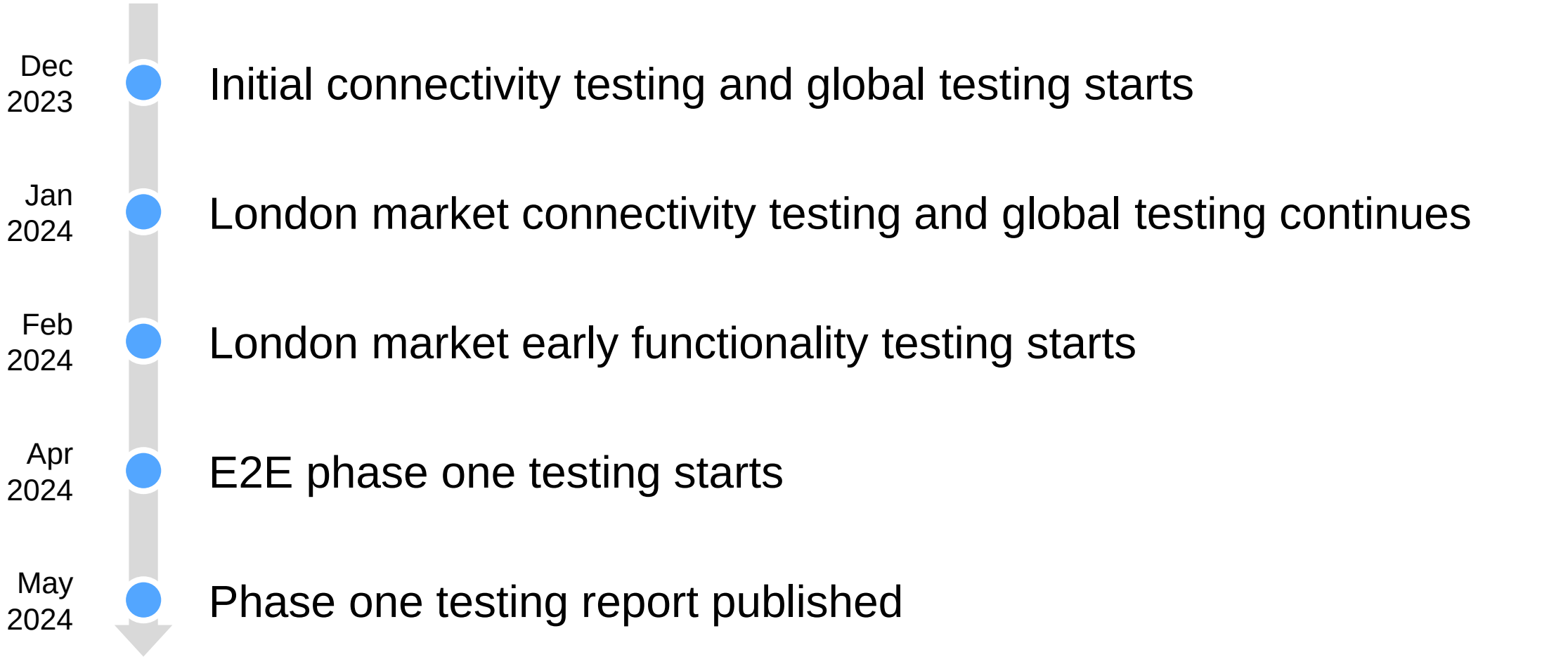
Vanguard London market testing will kick-off in Q1 2024



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Two offerings for end-customer testing from April 2024, in addition to Vanguard

Coordinated self-service

Test environment for wider market, with coordination by LIMOSS and support by Velonetic

- Coordination of testing parties by LIMOSS
- Velonetic support for execution of end-to-end tests
- Traceability matrix for planning & reporting
- Access to training resources, scenario catalogue & release documentation
- Technical onboarding onto environment
- Defect management support

Enhanced self-service

Additional Velonetic support for supplementary testing beyond coordinated self-service, at an added cost (pricing TBC)

- *Everything in coordinated self-service, plus …*
- Support on test planning for supplemental testing
- Development & execution of bespoke test scenarios

Classification: Confidential

LIMOSS will play a key role in coordinated self-service

1. **Coordinate testing parties between brokers and carriers**
2. **Support customers in finalising scenarios to test, and defining test plans**
3. **Support customers with preparing their data for testing**
4. **Support in development of traceability matrix for planning and reporting**
5. **Review test results and validating coverage**

Exact roles and responsibilities to be defined in January 2024

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Robust governance process will ensure active coordination among all stakeholders across offerings

Governance structure

- Monthly reviews from March 2024 on execution progress and test completion reports
- Inputs to feed into the Lloyd's / IUA governance forums (once finalised)
- Weekly reviews from March 2024 for coverage and execution monitoring

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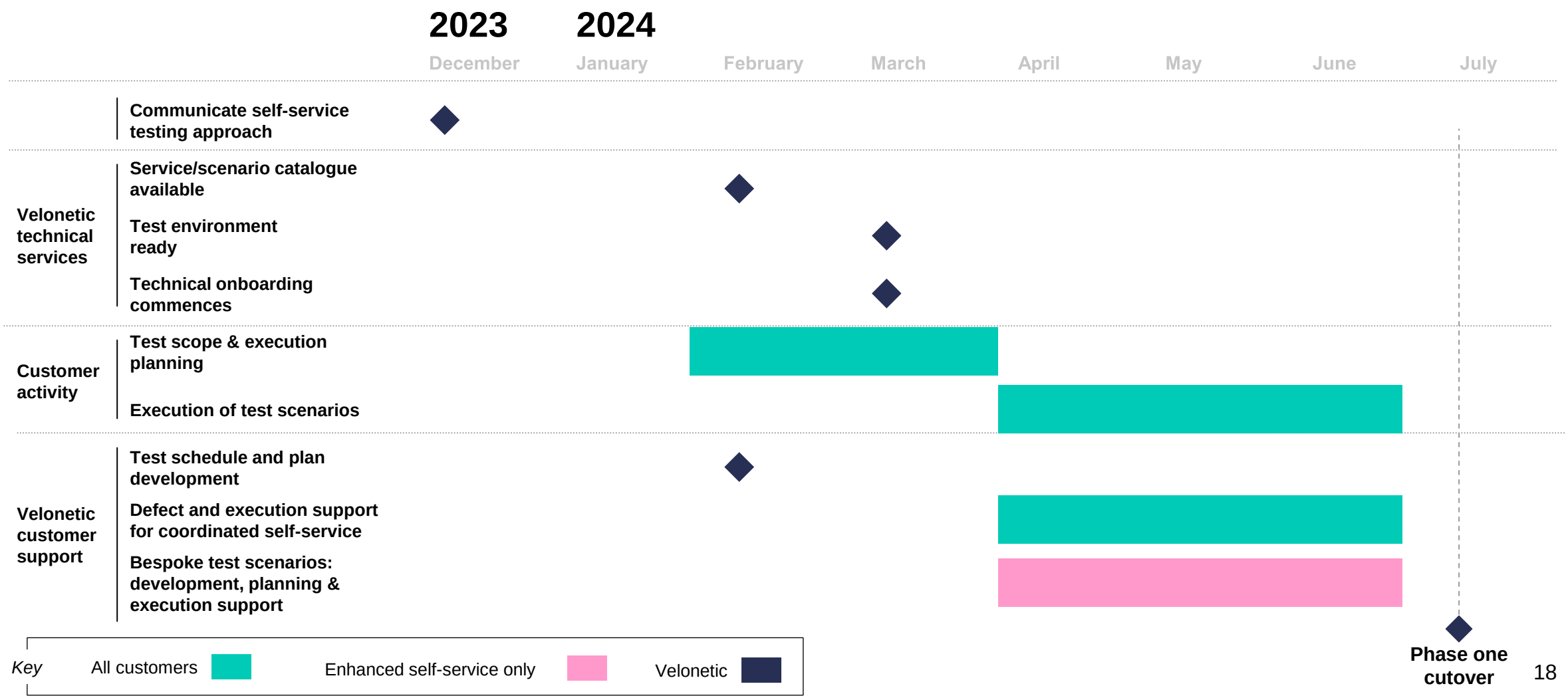
You can start testing from April 2024



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Key actions you now need to take

Agree and implement required messaging changes

Stay tuned on Vanguard connectivity and test results, available on the new Blueprint Two website

Select a self-service model and schedule via our engagement partners and Velonetic, ready for April 2024 launch

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Breakout session two:
Adoption, training and onboarding

Matt Unsworth
Transformation Director, Lloyd's

Bob Verber
Commercial Director, Velonetic

Blueprint Two

Your responses to the latest market survey show strong momentum and progress in your adoption readiness

Senior stakeholder support within firms

% of respondents receiving medium to high level of senior stakeholder support in their firm

Brokers: 100%

Carriers: 97%

Progression on change management

% of respondents have now initiated plans on change management for Blueprint Two

Brokers: 96%

Carriers: 94%

Resource allocation within firms

% of respondents that have started to allocate resources for Blueprint Two

Brokers: 78%

Carriers: 90%

Confidence in system provider readiness

% of service providers having a medium to high level of confidence in their systems being ready for July 2024

Broker systems: 80%

Carrier systems: 57%

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Responses also highlight areas for further action

Messaging	**73%** of carriers and **39%** of brokers had **reviewed and validated their EDI messaging list** (further details on customisation have been shared)
Adoption guide	**55%** of carriers and **48%** of brokers had **met** or were **arranging to meet with those required to deliver the change** (as of 24 Oct)
Change assessment	**78%** of brokers and **66%** of carriers have a medium understanding of **changes required and impact on operational activities**
Stakeholder analysis	**57%** of brokers and **33%** of carriers are **still identifying stakeholders** whose insight is needed and are yet to factor this into their planning
Budgeting	**86%** of carriers and **70%** of brokers have planned to meet Blueprint Two **development or project costs for 2024**

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Tracking market readiness

Dashboard report for overall market readiness updated monthly from January – July 2024

Questions are based on readiness activities in the phase one adoption guide

Readiness scores calculated monthly to identify best performing firms and key concerns

Illustrative outputs

Key resources to support your adoption plan

1

Adoption guide

Iterative guide with the latest information on key people, process and technology changes

2

Model office

Interactive spaces on Galleries 3 and 4, facilitating adoption workshops led by Lloyd's and Velonetic engagement team

3

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Refreshed website centralising all details and artefacts in one place

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Central repository with all training materials

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Market events

Quarterly events to share key information and actions required to adopt the new digital services

Next event: 26 February

Supported by an experienced, collaborative Blueprint Two engagement and CRM team

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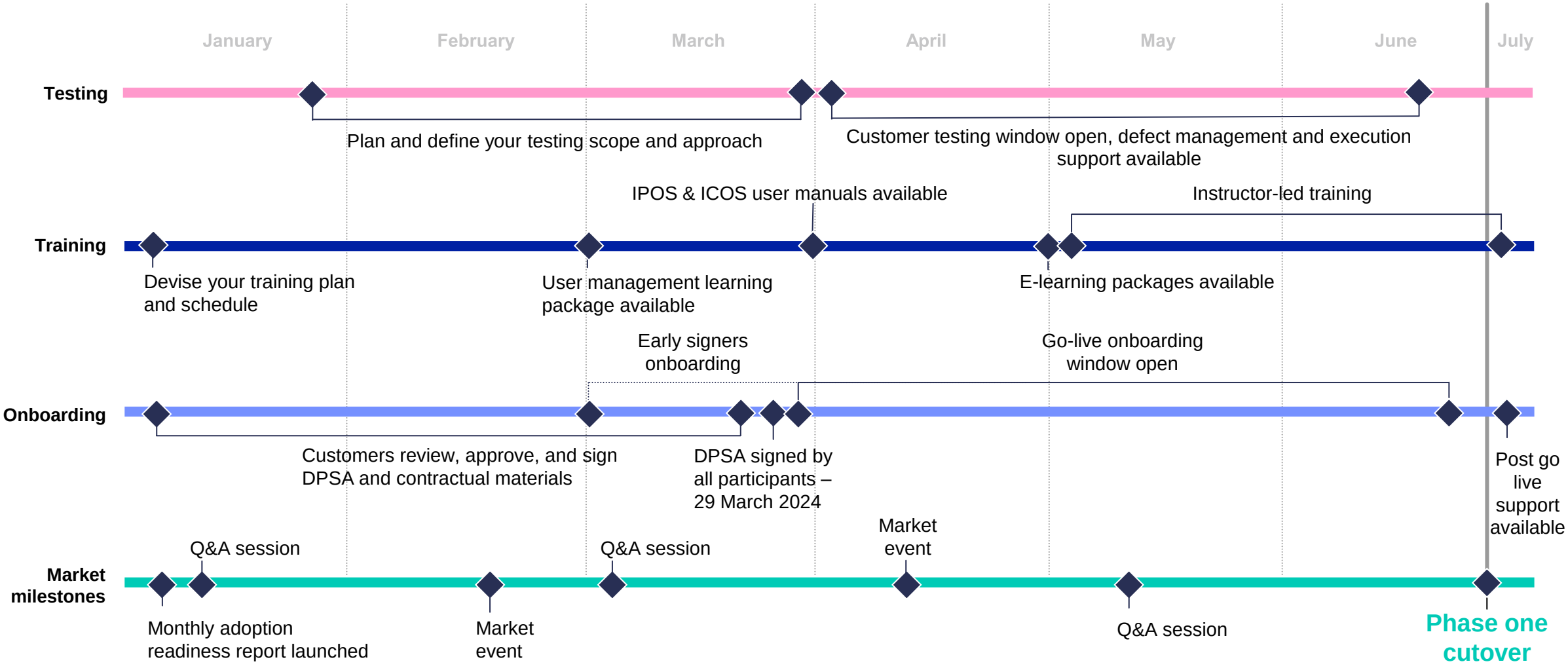
Your key adoption moments in H1 2024



Key takeaways on our training and onboarding approach

Training

Market training and user management education will be available to support market readiness

- IPOS & ICOS user manuals will be available from 29 March 2024
- E-learning training packages available from 1 May 2024
- Instructor-led training viability will be assessed based on market feedback via market survey

Onboarding

User admin-driven approach with service option will ensure efficient onboarding

- User admins will take ownership of onboarding within each market firm
- Go live onboarding runs from April to cutover date; early DPSA signers can begin onboarding from February

A range of e-learning packages available from 1 May 2024

Phase one learning packages

- Premiums
- Claims
- LORS
- User administration
- Proportional treaty

Typical modules for premiums and claims based on lifecycle stages

- Submissions
- Query management
- Reporting
- Lifecycle management
- Delegated authority
- Settlement
- Notifications
- Data enquiries

Modules customised for brokers

Modules customised for underwriters

We'll work with Vanguard to test and enhance education materials from February – April 2024

Gaining your feedback on our training approach…

Vote at:

slido.com

Code: #3068549

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Several touchpoints along the onboarding journey to support customers

Preparing for onboarding

- Adoption and onboarding guides
- Onboarding pathways developed
- Customer and supplier due diligence
- Support from EC10

Contractual onboarding

- DPSA signatures and onboarding forms

Setup and user mgmt. training

- Accounts and services setup (each company to identify and set up user admin)
- Environments and URLs enabled
- User admin training
- Self-paced training materials issued

Note: User admin sets up individual users

Go-live

- Readiness check
- Go-live helpline

Post go-live support

(details being refined)

- User satisfaction monitoring and progress tracking
- Post go-live support and troubleshooting options
- *Optional:* Chargeable dedicated support

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Key milestones for onboarding pathway

Milestone	Activity	Date
1	User admins identified by market firms and sent to Velonetic	Jan 2024
2	Customers review and sign DPSA	Jan – March 2024
3	User management learning packages available	1 March 2024
4	Early signers onboarding available	1 March 2024
5	Customer testing window	2 April – 21 June 2024
6	Go-live onboarding window	2 April – 21 June 2024
7	Go-live on new digital platform	1 July 2024
8	Post-go-live support available	1 July 2024

Supporting you through our onboarding approach

Contractual onboarding (DPSA)

Provide support to enable all market participants to sign their DPSA

Customer testing onboarding
Set up URLs and parties for testing environment

User management training
Train user admins within each market participant

Go-live onboarding
Set up URLs and parties for cutover environment

Post-go-live support
Support market participants through issues with ServiceNow

Key actions you now need to take

Map key stakeholders whose insight and buy-in are necessary to effect the changes

Identify who will coordinate and receive training in March and inform your engagement partner

Nominate the right people to operationalise and lead testing and onboarding processes

Ensure that your accountable Blueprint Two champions are fully leveraging engagement team

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Plenary:
Digital Processing Service Agreement (DPSA) & pricing

Chris Halbard
CEO, Velonetic

Blueprint Two

Close engagement with the market on the new DPSA

Complete DPSA, released to the market in January 2024 for signature

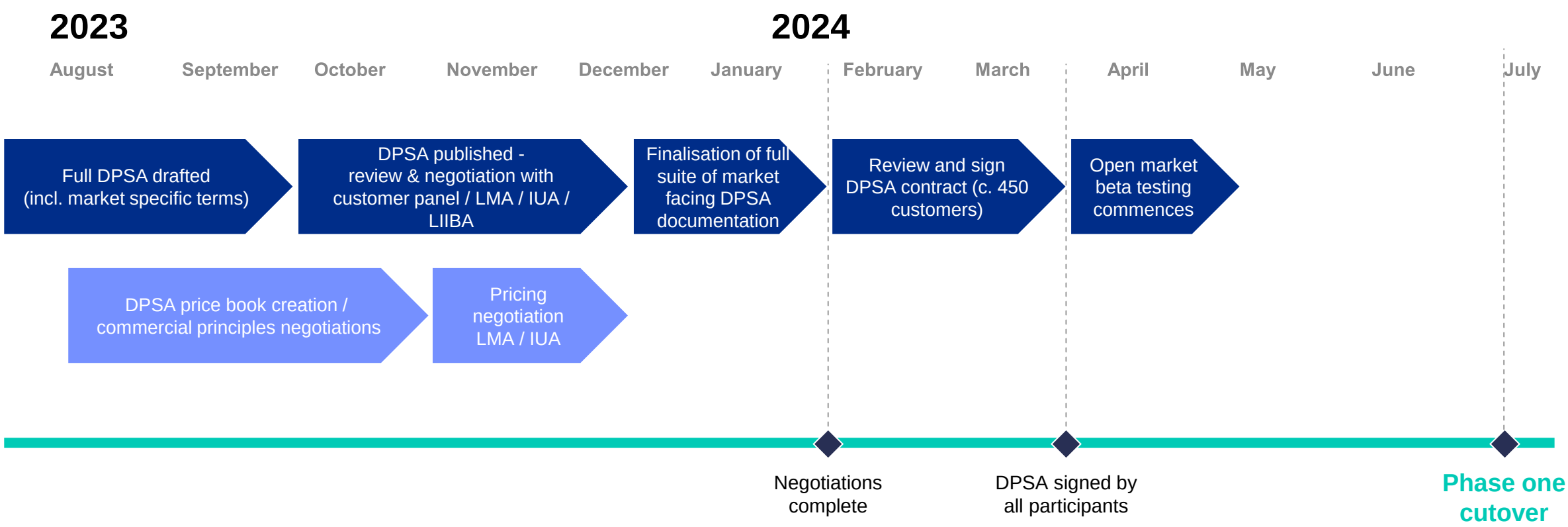
Detailed processing services catalogue completes December 2023

Assessing customer panel's feedback on contractual terms and pricing principles

Incorporate feedback, finalise language and detailed pricing negotiations with market associations:

- Financial terms (i.e. COLA)
- Service/performance descriptions
- Governance
- Limitations of liability
- Conditions of acceptance

Clear path forward for completing DPSA



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Committed to delivering cost savings through DPSA

Key takeaways

- DPSA drafting and pricing negotiations remain on schedule to underpin cutover
- Newly introduced risk validation services and supporting subscription model reviewed by market representatives
- Association endorsements on core services pricing expected for January release

Cost savings for Lloyd's market

- **+15%** reduction in Lloyd's market core service pricing from **phase one** vs. 2020
- **+25%** reduction in Lloyd's market core service pricing at **end state (2028)** vs. 2020

Cost savings for company market

- **+30%** reduction in company market core service pricing from **phase one** vs. 2020
- **+35%** reduction in company market core service pricing at **end state (2028)** vs. 2020

Note: savings are indicative based on current DPSA; may change following negotiations

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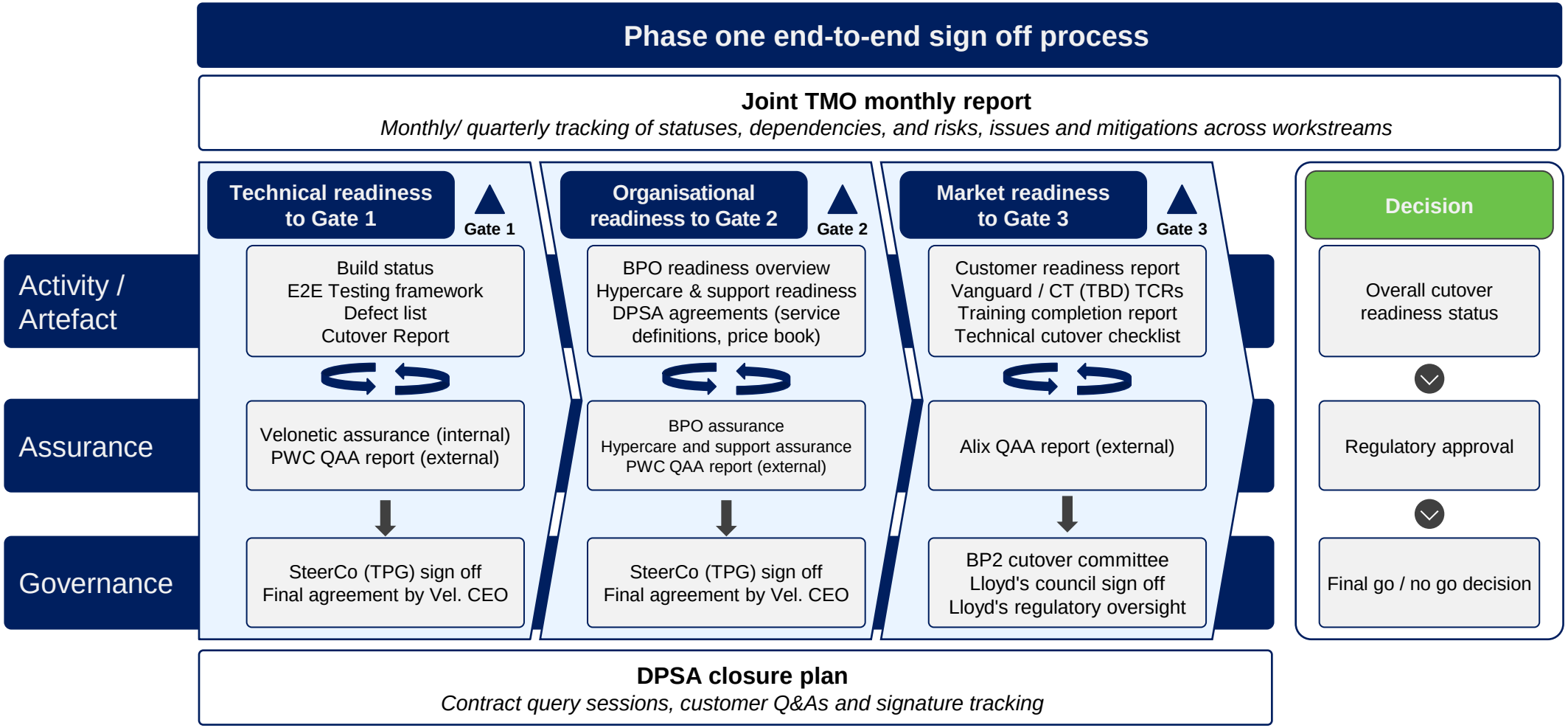
Robust sign off process ahead of market cutover



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Plenary:
The only option is adoption

Bob James
COO, Lloyd's

Chris Halbard
CEO, Velonetic

Blueprint Two

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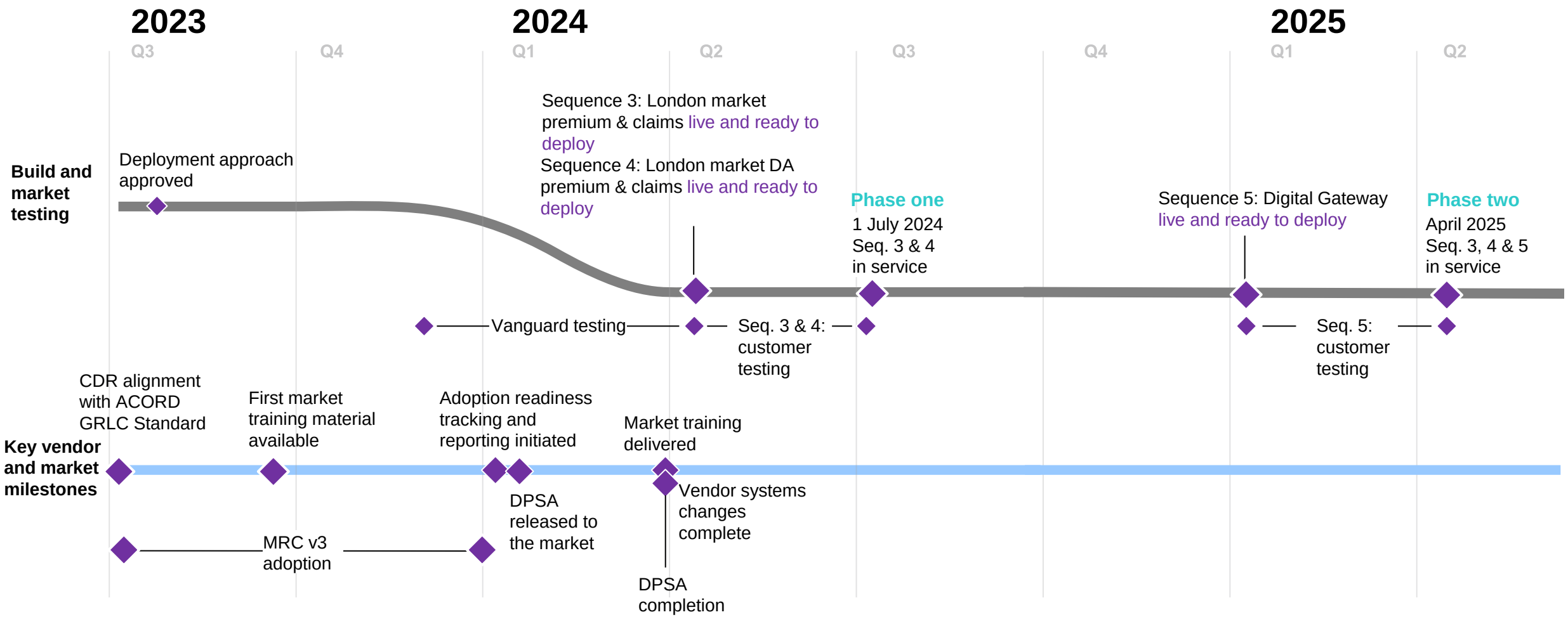

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