

Blueprint Two FAQs



Frequently Asked Questions

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Version 2

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Programme

1. There are transition services described in the second edition of the Blueprint Two interactive guide and it is indicated that these will not be in place forever, do we have a timeline for when they will be switched off?

Transition services are not services in their own right. They represent separate 'components' that allow the new platform to support some of the current practices, allowing an easier transition for those stakeholders who are not ready to go fully digital at cut-over.

Examples of these transition services are the continued production of (legacy) London Market EDI messages, and their conversion to digital messages where possible.

These services or components are designed to support the processes of market stakeholders during the period before they transition to full digital solutions at their own pace. That said, transition services are not intended to be in place indefinitely.

You should be aware that transition services will attract their own costs and/or have a higher overall cost than their end-state digital alternatives. This supports the intention to switch off transition services after a suitable period post go live.

The market (which owns this decision through the appropriate market forums) has not yet decided how long this should be.

The engagement will commence once all the relevant information is available to enable adequate consultation.

2. The material we have seen seems to indicate the current underlying bureau systems will be 'switched off' – how will this work in practice, and will this mean we lose access to historical data?

The digital services for premium and claims are new business applications, operating on a new cloud platform. Once they are live, the existing mainframe systems (PoSH, LIDS and all CLASS / ECF versions), cease to be operational and will become historic data repositories. This ensures no data is lost and removes the risk of a mass migration at cut over.

If a premium or claims submission, or movement, is received into the new platform, that is a continuation of a risk of claim previously handled in the old service, the new application will use a 'Reach back' function, to retrieve the information required to process the submission and process it on the new service.

No processing will occur in the old systems.

The quality of the historic information is variable, so it may be the case that some back-office processing effort is required, to augment the data retrieved. This will ensure that the information is sufficient to process the submission or movement. This is similar to today, where some investigation is required on older premiums and claims to facilitate processing.

At some stage after go-live, it is expected that the legacy data will be moved to the new platform to allow the underlying architecture to be fully decommissioned. This will be a move of the database, rather than migration into the new services. However, this approach will be planned out closer to the time of the transition of data.

3. How are you going to engage with the market?

Engagement is a key effort in Blueprint Two.

We want to ensure the market understands:

- a) what digital transformation under Blueprint is?
- b) what is in it for their organisation.
- c) what they need to do; and
- d) by when.

To support this, we have:

- a) created communities across the entire market, covering carriers, brokers, and service providers, with a dedicated engagement partner for each community.
- b) produced customer journeys, to help describe the solution.
- c) produced a benefits framework, which shows the possible benefit levels that organisations can explore.
- d) co-authored the Lloyd's Market Association Playbook, the LIIBA Broker playbook and the IUA Company market playbook, which give as much guidance as possible, regarding what managing agents, brokers and company market carriers need to be thinking about, and covers 'known unknowns'; and
- e) produced FAQ reports and market readiness surveys which will be released during Q4 2022.

In addition, we are working very closely with the market associations, on engaging their members at both senior leadership and market practitioner level, mainly through communities, to ensure the right level of market insight.

Information on the communities and downloadable versions of all the artefacts are available on the [Blueprint Two \(blueprint-2.com\)](https://blueprint-2.com) website

4. How confident are you around timelines, as this will help us plan for the cost of change?

To restate the current timeline; we are scheduled to finish the following builds:

- a) Sequence 2 (Global Premium and Claim Services) in Q1 2023. The use of these applications is then subject to contracting and onboarding.
- b) Sequence 3 (Open Market Premium and Claims Service) is scheduled to finish build in Q1 2024.
- c) Sequence 4 (DA Premium and Claims) is scheduled to finish build in Q1 2024.
- d) Sequence 5 (Gateway) is scheduled to finish build Q3 2024.

Once build for sequences 3, 4 and 5 is completed, there will be an extensive period of market acceptance testing (MAT). This is currently under discussion, but we already know that this will mean that the services will not be live until Q4 2024 at the earliest.

There are many factors contributing to a high level of confidence of delivery.

- a) For the first time, we have a contract in place to deliver the new placement, premium and claims service. Previous efforts (especially around the bureau premium and claims services) have discussed what the future could look like, but never got to the contracting stage.
- b) The Global Service represents a fully functioning end-to-end premium and claims service for Peer to Peer markets. The London Market services are not separate to these, rather they are an addition to the global services. This means that from the go live of the global services, we are adding variations and specificities to a live service, not building a separate one. This will result in a much lower delivery risk.
- c) It must be borne in mind however, that given the scale and complexity of this Programme, delivery will always be one of the biggest risks. Any additions to scope, unexpected complexity in design or resourcing issues could disrupt the schedule. This has been mitigated as much as possible but cannot be completely eradicated.
- d) There is currently no significant risk in the ability to deliver the solutions to the required standard.
- e) We are already seeing other elements across the Programme being delivered – a Core Data Record (CDR) structure has been agreed, a new version of the Market Reform Contract (MRCv3) has completed consultation, Faster Claims Payment has gone live to schedule and DCOM (Delegated Contract & Oversight Manager) releases 1.1 to 1.4 have also gone live. All of this shows a positive delivery cadence.

The deployment plan for these service focuses on market firms using old systems one day, with a whole of market cut over to use the new digital services the next. This approach presents a recognised level of risk and we are currently investigating ways to reduce this deployment risk. The findings of this work are expected in Q2 23.

5. Can carriers consume USM/SCM EDI or ACORD EBOT/ECOT independent of how brokers choose to submit to the 'digital bureau' or will they be required to maintain two separate processes?

The new platform is being designed to support interoperability. Meaning that in most cases any party can operate in a digital state, sending and receiving EBOTs and ECOTs without the reliance or dependence of their counterparts also being digital. For example, a Broker can submit a CM/TA to the Platform and the Carrier will receive a WriteBack message. We are in the process of creating a full table to confirm which scenarios are possible and this will be published to the market.

This makes the platform even more beneficial for users who operate in the London market as you can connect to all counterparts through one process and messaging channel

Placement

1. In terms of validating the data that will be used to create the CDR, is the assumption that the lead underwriter will have the responsibility to check the accuracy of the MRC v3 via the trading platform, effectively the same responsibility that they have today, and then upon bind this data will be used in the creation of the CDR? There isn't any more systematic validation that is expected here for a carrier perspective?

Yes, the lead carrier organisation should be agreeing the MRC v3 and CDR data set that needs to be submitted to the Digital Gateway for validation and agreement. This then ensures that the broker and lead has the CDR to enable straight through (headless where possible) processing of premium.

Further information will be published once the Process Roles and Responsibilities consultation and review has been concluded. And can be found here [LIMOSS/PRR Consultation](#)

2. Will a carrier be able to get all of the data from the CDR via an API request or are there limitations on what can be received? If there are limitations, what are they and when will fully clarity be provided?

This is to be confirmed by the London Market Joint Venture (JV), although the aim is for carriers to receive all of the information from the CDR that is relevant to them.

3. Will Carriers have to submit a full CDR to the Digital Gateway at the point of bind as well as the Brokers?

The consultation regarding Process, Roles and Responsibilities (PRR) is designed to help confirm the answer to this question and we will know more once the findings of the consultation have been assessed and proposed and agreed by the Data Council, although the process has been designed on the premise that either party can submit a CDR.

Further information will be published once the PRR consultation has been concluded. And can be found here [LIMOSS/PRR Consultation](#)

4. We are spending a lot of money on our internal systems. When can we see a return on our investment?

The aim of Blueprint Two is to make the market cheaper, faster and better for market participants and policyholders. We have provided a 'benefits framework' to help you identify where benefits can be found, once you've applied them to your business operating model. You may wish to create a business case to help predict when a return on investment could be achieved based on the benefits applicable to your firm.

5. So, the CDR is not final? You can go backwards and forwards through the placement process?

The content of the CDR is being defined. It cannot be fully finalised until the analysis on required downstream data has been complete. This is an iterative process that is undertaken at each stage of the build.

The CDR is only finalised at point of bind, or shortly thereafter, as data may change as negotiations continue through the placement process. This has been accommodated as market firms can make soft calls to Digital Gateway ahead of bind as many times as they like to help ensure there are no surprise rejections at point of bind.

6. Signing numbers and dates have been in use in the London Bureau Market for years. How are these going to be generated and used by the new digital services, or are they being retired?

Signing numbers and dates will continue to be used in digital services to uniquely identify a transaction. These will be output to and available for consumption via relevant EDI messages and APIs.

Gateway

1. Will the final MRC v3/CDR data come from the TPPP or the London Market Joint Venture (JV)?

Given the high usage of third-party placing platforms (TPPP) in the market we expect most submissions to come from these.

High level design work has been completed, but it is likely, in all significant number of cases, that the MRC v3 will not contain all of the data required for the CDR.

There are other methods to submit data.

- a) The broker could submit directly from its core system, which would enable them to manage return queries.
- b) The submission could be via an MRC v3 extraction service.
 - i) However, this does need to be extracted from a fully completed MRC v3, and hence we would still need to consider how to fill any CDR gaps from the MRC v3.

Direct submission from a carrier system to Gateway would typically not be possible, as the carrier will not have a complete view of placement.

Whatever method is used to submit the CDR data to the Gateway, this will need to comply with the rules surrounding the compilation of the CDR, that are currently being developed on behalf of the Data Council.

The MRCv3 would still be produced by the broker.

Once the risk is bound, the final data submission would be available from the Joint Venture, via a GET API.

2. How will we encourage brokers to enter data earlier in the process, rather than negotiating and adding details to the TPPP at bind?

The practice of 'back loading' placements on to TPPPs is fairly common. The new services reward early action with many benefits, such as better capital management, increased (timely) contract certainty, reduction in errors and omissions speeding up premium and claims processing etc.

It is hoped that given these benefits, the market will make a concerted effort to take (central) data creation back to an earlier (quote) part of the process, rather than at the end.

It will also be much easier to report who is practicing early data creation and who is not. The responsibility to do this rests mainly with the broker, although carriers can request for the quote to be managed via a TPPP at an earlier stage.

3. What is the difference between how endorsements are treated between the existing and new worlds?

In today's world, there is no consistent way to handle endorsements across the market, with notifications happening in many formats and through many routes.

In respect of central services, this does cause issues, e.g. premiums are received that do not match the risk information (MRC today) as endorsements are not present or have not been sent.

In the digitised market we are collectively building, we are creating a risk record through the CDR.

The CDR must reflect any and all adjustments, so it is complete both in terms of data and the changes through the lifecycle of the risk. Endorsements will have to be timely, in an agreed format and submitted via the Digital Gateway.

The exact process is still being worked on within the team.

For further information please refer to Lloyd's dedicated webpage on the CDR at <https://www.lloyds.com/conducting-business/requirements-and-standards/core-data-record>

4. It is understood that the Digital Gateway will not automatically deliver a carrier the CDR data and that the carrier will need to make to retrieve this via GET API. Where would that be from, or directly from the Joint Venture data store?

Carriers can retrieve a CDR via a GET API from the Digital Gateway. The Digital Gateway's data store is part of a broader Joint Venture's data store. The data store is only accessible externally via the CDR API.

Premiums

1. Are there two gateways? I am hearing references to the Digital Gateway and the ASG Gateway, are they different and if so, what do they do?

These are two different and separate functions, the Digital Gateway and the ASG (ACORD Systems Group) ACORD gateway.

ASG's ACORD gateway is the primary means for third parties to send messages to and receive messages from (via SOAP and RESTful/JSON API interfaces) the Digital Gateway, IPOS, and ICOS.

The Digital Gateway (also sometimes referred to as IROS, the International Risk Orchestration System) performs business-level validation of CDR data along with augmenting the supplied data before storing that data as the CDR in its data store.

2. The new digital services are using ACORD messages to manage premium and claims settlements. How close will the messages and the process be to the global messages and process (Ruschlikon)?

ACORD messages to manage premium and claims settlements will be completely aligned to the ACORD 2016.10 standard. There will be some changes required to the 2016.10 standard, to ensure it can fully handle the subscription market and to allow for, in some circumstances, the Technical Account (TA), Financial Account (FA) and Claims Movement (CM) messages to be sent (to non-agreement party carriers) for information only (i.e. not requiring a response). Hence the actual data load can, and will, vary as elements of the subscription market are brought online. These additional fields will be part of the standard but will be optional so as not to impose on the Ruschlikon community who have no need for these fields.

The process for the broker will be the same as the Ruschlikon process. Brokers will receive technical response messages (L3 acknowledgements/rejects) and business messages (L4 acknowledgments/queries/rejects) at the same point in the respective processes as they do today.

The premium process for the carrier is slightly different. In Ruschlikon, the TA and FA require a response from the carrier. However, with the digital services IPOS will issue the response on behalf of the carrier.

For claims business (ICOS) responses from all agreement parties will be required.

We provide more information on message handling in the latest version of the customer journeys, available on the Blueprint Two website.

3. How does the London Market Joint Venture (JV) propose to manage central settlement without signing messages?

Signing messages (BSMs, SCMs and USMs) do not initiate the settlement process, this will continue in the way it does today with the platform communicating with STFO and RBS to deliver payment files.

How users manage reconciliation of these settlements can be handled within their own systems, as all payments will have been approved via an L4 acknowledgement message, with the support of an API to retrieve more granular data not present in the ACORD messages. Exactly how this will work is still being defined and will be agreed with market representatives

Claims

1. Is there a view on the changes required to the ECOT message to accommodate additional data fields that Writeback currently has? We have been advised Writeback will continue post transfer; are there any changes or impacts to the Writeback message?

The Programme has identified that changes need to be made to the ECOT message to make it suitable for the London Market. The first tranche of these changes was presented to ACORD at the end of September 2022. The remaining changes are not going to emerge until the detailed work is completed in H1 2023 and these will be grouped and discussed with ACORD and GLRC Communities.

The remaining changes include consideration as to what is required to ensure ECOT can accommodate the level of interaction and information provided by Writeback messages.

If any of the changes cannot be accommodated API(s) are one option to ensure a full suite of notification and interaction is in place.

As with EDI messages, there is no intention to amend the structure of the Writeback message, but as the messages will be produced from the new digital services rather than the mainframes, we expect some changes to content will be required. Some aspects are impossible to maintain and/or will become meaningless and these need to be addressed. Any changes will be made in consultation with the Writeback Steering Group.

Messaging

1. I understand that the new digital services will still produce a version of EDI messages. Can you explain what sort of changes we can expect and how they fit in the new digital services? Can I just use EDI, or do I need to use EDI and some other form of notifications?

The new digital services will produce EDI messages as per the published specs during the transitional service phase.

There is no expectation that the structure or format of EDI messages will deviate from the current specs. However, there may be some changes to the content. This is unavoidable as some of the data (such as a batch code for instance) cannot be replicated by the new service. The location of the daily file will change, and bespoke (carrier / broker specific) versions of EDI messages will not be supported.

If you are continuing to use EDI, as it is today, EDI will not cover all the interactions (for example EDI does not handle queries, handled today by phone calls or emails) so the benefits gained from the new services will be limited. Post transition, to accommodate full interaction with the service, EDI will be supported along with portal notifications / responses.

The EDI messages will not be provided as a standalone service. The digital services run as normal and at appropriate points in the process the service will produce an EDI message from a digital message or, if inward, produce a digital message from the EDI message.

The EDI schedules are available via this link: <https://www.blueprint-2.com/technical-resources>

2. Has the need for the London Market Joint Venture (JV) to agree the Technical Account (TA) messages on behalf of the individual carriers due to response speed changed?

The JV will agree all Technical Accounts (TA) on behalf of carriers where the TA relates to premium payments in respect of direct, facultative or excess of loss business. In this instance, the JV will forward the broker's TA to carriers with a new 'Information Only' indicator set to "-Yes-" and there will be no requirement for the carrier to respond with a Business Acknowledgement (L4). Where the TA is in respect of a Treaty Balance of Account Statement, there remains a requirement for the lead carrier (or any additional agreement parties, as stipulated in the contract) to agree the statement before it can complete processing. In this instance, The JV will add the 'Information Only' indicator to the Technical Accounts for the following market only. Leads and other agreement parties will not have the for Information Only indicator set to "-Yes-" and therefore will be required to issue a L4 Business Acknowledgement to these messages. As JV is agreeing all Financial Accounts (FAs) on behalf of carriers, all FA messages The JV forwards to carriers will include the Information Only indicator set to "-Yes-".

3. If a broker does not submit digitally, can a carrier be fully digital? Will they get all the digital messages, the digital workflow? Can one party be fully digital?

Where a broker does not submit digitally, therefore is transitional, the JV is considering the most effective options to offer a fully digital carrier. Full digital end-state requires the ability to send and receive messages via ACORD (EBOT/ECOT) and APIs. We are currently investigating this in more detail and share further information once confirmed.

Please also refer to Programme section question 5.

Technology

1. Can you give me an understanding of the overall changes I need to be thinking about to onboard to the new digital services? Does what I need to do change depending on whether I am looking at interacting on a transitional or end-state digital basis?

We suggest that you focus on the interaction of the services to ensure that the services do what they need to do for your organisation.

The new Digital Processing Services Agreement (DPSA) will provide the service definitions and service levels available.

You should ensure that:

- a) you can submit the information needed into the service,
- b) you can consume the information sent/returned to you; and
- c) the information you receive contains the information you need.

Once the new approach has been communicated you should also endeavor to understand the changes to the delivery of reports you currently use.

Full end-state digital services

If you are looking to onboard on a full end-state digital basis, you need to understand where the CDR API is being generated from in your organisation and your role in that process. For premium and claims, you need to ensure you can produce and consume the relevant ACORD messages and your downstream processes, especially finance, have made the necessary changes to work with the ACORD messages rather than EDI.

We will publish API end points, so that you can start to develop towards them, and authentication will be part of the onboarding process, but will be available for testing during vendor integration testing.

Transition services

If you are onboarding on a transition basis you should ensure, by working with your service vendor and the engagement teams, that you understand the changes to EDI messages. There will be a new gateway for transition messaging.

You should also ensure that you or your vendor have an approach for making the changes required to be able to still produce and consume the messages.

You will need to ensure that (when they are available) you have trained the relevant teams on the new portals and understand the changes on reports.

Legacy systems

1. I have heard a lot around transition services and end-state digital services. Can you explain the differences between these and how they fit together? Are transition services stand alone or an element of the overall service?

Transition services are part of the overall service. They are on integration route you can choose to use. They are only in place for premium and claims services. The Digital Gateway is a new service and therefore does not have any transition elements. For premium and claims there is only really one (digital) process per service.

Transition services are a recreation of the existing legacy services. They are temporary and intended to give organisations time to adapt and move towards end-state digital services. The transitional inputs and outputs (EDIs) will be converted into digital and vice versa, so they be managed by the digital service and consumed by other organisations that choose to interact digitally.

Please also refer to Programme section question 1.

2. What is Lloyd's Direct Reporting Service (LDR) and how is it impacted by Blueprint Two?

Lloyd's Direct Reporting (LDR) enables participating managing agents to submit their regulatory and tax information straight to Lloyd's. instead of via the Bureau LDR is an elective data submission service, that bypasses the costs and resource associated with normal bureau processing.

Using ACORD Standard XML messages, LDR is an automated online service which automatically validates, and processes received data. Data is submitted at a transactional level (as opposed to reporting information being derived from the bureau accounting process), thereby breaking the link between accounting and reporting.

LDR is for 100% business non-cash service company or cover holder business, where an insurer underwrites the whole risk, or 'separate' subscription business, where an insurer underwrites part of a risk using a separate insurance document to other insurers.

There are currently eight managing agents on the service, which is currently closed to new entrants. The service is completely within Lloyd's and has no touch points with the Joint Venture central services and is therefore not impacted by the move to digital services.

While there are no current plans to alter or discontinue the LDR service, as the central services provision develops (especially in respect to delegated authority business), there may be an opportunity to utilise this. This is to allow the function that LDR provides to be delivered more efficiently via the central services provision. Any change would only be after discussion with the current users.

FCP

1. How will FCP transactions be reported back to us? In that currently the loss fund payments can be bulked together to create USM claim payment cards that could cover many individual payments. Will each FCP payment create its own USM card, or will they be bulked together somehow too?

MAs will receive a funding report from Vitesse which can be compared against the signings received data from the London Market Joint Ventures (JV). MAs can aggregate and record all associated syndicate share amounts (USMs) paid this time (SCM) of claims paid by YOA, Syndicate Number and UMR. The amount displayed in the syndicate message "Syndicate Share Amount/Paid This Time" is derived from the bordereaux processed in ECF as non-cash by the broker.

Delegated Authority

1. Will DDM be fully adopted in 2nd QTR 2023 as per Roadmap?

We have worked with the market on the DA Strategy and listened to feedback confirming that we should maintain interoperability with systems in the DA market. As a result, we are no longer pursuing the condition of trade to use Delegated Data Manager (DDM)