



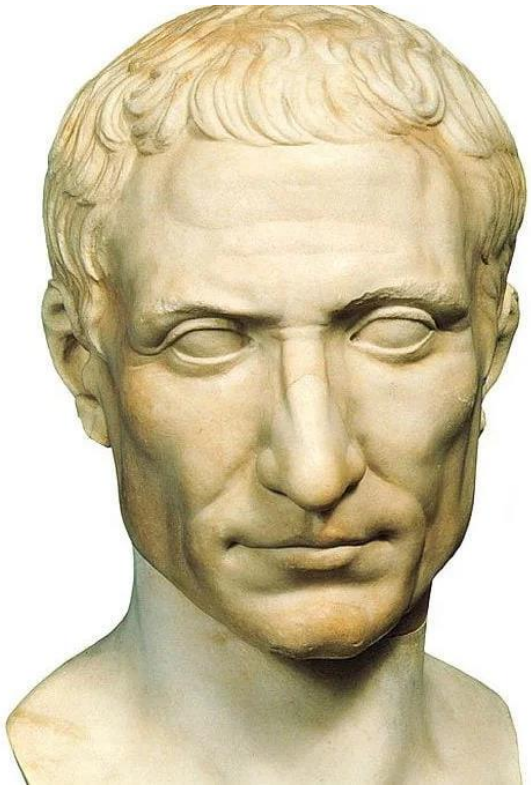
The Future is Digital The Great Triumvirate

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Caesar



Pompey



Crassus

The First Triumvirate

LMG



LLOYD'S



ACORD

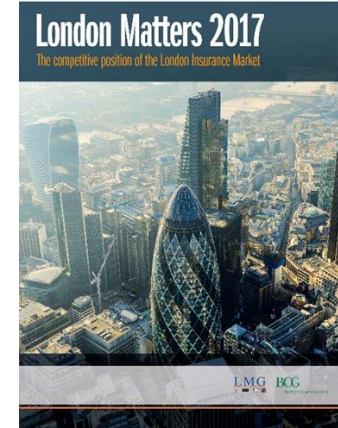
Ruschlikon

POWERED BY ACORD

The Great Triumvirate

London Matters

- London Market premium has risen steadily over the last decade, up from \$90bn in 2013 to \$121bn in 2021.
- Complex Ecosystem of insurers / brokers/ service providers (60,000 people).
- London is the global centre for complex risks: with 42% market share of specialty risk classes.
- The London market is 24% of the City's GDP and contributed £39bn to the UK economy in 2020. (UK Government listening)
- North America (40%) remains the biggest source of income for the London Market. Asia (8%).



London Company Market Statistics Report

Annual IUA publication, latest figures from 2021:

- £35.654bn GWP for the company market
- Includes £5.540bn controlled by London companies but written elsewhere (some Singapore included)
- Overall London Market premium income total of £74.870bn (combining company market total with Lloyd's market figure of £39.216bn)

For 2022 Lloyd's has already reported income of £46.7bn. IUA estimated total is around £40bn



London Company Market Statistics Report

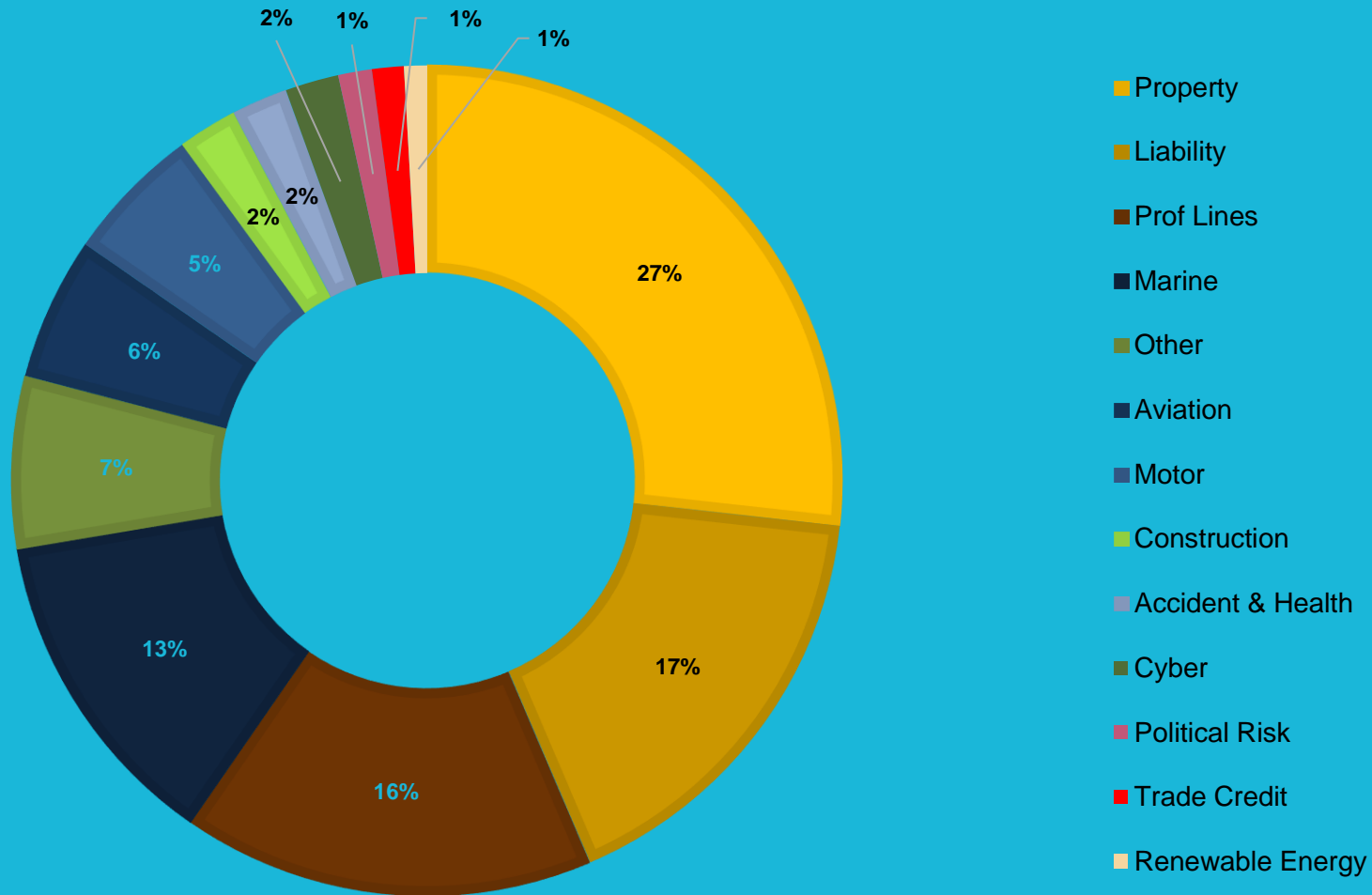
Report highlights:

- Premium income for the London company market grew by 7.6%, in 2021.
- £4.836bn written via delegated authorities.
- Higher than average growth for professional lines and cyber, marine and motor premium fell.
- US and Canada increasingly important for business written in London, continental European share is declining, UK domicile the biggest.
- Inflationary claims pressures pushing rates up, but some signs the upward trend is now slowing.



London Company Market Statistics Report

2021 PREMIUM BY CLASS OF BUSINESS



The Joint Venture

Ins-sure Services (XIS)

Created in 2001 as a separate company jointly owned by the IUA (25%), Lloyd's (25%) and DXC (50%) to provide a comprehensive policy signing and accounting bureau for the London Market.



- IUA seat on the Ins-sure Board and Shareholders Committee
- IUA acts as customer representative to monitor services for price, quality and range. Includes build of digital processes.
- 'Joint Venture' 'The Bureau' 'DXC' 'XCS' 'XIS' 'Xchanging'

Digital Transformation

The IUA is committed to improving the efficiency of doing business in London. It continues to promote the implementation of process reforms and electronic interfaces across the market. This work includes the design and promotion of new processes for placing, claims and accounting and settlement using ACORD standards as the preferred format for data.

- Central Services Contract Management (Digital Transformation)
- Placing Platform Limited Board
- London Market Operations and Strategic Sourcing Board (LIMOSS)
- ACORD
- Ruschlikon
- Blueprint 2 (Previously known as the Future @ Lloyd's)
- Data Council



Contact:
Louise Day
Chief
Operating
Officer



LLOYD'S

Blueprint Two update

May 2023



Blueprint Two: the case for change

The global risk landscape is changing quickly and our customers operate in a complex and fast changing world. We are working with the market to build solutions that will digitalise our market, making it **better, faster and cheaper** for all participants, and help customers face these new challenges with confidence.

Why are we digitalising the marketplace?

- All industries are changing. **Technology and data analytics are disrupting traditional business models**
- Expense ratios are high across the market, and the London market is facing competition from alternative markets
- **Many market participants are in the process of digitalising their operations and the London market needs to help create the digital platform** to remain an attractive marketplace
- **Customers are facing new risks**, e.g. their asset mix has shifted from tangible to intangible and, consequently, they are **seeking new insurance products and services** to protect their businesses
- The **market is complex and fragmented**, and we are operating multiple platforms that are costly, inflexible and soon to go out of service. There are **lots of opportunities to get the digital marketplace right, creating a seamless and joined-up experience**



Benefits of digitalisation

- **Provides a common data standard** to support more efficient business processes and opportunities to innovate
- **Creates one solution for the whole London market** centred around global standards, a digital Gateway and modernised systems
- **Reduces central processing costs** by at least 40% compared to current services
- **Facilitates faster premium movement and claim settlements**
- Allows market participants to **choose the speed of their digital adoption**
- **Avoids the cost and complexity of live parallel running new and legacy services**, through the use of transition services

Our ambition



Better

Re-engineering the way business is transacted in the market, covering all aspects of placement and processing of premiums and claims



Faster

Completing the processing transactions within placement and claims in minutes and hours, rather than weeks

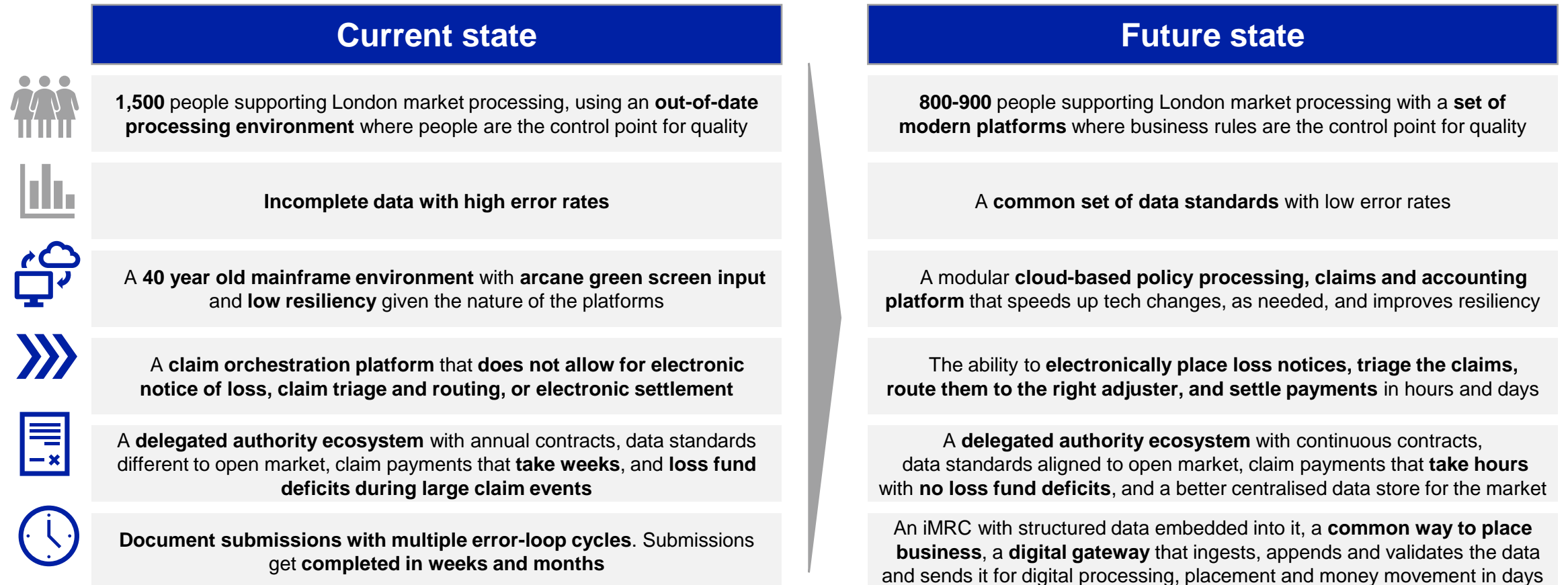


Cheaper

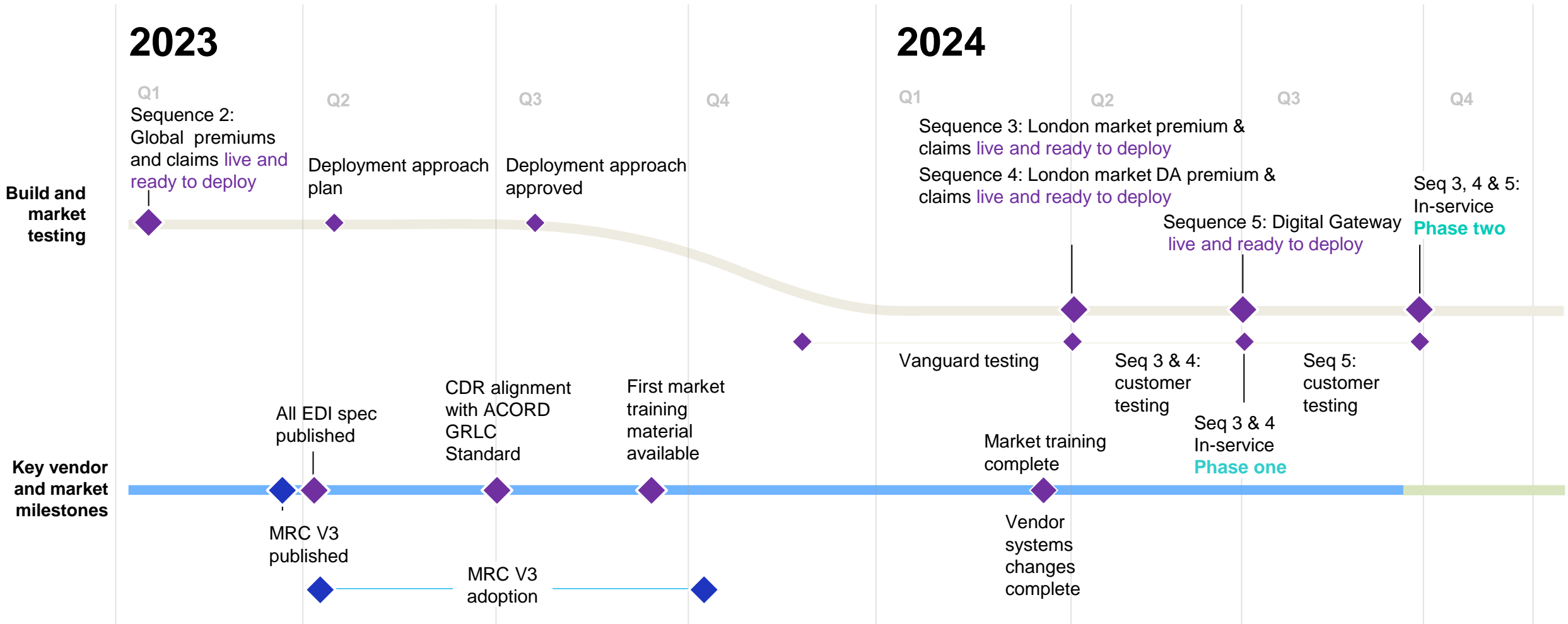
Delivering significant cost savings through digitalisation of the marketplace, avoiding errors and rework

What will it look like when Blueprint Two is delivered?

Brokers and insurers could **realise annualised benefits of over £800 million** from operating in our new digital marketplace. This is equivalent to a **3% reduction in the combined ratio** of the market. Having a **standardised data set and modern processing platforms** gives the market the **pipeline and tech platform to innovate and grow**.



Adoption focused in H2 2023 and 2024



- Sequences 3 and 4 have been brought forward by 3 months to June 2024 for transitional services
- Full digital functionality will be available from September 2024

The five sequences of the digital processing build



Foundational capability

1

Set of foundational components that will be used across services / future phases of delivery



Global premium & claims service

2

Global specialty insurance service to manage premium movement and claims orchestration for singleton non-complex business



London market premium & claims service

3

London market service to manage premium movement and claims orchestration for syndicated business within Lloyd's and company open market



Delegated authority premium & claims service

4

London market service expanded to handle delegated authority premium and claims submissions



Gateway risk service

5

Supports London open market placement through ingestion of Core Data Record, incl. data validation, augmentation and notifications

Global premium and claims service is now live

1. Available now!

Singleton, non-complex business, peer-to-peer premium and claim submission and agreement

2. One central accounting ledger

for both premiums and claims

3. Fast and accurate premium and claims payments

with breadth of currencies

4. Fully auditable

with advanced reporting functionality

5. Direct integration

accessible through ASG Gateway or web browser

6. Universal view in a single platform

Brokers and insurers can use different messaging standards

7. Joint Ventures can provide business process outsourcing (BPO) if required

Benefits of the global premium and claims service



Speed

- ✓ Fast, direct settlement
- ✓ Transparent query resolution



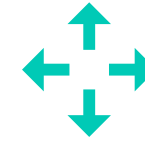
Visibility

- ✓ Auditable transparent data
- ✓ Interactive portal dashboard



Quality & precision

- ✓ Basic 'soft' validations
- ✓ Centralised document management
- ✓ ACORD EBOT / ECOT compliant



Flexibility


- ✓ Claims can be paid directly to customers or third parties
- ✓ Query management via ACORD or portal
- ✓ Settlements batched in cycles of 24 hours



Resilient

- ✓ Cloud native

Conclusion



Ruschlikon led the way on using ACORD standards which support digital processing and Blueprint 2 (BP2)

BP2 enhances Ruschlikon processes at data entry and settlement levels

ACORD standards are imperative, widely adapted

DXC / the Joint Venture is building and delivering the Blueprint for London Market and global markets

Sequence 2 services are ready now and Singapore is seen as an ideal hub for them; building on Ruschlikon's success.

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