Velonetic
London Market
Update and 2025
Processing Statistics

Market Update: Progress and Outlook

As part of the market modernisation plan, during 2025, Velonetic, in partnership with DXC Technology, completed the core build of 12 cloud-based applications, advanced Velonetic testing activity, and met its service commitments. In fact, SLA performance, underpinned by strong operational resilience met or were above expectations throughout the year.

Echoing Lloyd's recent market messages, Velonetic is developing an **incremental delivery roadmap** that will be shaped by market feedback, and adoption assurance, to guide how the new technology stack is brought into production. This developing modernisation roadmap is underpinned by the following principles:

- **Continue using those parts of the heritage estate that underpin services** such as standard and bespoke EDI and A4A messaging, until there is full confidence in future focused strategies, such as messaging and data strategies

- **Dual running of the heritage and new digital estate**, where possible, to assure data integrity and robust testing

- **An incremental approach to cutover**, with no full-service cutover. This will mean that the new technology stack, after robust market testing, will be brought live over a period of time

- **Development of an integrated AI strategy**, to support new technology and drive efficiency and innovation, both for internal efficiencies and for new market services

Our approach will reflect a clear focus on **operational resilience and pragmatic modernisation**, progressing through incremental change, re-using proven capabilities, and evolving the market infrastructure in close collaboration with market participants. It also aligns with the wider market direction set out by Lloyd's in its recent communications, reinforcing a shared emphasis on operational resilience, adoption assurance, and incremental delivery.

Lloyd's, the other two shareholders of Velonetic (DXC and the International Underwriting Association (IUA)), along with the Velonetic Management Team, are all aligned on this approach.

We believe this represents a prudent strategy for transitioning to the new technology stack and reflects feedback that has been raised by market participants.

Velonetic's Legal and Commercial team, working closely with the market associations, is also reviewing the existing Central and Claims Processing contracts (Fern) with a view to introducing a new contracting framework that supports technology modernisation and reflects current industry and regulatory requirements. This work builds on the activity undertaken to establish the Digital Processing Services Agreement (DPSA) and will encompass changes to Heritage Services Exit Plan to align it to the modernisation roadmap.

Finally, the retirement of the Blueprint Two framing is timely, as we pivot to a new delivery approach. What lies ahead is a **"re-platforming" of legacy technology estate**, progressing over time towards application consolidation and modernisation of the technology stack in a cloud environment. Velonetic's long-term vision for London Market core services remains unchanged. This includes offering a full suite of digital messaging across risk, premiums (including technical accounts), and claims, aligned to GRLC ACORD standards, Core Data Record, and the London Market Group (LMG) Data Council's goals.

Delivery of these objectives will now be taken forward through a more phased, incremental component-based approach, aligned to the new modernisation roadmap and informed by adoption assurance and operational readiness.

A "re-platforming" of legacy technology estate

Velonetic at a Glance

We sit at the intersection of data and technology within the London Market ecosystem. Velonetic provides business processing services and technology capabilities across policy administration, premium processing, and claims management for the London insurance and reinsurance markets.

We are jointly owned by **Lloyd's of London, the IUA, and DXC Technology**. This ownership structure provides strong governance, alignment with market standards, and access to both technology and business process capabilities. Velonetic remains focused on service reliability, delivery of the core elements of the technology modernisation programme, and collaboration on shared market standards. In 2025, Velonetic:

- Processed **£118.41 billion** in premiums and claims

- Handled **2.6 million** premium transactions

- Supported more than **400 customers** across the Lloyd's and Company Markets

Market collaboration and data standards

We fully support the adoption of the **Core Data Record (CDR)**, developed under Blueprint Two, and formalised as an **ACORD standard in 2025**. Adoption of this common data structure continues to support interoperability, improved data quality, and readiness for incremental digital transition across the market.

In addition, we sit on, and fully support, the LMG sponsored Data Council and intend to work with the Data Council, ACORD, and the broader market on a data first digital strategy for processing business.

Technology Modernisation Progress

London Market Core Platform

The London Market Core Platform (LMCP) is Velonetic's cloud native platform designed to replace multiple legacy platforms across premiums, claims, and settlements. The platform enables resilience, security, and scalability while supporting current market processes, including various messaging formats. This cloud environment is supported by DXC and sits on the AWS Cloud.

As stated earlier, in 2026, the programme will transition to a **component-based delivery model**, enabling controlled deployment and strengthening adoption assurance.

Legacy technology

More than 100 heritage applications require re-engineering or replacement, many with limited documentation. Replicating established messaging functionality remains a significant area of focus, requiring extensive testing and remediation to ensure service continuity during transition.

Product delivery & testing

The **core build, completed in May 2025**, delivered 12 products, later expanded to include an internal billing component.

Business and User Acceptance Testing (BUAT), conducted by Velonetic, resumed in March 2025 under a revised strategy. By year-end, the majority of planned Velonetic test cycles were complete, with approximately three-quarters of core functionality exposed.

As the delivery approach evolves, including consideration of dual running, a revised testing approach will be required. This will focus on comparing outputs from the heritage and new systems to ensure data fidelity and end-to-end transaction testing across the 12 products.

In addition:

- BUAT of the Digital Processing Services (DPS) platform re-commenced at the end of March 2025 following publication of the revised testing strategy

- The majority of DPS platform components were exposed to business-level testing during the year

- Testing activity has primarily focused on new transactions, rather than the migration or "reachback" solution

- Message testing followed a separate, targeted approach, including engagement with external vendors

As the new roadmap is developed, and especially with the desire for dual running of the old and new system, market testing will require a different approach.

We remain committed to giving eight weeks of notice before asking the market to test, and given the roadmap development underway, it is likely that no customer testing will happen until at least Q4–2026.

Operational Performance

Throughout 2025, Velonetic maintained delivery to SLAs of central and elective processing services across premiums, claims, and settlements, supporting policy lifecycle management, claims handling, and regulatory reporting.

London Insurance Market 2025 Processing Statistics

110.30m
Records stored on IMR
(11.08% increase over prior year)

£118.41bn
**Inward/Outward Accounting
Transactions** (+0.4% above 2024)

100.30m
Transactions processed on the XDH
(9.74% increase over prior year)

99.76%
Average IT SLA compliance
(against a target of 97.48%)

2,631,702
Inward Premium Transactions
(+11% above 2024)

32m
Writeback Transactions processed
(11.65% incerase over prior year)

£30.24bn
**Netted and Combined Accounting
Transactions** (-1.9% from 2024)

1,790,045
Claim Advice Notifications
(+6.2% above 2024)

307.29m
Messages handled
(7.03% increase over prior year)

174.99m
Accord messages processed
(4.78% increase)

Technology resilience

More than **70 operational improvement initiatives** were delivered in 2025.
Velonetic recorded:

- **Zero technology SLA failures**

- **70% reduction in lost business hours compared with 2023/24**

- **Over 99% change success rate**

Infrastructure upgrades and disaster recovery testing reinforced readiness for
incremental deployment.

Looking Ahead

Velonetic is validating and preparing to deliver a safe, iterative transition to modern digital services. This work is being delivered in close partnership with DXC Technology as the technology supplier, working alongside Lloyd's of London, the Lloyd's Market Association (LMA), the International Underwriting Association (IUA), London & International Insurance Brokers' Association (LIIBA), and other key stakeholders to support a resilient, market-led approach to modernisation.

The approach focuses on ensuring stability, readiness, and sustained service quality across both the new technology and the existing heritage estate.

In 2026, Velonetic will:

- **Ensure the continued resilience of the existing heritage estate**

- **Transition fully to an incremental delivery roadmap**

- **Plan for cutover and dual-run decisions**

- **Strengthen data integrity and assurance**

- **Enhance operational readiness for market modernisation**

The heritage technology estate will remain resilient, stable, and operationally fit throughout the transformation period, ensuring continuity of service as the programme evolves.

With the core build and the majority of Velonetic testing complete, 2026 will focus on controlled, incremental delivery, including the development of an integration layer between heritage and new digital products. This will enable dual running, greater adoption flexibility, and increased speed to value, while mitigating the need for a full-service cutover.

Velonetic will inform the market as the incremental delivery roadmap develops.

Summary

Velonetic remains committed to supporting the London Market through the reliable operation and careful technology modernisation of its core infrastructure. Around **1,500 people across Velonetic** are focused on delivering resilient, stable services, and progressing the market's technology evolution in a measured and responsible way.

We value the partnership we share with market participants and stakeholders and will continue to work collaboratively to ensure sustained service quality and confidence as the market moves through the next phase of transition.

Velonetic™
Powered by DXC Technology | IUA | Lloyd's

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