

LLOYD'S

Blueprint Two

Managing agent Chief Risk Officer session

7 October 2024

Please note: These slides were used in a presentation tailored to managing agent CROs at the 7 October Blueprint Two Working Session. The content in this document does not represent any final position and cannot be relied upon as official guidance from Lloyd's.



Agenda

Welcome & opening remarks

The impact of the re-plan on governance and regulatory notification

Your role as Chief Risk Officer (CRO) and key programme risks

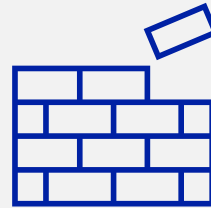
Market engagement

Q&A

Progress made since the re-plan



**Management
reset**



Build



Test



**Transformation
Management Office (TMO)**



**Quality
assurance**



**Getting to the
finish line**

The impact of the re-plan on market governance and sequencing of regulatory notification

We conducted a series of workshops to develop a consolidated, end-to-end re-plan to deliver phase one digital services. As part of this re-plan, we conducted a review on how we'll quality assure delivery, reporting and governance.

Key highlights of this review:



All quality assurance (QA) for both Velonetic and Lloyd's is now consolidated under one partner



QA will cover build, testing and readiness



QA partner's reporting lines streamlined across holistic programme



This new process will increase transparency across DXC, Lloyd's and Velonetic

The MON template documentation has continued to progress

The **Material Outsourcing Notification (MON)** template is continuing to develop, and a **guidance document** is being created to support your organisation with understanding the notification and associated responsibilities.

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4: MON Template

Completed ■ Requires additional info ■ Not finalised at point of notification ■

Section C

Question	Response
Q1: Will you be using third party equipment to transfer?	Yes. The services outlined in the DSPA design demonstrate how data is transferred.
Q2: Does this include personal data?	Yes - Policy data including claims and governance may include personal data. Services will be performed in the UK, and will be stored in the UK under AWS UK.
Q3: Location where services are performed (and where data is stored)	Yes - Policy data including claims and governance may include personal data. Services will be performed in the UK, and will be stored in the UK under AWS UK.
Q4: Does the equipment used (data security equipment) and (as a result of the supplier's data security) through the use of and used for the services through (cloud) processing? (Please have with Information Security team)	Yes - Policy data including claims and governance may include personal data. Services will be performed in the UK, and will be stored in the UK under AWS UK.

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4: MON Template

Completed ■ Requires additional info ■ Not finalised at point of notification ■

Section B

Question	Response
Q1: Does the contract with the supplier reference the Business Transfer?	Yes. The services provided will encompass BS for all services and these are described within the DSPA contract. Other services provided under DSPA are in the scope of the relationship. Managing Agents will have individually documented their need to maintain (including any necessary changes) that management on how they will have specifically requested to have to separately notify the FCA / PCA for any services critical to the performance of BS delivered by Valnetec to Agents of DPSA services.
Q2: Does the supplier use hardware to transfer data?	Yes. The services provided will encompass BS for all services and these are described within the DSPA contract. Other services provided under DSPA are in the scope of the relationship. Managing Agents will have individually documented their need to maintain (including any necessary changes) that management on how they will have specifically requested to have to separately notify the FCA / PCA for any services critical to the performance of BS delivered by Valnetec to Agents of DPSA services.
Q3: Contract Start Date	1st April 2024
Q4: Contract End Date	31st March 2025
Q5: Has the contract been extended?	Yes. The services provided will encompass BS for all services and these are described within the DSPA contract. Other services provided under DSPA are in the scope of the relationship. Managing Agents will have individually documented their need to maintain (including any necessary changes) that management on how they will have specifically requested to have to separately notify the FCA / PCA for any services critical to the performance of BS delivered by Valnetec to Agents of DPSA services.

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Section A	Response	Artefact	Responsible	Delivery Date	Areas of responsibility
A1: Supplier name	Valnetec				Lloyd's (1)
A2: Supplier registration number	2302719				Lloyd's (1)
A3: Supplier address	1st Floor, 100 Broad Street, London, EC2M 2DF				Lloyd's (1)
A4: Supplier contact name	Valnetec				Lloyd's (1)
A5: Supplier contact email	valnetec@valnetec.com				Lloyd's (1)
A6: Supplier contact phone	020 7464 4444				Lloyd's (1)
A7: Supplier contact website	www.valnetec.com				Lloyd's (1)
A8: Please identify if this supplier is a Material Outsourcing or Material Supplier	Yes				Lloyd's (1)
A9: Is this a critical service? (See section B)	Yes				Lloyd's (1)
A10: Date of risk assessment	10/01/2024				Lloyd's (1)
A11: Please provide a description of the goods or services being provided under this contract, and any other relevant information, highlighting any key risks	The services provided are listed as part of the DSPA contract and there is strong ongoing governance around these including responsibility for ongoing monitoring for service health. The key risks to the service are described in Appendix A. Broadly speaking, the risks are split into two themes: <ul style="list-style-type: none"> Risks arising from managing the "hub" from "Fan" to DPSA services. Risks arising from the "Business as Usual" processes arising under the DSPA, specifically related to the risk of Valnetec delivery. For each risk described the evidence of controls being appropriately performed is listed.	DSPA Contract (Schedule 3 - Material Specific Terms)	Valnetec	1st March 2024	Lloyd's (2)

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Classification: Restricted

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Material Outsource Notification Guidance
 Guidance for Lloyd's Managing Agents for the MON for Valnetec (Ins-sure Holdings Ltd)
 Version 1.0 | 10th September 2024

DRAFT

3
4
5
9
10
11

The guidance document is under development and will be shared in due course

Revised cutover governance and regulatory sequencing

The **new sequencing follows 'best practice' by informing the regulator on the updated approach** we're taking before signing the DPSA and Termination Letter. This adjustment provides additional time to thoroughly test the system, ensuring a higher level of confidence prior to signing.

Delivering the exit plan

Submission of the MON

Signing of the DPSA and
Termination Letter

Ongoing testing, assurance and governance activity

Your role as Chief Risk Officer (CRO)



Role of the CRO



Carry out risk assessment of key risks to cutover (see next page)



Manage regulator queries (coordinated with Lloyd's and the LMA)



Provide second line of defence challenge and risk opinion where required



Review relevant artefacts in the data room



Support the SMF24 in providing MON confirmation



Support governance and Board approval process

Blueprint Two programme risks

Blueprint Two programme risks are focused on the risks to execution (build, testing and readiness), as well as the risks related to the cutover process itself

Key programme risks



Build functionality

The DPS build will need to ensure it provides the key functionality required to replace the existing platform



Delivery timeline

The complexity of the programme, absence of documentation for existing processes, and involvement of multiple stakeholders all present risks to the timeline



Testing approach

The testing approach needs to enable issues and defects to be fixed, in order to provide confidence to market participants



Market readiness

An extensive list of 'downstream' activities covering contracting, training, exit planning, onboarding, and regulatory activities need to be completed by market participants before cutover

Supporting the market through tailored engagement



C-suite interaction

- Market progress report
- Monthly COO engagement sessions
- LMA assurance group



Market events

- Market events, including individual vendor briefings and managing agent CRO sessions
- Follow up Q&A sessions

15 & 17 October: Virtual Q&A sessions following today's market event



Engagement partners

- One-to-one / one-to-few firm engagement
- Tailored for Blueprint Two champions



Testing communities

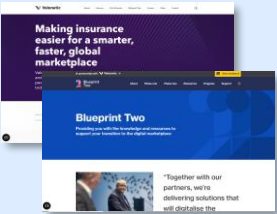
- Eight Vanguard participants (cycles 1-4)
- Remaining Vanguard participants (from cycle 5)
- Coordinated customer testing (CCT) and enhanced testing



Ongoing comms

- Quarterly progress updates
- Monthly newsletters

Resources available to support



Velonetic and Blueprint Two websites



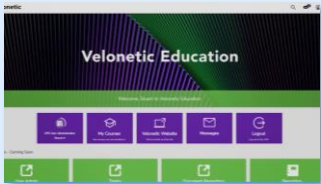
White paper and data room



Adoption guide and checklists



Onboarding guide



Training materials and sessions