Blueprint Two update

28 April 2025

Agenda

Welcome and opening remarks	Bob James
Plans for 2025 and technology build	Callum Gibson
Test update	Ben Tyte & James Bobbitt
Break – 20 minutes	
Cutover	Rob Myers & James Livett
Exit plan	Louise Day
Q&A	
Closing remarks and look ahead to 2026	Bob James
Drinks and canapés	

Welcome and opening remarks

Bob James
CEO, Velonetic

Opening remarks

Core build will be completed in late May

Core technology build has been mapped to business scenarios

System Integration testing (SIT) has just started the latest cycle and is in the early stages of execution. There are currently no issues which will prevent this cycle from closing on schedule

BUAT is in cycle one; it currently has 56 P1/P2 defects open from both exploratory and structured testing

Exit Plan has been sent to all market participants; we need signatures by 30 June to remain on the timeline forecasted

The focus has been on phase one, however later in the year, in conjunction with the market associations and Lloyd's **we'll turn our focus to picking up delivery of the rest of the functionality** from the original build contract, primarily delivery of ACORD messaging

2025 Plans and build update

Callum Gibson

COO, Velonetic

Blueprint Two Programme progress update

- We have built out our 2025 plan and are working through the associated risks and opportunities

- Our focus areas are completing the core build, test strategy execution and defect remediation

- Business User Acceptance Testing (BUAT) commenced at the start of April, and metrics will be shared with the market via the progress reports at the end of each cycle

- We're pivoting the teams into a more dynamic operating model where focus is on identifying and fixing issues at speed

- We remain committed to transparency, actively collaborating with market associations, and strive to enhance collaboration in testing

We've delivered significant achievements

10 out of 12 core products are complete and system integration tested

Started Business User Acceptance Testing (BUAT)

Incorporated market feedback into the testing strategy and plan

Completed a traceability exercise

Issued Fern Exit Plan

Cutover options have been reviewed

Our forward-facing focus areas
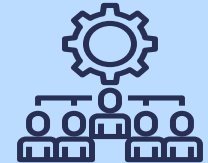
Completing core build

Continue execution of test strategy
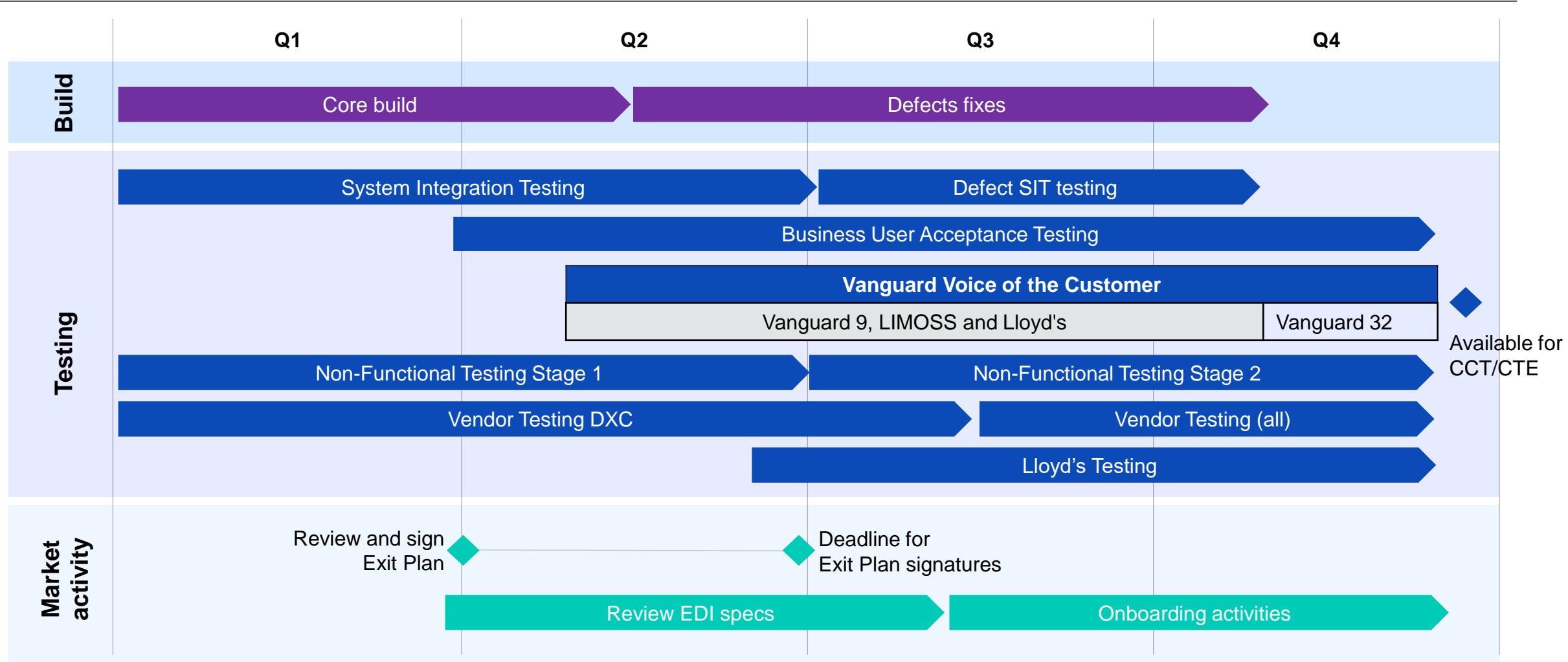
Resolving defects promptly

Receiving exit plan signatures

Continuing market engagement and preparation

Overview of key activity for 2025

	Q1	Q2	Q3	Q4

Build
- Core build
- Defects fixes

Testing
- System Integration Testing
- Defect SIT testing
- Business User Acceptance Testing
- **Vanguard Voice of the Customer**
  - Vanguard 9, LIMOSS and Lloyd's
  - Vanguard 32
- Available for CCT/CTE
- Non-Functional Testing Stage 1
- Non-Functional Testing Stage 2
- Vendor Testing DXC
- Vendor Testing (all)
- Lloyd's Testing

Market activity
- Review and sign Exit Plan
- Deadline for Exit Plan signatures
- Review EDI specs
- Onboarding activities

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Key plan assumptions

Planning for 'unknown unknowns'

We have accounted for discovering 'unknown unknowns' with an anticipated 40% defects to be found within test cases and factoring in associated resource capacity.

Revisiting defect and capacity assumptions

By the end of June, we will have a clear view of whether our defect and capacity assumptions have held and if our timeline is viable.

Current plan key assumptions:

Prioritising complex components

The testing of complex components is prioritised as soon as they become available to ensure there is sufficient time to identify, fix and re-test defects.

Decoupling billing

We have decoupled billing from settlement, as it is not on the critical path and required for CCT
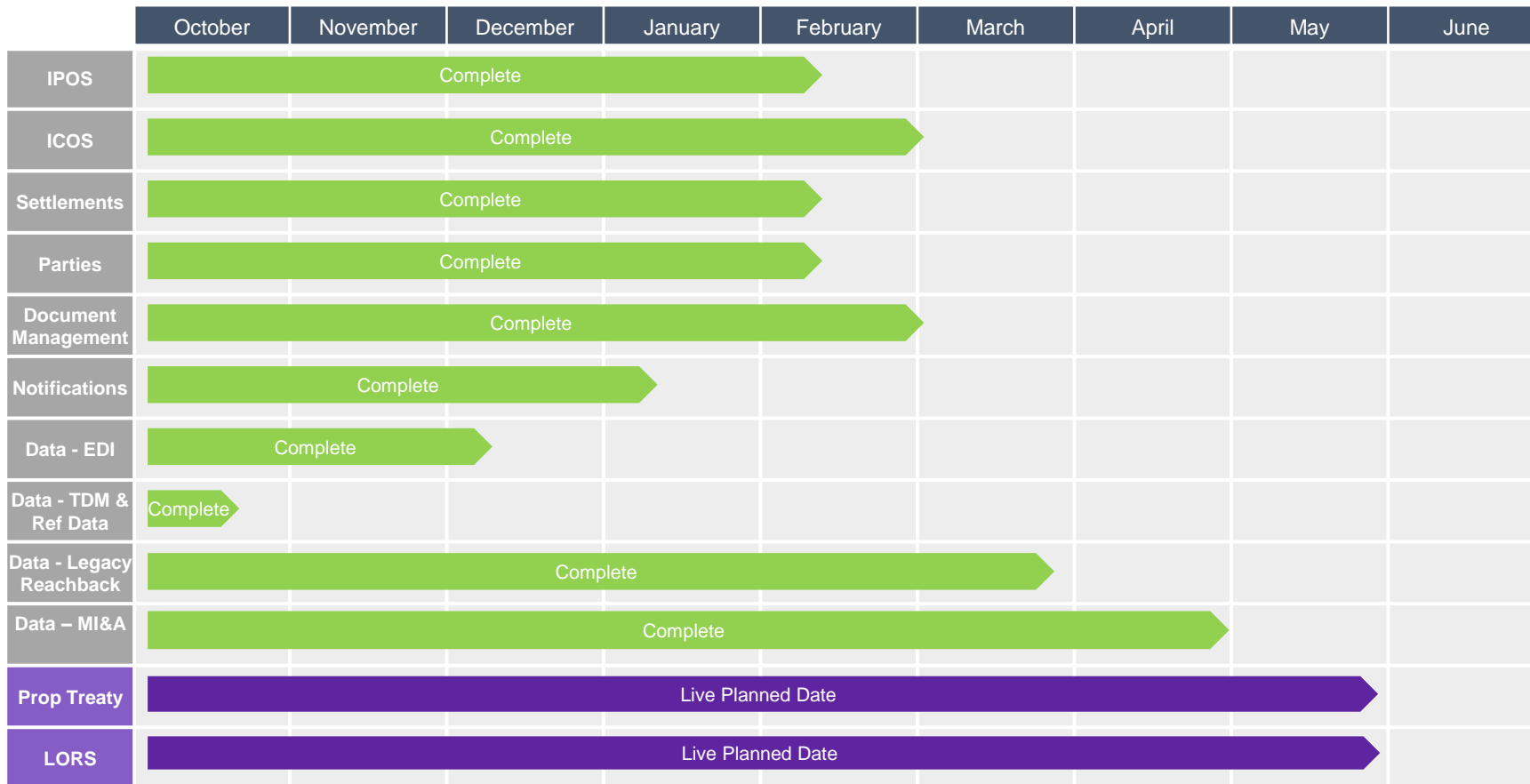
Traceability exercise

Our stakeholders want to ensure that they are getting the **equivalent or enhanced services** and Service Level Agreements from the new DPS platform

The aim was to demonstrate the presence of functional traceability between the scope and the technology developed for the DPS platform

We have confirmed all the business scenarios have a technology element and have mapped all functional epic technology requirements to the business scenarios, which have previously been mapped back to the DPSA catalogue

This exercise has not identified any significant gaps. We do expect to find 'unknown unknowns' during testing, and will deal with these through ongoing planned remediation activity

This exercise has allowed us to join up the scope, requirements, build and test, and we are actively utilising this traceability to support our Acceptance Test activity

The traceability exercise is now complete for the programme

Core build progress update

	October	November	December	January	February	March	April	May	June
IPOS	Complete								
ICOS	Complete								
Settlements	Complete								
Parties	Complete								
Document Management	Complete								
Notifications	Complete								
Data - EDI	Complete								
Data - TDM & Ref Data	Complete								
Data - Legacy Reachback	Complete								
Data – MI&A	Complete								
Prop Treaty	Live Planned Date								
LORS	Live Planned Date								

- 10/12 products are complete

- Prop Treaty and LORS on track to complete in May

Plan as of 28 April 2025

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EDI Build status

		Build status *26 Mar 2025*
72 Total supported EDI messages	**25 Standard**	**25** complete
	24 Bespoke	**24** complete
	23 ACORD4All	**18** complete
		5 defects

The three bespoke message gaps found during testing are now fully build complete.

Error in five 'SR' mappings between the IUA approved list and the customer published list. The five 'SR' mappings will be included in the scope.

Progress:
These are now being tracked and managed through the identified known requirements defects:

- one has been handed over to build for solutioning estimation, and planning; estimated date pending
- two will be handed over to build by end of April
- The final two will be handed to build by the end of June

*Note that EDIs might be build complete but the full business transaction process needs to be complete to test the full message output.

LLOYD'S | Velonetic
Powered by DXC Technology | IUA | Lloyd's

Testing

**Ben Tyte**
Test Lead, EY

James Bobbitt
LIMOSS

Blueprint Two

High-level testing update recap

In line with the interim market update we issued on 25 March, we will **provide 8 weeks' notice in advance of starting wider customer testing**

Vanguard 9 will be supporting coverage reviews and receiving platform demonstrations from May 2025, with wider community testing starting in October 2025

Coordinated Customer Testing (CCT), managed by LIMOSS, is expected to **begin no earlier than Q4 2025**

The **cutover will not occur in 2025** due to the new sequential testing approach and the complexity of the market ecosystem

The **Business & User Acceptance Testing (BUAT) phase commenced** on 31 March and is now running alongside System Integration Testing (SIT)

Launching our End-to-End Testing Strategy

The Test Strategy was presented to the market associations and an updated version based on their feedback was discussed at follow up meetings with Vanguard 9 participants and LIMOSS.
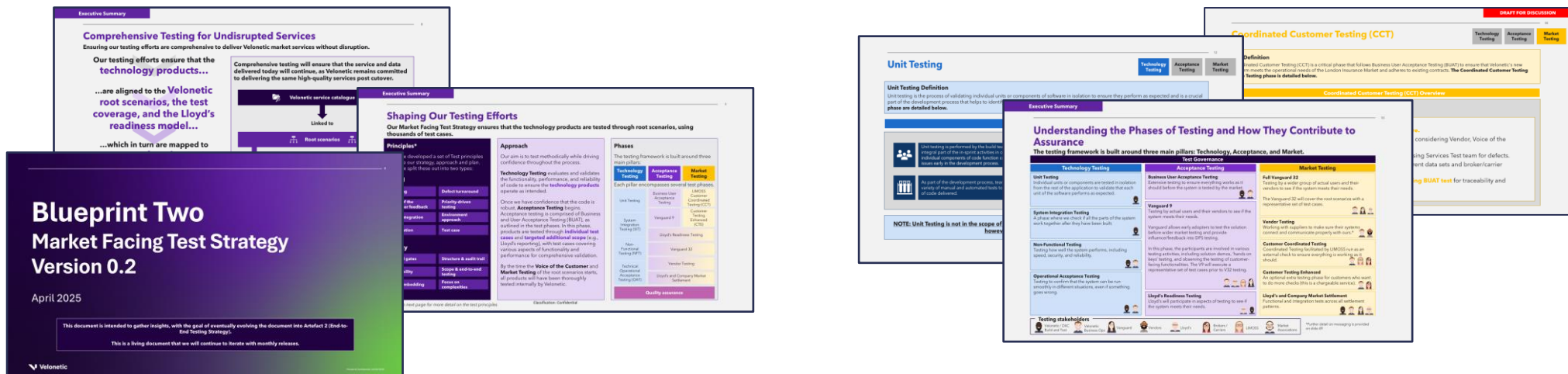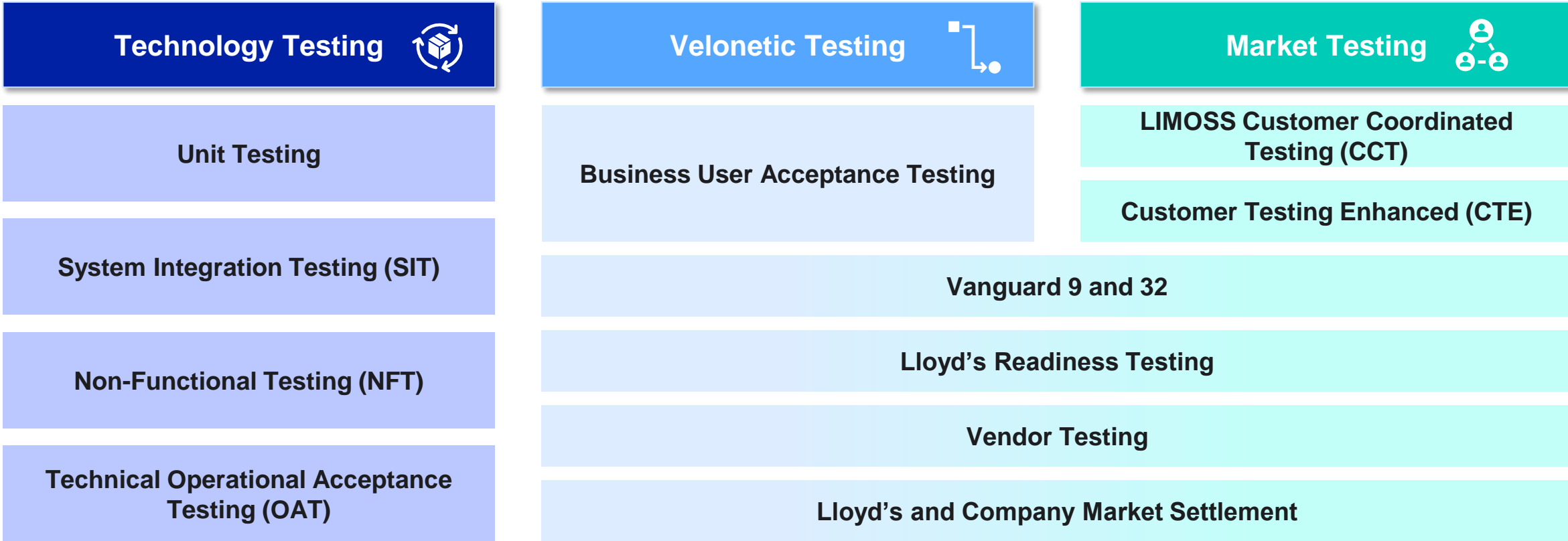

This document is intended to gather insights, with the goal of eventually evolving into Artefact 2 (End-to-End Testing Strategy).

This is a living document that we will continue to iterate with monthly releases.

Shaping our testing efforts through establishing testing pillars

Our approach is designed to test methodically while driving confidence throughout the process. The testing framework is built around **three main pillars.** Each pillar encompasses **several test phases.**
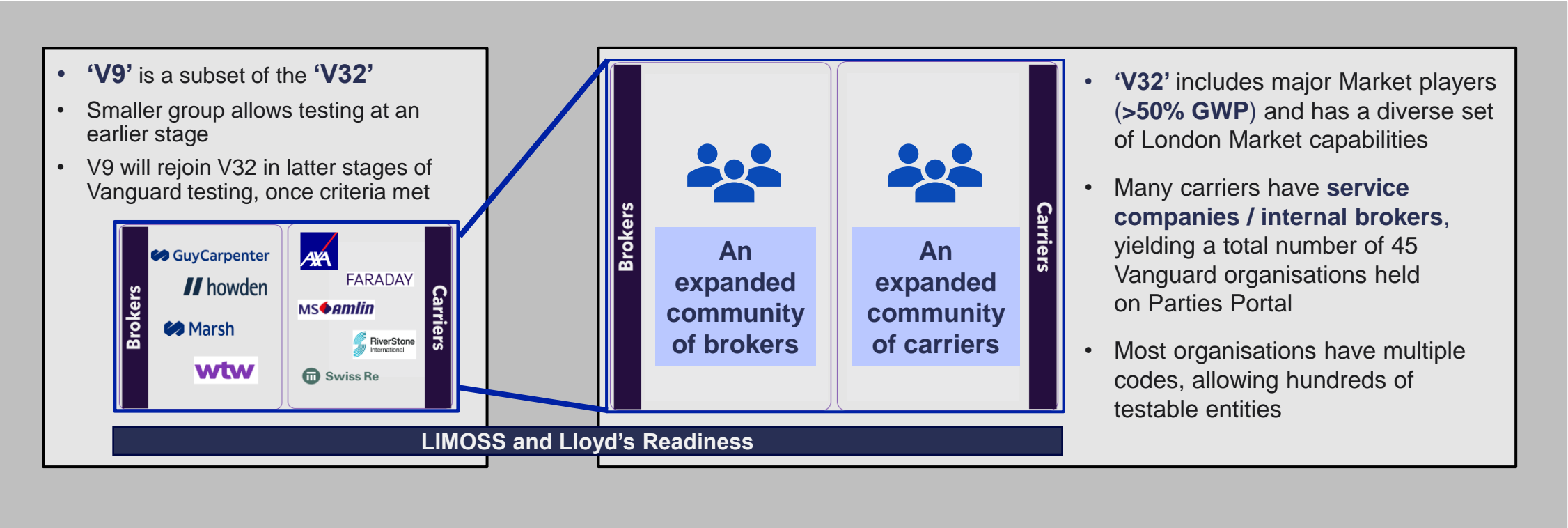
Technology Testing	Velonetic Testing	Market Testing
Unit Testing	Business User Acceptance Testing	LIMOSS Customer Coordinated Testing (CCT)
System Integration Testing (SIT)		Customer Testing Enhanced (CTE)
Non-Functional Testing (NFT)	Vanguard 9 and 32	
Technical Operational Acceptance Testing (OAT)	Lloyd's Readiness Testing	
	Vendor Testing	
	Lloyd's and Company Market Settlement	

Our 2025 testing timeline

Q1 2025	Q2 2025	Q3 2025	Q4 2025	Q1 2026

Core Build & Defect Fix

Core Build (excl. Billing)

Known requirements defect fixes

Defect fixes (unknown & known requirements defects)

Unknown defect fixes

Technology Testing

System Integration Testing (SIT)

| 21 | 22 | 23 & 24 | | 25 & 26 | 27 & 28 |

Defect SIT testing

NFT – Stage 1

NFT – Stage 2

Velonetic Testing

Business User Acceptance Testing (BUAT)

| UAT 1 | Firebreak | UAT 2 | UAT 3 | UAT 4 | Firebreak | UAT 5 | UAT 6 | UAT 7 | UAT 8 | Firebreak |

Voice of the Customer - supported by Vanguard, LIMOSS and Lloyd's

Vanguard 9

Vanguard 32

| Matrix reviews | Demos | Witness | ▲ Hands on Keys | ▲ Hands on Keys |

Market Testing

Vendor Testing (DXC ISB)

▲ Vendor Testing (All)

▲ Lloyd's Readiness

Available for CCT/ CTE

| ▲ Cycle 1 | Cycle 2 | Cycle 3 |

CCT/CTE

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Vanguard testing

Vanguard 9 testing provides an additional assurance layer to the initial BUAT cycles, whereas **Vanguard 32 testing** allows a wider group of actual users and their vendors to verify the completed functionality prior to wider market testing.

- **'V9'** is a subset of the **'V32'**
- Smaller group allows testing at an earlier stage
- V9 will rejoin V32 in latter stages of Vanguard testing, once criteria met

Brokers: GuyCarpenter, howden, Marsh, wtw
Carriers: AXA, FARADAY, MS Amlin, RiverStone International, Swiss Re

Brokers — An expanded community of brokers
Carriers — An expanded community of carriers

- **'V32'** includes major Market players (**>50% GWP**) and has a diverse set of London Market capabilities
- Many carriers have **service companies / internal brokers**, yielding a total number of 45 Vanguard organisations held on Parties Portal
- Most organisations have multiple codes, allowing hundreds of testable entities

LIMOSS and Lloyd's Readiness

Coordinated Customer Testing (CCT) (1/2)

- Coordinated Customer Testing (CCT) plays a key role in the **DPS Test Framework**, supporting **assurance outcomes**
- CCT rolls under **Customer Test Governance**, with independent oversight from LIMOSS, LIIBA, LMA, IUA, and Lloyd's representatives
- It enables market participants **to test E2E processes through scenarios**
- The testing will be controlled via **LIMOSS resources**

CCT

> **74 labelled firms (41 MAs, 17 carriers, 15 brokers and 2 run-off carriers) will participate in CCT** - registration is closed to maintain manageable volumes

> **Firms will test a matrix of 334 individual scenarios**, each **run three times**, totalling approximately **1,000 scenarios** across all test cycles, excluding retests and regression requirements

> **All test outcomes will be made available via reporting,** including any escalated defects to be remediated

Coordinated Customer Testing (CCT) (2/2)

Q1 2025	Q2 2025	Q3 2025	Q4 2025

Market Testing

8 weeks' notice

Available for CCT/ CTE

Cycle 1	Cycle 2	Cycle 3

CCT/CTE

Key

△ Entry criteria stage gate

- CCT will be **replanned against the new test strategy**, revised timeline and readiness criteria
- CCT participants will receive **8 weeks' notice** before starting CCT scenario testing
- Outcomes will be reported through **Customer Test Governance** and shared in **weekly drop-ins**
- **Reporting cycles will align with test schedules**, and all test outcomes will be available through reporting

Preparation required:

✓ **Onboarding set up**   ✓ **Test data**   ✓ **Vendor scope agreed**

✓ **Defects resolved**   ✓ **Vanguard 32 Testing complete**

A market working group was set up to assess the cutover options

Process followed:

Review of existing plans and analysis	Market working group formed	Input from Velonetic SMEs	DPS de-risking framework application	Summary and recommendations

We assessed cutover options against four criteria:

1 **Market / operational benefit**

"Will the market continue to function under this scenario?"

2 **Technical complexity**

"What will it take to design and build this contingency option? Can we do it?"

3 **Timeline impact**

"Compared to our current baseline plan, how does this option impact build & test timelines, and costs?"

4 **Additional cost to market participants**

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Organisations involved in the review

Insurer Ops and Change executives and CROs		MA CROs	Brokers

Phasing by business service

If a phased cutover were to go ahead, phasing by 'business service' would be the only credible option

❌ By **customer** (e.g. selected brokers and re/insurers)

❌ By **transaction type** (e.g. new vs. old or class of business)

✅ By **business service** (e.g. premium or claim or LORS first)

……but no consensus reached on what to start with.

Full-Service Cutover assessed against phasing options

Risk of intolerable harm to policyholders

Operational pros & cons for market firms

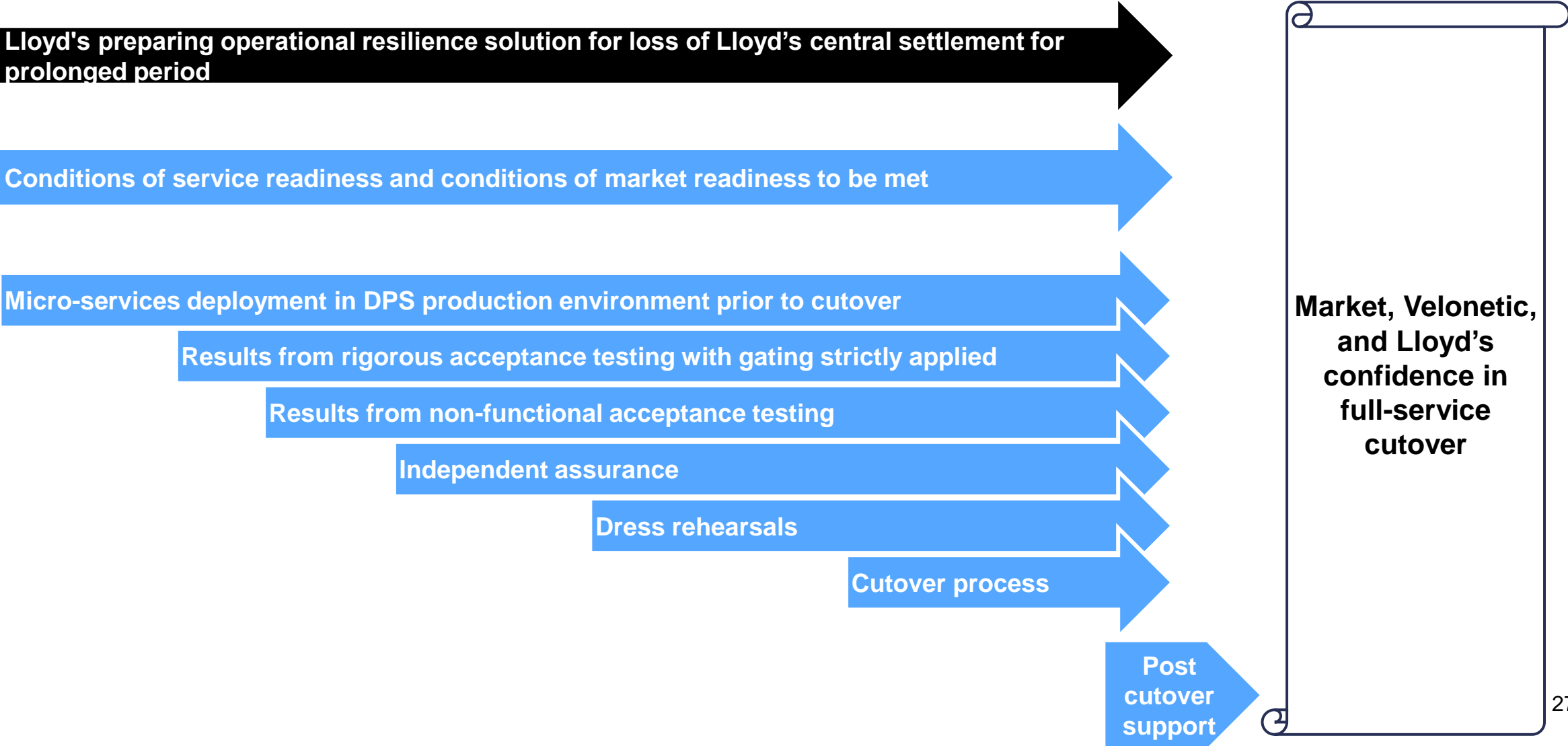Technical complexity arising from a shift to phased

Delivery time implications

Cost implications

Conclusion: Full-Service cutover remains the preferred option

Risk mitigation activities planned for full-service cutover

Lloyd's preparing operational resilience solution for loss of Lloyd's central settlement for prolonged period

Conditions of service readiness and conditions of market readiness to be met

Micro-services deployment in DPS production environment prior to cutover

Results from rigorous acceptance testing with gating strictly applied

Results from non-functional acceptance testing

Independent assurance

Dress rehearsals

Cutover process

Post cutover support

Market, Velonetic, and Lloyd's confidence in full-service cutover

Conclusions

Velonetic will organise an independent review of the conclusions reached in relation to time and cost consequences of switching to a phased cutover approach and the optimal format of a phased cutover. More analysis required on risks associated with step 2 onwards of any phased approach.

- Working group supportive of the full-service cutover approach

- Any phased cutover creates new, additional delivery risk and has significant time and cost consequences

- Effective risk mitigation communications and outcomes are essential

- Market firms' desire for ACORD based processing remains strong ('phase two')

- Working group output available on request

Exit plan

Louise Day
COO, IUA

Exit Plan overview

Describes the exit scenario for a safe, controlled, and evidence-based transition to Digital Processing Services (DPS)

- Introduces the DPS platform for hosting certain services
- Gives customer consent to use customer data for transitioning from heritage services to DPS
- Outlines the Conditions of Service Readiness
- Complies with Velonetic's exit obligations
- Includes a termination Letter for market participants to sign

One plan for everyone

Termination Letter and DPSA

Conditions of readiness

Signing and execution

The Exit Plan has been issued for signature

Exit Plan was issued on the 1 April to the nominated contacts of Lloyd's market and company market

Signatures have been requested by the end of June.

Drop-in sessions on 10 and 17 April were attended by over 150 customers

Dedicated query mailbox for customers to raise queries: Veloneticcontracts@dxc.com

Reach out to your BP engagement partner for any support

Questions?

Allen Bruce
Head of Change
Management, Lloyd's

Blueprint Two

Closing remarks

Bob James
CEO, Velonetic

Blueprint Two

Summary

Build
- We are making progress with 10 out of 12 core products built
- Completed a traceability exercise, which has allowed us to join up the scope, requirements, build and test, and we are actively utilising this to support our Acceptance Test activity

Test
- Refined our testing strategy, incorporating feedback from Vanguard 9, and market associations resulting in a published testing executive summary
- Initiated Business Used Acceptance Testing cycle 1
- We have a core set of assumptions that we are tracking against and will know at the end of June if they hold true, we still expect unknown unknowns to surface out of test
- We are committed to provide 8 weeks' notice for standing up test resources

Regulatory notification and cutover
- Issued Fern Exit Plan for signatures
- We have explored various options for cutover and concluded that piece of work

Looking ahead

CCT / enhanced customer testing

CCT/CTE is planned to be available to start at the end of 2025. Participants will receive 8 weeks' notice before starting scenario testing

Submission of the MON

Single, consolidated, market-wide material outsourcing notification (MON) will be submitted by the Corporation on behalf of all managing agents and individual company market carriers where necessary for DPS services

Signing of the DPSA and Termination Letter

Firms will need to sign a new Digital Processing Services Agreement (DPSA), order form, and a Consent to Terminate Letter as part of the migration process to the Digital Processing Services

Technical cutover work

Cutover is the transition process from our heritage systems to Digital Processing Services (DPS). We'll be developing various resources to support this transition

Ongoing engagement and support

Queries contacts				
Engagement channels	**Query form**	**Exit plan**	**DPSA enquires**	**Engagement team**
▪ Website: www.velonetic.co.uk/blueprint-two ▪ Monthly newsletter ▪ Events and drop-in sessions	▪ Blueprint Two query form with a quick response rate, via this link: www.velonetic.co.uk/blueprint-two/recently-answered-questions ▪ QR code:	▪ Direct email for all exit plan enquires: veloneticcontracts@dxc.com	▪ Email: DPSA.Velonetic@dxc.com	▪ Readiness meetings ▪ Readiness surveys ▪ Find your engagement partner: www.velonetic.co.uk/blueprint-two/our-engagement-communities

Key engagement channels

Monthly newsletters **Blueprint Two Working Sessions** **Face to face readiness meetings** Progress Reports Readiness surveys