Velonetic London Market Update and H1 Processing Statistics

January - June 2026

Market Update: Progress and Outlook

Velonetic sits at the intersection of technology, data, and business processing within the London insurance market. Every day, our services support the movement of premiums, claims, and critical market data, helping insurers, brokers, and market participants operate efficiently and with confidence.

In our 2025 Market Update, we reported a year of strong delivery:

- £118.41 billion in premiums and claims processed
- 2.6 million premium transactions handled
- More than 400 customers supported across the Lloyd's and Company Markets with zero technology SLA failures

The first half of 2026 has built directly on those foundations.

During the first half of 2026, Velonetic has remained focused on two core priorities: **maintaining the reliable operation of the London Market processing services, while progressing technology modernisation through a measured and incremental approach.** During this period, Velonetic continued to support the movement of premiums, claims, and critical market data across the London Market. The processing statistics within this report demonstrate the scale and significance of the services operated on behalf of the market.

The London Market continues to depend on resilient, high-volume processing capabilities across premium, claims, and settlement. Throughout the period, Velonetic has continued to support market participants through the delivery of critical services, while working closely with market stakeholders to progress market modernisation in a way that balances innovation with operational resilience. Collaboration across the market remains central to this approach, helping ensure modernisation efforts align with market needs.

One of the most significant developments during the first half of 2026 has been progress towards the renewal of the market's central processing contractual framework through the new Central Processing Subscription Agreement (CPSA), described in detail later in this update. Importantly, the introduction of the CPSA represents a contractual and operating model evolution rather than a change to the day-to-day delivery of services, ensuring continuity for market participants while supporting future market needs.

Velonetic continues to work closely with our three shareholders: DXC Technology, Lloyd's of London, and the International Underwriting Association (IUA) - as well as the market associations to support the successful development of the CPSA and our modernisation efforts, helping ensure the needs of brokers, carriers, and the wider market are reflected.

Throughout this period, our focus has remained clear: **delivering resilient services today while creating the foundations that will support the future needs of the London Market.**

Technology modernisation progress

Velonetic continues to adopt a pragmatic and resilient approach to modernisation, balancing the need for future-ready capabilities with the stability and reliability required to support the London Market today.

In the 2025 Market Update, Velonetic outlined a number of modernisation principles, including an incremental delivery roadmap, adoption assurance, operational resilience, dual running where appropriate, and the continued use of proven capabilities. During the first half of 2026, activity has focused on progressing these objectives and translating them into practical delivery plans and market engagement activities. This approach recognises the importance of delivering sustainable change while maintaining confidence in the services relied upon by market participants.

During the first half of 2026, progress has also been delivered across infrastructure, resilience, security, and supportability initiatives, helping ensure the market continues to benefit from stable and reliable services while supporting longer-term modernisation priorities. These achievements are set out under Service Reliability and Resilience below.

> "Delivering resilient services today while creating the foundations that will support the future needs of the London Market"

Data, messaging, and market standards

The long-term success of market modernisation relies on common standards, quality data, and effective messaging frameworks.

Velonetic continues to support market-wide initiatives that improve data consistency, interoperability and digital processing capabilities, building on the commitments set out in the 2025 Market Update:

- Continued support for the Core Data Record (CDR), developed under Blueprint Two and formalised as an ACORD standard in 2025, whose adoption supports interoperability, improved data quality, and readiness for incremental digital transition.
- Ongoing membership of, and full support for, the London Market Group (LMG)-sponsored Data Council, working with the Data Council, ACORD, and the broader market on a data-first digital strategy for processing business.
- Alignment of Velonetic's long-term vision for core services with GRLC ACORD standards and the LMG Data Council's goals, including a full suite of digital messaging across risk, premiums (including technical accounts), and claims.
- Continued engagement with customers, shareholders, and market associations on initiatives that improve data quality, consistency, and interoperability across the London Market.

While much of this work remains focused on establishing future capability, it reflects a shared commitment to strengthening the quality and consistency of market data, helping create the foundations for more efficient processing, improved transparency, and future digital innovation.

Improve data consistency, interoperability and digital processing capabilities

The Central Processing Subscription Agreement (CPSA)

Alongside technology modernisation activity, significant progress has been made on the development of the new Central Processing Subscription Agreement (CPSA).

This delivers on the commitment set out in the 2025 Market Update, when Velonetic's Legal and Commercial team, working closely with the market associations, commenced a review of the existing central and claims processing contracts (Fern) to develop a new contracting framework that supports technology modernisation and reflects current industry and regulatory requirements.

The CPSA will replace the existing Central Processing, Claims Processing and IMR Agreements and other related service agreements (e.g. messaging and reporting). The CPSA introduces a single contractual structure covering premium and claims processing, the IMR, and selected other services. Developed in collaboration with the market associations, the CPSA is intended to strengthen governance, support regulatory compliance and provide a more consistent framework for the delivery of market services. It also supports the evolution of the market's service and change delivery model, helping create a stronger foundation for future market requirements while maintaining operational resilience.

During the first half of 2026, activity has focused on progressing the creation of the CPSA through a series of coordinated workstreams covering commercial, operational, governance and stakeholder engagement activities. Customer information (such as legal entity details, registered addresses, service information and key points of contact) validation activities are also under way, helping ensure that the information required to support future contracting and service delivery arrangements is accurate and complete.

As the programme progresses, Velonetic is preparing to release the new CPSA to customers for review in early October. In parallel, the CPSA will undergo the required regulatory notification process, with the UK regulators receiving regular updates on both the content of the agreement and the progress of customer review activities. Following completion of customer review and regulatory notification activities, the final CPSA is expected to be issued for market-wide signature by January 2027.

To support a smooth transition, customers will be kept informed through regular communications and will receive materials to support due diligence and review activities. Customers will also have the opportunity to ask questions, provide feedback, and engage with Velonetic throughout the process. As part of the next phase of implementation.

The CPSA represents an important milestone in strengthening the contractual and operational foundations that underpin market services today, while supporting the future evolution of the London Market.

Customer information validation

As part of the transition to the CPSA framework, preparations have commenced for customer information validation activities across the market. This work will help ensure legal, organisational, billing and operational information is accurate and up to date, supporting future contracting, reporting and service delivery requirements.

Dedicated Engagement Leads have been introduced to support customers throughout this process and help coordinate activities associated with the wider CPSA programme. This activity reflects Velonetic's commitment to ensuring market readiness extends beyond technology and includes the governance, operational and customer foundations required for long-term success.

Operational performance

Strong operational performance remains at the heart of Velonetic's role within the London Market.

During the first six months of 2026, Velonetic continued to process significant volumes of premium, claims and messaging transactions on behalf of market participants, supporting underwriting, claims handling, accounting and settlement activities across both the Lloyd's and company markets. Processing statistics contained within this report demonstrate the scale and significance of the services operated on behalf of the market.

The table below sets out the full-year 2025 statistics reported in our previous update, which provide the baseline against which the H1 2026 figures should be read.

Measure	Full-year 2025 (as reported)	H1 2026 (January to June)
Records stored on the IMR	110.30m 11.08% ↑	115.88m 10.7% ↑
Transactions processed on the XDH	100.30m 9.74% ↑	53.52m 11.7% ↑
Inward premium transactions	2,631,702 11% ↑	1,355,703 7% ↑
Inward / outward accounting transactions	£118.41bn 0.4% ↑	£63.8bn 5% ↑
Claim advice notifications	1,790,045 6.2% ↑	924,417 5% ↑
Writeback transactions processed	32m 11.65% ↑	17.23m 9.3% ↑
Messages handled	307.29m 7.03% ↑	162.27m 7.9% ↑
ACORD messages processed	174.99m 4.78% ↑	91.52m 5.5% ↑
Average IT SLA compliance	99.76% target 97.48%	99.79% target 97.48%

↑ Increases measured against the same period of the previous year (2025/2024) and (2026/2025)

In addition, Lloyd's claim file submission volumes reached 860,526 during H1 2026, 2.1% above the equivalent period in 2025.

In addition to the processing volumes above, 2025 saw more than 70 operational improvement initiatives delivered, all technology services operated within agreed SLA targets, a 70% reduction in lost business hours compared with 2023/24, and a change success rate of over 99%. The service reliability achievements described below show that performance continuing into 2026.

Service Reliability and Resilience

Operational excellence continues to be underpinned by strong service management practices, proactive monitoring and ongoing investment in technology resilience.

Throughout the reporting period, priority has remained focused on:

- Maintaining high levels of service availability and reliability
- Supporting operational resilience across critical market platforms
- Delivering service and technology improvements
- Managing change in a controlled and low-risk manner
- Supporting customers through ongoing engagement and service reviews

Delivered during H1 2026

During the first half of 2026, Velonetic continued to strengthen the resilience, security, and supportability of the technology services that underpin market processing, helping reduce operational risk and support the continued delivery of reliable services.

- Agreed a market-governed technology remediation plan, supported by comprehensive risk assessments across the services and components that underpin Velonetic's processing platforms.
- Successfully delivered 28 consecutive months of technology stability, providing over 99.7% availability against a target of 98% – sustaining the record of zero technology SLA failures reported for 2025.

- Executed our eighth consecutive successful disaster recovery test of production systems, well within our recovery targets.
- Reduced the outstanding raw vulnerability count across the environments by 33%.
- Increased standard vendor supportability of our estate by 4%.

Initiated for H2 2026

- A clear path to reduce outstanding raw vulnerabilities by a further 40%.
- A plan to replace, upgrade and consolidate our data centre-hosted infrastructure platforms from five units to four.
- Changes to fully upgrade the Insurers' Market Repository (IMR) components to the latest vendor versions by Q4 2026.
- The replacement and upgrade of two critical legacy applications supporting production processing on the mainframe.

Looking ahead

As we move into the second half of 2026, Velonetic will continue to focus on balancing operational excellence with future readiness.

A key priority will be progressing the next phases of the CPSA contractual implementation. Customer information validation activities will continue, helping ensure the information required to support future contracting, service management and operational delivery remains accurate and complete. Dedicated engagement resources will continue working closely with customers and market stakeholders throughout this process.

During the second half of 2026, customers will be invited to review the new CPSA and supporting documentation as part of their due diligence and implementation planning activities ahead of the anticipated market-wide signing process commencing January 2027. Velonetic will continue to provide regular communications and support throughout this process, helping ensure customers remain informed and prepared for the transition to the new agreement framework.

Alongside CPSA activity, focus will also remain on progressing the market's incremental delivery roadmap, strengthening operational resilience and supporting future adoption and readiness activities.

Key priorities for the remainder of 2026 include:

- Continuing development of the incremental delivery roadmap
- Progressing CPSA customer engagement and validation activities
- Enhancing operational resilience and service performance
- Maintaining investment in critical services
- Continuing collaboration with market stakeholders
- Supporting future market transformation priorities

Our approach remains focused on delivering practical, measured progress while ensuring continuity and resilience for customers throughout the transition.

Summary

Velonetic continues to play a critical role at the centre of the London Market, providing the processing capabilities and services that support premium, claims, and settlement activities across the market. Around 1,500 people across Velonetic remain focused on delivering resilient, stable services and progressing the market's technology evolution in a measured and responsible way.

During the first half of 2026, Velonetic has maintained strong operational performance while progressing strategic initiatives that will help shape the future of market processing services. This included handling 162.27 million messages, processing £63.8 billion in accounting transactions and maintaining average IT SLA compliance of 99.79% against a target of 97.48%.

Significant progress has continued across the market modernisation agenda, supported by an incremental delivery approach that prioritises adoption assurance, operational resilience and customer readiness.

At the same time, the development of the Central Processing Subscription Agreement has strengthened the contractual and operational foundations on which future market services will be built, helping ensure central processing services remain resilient, compliant and fit for the future.

Through continued collaboration with customers, market associations, shareholders, and stakeholders, Velonetic remains focused on delivering trusted services today while helping shape a more resilient, connected, and future-ready London Market.

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