LLOYD'S

Bulking Lineslip – Target Operating Model

Lloyd's Insurance Company S.A.

3rd April 2020

Objectives:

- Lloyd's Insurance Company S.A. (LIC) has defined a minimum data set and reporting frequency across Risks/Premiums to support financial and actuarial processing and oversight.

- LIC requires this data from the market for bulking lineslips incepting 1st January 2021 or later.

Context:

- LIC contractual relationship is with the Lead MA through the Outsource MA Agreement. The Lead will be held <u>accountable</u> by LIC for the supply of this data.

- No changes are required to the Outsource Agreement to support this requirement.

- The Lead does not hold the Premium data required; the Lead may not hold the Risk data in a structured format.

- The Broker holds the Risk/Premium data required.

- The operating model proposes a number of options on how data can be provided by the Broker to the Lead and ultimately to LIC.

- LIC will not prescribe an option – ultimately this should be part of the commercial negotiation between Broker and Lead.

- LIC will provide wordings to support these options for insertion into the Lineslip Agreement.

- DASATS is the market service that provides for BDX submission and management; it is an integral part of the LIC operating model and is the repository in to which the Risk/Premium data must be delivered.

Risk reporting

Frequency

Information on risks written on bulking lineslips, and any adjustments to such risks, must be submitted to DA SATS monthly until every insurance bound has expired or has otherwise been cancelled or terminated.

Deadlines

For risks written, risk information must be submitted into DA SATS on a 'fully approved' basis as follows:

- Jan – Mar: within 32 days of month end;
- Apr – Jun: within 23 days of month end;
- Jul onwards: within 15 days of month end.

Nil submissions

A nil statement must be submitted where there is no activity during the reporting period.

Premium reporting

Frequency

Paid premium details, and any adjustments to such paid premium details must be submitted to DA SATS monthly until every insurance bound has expired or has otherwise been cancelled or terminated.
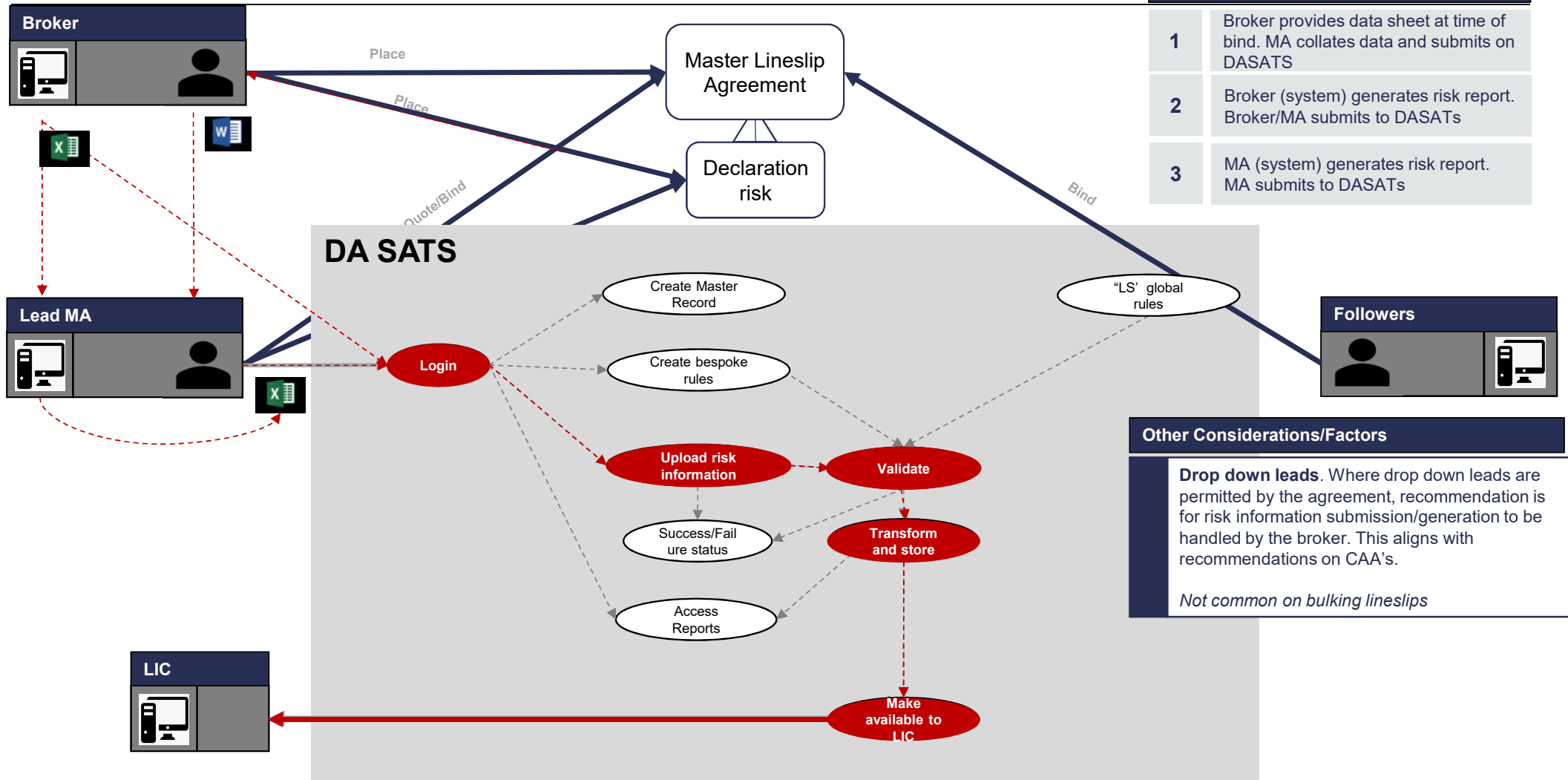
Deadlines

Premium risk information must be submitted into DA SATs on a 'fully approved' basis no later than 5 working days before the last working day of the 3rd calendar month, after the end of the reporting month.

Nil submissions

A nil statement must be submitted where there is no activity during the reporting period.

To be state: risks/declarations

Broker

Lead MA

LIC

Master Lineslip Agreement

Declaration risk

Place
Place
Quote/Bind
Bind

DA SATS

- Login
- Create Master Record
- Create bespoke rules
- Upload risk information
- Validate
- Success/Failure status
- Transform and store
- Access Reports
- Make available to LIC
- "LS' global rules

Followers

Submission Choices

1	Broker provides data sheet at time of bind. MA collates data and submits on DASATS
2	Broker (system) generates risk report. Broker/MA submits to DASATs
3	MA (system) generates risk report. MA submits to DASATs

Other Considerations/Factors

Drop down leads. Where drop down leads are permitted by the agreement, recommendation is for risk information submission/generation to be handled by the broker. This aligns with recommendations on CAA's.

Not common on bulking lineslips

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To be state: premiums

Broker

Master Lineslip Agreement

Declaration risk

Place

Place

Quote/Bind

Bind

DA SATS

Login

Create Master Record

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Upload premium information

Validate

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Lead MA

Followers

LIC

Submission Choices

1	Broker (system) generates premium report. And submits directly to DA SATs
or	Broker (system) generates report and provides to the MA. MA submits to DA SATs

Premium information

Brokers are the source of paid premium information and generate bordereau today to support the A&S via DXC.

Changes will be required to existing broker produced premium bordereau to comply with the LIC data requirements.

Classification: Confidential