LMA GUIDE TO CLAIMS

CURRENT CLAIMS PROCESSES AND RELATED CLAIMS ACTIVITY

JULY 2015

INSIGHT CONSENSUS INFLUENCE

AN INTRODUCTION TO THIS EDITION

Welcome to the new edition of the LMA Guide to Claims.

In the comments that you provided last year it became apparent that while some elements of the claims activity were well understood, there is a growing desire to also understand the bigger picture, and how everything fits together, in addition to an overview of current initiatives.

This Guide covers both current processes and change activity within claims. In addition, further appendices have been added to provide useful information.

We recognise that the inclusion of additional information increases the overall size of the Guide and have sought to balance ease of reading with appropriate levels of detail by including visuals, increasing the use of hyperlinks within the Guide, and by providing a guide to resources.

We very much welcome your feedback on the claims edition. Is it easy to use? Is there any key content that you feel is missing? Please send your feedback to Sharyn Butcher (sharyn.butcher@lmalloyds.com).

Robert Gregg

Head of Claims

STRAIGHT TO THE POINT

The table below gives an overview of what the hot topics and initiatives are in the claims community. Click on the link to get more information.

Topic	Overview	Link to detail
LMACC Workplan	The LMACC have completed their workplan for 2015, which provides a summary of each objective along with the owners.	3.1.3
Expert Database	The Expert Database is designed to reduce multiple due diligence information requests from Managing Agents and increase efficiency around the collection and validation of generic operational information.	7.1
Expert Management	A project to improve the markets ability to manage its experts and expert spend.	7.2
SLA & Performance Monitoring	Provides detail on the development of a consistent minimum set of claims service levels for TPAs and an accompanying minimum set of claims performance management information reported by the TPAs to Managing Agents that have appointed them.	7.3
ECF Write Back	A project to deliver functionality that offers carriers the ability to review and respond to a claim in their own system, interfacing with central market systems – CLASS/IMR/ECF.	10.4
ECF Binder Enhancement	A project to deliver functionality that brings binder claims into the scope of ECF.	10.5
ECF Releases	Provides details of the three additional changes that are scheduled for release in 2015.	10.8
CRS Data Packs	The Lloyd's insurance market Claims Reporting Suite (CRS) is a series of interactive web based apps available for both Lloyd's and managing agents.	6.2
Delegated Authority Operating Committee (DAOC)	As a result of the introduction of Conduct Risk, Solvency II and Pillar 3, the Lloyd's claims reporting standard has been updated.	7.3
XCS Enhanced Services	Since the completion of the CAF service to the market, some sector groups have identified areas where additional services are needed / required from Xchanging that will benefit their process which are not provided under the Core Processing Agreement.	3.2
Sector Group Update	Provides details of each Sector Group and what their current priorities are along with a link to the latest minutes.	3.3 to 3.16 or Link to update

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1. INTRODUCTION

1.1. PURPOSE OF THE GUIDE

This guide aims to assist claims practitioners understand current processes, including the related infrastructure and governance.

The over-arching goal is to provide a balance between details and brevity with background detail and, where appropriate, plans, milestones and status of work in progress. Links are provided to sources of further detail on each topic.

The guide is not intended to be a technical manual detailing 'how to do' activities, but seeks to provide an over-view with 'signposts' to further information for readers who require detailed explanations or instructions.

1.2. WHAT THE GUDE INCLUDES

The guide includes high level summaries of major claims processes and change activities including:

- details of who 'owns' and manages each activity
- details of where to find further information
- a summary of modernisation achievements to date
- a glossary of terms, acronyms and initialisms.

It is updated quarterly to show the current status of each activity.

1.3. LAYOUT OF THE GUIDE

The guide is split in to four key sections:

1. this introduction
2. an overview of current market processes
3. details of change projects being progressed to modernise current processes
4. a series of appendices.

The appendices provide further supporting information covering:

- the claims committee structure and terms of reference documents
- the glossary of market processing terms
- an overview of the current and future process.

The guide covers London market processes in the context of three communities:

- bureau – Lloyd's market
- bureau – companies market
- non-bureau – Ruschlikon UK.

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2. LMA CLAIMS TEAM

2.1. OVERVIEW OF THE LMA

The Lloyd's Market Association (LMA) represents the interests of the Lloyd's community, providing professional and technical support to our members. All managing and members' agents at Lloyd's are full members, who together manage a gross premium income of around £26 billion in 2015. Through the LMA, their interests are represented wherever decisions need to be made that affect the market.

The purpose of the LMA is to identify and resolve issues which are of particular interest to the Lloyd's market. We work in partnership with the Corporation of Lloyd's and other market-related associations to influence the course of future market initiatives.

Through the LMA claims team's technical expertise, they provide day to day support for each of the class of business claims sector groups, as well as the LMA Claims Committee, Head of Sector and Claims Operations groups.

The team also lead on a number of strategic and specific market projects offering project management resource and support.

2.1.1. Key facts about the LMA and it's claims team

1. We are separate from the Corporation of Lloyd's.
2. We are a membership organisation representing the managing agents.
3. We lead and support projects and initiatives to influence change in the market.
4. Change can only be affective with the support of our members – you!
5. If you need any guidance on claims issues let us know – if we can't help, we'll know someone who can.

2.2. INDIVIDUALS AND RESPONSIBILITIES

2.2.1. Tim Willcock, Director – Operations

Tim Willcock joined the Lloyd's Market Association (LMA) in October 2000, holding a number of positions in underwriting and claims before becoming Director, Operations in January 2015. He is part of the association's senior management team whose role is to set the direction and drive the performance of the LMA.

Tim ensures that the interests of the Lloyd's market underwriting and claims communities are effectively represented in order to influence the Corporation and external groups and government agencies. He manages the technical expertise and resource to actively identify issues and provide solutions to assist members' underwriting and claims activities through working closely with project teams, committees and business panels. Tim's responsibility also extends to running the operational activities of the LMA, including: financial controls, budget, IT, premises and HR.

Prior to joining the LMA, Tim worked for 13 years at Laurence Philipps Agencies Ltd underwriting a mix of marine and specie business before moving to P B Coffey (Underwriting Agency) Ltd for four years, the last two of which he was appointed as Claims Manager. Tim then moved to Lloyd's Insurance Services as part of the Lloyd's Claims Office for three years and then two years as a Customer Relationship Manager.

2.2.2. Robert Gregg – Head of Claims

Robert joined the Lloyd's Market Association in July 2010, holding a number of positions in the claims team before becoming Head of Claims in January 2015. He is also part of the LMA's executive committee.

Robert provides the day to day support to the LMA Claims Committee and the Central Services Refresh Board, which governs the XCS contract, as well as established claims committees and business panels. Robert is also leading on a number of strategic and specific market projects including the TPA Database and a strategic review of the systems and claims process for the London market.

Prior to joining the LMA, Robert's 20 years experience in the London market has included positions at Willis (Non Marine Claims and Global Claims Platform Project), THB (Claims and Operations Director) and Xchanging (Broker Customer Relationship Manager).

2.2.3. Jonathan Webster – Claims Consultant

Jonathan began his underwriting career in 1971 working in both Lloyd's and the company market. Between 1987 and 1993 he was deputy underwriter on R.W. Sturge marine syndicate 203 after which he was appointed manager of the Run Off Underwriting and in –house broking and technical claims team at Equitas.

In 2005 Jonathan joined the claims team at the LMA becoming Head of Claims in 2012 until handing over to Robert Gregg in January 2015. More recently he has assumed the role of heading up the underwriting team taking responsibility for managing the day to day activities as well as ensuring that the underwriting panels and committees are operating effectively.

In addition, Jonathan provides the majority of day to day support to the established claims committees, specifically the Binding Authority Claims Group (BACG) and LMA Energy Claims Group (LMAECG) and is also leads on a number of strategic and specific market issues as and when they arise.

2.2.4. Ruth Cameron-Errington – Senior Executive, Claims

Ruth joined the LMA in March 2012 having begun her career in insurance at General Accident in 1998. Before joining the LMA, Ruth spent nine years at General Re dealing with large casualty losses. She administers the LMA claims groups for Marine, Aviation, FI/PI and PA, as well as coordinating the LMA LIIBA U35s Claims Group activities.

2.2.5. Lee Elliston – Senior Executive, Claims

Lee joined the LMA in July 2013 having previously worked at Catlin since 2009 within claims and operations, as well as working on a number of internal and external projects such as CTP and ECF2. Prior to this, Lee spent seven years at Willis and Guy Carpenter in claims roles with a high involvement in the implementation of ECF.

Lee provides day to day support for the property and casualty claims sector groups and is chairman of the ECF User Group. Lee also leads on a number of ECF, operations and process related market projects and initiatives.

2.2.6. Sharyn Butcher – Senior Executive, Claims

Sharyn joined the LMA in February 2015 following seven years at Willis in operational roles, namely Claims Operations. Prior to joining Willis, Sharyn started her insurance career in Australia in 2001. Sharyn provides support and expertise for a number of the claims team's key activities including Electronic Claim File, performance initiatives, data and sector group meetings.

2.2.7. Carly Schwarz – Executive Secretary, Claims

Carly joined the LMA in July 2014 after being in the market since 2009 working as a Claims Assistant/Team Secretary at a run off syndicate, followed by two years at Willis as Personal Assistant to the Head of Inspace. Carly provides overall assistance to the claims team as well as assisting in the administration of the U35s Claims Group and LMA events group.

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3. LLOYD'S MARKET ASSOCIATION CLAIMS COMMITTEES

3.1. LMA CLAIMS COMMITTEE (LMACC)

3.1.1. Role

The role of the group is to provide leadership and direction for the Lloyd's claims community and to advise the LMA Board on strategic claims matters.

3.1.2. Members of the LMACC

Mike East – QBE (Chairman)
Ashley Lawrence – Argo
Charles Glaisher – Faraday
Simon Catt – Mitsui
Sharon Long – XLCatlin
David Thompson – Argenta
Simon White – Apollo
Tony Rai – Hiscox
Robert Kastner – Newline
Richard Foulger – Aegis
Anthony Hobkinson – Beazley
Hannah Purves – Markel
Andrew Mitchell – W R Berkley

3.1.3. Workplan

The LMACC workplan for 2015 consists of the following key objectives:

Objective	Summary	Owner
Talent	• To ensure an adequate pool of new and existing skilled claims handlers are available to the market • To provide claims input to all Talent initiatives run by Lloyd's and LMA which impact on claims • To promote claims as a profession • To create a pathway for claims leadership	Sharon Long Simon White
Systems and Processes	• To introduce an improved claims process with supporting systems capability For more information refer to section 10.3	Mike East
Broker Engagement	• To influence LIIBA and individual brokers on issues of concern or common interest	Mike East Anthony Hobkinson
Expert Management	• To improve the markets ability to manage its experts and expert spend For more information refer to section 8	Hannah Purves Robert Kastner Richard Foulger
Claims Performance	• Analysing performance data with the intention to see how we can improve claims service and performance from the Lloyd's market	Charles Glaisher Simon Catt Phil Godwin
Central Services Refresh Programme (CSRP)	• To provide claims input and direction For more information refer to section 10.2	Mike East David Thompson Ashley Lawrence
Market Modernisation	• To validate and agree any future market modernisation initiatives	Anthony Hobkinson Richard Foulger Tony Rai
Head of Claims Engagement	• To ensure all MA Heads of Claims have regular opportunity to engage on issues and subjects of interest	All
Sector Groups	• To improve awareness of activity and issues by better two-way communication between LMACC and sector groups For more information refer to sections 3.3 to 3.16	David Thompson
Delegated Authority	• To have oversight and understanding to be able to input and influence strategic direction For more information refer to section 7	Tony Rai

Further information

Please click here to view the full LMACC Workplan for 2015.

Please click here to see the most recent minutes for this group (LMA members only).

LMA contact – Robert Gregg: robert.gregg@lmalloyds.com

3.2. CLAIMS SERVICE REVIEW BOARD (CSRB)

Background
Following the Claims Transformation Programme (CTP), the CAF Services were put into run off and the LMA/CSRB required Xchanging to enter into a Core Processing Agreement with effect from 1 June 2014. The Core Processing Agreement replaces the TP Services provided under the Existing Agreement.

Click here to see the current contract.

Topic	Overview	Link to detail
Roles and responsibilities	Roles and responsibilities have been defined under the Core Processing Agreement to set ensure all parties are clear in terms of what they will be responsible for going forward.	Link to spreadsheet Link to guidance
Thresholds and triage	When triaging a claim for CTP, there are a number of considerations that need to be made that are either financial or non-financial.	Link to guidance
Enhanced services	Since the completion of the CAF service to the market, some sector groups have identified areas where additional services are needed/required from Xchanging that will benefit their process which are not provided under the Core Processing Agreement. There are currently three enhanced service agreements in place with Xchanging.	Link to Aviation schedule Link to Binders schedule Link to Bloodstock schedule

Governance
The Processing contract is governed by the CSRB but signed by individual managing agents.

Further information
LMA contact – Robert Gregg: robert.gregg@lmalloyds.com

3.3. HEAD OF SECTOR GROUP (HOSG)

Background
The HOSG is comprised of the Chairs from each of the LMA sector committees. Its primary aim is to act as an interface between the sector committees and the Lloyd's Market Association Claims Committee (LMACC) to whom it reports.

Chair – David Thompson (Argenta)

Further information
Please click here to see the most recent minutes for this group (LMA members only).

LMA contacts – Robert Gregg: robert.gregg@lmalloyds.com
Ruth Cameron-Errington: ruth.cameron-errington@lmalloyds.com

3.4. CLAIMS OPERATIONS MANAGER GROUP (COMG)

Background

The Claims Operating Managers Group (COMG) consists of representatives from managing agencies who have responsibility for the day to day operational activities within their agency. The group works closely with the Head of Sector group and reports directly to the LMA Claims Committee.

Chair – Philip Nastri (Brit)

Deputy Chair – Andy Stevenson (Hiscox)

Key initiatives

The key initiatives that the COMG are focusing on for 2015 in order of priority are:

Initiative	Summary	Document Link
Expert Management	Sharing performance information, audit reports/costs, contracts and price information	Link to analysis & recommendations
TBA Management	Systems, processes developed, targets set	Link to analysis
TPA Management	Sharing performance information, audit reports/costs, contracts, price information, loss fund management	N/A
Static Claims	Systems, processes used, targets set, use of external providers vs internal	Link to protocols Link to process
File Audits	Volume, process, internal Vs external – peer vs managerial how results are used for development	N/A – available once output complete
Payments	• External providers (Fees Direct+, Bottomline etc.) • KPIs, what KPIs really drive performance, how are they measured, managed to • Speed of settlement - what targets are set and managed to and how	Link to analysis

Further information

Please click here to see the most recent minutes for this group (LMA members only).

LMA contact – Lee Elliston: lee.elliston@lmalloyds.com

3.5. ECF USER GROUP

Background

The Electronic Claim File User Group (ECFUG) provide a forum for sharing user experiences and the development of best practice for the benefit of the ECF user communities. It is also responsible for monitoring and tracking performance of ECF and IMR.

Chair – Lee Elliston (LMA)

Key initiatives

The key initiatives that the ECFUG are focusing on for 2015, in order of priority, are:

Objective	Summary	Current Status	Document Link
Write Back	Functionality that offers carriers the ability to review and respond to a claim in their own system, interfacing with central market systems – CLASS/IMR/ECF	Phase 1 is on schedule to be implemented by the early adopters in September 2015	Link to presentation
Binder Enhancement	Functionality that brings binder claims into the scope of ECF	Development is on schedule to be delivered in September 2016	N/A
June Release	The implementation of broker contacts and cause loss codes	Has been implemented in June 2015	Link to Xchanging communication
ECF Migration	The implementation of Claims Awaiting Action Search to fill the gap for users who have not yet adopted ECF2	The proposal is to deliver this change within 2016 and decommission ECF1	N/A

Further information

More information and access to technical documents is available on the ECF User Group website http://www.ecfinfo.eu/technical/.
Access is granted by using your ECF2/SSO username and password.

The ECF Roadmap for Change will provide key dates for change into 2017.

Please click here to see the most recent minutes for this group (LMA members only).

LMA contact – Lee Elliston: lee.elliston@lmalloyds.com

3.6. ECF BEST PRACTICE GROUP

Background

The ECF Best Practice Group (ECFBPG) communicates any significant issues and ECF best practice amongst the ECF Groups and the broad market community.

The ECF Focus Group (ECFFG) is a sub-group of the ECFBPG that is responsible for the analysis and delivery of initiatives identified through the ECFUG and/or the ECFBPG.

Chair – Katherine Fraser (Talbot)

Key initiatives

The key initiatives that the ECFFG are focusing on for 2015, in order of priority, are:

Objective	Summary	Current Status	Document Link
Training and perception	Three work streams have been created to improve training and perception in claims. These are: • online training and certification • training events and master classes • document refresh	The content building workshops commence in July for the master classes and online training	Link to article
Claim Lifecycle	An ECF working group was created to analyse query data, determine trends, identify process challenges and system constraints. The group used this analysis to develop and recommend improvements and possible solutions	The recommendations paper has been approved and will now progress to the next stage	Link to analysis and recommendations

Further information

More information and access to technical documents is available on the ECF User Group website http://www.ecfinfo.eu/technical/. Access is granted by using your ECF2/SSO username and password.

Please click here to see the most recent minutes for this group (LMA members only).

LMA contact – Sharyn Butcher: sharyn.butcher@lmalloyds.com

3.7. AVIATION CLAIMS GROUP

Background

The LMA Aviation Claims Group (ACG) provides a platform for claims practitioners to discuss common issues and make recommendations for implementation across the class of business. The ACG also reports to the Lloyd's Market Association Claims Committee (LMACC) and LMA Aviation Committee on aviation claims matters as, and when, appropriate.

The LMA Aviation Claims Forum (ACF) was formed in March 2011 and provides a strategic platform to discuss major topics and change within the London market. The main leaders of aviation are represented on both the ACG and ACF with meetings held on a monthly basis with regard to the ACF and quarterly for ACG.

Joint Chairs – Debra Johnson (Faraday) and Mark Walden (W R Berkley)

Key initiatives

The key initiatives that the ACG are focusing on for 2015 in order of priority are:

Objective	Summary	Current Status	Document Link
Create London Aviation Terms of Engagement with adjusters	With the new Intermediaries Bye-Law for central recording of TPA's being used within the market, it was felt that it may soon include all third party experts and lawyers Other sector groups have successfully developed STOE's, so the Aviation community created a working group to develop Adjusters would benefit from a terms of engagement as they currently work to varied instructions from individual carriers	The document is now in it's final draft and being discussed with the key adjusting firms	Will be provided once complete
Create the FDO Best Practice Guide	For many years now 'false' FDOs have been used in the Lloyd's market as a way to group together related claims where there is not a system solution to this. A document is being designed to give brokers and managing agents some guidance as to when FDOs can and cannot be used	The document is now in it's final draft and being reviewed by the ACG and Xchanging	Link to latest draft

Further information

Please click here to see the most recent minutes for this group (LMA members only).

LMA contact – Ruth Cameron-Errington: ruth.cameron-errington@lmalloyds.com

3.8. BINDING AUTHORITY CLAIMS GROUP (BACG)

Background

The LMA BACG is supported by the majority of managing agents underwriting binding authorities. It provides a representative forum which allows, where appropriate, discussion of common issues and concerns within the binding authority market. The group reports to the LMA Claims Committee.

The LMA Binding Authority Strategic Claims Group (BASCG) provides a strategic platform to discuss major topics and change within the London market. The main leaders of binders are represented on both the BACG and BASCG.

Chair – Lee Bennett (Tokio Kiln)
Deputy Chair – Clark Hanness (Brit) and Neil Read (Argo)

Key initiatives

The key initiatives that the BACG are focusing on for 2015, in order of priority, are:

Objective	Summary	Current Status	Document Link
Expert Database: Commencement of Phase 3	The Expert Database is designed to reduce multiple due diligence information requests from Managing Agents and increase efficiency around the collection and validation of generic operational information Phase 1 focussed on Levels 1 and 2 which was to hold TPA names and addresses as well as provide collated responses from the due diligence questionnaires required by Lloyd's and compliant with the minimum requirements outlined in the Intermediaries Byelaw respectively Phase 2 focussed on Levels 3 and 4 which was added security at an individual managing agent level and catered for shared services and performance monitoring respectively Phase 3 of the project is focusing on reporting functionality with the working group collectively looking at producing a standard reporting pack	Phase 3 has now commenced with a pilot to agree a process to adopt for Shared Audits. Pilot phase has been incorporated into business as usual and best practice guidelines will be issued Q4 2015	Link to RFP
Input into the Delegated Authority Operating Committee (DAOC)	The DAOC are assisting Lloyd's with their input into the Lloyd's Target Operating Model (TOM). The DAOC are now entering a phase to gather lower level requirements	The DAOC have developed their TOM and are engaging with claims as appropriate	Link to priorities paper
Review of the Claims Process for Delegated Authorities – Reduction of Touchpoints	Having established current practice, Lloyd's and the LMA aim to identify and recommend any changes to the current bordereaux checking process to reduce the average processing time and more importantly the duplication of effort	This work has been included within the DAOC and LMG/Lloyd's TOM	Link to paper

Further information

Please click here to see the most recent minutes for this group (LMA members only).

LMA contacts – Robert Gregg: robert.gregg@lmalloyds.com
Jonathan Webster: jonathan.webster@lmalloyds.com

3.9. ENERGY CLAIMS GROUP

Background

The LMA Energy Claims Group (LMAECG) was set up in 2008 and provides a representative forum which allows, where appropriate, discussion of common issues and concerns within the energy market. The LMA arranges up to six meetings a year and the Group reports directly to the LMA Claims Committee.

Chair – Paul Stratton (Watkins)
Deputy Chair – Gavin Williams (Hiscox)

Key initiatives

The key initiative that the LMAECG are focusing on for 2015 is:

Objective	Summary	Current Status	Document Link
Elective Services	Determine need for any energy specific elective services and the offerings available from service providers	Xchanging are scoping a proposal to present back to the group	N/A

The LMAECG has also recently implemented the Lillehammer Terms of Engagement 2014 (LMA 9100).

Further information

Please click here to see the most recent minutes for this group (LMA members only).

LMA contact – Jonathan Webster: jonathan.webster@lmalloyds.com

3.10. FINANCIAL INSTITUTIONS AND PROFESSIONAL INDEMNITY CLAIMS COMMITTEE

Background

The LMA Financial Institutions & Professional Indemnity Claims Committee (FIPICC) was set up in 2010 to provide a representative forum to allow, where appropriate, discussion of common issues and concerns within the financial institutions and professional indemnity market. The LMA arranges ten full meetings a year and the Group reports directly to the LMA Claims Committee.

Chair – Fiona Sperry (Canopius)
Deputy Chair - Peter Holland (Novae)

Key initiatives

The key initiatives that the FIPICC are focusing on for 2015, in order of priority, are:

Objective	Summary	Current Status	Document Link
Explore possibility of a Terms of Engagement with lawyers	The group have developed a draft billing section	To be reviewed by FIPICC	N/A
Developing Guidelines for Dealing with Excess of Tower Claims	A sub-group has been formed to develop these guidelines	Draft guidance is being generated	N/A

Further information

Please click here to see the most recent minutes for this group (LMA members only).

LMA contact – Ruth Cameron-Errington: ruth.cameron-errington@lmalloyds.com

3.11. REINSURANCE CLAIMS GROUP

Background

The Lloyd's Reinsurance Claims Group (LRCG) was set up in 2006 and provides a representative forum which allows, where appropriate, discussion of common issues and concerns within the reinsurance market. The group meets bi-monthly and reports directly to the LMA Claims Committee.

Chair – Chris O'Shea (Montpelier)
Deputy Chair - Richard Woodhams (Faraday)

Reinsurance Casualty Claims Group

A Reinsurance Casualty Claims Group (RCCG) was set up in April 2014 to address casualty specific issues.

Chair – Mark Johnson (Liberty)
Deputy Chair - Ben O'Neill (Amlin)

Further information

Please click here to see the most recent minutes for this group (LMA members only).

LMA contact – Lee Elliston: lee.elliston@lmalloyds.com

3.12. MARINE CLAIMS GROUP

Background

The LMA Marine Claims Group (LMAMCG) was set up at the beginning of 2010 and provides a representative forum which allows, where appropriate, discussion of common issues and concerns within the Lloyd's marine market. The LMAMCG also works in conjunction with the Joint Marine Claims Committee. The LMA arranges meetings throughout the year and the Group reports directly to the LMA Claims Committee.

Chair – Paul Cunningham (Talbot)
Deputy Chair - James Short (Ascot)

Key initiatives

The key initiatives that the LMAMCG are focusing on for 2015, in order of priority, are:

Objective	Summary	Current Status	Document Link
Sanctions checking	Enhancing the understanding of sanction checks for leader and follow markets	Lloyd's to present overview at the next LMAMCG	N/A
Universities initiative	To address the lack of Marine Claims Adjusters in the London market	Contact has been made with universities offering Marine Law courses with a view to introducing them to the workings of the London market	N/A

Further information

Please click here to see the most recent minutes for this group (LMA members only).

LMA contact – Ruth Cameron-Errington: ruth.cameron-errington@lmalloyds.com

3.13. JOINT MARINE CLAIMS COMMITTEE

Background

The LUA Claims Committee was formed in 1996. It became increasingly apparent that the work it was doing tied in very closely with that of the IUA's marine claims committee so in 2005, the two committees merged to save duplication of effort. As a result, the Joint Marine Claims Committee (JMCC) draws its membership from both the Lloyd's and company markets, so LMA and IUA members writing marine business are eligible for membership.

Chair – Steve Hill (XL Catlin)
Deputy Chair – Dean Allen (Hiscox)

Key initiatives

The key initiative that the LMAECG are focusing on for 2015 is:

Objective	Summary	Current Status	Document Link
Universities initiative	To address the lack of Marine Claims Adjusters in the London market	Contact has been made with universities offering Marine Law courses with a view to introducing them to the workings of the London market	N/A

Further information

LMA contact – Ruth Cameron-Errington: ruth.cameron-errington@lmalloyds.com

3.14. PERSONAL ACCIDENT CLAIMS COMMITTEE

Background

The Personal Accident Claims Committee (PACC) was set up in 2012 and provides a forum for discussion of common issues and concerns in the PA market. There are six scheduled meetings per year and the group reports directly to the LMA Claims Committee.

Chair – Mark McDougall (Travellers)
Deputy Chair – Sarah Nicholls (Argo)

Key initiatives

The key initiative that the LMAECG are focusing on for 2015 is:

Objective	Summary	Current Status	Document Link
Conduct Risk and Complaints	Ongoing work in these areas to fully understand the implications for the PA market as they are particularly exposed	Ongoing	N/A

Further information

Please click here to see the most recent minutes for this group (LMA members only).

LMA contact – Ruth Cameron-Errington: ruth.cameron-errington@lmalloyds.com

3.15. PROPERTY INSURANCE CLAIMS GROUP

Background

The Property Insurance Claims Group (PICG) provides a representative forum which allows, where appropriate, discussion of common issues and concerns within the property market. The group meets monthly and reports directly to the LMA Claims Committee.

Chair – Stuart Wright (Ascot)
Deputy Chair – Tobin Ryan (Kiln)

Key initiatives

The key initiatives that the PICG are focusing on for 2015, in order of priority, are:

Objective	Summary	Current Status	Document Link
Develop a CAT Framework	To document the groups role in the event of a catastrophic loss	Now complete and the group will be engaging with Lloyd's	Link to plan
Claims Conference	To address and discuss salient issues that are relevant to the Property sector both in London and on an international basis	The conference took place 14th May 2015	http://www.picgconference.com/
Loss Adjusters Secondment Programme	The group have established a regular exchange of appropriately selected claims professionals between participating MA's and the three Loss Adjusting companies (McLarens, Vericlaim & York) who participate in the US Loss Adjuster Retention Initiative	Adjusters have agreed to spend time with MA's in 2015	Link to business plan
Elective Services	Determine need for any property specific elective services and the offerings available from service providers	The service has been agreed by the group with a start date of 1 August 2015	N/A

Further information

Please click here to see the most recent minutes for this group (LMA members only).

LMA contacts – Jonathan Webster: jonathan.webster@lmalloyds.com
Lee Elliston: lee.elliston@lmalloyds.com

3.16. LLOYD'S MARKET STRATEGIC CLAIMS GROUP

Background

Following recommendations from the Lloyd's Market Strategic Claims Group (LMSCG) in Q1 2013, a number of Sector Groups have been reviewing their frameworks in place for assisting, monitoring and co-ordinating (where relevant) their Sector level response to Catastrophe loss situations.

The drivers for the LMSCG's recommendations are various, but include changes from within our market i.e. the revised claims agreement model under the 2010 Combined Claims Scheme (CTP) and outside influences such as the nature, complexity, frequency and location of recent 'global' catastrophe events, increased regulatory focus and competitor activity.

The LMSCG meet on a quarterly basis and will increase activity during the respective CAT seasons and in the event of a major loss.

Catastrophe plans are in place for Property, Reinsurance and Binders.

For a code to be issued (CAT, Large Loss or Tracking), the LMSCG consult with the market and the LMA Sector Groups. If agreed, the relevant code is issued.

Chair – Philip Godwin (Lloyd's)
Deputy Chair – Ruth Cameron-Errington (LMA)

Further information

LMA contact – Ruth Cameron-Errington: ruth.cameron-errington@lmalloyds.com

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4. REGULATION AND COMPLIANCE

4.1. CONDUCT RISK

Background
The Franchise Board is concerned to protect the interests of Lloyd's customers. It has therefore issued minimum standards that are designed to meet the requirements of the Financial Conduct Authority and to provide practical guidance for their implementation having particular regard to the operation of the Lloyd's market, the roles of brokers and intermediaries, the roles of leaders and followers in the Lloyd's market and the roles of coverholders and service companies in the distribution of products.

Click here for more information

Governance
This is governed by Lloyd's.

Further information
LMA contact – Steve Morrell: steve.morrell@lmalloyds.com

4.2. LLOYD'S CLAIMS MANAGEMENT PRINCIPLES AND MINIMUM STANDARDS

Background
These are statements of business conduct required by Lloyd's. The Minimum Standards and Principles are established under relevant Lloyd's Byelaws relating to business conduct. All managing agents are required to meet the Minimum Standards and Principles. The requirements represent the minimum level of performance required of any organisation within the Lloyd's market to meet the Minimum Standards.

The guidance provides a more detailed explanation of the general level of performance expected. They are a starting point against which each managing agent can compare its current practices to assist in understanding relative levels of performance. This guidance is intended to provide reassurance to managing agents as to approaches which would certainly meet the Minimum Standards and Principles, and comply with the requirements. However, it is appreciated that there are other options which could deliver performance at or above the minimum level and it is fully acceptable for managing agents to adopt alternative procedures as long as they can demonstrate the Requirements to meet the Principles and Minimum Standards.

Click here for more information on guidance.

The eight principles are:

- claims philosophy
- resources, skills and management controls
- claims adjustment and management
- documentation
- claims reserving
- management of external service providers
- performance measurement
- claims agreement for subscription business.

Governance
This is governed by Lloyd's.

Further information
LMA contacts – Robert Gregg: robert.gregg@lmalloyds.com
Jonathan Webster: jonathan.webster@lmalloyds.com

4.3. LLOYD'S CLAIMS MANAGEMENT SUMMARY (LCMS)

Background

Lloyd's Claims Management Summary (LCMS) replaces the LCM and came into effect from 1 January 2015. It is a tool designed to assist the Lloyd's claims team in monitoring the performance of the Lloyd's market and to assist that team in fulfilling their governance role.

There are three distinct sections within the revised LCMS:

- Managing agent profile - this section is designed to provide information about the managing agent (MA) to allow for meaningful interpretation of the rest of the document
- Claims Principles and Minimum Standards (CPMS) Indicators - this section captures information which can be considered an indicator of compliance with a number of elements of the CPMS. This section is kept separate from the third section as it focuses on the claims management framework in place, rather than the operational performance of that framework
- Operational Performance Data - this section captures performance indicators of the MA at an operational level.

The LCMS is built around a 'RAG' rating approach, whereby all key elements have clearly defined parameters – there is no overall % scoring - this means that, rather than an implied aim of reaching 100% the aim is based around achieving Green measures - thereby suggesting a degree of compliance with some areas of the CPMS.

Governance

This is governed by Lloyd's.

Further information

LMA contacts – Robert Gregg: robert.gregg@lmalloyds.com
Jonathan Webster: jonathan.webster@lmalloyds.com

4.4. CLAIMS FILE REVIEW

Background

The Claim File Review has been developed to establish a consistent and comparable view of the quality of Lead claims handling by managing agents when measured against the requirements of Lloyd's Claims Management Principles, Minimum Standards and Requirements (MS2 – Claims Management).

These requirements include but are not limited to:

- taking actions to resolve claims on their merits and in reasonable timeframes, having regard to the circumstances of the claim
- providing an appropriate level of service to brokers or policyholders in the circumstances of the claim
- providing an appropriate level of communication of actions and progress to brokers and policyholders where appropriate
- taking appropriate steps in the appointment and oversight of (Managing Agents) third party experts
- identifying, monitoring and pursuing, where appropriate, rights of subrogation and salvage
- ensuring that claims reserving undertaken is consistent, timely and accurate.

Governance

This is governed by Lloyd's. Lloyd's contact - Phil Godwin, Head of Claims.

Current status

A pilot review of 12 managing agents has commenced to test:

- the capability of a file review process
- relevant review template
- process
- quality of reviewers
- feasibility for wide scale implementation.

The findings from this pilot will be reviewed at the LMA Claims Committee and a decision made regarding next steps.

Further information

LMA contact – Robert Gregg: robert.gregg@lmalloyds.com

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5. CLAIMS

5.1. CLAIMS AGREEMENT

Background

Bureau

History
The companies market moved from paper to an electronic claims agreement and settlement model in the late 1980s with the introduction of the CLAMS and ELASS systems. In 1999 these systems were combined into the Claims Loss Advice and Settlement System (CLASS) which is now the basis of London electronic market claims handling. However, CLASS only provides storage for data.

The Lloyd's market commenced migration from paper to electronic processing in the mid-2000s. At that time the LMA commissioned XIS to provide an integrated service to managing agents, the Electronic Claim File (ECF), which is the combination of the IMR and CLASS, supporting the storage of both claims documents and data. Usage stands at 95%+ of Lloyd's claims and at 85% for non-Lloyd's claims.

ECF (and ECF2)
Note - during 2011 a programme of ECF enhancements providing significant new functionality were delivered as 'ECF2'. While some user functionality only exists in ECF2, the terms ECF and ECF2 are inter-changeable in the context of the market's ability to process claims electronically.

ECF allows brokers to supply an entire claim file electronically to all insurers at the same time. All insurers therefore have concurrent, contemporaneous access to the claim file - eliminating the need for the broker to serially present the claim file to different insurers individually. The major benefit of this is that it reduces the length of the overall claim lifecycle, from first advice to settlement, providing customers with a greatly improved service.

ECF also provides support for legacy claims, that is claims that were originally initiated on paper. The claims history is scanned into ECF and then managed electronically. CTP Legacy Scanning Service has enabled 'in-scope' Lloyd's claims to be transferred to ECF for all classes. For more information, refer to http://www.ecfinfo.eu/technical/legacy/.

In the companies market the claims not handled via ECF will still be managed electronically through CLASS but without the added support of electronic document storage.

It should be noted that Lloyd's agreed claims are subsequently processed and settled manually through XCS whereas company market agreed claims are automatically settled through the LPC settlement process.

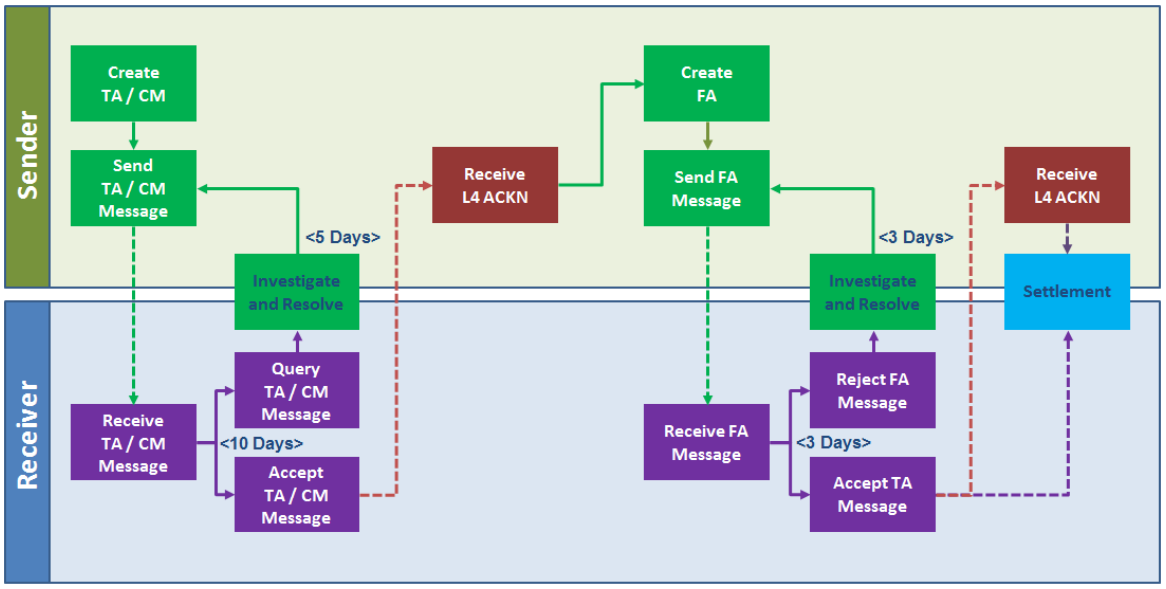
More information on ECF is available on the ECF User Group website: www.ecfinfo.com.

Non-bureau
The non-bureau community claims processes accounting insomuch that while standardised claims processing has existed in the bureau community for many decades, the process in use by the non-bureau community has been more fragmented and has evolved by agreement with counter-parties using a variety of methods and media to share accounting information.

However, Ruschlikon's adoption of the ACORD GRLC standard supports the ECOT claims message which has been implemented by a small group of brokers and carriers with the expectation that wider adoption will occur in both the non-bureau and bureau communities.

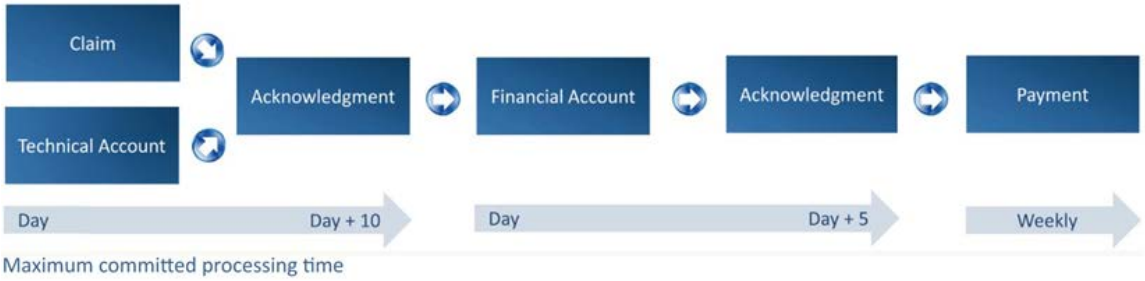
The diagram on the next page provides an overview of the Ruschlikon process.

Ruschlikon process



Note: For every Claim Movement (CM) there is a corresponding Technical Account (TA).

Ruschlikon has also introduced best practices concerning maximum processing time, as shown below:



Governance

Bureau
Governance relating to ECF sits with the ECF User Group (ECFUG) which reports to the Associations Administration Committee (AAC).

The ECFUG is made up of representation from Lloyd's managing agents, Brokers, Companies, Lloyd's and XIS. Focusing on issues raised by the market and from feeder groups, the ECFUG makes recommendations on process and technical issues and requirements for the AAC's consideration. The group's website is: www.ecfinfo.com.

Non-bureau
ACORD co-ordinates the Ruschlikon global communities by facilitating the following groups and communities:

- the Ruschlikon Steering Group
    - determines the objectives, strategy and vision
    - works in close cooperation with all stakeholders
    - globally coordinates activity with other representative group

- the Business Implementation Group (BIG)
    - evaluates and refines enhancements
    - agrees on process and workflows
    - maintains the Global (Re)Insurance Best Practices – Accounting claims and Settlement

- geographic insurance communities
    - North America E-Business Group - the USA and Canada
    - Ruschlikon UK – the London and UK non-bureau market
    - Bermuda Ruschlikon Steering Group - Bermuda
    - Ruschlikon Asia-Pacific - Singapore and South East Asia
    - Ruschlikon Australasia – Australia

- the Ruschlikon Global Marketing Group is responsible for helping regional implementation communities organise events and produces marketing literature, video and webinars.

Linkages and dependencies

Bureau
The ECFUG has initiated a project, Write Back, to add additional functionality to ECF to provide carriers with the flexibility to either manage claims in their own systems which, in turn, interface to ECF. Alternatively carriers will still be able to log onto the ECF system and manage claims directly via ECF. Further details of this project are provided in section 10.4.

While not a market modernisation work stream *per* se, under the AAC-administered IMR Agreement, XIS are planning an upgrade to the IMR in 2016 which will include a number of changes including the retirement of 'ECF1'. Details are provided in section 10.9.

Further information

Bureau
LMA contact – Lee Elliston: lee.elliston@lmalloyds.com

Non-bureau
Ruschlikon community – see the ACORD website

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6. CLAIMS TRANSFORMATION PROGRAMME

Background

This initiative responded to the market's debate about future claims handling with an aim to enhance Lloyd's reputation for fair and fast claims handling and to place claims on a par with underwriting in terms of creating competitive advantage for firms and the market as a whole.

Claims are triaged into either Standard or Complex categories by applying a set of financial and non-financial triggers. For Complex claims the financial trigger is £250,000 for all classes, except property treaty and energy claims where the trigger is £500,000. All claims involving a coverage dispute must be triaged as Complex. The Lloyd's leader acts as the single agreement party for Standard claims and will bind the following Lloyd's market. For Complex claims, agreement is by the leader and second Lloyd's underwriter. If there is disagreement with, or between, the leader and second underwriter and if 50% or more of the remaining follow market request it, then the leader calls a market meeting.

Leaders (and second underwriters where applicable) have an express duty of care to followers but with limitation of liability. Underwriters wishing to outsource claims handling are able to do so. A leader can outsource to a provider of their choice.

The current Lloyd's claims scheme is known as the Lloyd's Claims Scheme (Combined). This incorporates both the 2006 Claims Scheme (where Xchanging agrees claims under the Claims Agreement for Followers arrangements) and the 2010 Claims Scheme (where the leader acts on behalf of the followers; and the second lead also acts on behalf of the followers on complex claims). Please note that all subscription market claims are now subject to the 2010 Claims Scheme.

Further information is available from the Lloyd's website.

Governance

This is governed by Lloyd's.

Current status

All remaining legacy classes (mainly aviation, casualty, professional indemnity, financial lines and motor) were introduced into ECF from 31 December 2014.

Further information

LMA contact – Lee Elliston: lee.elliston@lmalloyds.com
Lloyd's contact – Tim Lovick: tim.lovick@lloyds.com

6.1. CLAIMS REPORTING SUITE DATA

Background

The Lloyd's insurance market Claims Reporting Suite (CRS) is a series of interactive web based apps available for both Lloyd's and managing agents. The CRS was developed as part of the Lloyd's Claims Transformation Programme and allows operational performance to be monitored. The apps are accessed remotely through a web based portal.

The underlying data has always existed within the market systems, but now it has been brought to the surface and can be analysed and interpreted. It is only now that the true value of much of this data is being realised to create competitive advantage – the information is emerging.

Release 2 of CRS has recently gone live which includes a number of changes to that make the application more useful for managing agents. Some of the changes include Expert Management, MA defined RAG and a new LREC app. For full details of the changes, please click here.

Governance

This is governed by Lloyd's.

Further information

LMA contact – Ruth Cameron-Errington: ruth.cameron-errington@lmalloyds.com

6.2. VOLUME CLAIMS SERVICE

Background

The Volume Claims Service (VCS) is part of the Claims Transformation Programme (CTP) with the view to enhance the Lloyd's markets reputation for fast and fair claims handling. One consequence of CTP is increased pressure on highly skilled adjusting teams as they absorb additional tasks. The market wished to test the proposition that an outsourced VCS could improve customer service for claims handling by implementing a cost effective, outsourced service for handling low value, high volume claims to a standard that is consistently higher than Lloyd's Claims Management Principles and Minimum Standards.

The Volume Claims Service is a delegated lead adjusting service for the handling of non-complex claims across all claims schemes. Two third party service providers, Crawford and Xchanging, offer the service.

Despite representing 85% of claims volume in the market, these are comparatively low value claims, representing just 15% of claims by value. Under the VCS, speed will be comparable to the Lloyd's markets top quartile performers, and the VCS SLA for cumulative lead response time is 48 working hours.

A further benefit of VCS is that it enables greater focus within managing agencies on the quality of claims handling for complex claims.

Current status

To date, 12 contracts have been signed by eight managing agents and over 1,500 claims are in service. The participating managing agents manage 25% of the market's capacity.

VCS is being considered as a central shared service as part of the LMG's, London Target Operating Model work.

Linkages and dependencies

The success of VCS is dependant on take up by the market.

Governance

This service is governed by Lloyd's.

Further information

LMA contact – Robert Gregg: robert.gregg@lmalloyds.com

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7. EXPERTS

7.1 EXPERT DATABASE

Background

Historically, the market has taken a decentralised approach to managing Third Party Administrators (TPA) which is inefficient for both insurers and the TPAs. During 2013 the LMA's Binding Authority Claims Group (BACG) undertook a tender process which resulted in the appointment of Charles Taylor Insurance Services (CTIS) to develop and manage a third party claims administrators' database.

The Expert Database is designed to reduce multiple due diligence information requests from managing agents and increase efficiency around the collection and validation of generic operational information. The database went live at the end of Q2 2014 and access is available to all managing agents, TPAs and Lloyd's.

When managing agents sign a letter of understanding, TPA's will be contacted and invited to enter their details and due diligence responses directly on to the database.

Governance

Governance is between the managing agents and TPA's that use the service but is endorsed by the BACG.

Linkages and dependencies

While the database is not directly linked to other claims modernisation initiatives, it supports the ethos of efficiencies through centralised shared services and data.

Further information

LMA contact – Robert Gregg: robert.gregg@lmalloyds.com

7.2 EXPERT MANAGEMENT

Background

There is a market interest and benefit to having expert information and data available to managing agents, this has been brought to the attention by the next phase of development in the Claims Reporting Suite (CRS). Market data for Lloyd's carriers (provided by CRS) highlights that there are issues with carriers and XCS understanding of the expert process as part of claim adjustment and processing. This impacts the level of expert information being captured which results in inaccurate or inconsistent data on experts being provided to the market.

The objective is to enhance the level of third party expert data available to managing agents at a Lloyd's market aggregate, individual Lloyd's carrier and class of business level. Making recommendations to enhance third party expert processes will improve the data available and allow the Lloyd's market and carriers to:

- analyse expert usage across agency, class and market levels
- track and analyse expert spend
- use to support reviews of expert performance
- allow the market to standardise processes
- share market experience, performance and audits with our peers.

To achieve the objective and enhance expert data, changes will have to be made and adopted.

Governance

Governance is between the LMA Claims Committee and Claims Operations Managers Group (COMG).

Current status

A recommendations paper has been reviewed by the LMACC and the next phase of analysis will take place in the second half of 2015.

Further information

LMA contact – Lee Elliston: lee.elliston@lmalloyds.com

7.3 SLA AND PERFORMANCE MONITORING

Background

When outsourcing claims authority, all Lloyd's managing agents are required to demonstrate their adherence to Lloyd's Claims Principles and Minimum Standards (CPMS), in particular Principle CLM6, Standards 6.1.1-6.1.4, and to the requirements contained within the Intermediaries Byelaw.

As part of Lloyd's governance programme, Lloyd's has been conducting targeted thematic reviews over the course of the last couple of years; these reviews have included a specific focus upon Delegated Claims Authority Management.

Some of the thematic issues identified through Lloyd's Delegated Claims Reviews that are relevant to this Project have included:

- lack of articulation of managing agents claims handling expectations and how in turn such expectations then meet the 'ethos' of the Managing Agents own claims philosophy/Lloyd's claims minimum standards
- inconsistent application of contractual claims service standards
- limited evidence of monitoring third parties contemporary claims 'service' performance.

Lloyd's and managing agents recognise there is commercial and governance related value in there being available a consistent minimum set of claims service levels for TPAs and an accompanying minimum set of claims performance management information reported by the TPAs to managing agents that have appointed them. It is envisaged that the primary benefits of such a framework could include:

- **clarity for TPAs engaging with Lloyd's** – a clear understanding of the minimum Service Level requirements and how to report on them
- **establishing consistency** – a removal of inconsistent approaches to TPAs across the Lloyd's market and the resulting confusion for TPAs
- **maximised efficiency -** TPAs would use a set of management information to report performance to Managing Agents that is, as far as possible, the same that is used internally within the TPA for their own BAU oversight – i.e. where possible eliminate any additional work required by TPAs and create a seamless range of performance related MI that is used by both the TPA and involved managing agents.

In order to aid the Lloyd's market and their TPAs in achieving the above outcome the Binding Authority Strategic Claims Group (BASCG) and Lloyd's will work together on a project to explore the possibilities of delivering this framework and how it can best be implemented.

It is not envisaged that the resulting claims service levels and claims management information reporting requirements be mandatory but they would act as a minimum where no satisfactory alternative service levels or reporting requirements exist.

Governance

Governance is between the managing agents and TPA's but is endorsed by the BACG.

Links and dependencies

Whilst a stand alone project, to enable a unified approach, it has been agreed that the Coverholder and TPA SLA / Performance Monitoring template is included within a Lloyd's market communication which will encompass the revised Claims Reporting Standards.

Current status

An LMA project group in conjunction with Lloyd's has been formed to consider potential requirements to deliver a robust solution for the market. The working group has scoped requirements, objectives and timelines and have completed a successful pilot phase with selected TPAs across multiple jurisdictions. Work is near completion with regard to the Coverholder minimum standards. Implementation for both is expected by the end of July 2015.

Further information

LMA contact – Robert Gregg: robert.gregg@lmalloyds.com

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8. LMA ACADEMY

8.1. LMA ACADEMY

The goal of the LMA Academy is to raise the profile of education in the Lloyd's market. This is delivered through a series of modular programmes, workshops, masterclasses and alumni events that support learning and career development. Information on the LMA Academy can be found on the LMA website.

8.2. LMA CLAIMS FOUNDATION PROGRAMME

The foundation programmes are designed to give a solid grounding in the subject and are provided by the LMA Academy. The Claims Foundation Programme is aimed at those with two plus years experience in the Lloyd's market. Learning includes principles of insurance, principles of law, regulation, claims handling at Lloyd's, practical claims issues, underwriting considerations, governing law and dispute resolution. This programme is validated and approved by the CII.

8.3. LLOYD'S CLAIMS PRACTITIONER PROGRAMME

The claims Practitioner Programme is a course provided by the Corporation of Lloyd's for experienced highly rated claims adjusters. Learning includes best practice, Lloyd's and the market, inter-personal skills development, persuasion and influencing and change management. Candidates are required to be working towards ACII.

8.4. LIVING WITH US LITIGATION

This course is provided by the LMA Academy and is a programme aimed at underwriting, claims and in-house legal staff handling claims related to USA Risks. It is designed for those that have at least five years experience in the Lloyd's market or the insurance business community. The programme is run in New York in conjunction with Wilson Elser and is highly interactive and is based upon a fictitious but very relevant case. There are mock depositions and a mock trial held in a law court at a New York Law School.

Further information

LMA contact – Charlotte Myers: charlotte.myers@lmalloyds.com

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9. LMA LIIBA U35S CLAIMS GROUP

About the group

The LMA and LIIBA have formed an U35s claims group for Lloyd's managing agents claims adjusters and Lloyd's claims brokers.

The group's primary aim is to promote education and interest in all aspects of insurance claims to educate members on both general and class specific claims matters. It also aims to facilitate networking between Lloyd's managing agents claims professionals and Lloyd's brokers claims professionals.

Anyone working in the claims environment (which includes Lloyd's managing agents, Lloyd's brokers, insurance companies, service providers or Lloyd's) and is 35 or under can join the group.

About the committee

The committee consists of twelve members, made up of representatives from Lloyd's managing agents and Lloyd's brokers who are responsible for organising educational and networking events for the group. Specific class of business events are organised by the relevant committee members.

Further information

For more information on the committee and the class of business representatives, visit the LMA LIIBA U35s Claims Committee page.

LMA contact – Ruth Cameron-Errington: ruth.cameron-errington@lmalloyds.com

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10. THE CHANGE PROGRAMME

10.1. LLOYD'S/LONDON MARKET GROUP TARGET OPERATING MODEL

Background

The London Market Group (LMG) are sponsoring work to develop a Target Operating Model (TOM). This work is supported by Lloyd's who are developing a London and Lloyd's-market specific TOM and the LMA whose Delegated Authorities Operations Committee (DOAC) are focussing on delegated authorities operational efficiency needs.

The first phase for claims is the system and process review and enhancements and potential shared services. This review is taking place by the LMG Claims Sub-Group.

The TOM seeks to identify streamlined processes, both for external interaction with the London market and within the market. In turn, this will make London simpler and easier to access with the market employing efficient, and therefore lower cost, processes to minimise the cost of administration.

Information on the TOM will be included in future editions of this Guide.

Plan

The TOM will be delivered over the next three to five years.

Further information

Please see Appendix C – Lloyd's TOM Current and Future Process

LMA contacts – Robert Gregg: robert.gregg@lmalloyds.com
Lee Elliston: lee.elliston@lmalloyds.com

10.2. CENTRAL SERVICES REFRESH PROGRAMME (CSRP)

Background

CSRP is a key collaborative pillar in the delivery of the market's Future Process Model. It addresses the *London Matters* challenge to implement infrastructure which removes London specific processes and realises economies through shared services. CSRP is an initiative overseen by the London Market Group (LMG) and involves the IUA, LMA, Lloyd's, LIIBA and XIS.

The programme will deliver improved services and infrastructure for the market back office. These enhanced and extended services will make it easier to do business in the London market and enable improvement in the acceptance, capture and storage of more consistent and richer risk and claims data.

Objectives

CSRP aims to:

- eliminate or move (from brokers to a central services provider) the London-specific back office processes (known as 'Londonisms') that have been identified as factors hindering the processing of business in London and as part of ongoing improvements to outsourced back office provision
- provide for the sharing of information between Brokers and Carriers (including XIS, their back office supplier) using electronic messages to ACORD standards; delivering this information using accepted global data standards was identified as contributing to the ease of processing of business
- replace old technologies
- extend central services where economies of scale are beneficial, as described in the Future Services Register (FSR).

Benefits

CSRP is driven by the desire to meet brokers' requirement to operate with any insurer-service provider combination (including a bureau) in a manner consistent with other global organisations. In turn, the lower cost of London market administration, both to brokers and carriers, will make the London market more attractive to brokers and insureds.

Plan

CSRP is being implemented through work streams:

- Quick wins – a package of process-related changes implemented during Quarter 4 2014
- Post bind Submissions (PbS) – is focussed on changes that require system development and implementation and changes to market customs and practises, all of which have a longer timescale to implement.

Linkages and dependencies

CSRP forms the delivery vehicle for a significant part of the market's work to improve future processes.

CSRP is an integral element of the Target Operating Model – (see section 10.1)

Governance

- Programme sponsor: London Market Group (LMG)
- Programme governance: Cross Market Steering Group reporting to the LMG
- Programme manager: Paul Steynberg, CSR Programme Team
- LMA leads: Malcolm Beane/Lee Elliston

Current status

The Post bind Submission (PbS) work stream has been initiated and is being progressed. As that work stream matures, CSRP will focus on further phases of change.

Further information

CSRP materials and more information are available on the LMG website LMG website.

LMA contact – Lee Elliston: lee.elliston@lmalloyds.com

10.3. LMG CLAIMS SUB GROUP

Background

The London Market Group (LMG) Claims Sub-Group has been created in response to the results from the *London Matters* survey completed at the end of 2014.

In order that a 'step change' in claims handling can be made to deliver an enhanced customer experience, the claims community believes that a new and flexible process underpinned by a new and transparent technology infrastructure is needed.

The LMG established a Claims Sub-group with representatives from LIIBA, IUA, LMA and Lloyd's to review the Future Process Model and Claims Business System Requirements for claims in order to update the documentation and make recommendations to LMG for future work. The principles and key objectives were to:

- deliver an enhanced and measurable customer experience
- create a more attractive (re)insurance claims offering for London
- improve and enhance structured data quality
- review and deliver robust and appropriate technology
- reduce and where possible remove Londonisms.

A paper covering the output of the group was submitted to LMG in February 2015 with a recommendation to proceed to a phase of detailed requirements analysis including cost benchmarking and benefit analysis on process, provider and system enhancement vs. major system change.

Any work that is undertaken will be co-ordinated with the Central Services Refresh Programme (CSRP).

Further information

For more information please refer to the Recommendations Paper.

LMA contact – Robert Gregg: robert.gregg@lmalloyds.com

10.4. ECF WRITE BACK

Background

Even though many carriers have developed sophisticated claims management tools and systems for in-house use, when it comes to market agreement to claims, carriers still have to use ECF.

The Write Back project will introduce further functionality which will offer carriers the choice of using their own systems or ECF to manage claims.

Once implemented, ECF write back will support:

- claim notification
  - near real-time trigger to notify carriers of events
  - enriched claims data and supporting documents
- retrieve claims data and documentation
  - data for a given UMR, UCR and TR
  - documentation – UMR and UCR
- DRI Search - search for a list of documents relating to UMR/UCR/TR
- DRI Download – the ability for carriers to download documents from the IMR to their local repository
- Claim Response - submission of claim response from internal system to ECF
- DRI Upload - upload of documents from internal system to a UMR/UCR/TR combination specified, which will include the ability to supply an ACL (Access Control List).

Objectives

The primary objective is to introduce functionality that offers carriers the ability to review and respond to a claim in their own system which, in turn, offers flexibility to carriers in managing claims electronically.

Benefits

The project aims to provide the following benefits:

- savings in effort and cost through a single operating model (London and non London).
- removal of duplication of effort caused by working across multiple systems
- reduction in restrictions to central systems working hours
- partial insulation from risk of central systems performance issues and unavailability
- reduction in effort and simplification of claims handling
- improvements in the access to claim data and information.

Plan

- Phase 2 Acord ECOT – Analysis & Design is complete to move Write Back to ECOT messaging and remain aligned to CSRP roadmap. Expected delivery is Q2 2017
- Carriers and software providers have created project work streams for early adopters and future adopters
- Formal commitment has been received from four service providers and six carriers
- Target Joint Integration Test (JIT) date – 8 June 2015
- Target Market Acceptance Testing (MAT) date – 27 July 2015
- Target Delivery date – September 2015

Governance

- Project Owner: ECFUG
- Project Owner: ECFUG
- Project Manager: Steve Flood
- LMA Lead: Lee Elliston

Current status
Detailed technical design:

- interface specifications and testing is now signed off
- non-functional requirements being defined to feed into service contracts.

Build and test:

- integration testing and MAT planning has commenced
- software providers engaged on system integration
- early adopter – software providers and carriers engaged and tracking to project timelines.

Further information
More information and access to technical documents is available on the ECF User Group website http://www.ecfinfo.eu/technical/.
Access is granted by using your ECF2/SSO username and password.

LMA contact - Lee Elliston: lee.elliston@lmalloyds.com

10.5. ECF BINDERS

Background
In order to progress usage of ECF for binder processing it was decided to develop interim work-arounds ahead of system enhancements to fully manage co-lead binders on ECF.

An initial phase (phase one) using email for the co-leaders to agree a claim, concluded that email is too cumbersome as a practical business process.

Under phase two, which ran until October 2012, agreement of all 'outside of authority co-lead' claims in the bordereau continued to be managed on paper while 'within authority co-lead' claims were handled via ECF. Transactional processing leading to settlement for both 'outside' and 'within' authority co-lead claims was managed through the ECF Bordereau.

This provided a step-change increase for more claims to be brought into scope for ECF while providing data to establish a business case for phase three, a full co-lead ECF solution.

Benefits
- Remove ECF Exclusions - co-lead claims now brought into scope for processing on ECF2.
- Efficient Processing - current processes are inefficient around co-lead, above authority claims, loss funds and cash losses with many workarounds and duplication of effort between brokers, carriers and XCS. This effort will be significantly reduced.
- Align with Strategic Growth - binders are a key growth strategy for Lloyd's.
- Improved Customer Service - by processing Co-lead claims in ECF2, cycle times are reduced by 50%.
- Improved Management Information - complex arrangement between master covers, individual covers, loss funds and cover holders can be stored and accessed in one system. This will allow easier reconciliation of transactions.

Plan
Phases one and two are complete. Phase three – see current status.

The next phase is part of the strategic change request programme which started in 2014. A binders work stream is part of the programme and focuses on bringing co-lead, above authority and multi OSND claims into the scope of ECF. The binder work streams main aim is to provide an electronic binder solution to the market which also provides flexible, strategic components to help enhance the market after binder functionality is introduced. It will include delivery of a solution that will enable the following claims to be handled within ECF2:

- co-lead claims
- above authority claims
- loss funds
- cash loss (out of sequence)
- master covers.

This phase has been given approval to proceed to build, text and implementation. Targeted delivery date is Q3 2015.

Linkages and dependencies
This is a sub-project within the wider ECF take-up programme.

Governance
Project Owner: ECFUG
Project Sponsor: AAC
Project Manager: Steve Flood
LMA Lead: Lee Elliston

Current status
- The Functional Specification for all Binders components has been agreed by the market and build and test phase has now commenced.

Further information
More information and access to technical documents is available on the ECF User Group website http://www.ecfinfo.eu/technical/.
Access is granted by using your ECF2/SSO username and password.

LMA contact - Lee Elliston: lee.elliston@lmalloyds.com

10.6. ECF GAP ANALYSIS

Background
When ECF2 was introduced, there were a number of users/organisations that did not adopt it due to functionality that was provided within CLASS and ECF1. A gap analysis has been completed to identify the functionality within these systems.

31 gaps were identified upon completion of analysis and prioritised by carriers. This has been reduced to just one 'must have' – Claims Awaiting Action (CAA) Search, which is currently available in CLASS and ECF1.

Linkages and dependencies
The implementation of this change is dependant on the decommission of ECF1.

Governance
- Project Owner: ECFUG
- Project Sponsor: AAC
- Project Manager: Steve Flood
- LMA Lead: Lee Elliston

Current status
Inclusion of CAA within ECF2 is scheduled and the proposal is to deliver within 2016.

Further information
LMA contact - Lee Elliston: lee.elliston@lmalloyds.com

10.7. TRAINING AND PERCEPTION

Background

The ECF Best Practice Group are developing a Training & Perception Programme which will be rolled out throughout 2015/16.

From analysis completed across the market, it has become evident that there are gaps in knowledge in respect of ECF functions, process and the handling of CTP and the roles and responsibilities within. This impacts the perception of ECF2. The purpose of this programme is to improve:

- knowledge of new and existing functionality
- knowledge of new and existing processes
- communication and the understanding of roles for parties involved in the claims process - i.e brokers, carriers, third parties and XCS that all liaise on claims between IMR and ECF.

The three work streams are:

- online training and certification
- training events and master-classes
- document refresh - i.e SP&P, Guidelines and Hints and Tips.

Linkages and dependencies

This is a sub-project within the wider ECF take-up programme.

Governance

- Project Owner: ECFBPG
- Project Sponsor: ECFUG
- Project Lead: Katherine Fraser (chair)
- LMA Lead: Sharyn Butcher

Current status

The analysis continues on trends and themes of queries to feed into the training development as well as the group are collating examples of good and bad practices across the market. Online training and masterclasses are being developed and will be delivered from January 2016.

Further information

LMA contact - Sharyn Butcher: sharyn.butcher@lmalloyds.com

10.8. ECF 2015 RELEASES

Background

There are three additional changes to the strategic changes that are scheduled for release in 2015. These are:

Release	Change Details	Current Status	Document Link
June	**1. Broker email address -** This change will capture and display the broker email address within CAS/ECF2 when a transaction is sent from broker to carrier, also creating a hyperlink to allow population. It is felt that this change will enhance liaison between the broker and carrier, particularly in the event of a query or where questions are to be raised. **2. Cause Codes -** A new list of Lloyd's cause codes will be published and available to capture within a structured field within ECF and ECF2. A smart search will be available in ECF2 only. The captured cause code will auto populate within XCS CLASS and be reportable within CRS.	**1.** This change has now been delivered. **2.** This change has now been delivered.	Link to communication
September	**1. Uber Precautionary Code** - A new TBA qualifier code will be added, 'U' to denote an Uber Precautionary. This will be available to a Lloyd's lead whenever a broker posts a precautionary/TBA advice. Claims marked as Uber will be removed from statics and brokers can receive a monthly report to aid their internal processes and behaviours. The goal to cut down on the number of transactions raised and claims notified when the claim is never likely to impact that program / layer.	**1.** This change is on track for delivery	Link to functional spec

Linkages and dependencies

These are sub-projects within the wider ECF take-up programme.

Governance

- Project Owner: ECFUG
- Project Sponsor: AAC
- Project Manager: Lee Elliston
- LMA Lead: Lee Elliston

Further information

More information and access to technical documents is available on the ECF User Group website http://www.ecfinfo.eu/technical/. Access is granted by using your ECF2/SSO username and password.

LMA contact - Lee Elliston: lee.elliston@lmalloyds.com

10.9. ECF IMR RE-PLATFORM

Background

While not a market modernisation work stream *per se*, under the AAC-administered IMR Agreement, XIS are planning an upgrade to the IMR in 2016 which will include a number of changes.

This entry is provided for background information in advance of increasing market awareness during 2015 regarding this project.

Objectives

The primary purposes of the project are to:

- replace existing IMR software which is approaching end of life
- introduce software that enables improved market user functions
- provide enhanced management tools for XIS and their hosting of the IMR.

Benefits

The introduction of improved 'business as usual' operation along with technologies that provide opportunities for market user enhancements.

Plan

XIS are in discussion with the market's AAC . Details will be published once the plan is finalised.

Governance

- Project Owner: XIS
- Project Sponsor: AAC
- Project Managers: Tony James (XIS) and Lee Elliston (LMA)

Current status

A working group of ECF User Group representatives is being created to provide input to the design phase of the upgrade between April and June. The upgrade is scheduled to be completed in June 2016.

Further information

LMA contact - Lee Elliston: lee.elliston@lmalloyds.com

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11. APPENDICES

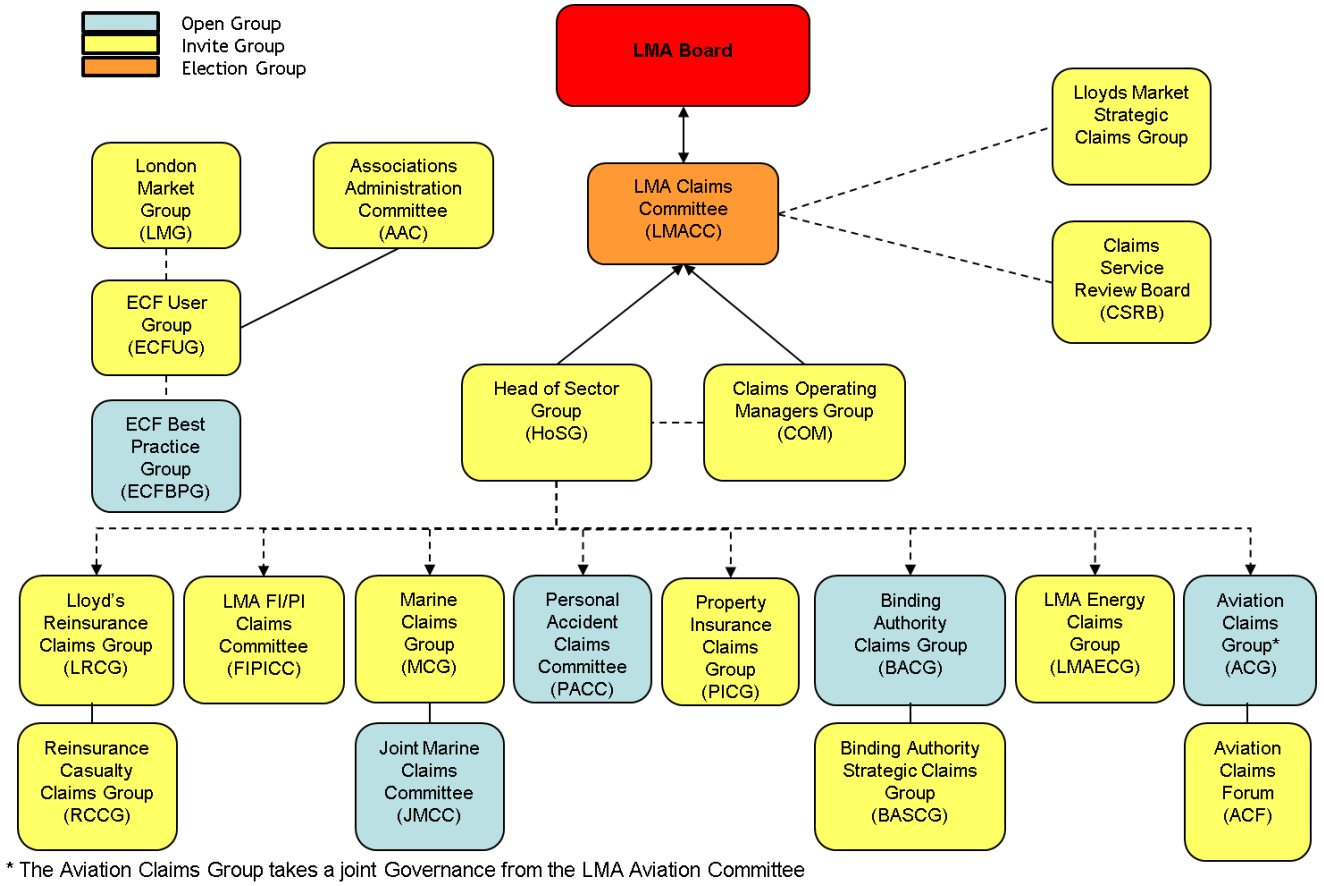
11.1. APPENDIX A: COMMITTEE TERMS OF REFERENCE

The terms of reference for each Claims Committee are available to download:

Lloyd's Market Association Claims Committee (LMACC)	Link
Claims Service Review Board (CSRB)	Link
Head of Sector Group (HoSG)	Link
Claims Operations Managers Group (COMG)	Link
ECF User Group (ECFUG)	Link
ECF Best Practice Group (ECFBPG)	Link
Aviation Claims Group (ACG)	Link
Binding Authority Claims Group (BACG)	Link
LMA Energy Claims Group (LMAECG)	Link
Financial Institutions and Professional Indemnity Claims Committee (FIPICC)	Link
Lloyd's Reinsurance Claims Group (LRCG)	Link
Reinsurance Casualty Claims Group (RCCG)	Link
LMA Marine Claims Group (LMAMCG)	Link
Joint Marine Claims Group (JMCC)	Link
Personal Accident Claims Committee (PACC)	Link
Property Insurance Claims Group (PICG)	Link
Lloyd's Market Strategic Claims Group (LMSCG)	Link
LMA LIIBA U35s Claims Committee	Link
LMG Claims Sub-Group	Link

11.2. APPENDIX B: CLAIMS COMMITTEE STRUCTURE

Claims committee structure chart



* The Aviation Claims Group takes a joint Governance from the LMA Aviation Committee

Process for joining an LMA Claims Committee

To join a LMA committee, contact the chair or the LMA directly. There are three scenarios for joining a committee, which are:

- **open group** – in this instance, anyone can join the committee at any time. The chair or LMA will confirm your place on receipt of your interest to join, although group size is limited
- **invite only group** – in some cases, groups have to be by invite only to limit the number of people in the meeting to ensure that it remains productive and focussed. In these instances, contact the chair or LMA to express your interest in joining the group and consideration will be made as to whether there is space / a need for more representation
- **election group –** there are a small number of groups, like the LMACC, that decide representative through an election process. In this instance, the Head of Claims will nominate delegates which will then be decided by a voting process.

11.3. APPENDIX C: GLOSSARY OF TERMS

Phrase	Acronym	Description
ACORD4ALL		ACORD4ALL – an Xchanging service converting bureau legacy message EDI files (signing, settlement and claims) to individual ACORD (GRLC XML 2008-1 and 2005-2) equivalents of technical account, claim movement and financial account.
Android		An operating system designed primarily for touchscreen mobile devices such as smartphones and tablet computers. Unlike the other popular handheld operating system, iOS, which is proprietary to Apple, Android is maintained by Google on an open source license basis.
Application software	App	Application software is computer software that causes a computer to perform specific tasks, for example payroll or underwriting system. While the term has been used by IT professionals for decades, the short-form term 'app' has gained popular usage with the rise of hand-held devices such as iPads and tablets.
Association for Cooperative Operations Research and Development	ACORD	A global, non-profit standards development organization serving the insurance industry and related financial services industries. See the ACORD website for more information. ACORD standards are the successor to the LIMNET EDI standards adopted by the market in the late 1980s. ACORD manages three key data standard sets – AML (typically used in Asia Pacific), GRLC (typically used in the UK and Europe), and P&C (typically used in the USA). ACORD is domiciled in the USA, and registered as an SDO (Standards Development Organisation) with the US Department of Justice. SDO designation means that ACORD has implemented and adheres to governance structures and processes which comply with antitrust/anti-competition laws. These include: • processes for the maintenance and upgrade of data standards, detailing change request, review, approval and publication rules and requirements • a standards governance structure which ensures oversight from industry membership representatives. Compliance with Antitrust laws are conferred to companies involved in the ACORD-facilitated standards setting process.
ACORD Certified Expert	ACE	The ACORD Certified Expert (ACE) programme is a designation demonstrating knowledge and proficiency in the use of ACORD standards and implementation.

Phrase	Acronym	Description
ACORD GRLC	GRLC	Global Reinsurance and Large Commercial, the ACORD standard adopted for use in the London bureau and non-bureau markets and Europe. The standard supports a range of business message types covering the risk lifecycle from placing through accounting, endorsements and claims.
ACORD AML	AML	ACORD Messaging Library, the ACORD standard developed with the intention to become the global standard which embraces both GRLC and P&C standards. Initial implementations of this standard have been in Australia and South Africa for personal and small commercial insurance.
ACORD P&C	P&C	Property and Casualty, the ACORD standard adopted for use in North America. This standard is focused on requirements for personal and commercial insurance.
Associations' Administration Committee	AAC	A practitioner based group established by the LMA and IUA to manage the market's contract and relationship with XIS as regards the IMR and related market infrastructure.
Broker Portal		The ECF and ECF2 projects delivered significant benefits to the Lloyd's claims process, both to market practitioners involved in managing claims and, more importantly, to the brokers and their clients who benefit from a speedier claims service. For brokers accessing ECF directly, rather than via their internal claims systems, the portal provides reductions in the query rate of ECF claims through an easy to use document management facility and improvements to business data validation. Additionally, the portal provides easier to use screens and a single log-on to improve the broker usage experience.
Bureau		Colloquial London terminology for XIS.
Business Implementation Group - Ruschlikon	BIG	The Ruschlikon Business Implementation Group (BIG) that reports to the Ruschlikon Steering Group.
Central Services Refresh Programme	CSRP	CSRP have evolved considerably since the concept of refreshing the market's central services platform was first raised as Project Darwin. CSRP is a collaborative cross-market programme to deliver improved services and infrastructure for insurers' back office. These enhanced and extended services will make it easier to do business in the London market and will also enable improvement in the acceptance, capture and storage of more consistent, richer risk and claims data. As of July 2014, governance of CSRP sits under LMG and, therefore, jointly with the Associations and Lloyd's.
Claims Agreement Screen	CAS	An enhancement to ECF, delivered in the ECF2 implementation, to improve the ease by which an insurer can agree a claim.

Phrase	Acronym	Description
Claims Implementation Board	CIB	The Board responsible for implementing Lloyd's claims transformation programme.
Claims Loss Advice and Settlement System	CLASS	CLASS enables brokers to load claim data transactions and some supporting information so that insurers can agree, query and reject claims 'on line' using EDIFACT messages e.g. LIMCLM. Combined with the IMR, CLASS underpins ECF.
Claims Services Review Board	CSRB	The LMA committee, reporting to the MPC, responsible for managing the delivery by XCS of its claims services to Managing Agents (see also the LMA website).
Claims Talent Programme	CTP	Previously part of Lloyd's Claims Transformation Programme, now integrated into the overall Lloyd's Talent Programme. The claims talent programme includes the Claims Graduate Programme (developed for graduates wishing to specialise in the area of insurance claims) and Claims Practitioners Programme (an intensive ten month modular programme covering all key aspects of claims handling and management).
Claims Transformation Programme	CTP	A Lloyd's programme, initiated in 2008, to enhance Lloyd's reputation for fair and fast claims handling and to place claims on a par with underwriting in terms of creating competitive advantage for firms and the market as a whole. This is being delivered through a number of work streams including: roll-out of scope and legacy; governance and monitoring; a volume claims service, broker portal and large loss co-ordination; claims reporting suite; and process efficiencies.
Claims Workflow Service	CWS	A service provided by Xchanging using ECF2 that enables an insurer to connect to a central claims workflow service. Used by insurers that do not use wish to develop their own claims workflow system. See also 'Claims Workflow Triggers' (CWT).
Claims Workflow Triggers	CWT	An enhancement to ECF, delivered in the ECF2 implementation. The Triggers (messages) are fed into an insurers own claims workflow system. See also 'Claims Workflow Service' (CWS).
Customer Representatives Group	CRG	A senior governance group established as part of the Central Services Refresh Programme which represents the IUA, LMA and Lloyd's as customers within a commercial relationship with Xchanging as it relates to the run and change aspects of the Xchanging Ins-Sure Services (XIS) operations.
(Project) Darwin		See Central Services Refresh Programme (CSRP).
Delegated Authority Operations Committee	DAOC	The LMA committee, reporting to the MPC, tasked with identifying and promoting the common interests of LMA members as regards any matter relating to the operation of delegated underwriting facilities.

Phrase	Acronym	Description
(Lloyd's) Direct Reporting Service	LDR	An initiative to enable Syndicates to provide regulatory and taxation data to Lloyd's. Operates for Service Company business only currently.
Document File Viewer	DFV	An enhancement to ECF, delivered in the ECF2 implementation that "stitches together" the claims documents related to a specific claim.
Document Repository Interoperability	DRI	An ACORD technical standard that supports the automatic interchange of free-format documents between repositories.
DRI Slice		An element of the ACORD DRI standard Introduced with eAccounts R2, 'DRI Slice' enables brokers to submit ACORD premium TA entries to Xchanging with links to the related documentation (for XIS to retrieve) rather than providing a copy of the documentation in the submission.
Electronic Claim File	ECF/ ECF2	An integrated service for claims handling and processing delivered through a combination of the Insurers Market Repository (IMR) and the Claims Loss Advice and Settlement System (CLASS). ECF2 provides additional functionality to enhance the underwriter use of the ECF platform. While some user functionality only exists in ECF2, the terms ECF and ECF2 are inter-changeable in the context of the market's ability to process claims electronically.
ECF Write Back	Write Back	Write Back will allow the claims agreement parties to operate entirely from within their own systems to review and respond to claims without direct recourse to the central ECF system provided by Xchanging.
ECF User Group	ECFUG	A practitioner based group, reporting to the AAC, dealing with issues related to the development and adoption of ECF. The group is chaired and supported by the LMA.
Electronic Claims Office Transactions	ECOT	The use of the full suite of ACORD GRLC messages for management of the claims processes for the non-bureau market.
ECOT+	ECOT+	A redundant term retained in the Glossary for information. Started in 2010, 'ECOT+', was an initiative to extend the standard ECOT message. During 2013 the Ruschlikon community decided to cease development of 'ECOT+' and focus development on the standard ECOT message; ECOT+ development is therefore closed.
Electronic Data Interchange	EDI	A standard for the exchange of structured transmission of data between organizations by electronic means. It is used to transfer electronic documents from one computer system to another, i.e. from one trading partner to another. The London market adopted EDI as a standard in the late 1980s. EDI messaging is being replaced by ACORD messaging on a piecemeal basis.

Phrase	Acronym	Description
Electronic Market Reform Contract Endorsement	eMRCE	The (now obsolete) initiative to implement processes to transact MRCE using email and other forms of non face-to-face communications.
Financial Conduct Authority	FCA	As of April 2013, a regulatory body of the UK's financial services industry which, together with the PRA, replaces the Financial Services Authority (FSA).
Financial Services Authority	FSA	The former regulatory body of the UK's financial services industry, replaced by the Financial Conduct Authority (FCA) and Prudential Regulation Authority (PRA) in April 2013.
For Declaration Only	FDO	A transaction that is set up with a zero original premium as the policy record. Risks attach as declarations to the FDO and are typically processed by Central Services as bulked APs or Treaty Statements rather than individual MRCs/premiums.
Future Services Register	FSR	A list of the market's future central processing requirements produced by the Central Services Refresh Project.
Global Reinsurance and Large Commercial	GRLC (Formerly RLC)	See ACORD GRLC.
Insurers' Market Repository	IMR	Infrastructure owned and funded by London market insurers, both Lloyd's and companies, which provides a common repository for documentation to support accounting and settlement and claims processes.
International Underwriting Association of London	IUA	The body representing international and wholesale insurance and reinsuranCe companies (see the IUA website).
Legacy Accounting		Legacy Accounting is a short-term (typically up to three years) issue encountered by some brokers adopting eAccounts. It occurs when they originally closed a risk (original premium) through XIS using A&S IMR submissions and want to manage subsequent AP / RP transactions via eAccounts. The issue ceases when an original premium and subsequent AP / RP transactions are all managed through eAccounts.
Lloyd's Market Association	LMA	The association representing the interests of Managing Agents operating in the Lloyd's insurance market (see the LMA website).
Lloyd's Market Association Claims Committee	LMACC	The primary LMA committee for overseeing claims matters.
London Insurance Market Claims Message	LIMCLM	The current London market standard EDI claims message.

Phrase	Acronym	Description
London Insurance Market Network	LIMNET	A late 1980s predecessor of today's LMG-led activity, consisting of Lloyd's and the insurer and broker associations of the day, and responsible for market modernisation and standards. This body also acted as the standards body to progress the adoption of EDI in the market.
London Market Group	LMG	The senior market-wide body responsible for promoting process modernisation through consensus between its principal participants - LMA, IUA, LIIBA, Lloyd's - and members of the constituencies they represent (see the London Market Group website).
London Market Group Secretariat	LMGS	The office providing administrative and technical support to the LMG and to London's change programme.
Londonism		A colloquial term indicating a process or other characteristic of the London insurance market which is inconsistent with processes or characteristics of other insurance markets. London-isms are often referred to as being negative, meaning that they create additional cost or act as barriers to entry or disincentives for brokers to place business in London compared to other markets. However, London-isms can also be positives. For further information on the analysis of London-isms, contact the LMA.
(Original) Signing Number and Date	(O)SND	A reference applied by XIS to each premium or claims transaction (unique to that transaction).
Optical Character Recognition	OCR	The technology that enables unstructured documents to be converted into machine-readable data. Technically older technology than ICR (Intelligent Character Recognition).
P&C (ACORD P&C)	P&C	See ACORD P&C
Post bind Submission	PbS	A project within the Central Services Refresh Programme (CSRP) focussed on using 'pure' ACORD EBOT/ECOT messages as a new (broker) submission channel to Central Services (the bureau). These standards are the preferred mechanism through which 'globally aligned' processes should be driven across the London Market. See the LMG website for more information.
Ruschlikon		Swiss Re's conference location where the 'Ruschlikon Initiative' was originally conceived. The 'Ruschlikon Initiative' set out a back office process for premium and claims accounting using the ACORD GRLC standard for global broker and (re)insurers.
Ruschlikon UK		As of May 2014, the non-bureau accounting and UK Ruschlikon communities have been merged into 'Ruschlikon UK'.

Phrase	Acronym	Description
Singapore shared services		A Lloyd's initiative to remove some of the processing challenges faced by some Singapore Managing Agent service companies through economies of scale, consistent processing and a 'single interface' for brokers. The scope of these services includes risk registration, quality assurance of slips and data, premium processing, credit control, central settlement, claim settlements and regulatory reporting.
Structured data (see also unstructured data)		Information contained in a message such as an XML document which conforms to a set of rules regarding data structure and intended usage. Structured data can be reused at any point in the process chain for ancillary processes. An ACORD message contains four types of structured data: 1. references: for example, client contract reference 2. coded lists: for example, countries or classes of business 3. percentages and Currency Amounts: for example, written lines or premiums 4. text descriptions: free text for descriptions and key clauses.
Syndicate Claim Message	SCM	The current EDI message to support claims advices transmitted to Lloyd's Syndicates.
Target Operating Model	TOM	The term became prevalent within the market in 2014 with the development of the Central Services Refresh Programme. However, the term is generic. An operating model is the manifestation of the operation's strategy – explicit choices about the best deployment of an organisation's elements to achieve the business goals. It describes how an organisation operates across process, organisation and technology domains in order to deliver value defined by the business model. In essence, it is the delivery vehicle of a business model.
The Exchange	TMEL	The Exchange is a messaging service that enables brokers, underwriters, service providers, and IT suppliers to send and receive information securely between multiple parties, to one common standard through a single connection. Initiated by Lloyd's, The Exchange has been migrated to a mutualised market utility, The Message Exchange Limited (TMEL).
Third Party Administrators Central Database	TPA db	A central database for managing Third Party Administrators (TPA). It is designed to reduce multiple information requests from Managing Agents, enhance governance and increase efficiency around the collection and validation of generic operational information.
Unique Claims Reference	UCR	A reference applied to a claim record being processed through Central Services.

Phrase	Acronym	Description
Unique Market Reference	UMR	The primary reference created by Brokers and used by the Market to identify a contract.
Unstructured data (see also structured data)		Information that is used to support structured information, typically in the form of a document, and sent as an attachment (file) to the XML message. For example, detailed clauses, MRC and wordings.
Xchanging (Xchanging Claims Services) (Xchanging Ins-sure Services)	 XCS XIS	Xchanging is a publicly listed outsourcing company providing back office and centralised processing services. In the London market this is principally through partnerships with Lloyd's and the IUA via Xchanging Ins-sure Services for premium and policy processing, and with Lloyd's via Xchanging Claims Services for claims technical processing (see the Xchanging website). Within the London market the name Xchanging is often used interchangeably with XCS and XIS. In its strictest sense, Xchanging plc is a shareholder in XCS and XIS but not the legal entity that provides services to the London market.
Xchanging Review Board	XRB	The LMA committee, reporting to the MPC, responsible for managing the delivery by XIS of its premium and policy services to Managing Agents under the LPSO Agreement (see also the LMA website).
XML (Extensible Mark-up Language)	XML	XML provides a basic syntax that can be used to share information between different kinds of computers, different applications and different organizations without needing to pass through many layers of conversion. Its purpose is to aid information systems in sharing structured data, especially via the Internet.

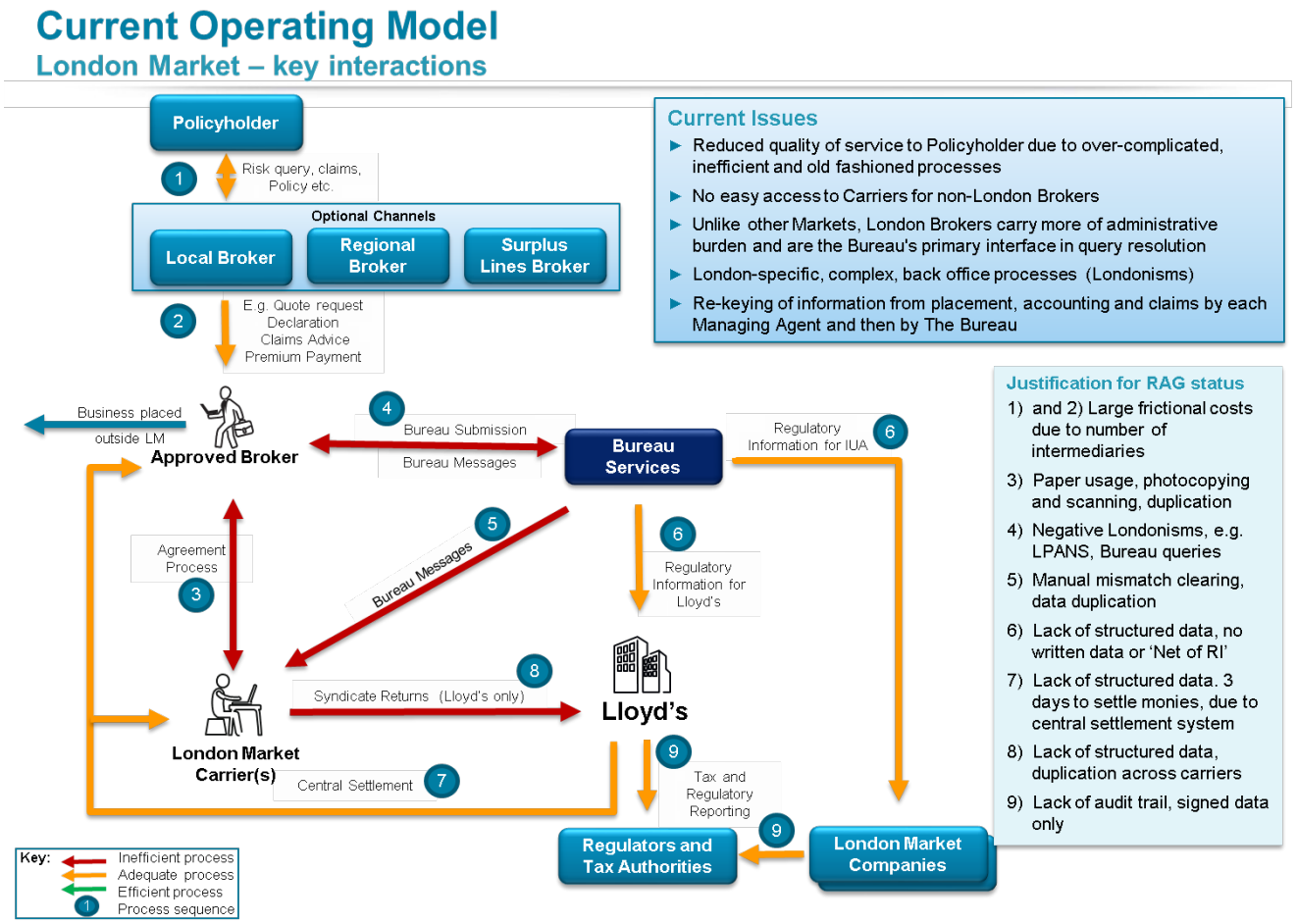
11.4. LONDON MARKET TARGET OPERATING MODEL (TOM)

Current operating model

The London market risks losing relevance on the global stage and is at risk of becoming insular and provincial – this will have a direct negative impact on profitability.

The current key challenges are:

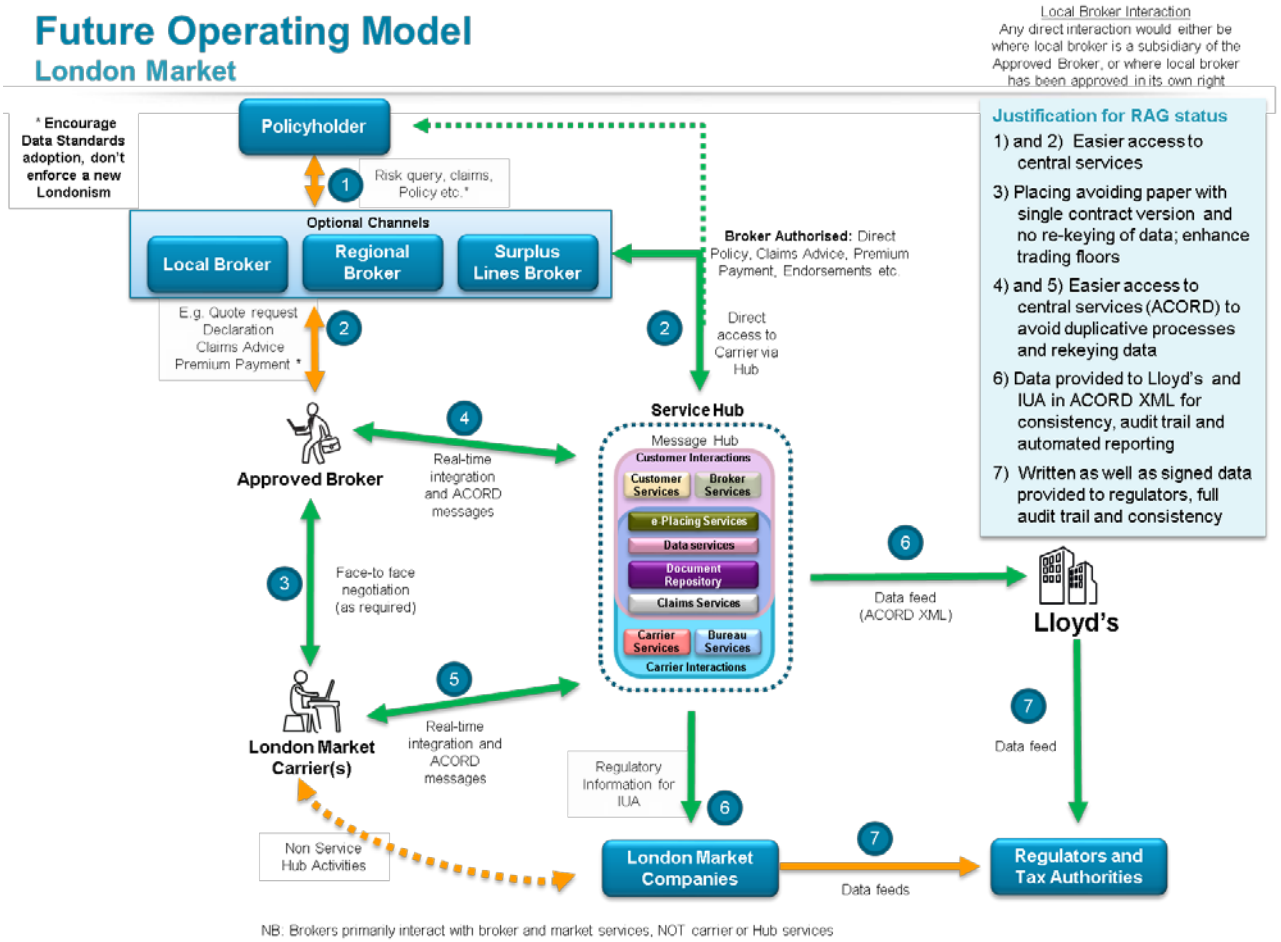
- reducing competitiveness:
  - Less efficient than market (9% in 2013)
  - High costs due to regulatory burden in London Market
- reducing global influence:
  - London's role as provider of additional capacity reducing
  - Emerging Markets share declining (20% in last 3 years)
  - Reinsurance share declining
- strategic threat:
  - Risk of losing 40% of London premiums to local providers.



Future operating model

There is an opportunity to build an efficient and accessible market of choice:

- strengthen reputation:
  - Build on London's reputation for innovation and flexibility
- build capability:
  - Build on underwriting expertise through better use of data
  - Enhance the distribution network / grow internationally
- build efficiency:
  - Realise economies of scale via shared services
  - Leverage Market data to drive services and reduce costs.



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