

# Lloyd's Part VII Operational Framework

Market Design Document  
Version 3.0



This Market Design Document is a living document that will be updated as outstanding items are finalised.  
The latest version of this document will be distributed to an agreed contact within each managing  
agent/broker for dissemination

# Market Design Document v3.0

## Summary of key changes



Version 3.0 of the Market Design Document details amendments and new content which has been developed since version 2.0 was issued 27.03. The key areas of additional / updated content are outlined below – a detailed schedule of all changes in this version is shown [here](#)



**Segmentation Logic & Triage Rules** – Updated to reflect latest scheme wording



**Data Submissions to Lloyd's Insurance Company S.A - Lloyd's Brussels** – figures updated reflecting the updated Data Model v4.7



**DC / DQ Tool** – Updated to reference Market Data Collections (MDC). New content relating to data quality checks within the DC / DQ Tool



**Part VII Settlement Accounts** – update confirming that the use of CCS is not being mandated by the Part VII Programme



**Bank Reconciliation – Summary** – New content outlining reconciliation of the Part VII bank account in line with the transactions on the monthly ESA



**Delegated Authority processes** – Update on progress to-date and processes included in the appendix

## Changes to MDD from v2.0 to v3.0

# Changes made to MDD (1/12)

Slide Title	PREVIOUS CONTENT - MDD v.2.0	NEW CONTENT - MDD v3.0	Rationale for change / update / addition
<b>Lloyd's Part VII – Background</b>	n/a scheduled for end of October 2020	Replacement slide scheduled for 29th October 2020	Replacement slide for formatting purposes Update to specify scheduled transfer date
<b>Lloyd's Part VII - Solution Overview</b>	n/a Lloyd's Insurance Company S.A. – Lloyd's Brussels will be the insurer for the Part VII book of business after the transfer date.	Replacement slide Lloyd's Insurance Company S.A. – Lloyd's Brussels will be the insurer for the Part VII book of business after the transfer date. Insurance business originally written by or reinsured to close into a syndicate will, following its transfer to Lloyd's Insurance Company S.A. under the Part VII scheme, be reinsured back to that syndicate by way reinsurance agreements between Lloyd's Insurance Company S.A. and that syndicate	Replacement slide for formatting purposes Updated content to specify the insurance arrangement
	Managing Agents will administer the policies and claims related to the Part VII book of business as outsourced service providers of Lloyd's Insurance Company - Lloyd's Brussels.	Managing Agents will act in relation to the Part VII book of business as outsourced service providers of Lloyd's Brussels	Minor wording update
<b>Scope of the Part VII Transfer</b>	Risks underwritten at Lloyd's between 1993 and 12th April 2019* for Direct business / the end of October 2020 for Reinsurance business not already written into Lloyd's Brussels; Risks underwritten after 12th April 2019 for Direct business and after October 2020 for Reinsurance business;	EEA risks incepted at Lloyd's between 1993 and 12th April 2019* for Direct business / the end of October 2020 for Inwards German Reinsurance business not already written into Lloyd's Insurance Company S.A. - Lloyd's Brussels; Risks incepted after 12th April 2019 for Direct business and after October 2020 for Reinsurance business;	To reflect that risk inception date rather than underwritten date is applied, reference to Inwards German Reinsurance and specifying EEA Risks
<b>Principles for Identifying Part VII Business</b>	utilise the Part VII Segmentation Logic	utilise the Part VII Triage Rules	Amendment to reference Part VII Triage Rules
<b>Master List Data Lineage</b>	How are Managing Agents expected to identify Part VII claims at the point of initial load before the Master List is operational?	How are Managing Agents expected to identify Part VII open claims at the point of initial load before the Master List is operational?	Specifying open claims will be identified

# Changes made to MDD (2/12)

Slide Title	PREVIOUS CONTENT - MDD v.2.0	NEW CONTENT - MDD v3.0	Rationale for change / update / addition
<b>Key Elements to Part VII Segmentation</b>	Title: Three Key Elements to Segmentation	Key Elements to Segmentation	Reflects the removal of "Establishing Risk Location" section
	There are three key elements to the Part VII Segmentation Process:	There are key elements to the Part VII Segmentation Process:	
	In instances where the Insured Domicile is non-EEA or unknown and the Risk Location is unknown, the FIL Code will be used to determine the transferring status wherever possible	Content deleted	
	The Segmentation Logic follows the Part VII Transfer Court documentation and applies two key concepts to define whether business is included within the transfer: 1) Policyholder Domicile and 2) Risk Location	The Segmentation Logic follows the Part VII Transfer Court documentation and applies two key concepts to define whether business is included within the transfer: (i) relates to EEA Risk (applying FIL code where required); or (ii) has been issued to or is held by an EEA Policyholder	Reflects the terminology in the scheme document for the Segmentation Logic
<b>Master List Data Lineage</b>	n/a	<u>IQN</u> The data refresh activity took place in April 2019 with Managing Agents submitting data by 01.05.2020. The purpose of the data refresh activity was to identify a more accurate transferring status for the Court Process and to support Actuarial Valuation process <u>Post Scheme effective date</u> Post Scheme effective date – The Master List will not be maintained after the Scheme Effective date. Newly identified policies should be (very) minimal, as the Part VII Programme has sourced the input data that has been sent to all MAs for the data refresh from the Bureau data. Any transactions that come into the Bureau after the scheme effective date which are not on the Master List will form a 5th transferring category – “Newly Identified” – the triage approach for these transactions is subject to a design review	Content added
<b>Segmentation Logic &amp; Triage Rules</b>	n/a	New slides - detailed Segmentation Logic, Master List and Triage Rules (Bureau and Non-Bureau)	Added for the detailed Segmentation Logic & Triage Rules

## Changes made to MDD (3/12)

Slide Title	PREVIOUS CONTENT - MDD v.2.0	NEW CONTENT - MDD v3.0	Rationale for change / update / addition
<b>Master List – Creation Rules</b>	Views of the Master List are created for each MA for all contracts for which they are the Lead	Views of the Master List are created for each MA for all contracts for which they are the Lead and Follow	Updated to include Follow version of the Master List
<b>Master List – Distribution and Internal Identification</b>	n/a	Views of the Master List will be created for each Broker and provided prior to the Scheme Effective Date	Updated to include Follow version of the Master List
<b>Managing Agent Master List Requirements</b>	n/a	New slide - Managing Agent Master List Requirements	New slide
<b>Actions for identifying Part VII Business (1/5)</b>	Coverholders / TPAs need to know the transferring status of all binders / bulking lineslips and the underlying declarations to enable these to be serviced in line with Lloyd's Brussels guidelines	Coverholders / TPAs need to know the transferring status of all binders to enable these to be serviced in line with the Part VII transfer and Lloyd's Brussels guidelines.	Updated content to reflect how Coverholders/TPAs identify Part VII transactions in their System of Record
	For mixed and unknown binders, Coverholders and TPAs will need to perform triage for transactions on these binders	Managing Agents will provide each Coverholder / TPAs with a summary of Master List data showing the transferring status for their portfolio (binders that are transferring, not transferring, mixed or unknown).	
		For binders with "Transferring" status: Mark this Binding Authority as Part VII transferring in internal systems to ensure this will be administered in line with Lloyd's Brussels Part VII guidelines	
		For binders with "Not transferring" status: No action required – administer as per BAU	
		For binders with "Mixed" or "Unknown" status: Mark this Binding Authority as Part VII Mixed or Unknown in internal systems	
	n/a	For policies with "Unknown" status, identify as Unknown within internal systems	Added content to specify how MAs treat Unknown binders pre-transfer
	n/a	Pre-transfer banner	Addition of a banner to indicate actions are pre-transfer

## Changes made to MDD (4/12)

Slide Title	PREVIOUS CONTENT - MDD v.2.0	NEW CONTENT - MDD v3.0	Rationale for change / update / addition
<b>Actions for identifying Part VII Business (2/5)</b>	n/a	Pre-transfer banner	Addition of a banner to indicate actions are pre-transfer
	The Bureau in the period immediately before the transfer, will execute an internal “behind the scenes” bulk claim update to add Part VII indicators to all open claims relating to Part VII transferring policies - noting that there are no Part VII update messages being sent to MAs at this stage	The Bureau in the period immediately before the transfer, will execute an internal “behind the scenes” bulk claim update to add Part VII indicators to all open claims relating to Part VII transferring policies using the Initial Load open claims data provided by Managing Agents - noting that there are no Part VII update messages being sent to MAs at this stage	Addition of reference to the use of Initial Load open claims data for bulk tagging by the Bureau
<b>Actions for identifying Part VII Business (3/5)</b>	n/a	Post-transfer banner	Addition of a banner to indicate actions are post-transfer
	<ul style="list-style-type: none"> <li>•MAs / Syndicates will consume the USMs/SCMS (including the Part VII indicator) and reports from the Bureau, which will support the creation of monthly data submissions to Lloyd’s Brussels</li> <li>•The Bureau will send USMs/SCMs (including the Part VII indicator) and an end-of-day report including these transactions to Syndicates</li> </ul>	<ul style="list-style-type: none"> <li>•MAs / Syndicates will consume the USMs/SCMS (including the Part VII indicator) and daily reports of transferring premium and claims from the Bureau, which will support the creation of monthly data submissions to Lloyd’s Brussels</li> <li>•The Bureau will send USMs/SCMs (including the Part VII indicator) and a daily report of transferring premium and claims including these transactions to Syndicates</li> </ul>	Addition of a daily report of transferring premium and claims
	Brokers will also identify the transferring status of a binder using the Master List and if the binder is mixed, split the bordereaux IF the Coverholder/TPA has not undertaken this activity and the information to do this is contained within the bordereaux	Brokers will identify the transferring status of a binder using the Master List  Broker should agree with CH/TPAs who will split bordereaux and follow the required naming convention	Updated wording to clearly define the actions required for Brokers for bureau processing post-transfer

## Changes made to MDD (5/12)

Slide Title	PREVIOUS CONTENT - MDD v.2.0	NEW CONTENT - MDD v3.0	Rationale for change / update / addition
<b>Actions for identifying Part VII Business (3/5)</b>	<p>Coverholders / TPAs must identify transactions relating to Part VII transferring policies utilising the Master List and/or Segmentation Logic</p> <p>Coverholders/TPAs should agree with brokers who will split bordereaux and follow the required naming convention (depending on who triages and splits the bordereau) an appropriate mechanism for identifying bordereaux as Part VII and non-Part VII (e.g. naming convention guidance in the file preface or name)</p>	<p>Coverholders / TPAs must identify Part VII transactions</p> <p>For binders with “Transferring” status: Administer in line with Lloyd’s Brussels Part VII guidelines</p> <p>For binders with “Not transferring” status: No action required – administer as per BAU</p> <p>For binders with “Mixed” or “Unknown” status: Apply the Triage Rules to determine the transferring status of each individual declaration-level policy transaction, and the subsequent submission of one Part VII bordereau and one non-Part VII bordereau per reporting period</p> <p>Coverholders/TPAs should agree with brokers who will split bordereaux and follow the required naming convention</p> <p>Part VII transactions will be administered in line with Lloyd’s Brussels Part VII guidelines</p>	<p>Updated wording to clearly define the actions required for Coverholders / TPAs for bureau processing post-transfer</p>
	<p>The Bureau will perform Part VII triage for new (open market) claims and all (open market) premium transactions to determine whether a transaction relates to a Part VII transferring risk</p> <p>If a transaction relates to a Part VII transferring risk, the Bureau will indicate this via the Part VII indicator in the US / Canadian Trust Fund Code field</p> <p>The Bureau will send USMs/SCMs (including the Part VII indicator) and an end-of-day report including these transactions to Syndicates</p>	<p>The Bureau will triage transactions on mixed or unknown signings and any transactions or signings not on the Master List to determine whether they are EEA</p> <p>If a transaction relates to a Part VII transferring risk, the Bureau will indicate this via the Part VII indicator in the US / Canadian Trust Fund Code field</p> <p>The Bureau will send USMs/SCMs (including the Part VII indicator) and a daily report of transferring premium and claims report including these transactions to Syndicates</p>	<p>Updated wording to clearly define the actions required for the Bureau for bureau processing post-transfer</p>
<b>Actions for identifying Part VII Business (4/5)</b>	n/a	Post-transfer banner	<p>Addition of a banner to indicate actions are post-transfer</p>



# Changes made to MDD (6/12)

Slide Title	PREVIOUS CONTENT - MDD v.2.0	NEW CONTENT - MDD v3.0	Rationale for change / update / addition
<b>Actions for identifying Part VII Business (4/5)</b>	Coverholders / TPAs must identify transactions relating to Part VII transferring policies utilising the Master List and/or Segmentation Logic Coverholders and TPAs must identify these transactions as 'Part VII' in their premium and claims bordereaux	Coverholders / TPAs must identify transactions relating to Part VII transferring policies utilising the Master List  For binders with "Transferring" status: Administer in line with Lloyd's Brussels Part VII guidelines  For binders with "Not transferring" status: No action required – administer as per BAU  For binders with "Mixed" or "Unknown" status: Apply the Triage Rules to determine the transferring status of each transaction, and the subsequent submission of one Part VII bordereau and one non-Part VII bordereau per reporting period  Coverholders/TPAs should agree with brokers who will split bordereaux and follow the required naming convention  Part VII transactions will be administered in line with Lloyd's Brussels Part VII guidelines	Updated wording to clearly define the actions required for Coverholder/TPAs for non-bureau processing post-transfer
<b>Identification of Part VII Live Policies (1/2)</b>	Identification of Part VII Live Policies (1/2) - Pre Transfer for MAs slide	Slide deleted	Content was duplicative and was consolidated in Actions for identifying Part VII Business
<b>Identification of Part VII Live Policies (2/2)</b>	Identification of Part VII Live Policies (2/2) - Pre Transfer for CH/TPAs slide	Slide deleted	Content was duplicative and was consolidated in Actions for identifying Part VII Business
<b>Bulked Delegated Authority Processes</b>	n/a	New slide - placeholder for bulked DA processes	Provides an update on the development of the bulked DA processes to date
<b>Delinked / Deferred / Corrections Overview</b>	n/a	New slide - providing overview of the Delinked / Deferred / Corrections approach	Providing overview of the Delinked / Deferred / Corrections approach

# Changes made to MDD (7/12)

Slide Title	PREVIOUS CONTENT - MDD v.2.0	NEW CONTENT - MDD v3.0	Rationale for change / update / addition
<b>Bureau Market Support - Post Transfer Bureau Business</b>	For transactions processed via the Bureau, the Bureau will indicate Part VII status within each relevant message	For transactions processed via the Bureau, a Part VII indicator in the form of new Part VII Trust Fund codes will be added by the Bureau to each transaction	Updated content for the processing of Bureau business post-transfer, including the use of the indicator and open claims
	The Part VII status indicator will be as a result of the Part VII Triage Process	The addition of the Part VII indicator will be as a result of Bureau straight through processing or the bureau Part VII Triage Process, dependant on transferring status	
	The Part VII status will be: Used to provide instructions to STFO to enable payments to be processed into / out of the correct Part VII accounts; Used to enable Bureau end-of-day reporting to market participants Included within the USMs and SCMs provided to all market participants as per current BAU processes	The Part VII Trust Fund Codes will be the sole indicator that a premium or claim transaction is Part VII transferred The EEA Trust Fund Codes will sometimes be for currencies and territories other than USA or Canada The Trust Fund on claims will change at the next movement after the go-live date and this may have an outstanding amount with the EEA Trust Code where the previous movement had an outstanding with an existing Trust fund code	
	The US and Canadian Trust Fund Code field will be utilised, with additional allowable (Part VII specific) attributes added to this field	The existing US/Canadian Trust fund code field will be unchanged in structure but re-purposed to include codes specifically for Part VII	
	n/a	Open Part VII claims will be updated in time for the Part VII transfer to include the Part VII indicator	
<b>Bulk Tagging of Part VII Claims by Bureau - Pre-transfer</b>	In the period immediately before the transfer, the Bureau will execute a bulk claim update to add Part VII indicators to their system of record and SCM messages.	In the period immediately before the transfer, the Bureau will execute a bulk claim update to add Part VII indicators to their system of record and SCM messages, carried out at COR level.	Specifying that the exercise will be carried out at COR level
	STFO STFO will process all transactions as per BAU ahead of the transfer date, despite the addition of the Part VII indicator values within the US / Canadian Trust Fund Code field	Content deleted	Content no longer relevant due to the "behind the scenes" update approach
<b>Non Bureau Administration</b>	Segmentation Logic	Triage Rules	Amendment of wording from Segmentation Logic to Triage Rules
	MAs / Syndicates (and/or Coverholders/TPAs) are responsible for executing Part VII triage process for non-bureau premium and claim transactions	MAs / Syndicates (and/or Coverholders/TPAs) are responsible for executing the Master List look-up and Part VII triage process for non-bureau premium and claim transactions	Addition of the Master List look-up

# Changes made to MDD (8/12)

Slide Title	PREVIOUS CONTENT - MDD v.2.0	NEW CONTENT - MDD v3.0	Rationale for change / update / addition
<b>Actions for Data Submissions (1/3)</b>	Prior to the transfer date, the Bureau will carry out a claims bulk update based on the onboarding initial load view of transferring claims	The Bureau in the period immediately before the transfer, will execute an internal “behind the scenes” bulk claim update to add Part VII indicators to all open claims relating to Part VII transferring policies - noting that there are no Part VII update messages being sent to MAs at this stage	Updated wording to reflect Transferring status of actions on Master List
<b>Actions for Data Submissions (2/3)</b>	Bureau Premium	Bureau Premium (Transferring status on Master List)	Updated wording to reflect Transferring status of actions on Master List
	Bureau Claims	Bureau Claims (Transferring status on Master List)	Updated wording to reflect Transferring status of actions on Master List
	Treatment of unknown, mixed, and new claims / premiums / transactions	Treatment of unknown, mixed, and newly identified signings on Master List	Updated wording to reflect identified signings on Master List
	For policies on the Master List, The Bureau will add a Part VII indicator in USMs and the end-of-day reports used by the syndicates	The Bureau will add a Part VII indicator in USMs and the end-of-day reports used by the syndicates	Removal of risks not on the Master List
	For risks not on the Master List, the Bureau will review the documentation (and query with the Broker, if required) and manually input the Part VII indicator		
	For risks on the Master List, The Bureau will add a Part VII indicator in USMs/SCMs and the end-of-day reports used by the syndicates	The Bureau will add a Part VII indicator in USMs/SCMs and the end-of-day reports used by the syndicates	Removal of risks not on the Master List
<b>Actions for Data Submissions (3/3)</b>	For risks not on the Master List, the Bureau will review the documentation (and query with the Broker, if required) and manually input the Part VII indicator in CLASS		
	For ‘unknown’, ‘mixed’ and ‘new’ scenarios, the Bureau will manually triage the claim/ premium transaction based on information available and for ‘mixed’ scenario, the Bureau will assess the transaction based on information submitted by the broker	For ‘unknown’ and ‘mixed’ scenarios, the Bureau will manually triage the claim/ premium transaction based on information available and may need to raise questions with the Broker	Removal of the Bureau assessing the transaction based on information submitted by the broker
<b>Part VII Data Submissions</b>	MA / Syndicates need to perform Part VII look-up and triage process using the Segmentation Logic	MA / Syndicates need to perform Part VII look-up using the Master List and triage process using the triage rules for Mixed / Unknown and newly identified signings on the Master List	Removal of reference to the Segmentation Logic and addition of triage process for Mixed / Unknown and newly identified signings on the Master List
<b>Part VII Data Submissions</b>	Data quality checks will be carried out by the data quality application at the point of submission	Data quality checks will be carried out by the Market Data Collections (MDC) at the point of submission	Update to reflect MDC as the DC/DQ tool used

# Changes made to MDD (9/12)

Slide Title	PREVIOUS CONTENT - MDD v.2.0	NEW CONTENT - MDD v3.0	Rationale for change / update / addition
<b>Summary of Data Requirements - Premium</b>	The scope of the Premium data submissions will include the following: Premium data in relation to all live, transferring policies (per Part VII Segmentation Logic) Premium data in relation to expired policies with an open, transferring claim (per Part VII Segmentation Logic) Bureau, Lloyd's Direct Reporting and Non-XIS All methods of placement including Open Market, Binder, Consortia and Lineslip Direct insurance and Inward reinsurance (Cedant domiciled in Germany per page 23)	The scope of the Premium data submissions will include the following: All active, transferring policies as well as expired policies with an open claim A policy is defined as active if it has not expired or has outstanding premium yet to be collected (see Part VII Operational Data Model Detailed Guidance v1.0 for further details on each Method of Placement) Bureau, Lloyd's Direct Reporting and Non-XIS processed policies All direct insurance Inward re-insurance (Cedant domiciled in Germany per the Scope of the Part VII Transfer slide in Section 1) - this includes all Treaty & Facultative, Proportional & Non-Proportional forms of RI	Reference to active policy made and reference to Detailed Guidance doc
<b>Summary of Data Requirements - Claim</b>	The scope of the Claims data submissions will include the following: Claims data in relation to all open, transferring claims (per Part VII Segmentation Logic) Bureau, Lloyd's Direct Reporting and Non-XIS All methods of placement including Open Market, Binder, Consortia and Lineslip Direct insurance and Inward reinsurance (Cedant domiciled in Germany as per page 23)	The scope of the Claims data submissions will include the following: All open, transferring claims Claims are deemed to be open where their status is marked as 'Open' and/or have an outstanding indemnity/fee value of higher than zero (see Part VII Operational Data Model Detailed Guidance v1.0 for further details on each Method of Placement) Bureau, Lloyd's Direct Reporting and Non-XIS processed claims All direct insurance Inward re-insurance (Cedant domiciled in Germany per the Scope of the Part VII Transfer slide in Section 1) - this includes all Treaty & Facultative, Proportional & Non-Proportional forms of RI	Reference to active policy made and reference to Detailed Guidance doc
<b>Part VII Data Model - Overview of structure and content</b>	n/a	Note that the latest version of the Data Model is v4.7 which will be used as the basis of the June onboarding submission (see slide 54 for more information on Data Onboarding)	Added reference to Data Model v4.7
<b>Overview of Data Submission Files - Initial Load &amp; Monthly Load</b>	updates will be provided in upcoming market forums n/a	updates will continue to be provided in upcoming market forums Updates to number of fields	Updated wording for updates to continue to be provided in market forums Updated number of fields to the Data Model

# Changes made to MDD (10/12)

Slide Title	PREVIOUS CONTENT - MDD v.2.0	NEW CONTENT - MDD v3.0	Rationale for change / update / addition
<b>Data Consumption / Data Quality (DC/DQ) Tool</b>	<p>Title: Data Consumption / Data Quality (DC/DQ) Tool</p> <ul style="list-style-type: none"> <li>•A single platform will be provided for the Syndicates to submit all types of Part VII data submissions. Lloyd's Brussels is currently going through a vendor selection process for this platform</li> <li>•Data quality checks will take place at the point of upload of each submission</li> <li>•The submission / data will only be accepted if the defined data quality standards are met</li> <li>•Lloyd's Brussels will conduct a further set of validations on the submitted data</li> <li>•These validations on submitted data may require Lloyd's Brussels to raise queries to MAs / Syndicates for resolution. The mechanism for this process will be communicated to the Market once the platform has been selected</li> </ul>	<p>Title: Data Quality Checks on Submissions</p> <ul style="list-style-type: none"> <li>•Market Data Collections (MDC) configured for Part VII data submissions and with new capabilities, will be utilised as the Data Consumption and Data Quality Tool for Managing Agents to submit all types of Part VII data submissions</li> <li>•Data quality checks will take place at the point of upload for each submission, followed by business validations, which result in errors and warnings to be resolved by the MA, prior to official submission to Lloyd's Brussels</li> <li>•Each data submission will only be accepted if the pre-defined data quality standards are met (i.e. errors are resolved) and all warnings have been reviewed and been responded to</li> <li>•Lloyd's Brussels will conduct a further set of validations on the submitted data to check for data consistency between submissions / Managing Agents where applicable</li> <li>•The further set of validations performed outside of the DC/DQ tool may prompt Lloyd's Brussels to raise queries to Managing Agents for resolution</li> </ul>	Updated to include vendor being MDC and small updates to the wording
<b>Full Market Data Onboarding</b>	n/a	Replacement slide	Refreshed full slide to show both initial and monthly loads required for onboarding + dates added to data activities in the timeline
<b>Part VII Operational Data Model - Data Onboarding Timeline</b>	n/a	New slide	New slide to reflect the timeline for onboarding of the Data Model
<b>Data Quality checks within the DC/DQ tool</b>	n/a	New slide	New slide to reflect the checks carried out for the DC/DQ tool

## Changes made to MDD (11/12)

Slide Title	PREVIOUS CONTENT - MDD v.2.0	NEW CONTENT - MDD v3.0	Rationale for change / update / addition
<b>Part VII Settlement Bank Accounts Summary</b>	N/A	Replacement slide - update on the use of CCS	Used for the COO AG to provide an update regarding CCS (not mandated by the Part VII Programme)
<b>Part VII Settlement Bank Accounts Summary - Non Bureau Cashflow</b>	•MAs / Syndicates will be added as named administrators on their respective Part VII Settlement Accounts and will have the required authorisation to make payments on Lloyd's Brussels behalf	•MAs / Syndicates will be given access to their respective Part VII Settlement Accounts via their existing banking platforms and will have the required authorisation to make payments on Lloyd's Brussels behalf	Updated wording to reflect the use of their existing banking platforms
<b>Bank Reconciliation</b>	N/A	New Slide	Slide to update on bank reconciliation between Part VII bank account and the monthly ESA
<b>Set of rules to select appropriate syndicate bank accounts for top-up</b>	Under market consultation sticker	Removal of under market consultation	Item taken through market consultation, feedback addressed and finalised
	1.For all syndicates transferring business that do not have a syndicate YoA set out to 9999, default the YoA to the last available YoA	3.For all syndicates transferring business that do not have a syndicate end year set to 9999, default the YoA to the last available YoA	Update to wording
<b>Cash Call Process - Part VII Model</b>	Under market consultation sticker	Removal of under market consultation	Item taken through market consultation, feedback addressed and finalised
<b>Non-Cash signings under the Part VII solution</b>	n/a	New slide	New slide detailing the approach to non-cash signings under the Part VII solution

# Changes made to MDD (12/12)

Slide Title	PREVIOUS CONTENT - MDD v.2.0	NEW CONTENT - MDD v3.0	Rationale for change / update / addition
<b>Complaints Actions</b>	n/a	There may be a requirement for CH/TPAs with complaints handling authority to provide information via Managing Agents to Lloyd's of London / Lloyd's Brussels This is to enable a transfer of open complaints relating to Part VII transferring policies from Lloyd's of London to Lloyd's Brussels at the transfer date	Small updates to clarify – incl. CH without complaints handling authority
	n/a	CHs/TPAs with complaints handling authority need to notify Part VII complaints relating to Part VII transferring policies to Lloyd's Brussels via the notification template (updated to include Part VII Segmentation Logic) in line with the BAU process CHs/TPAs without complaints handling authority are required to notify Part VII complaint to the Managing Agent, and provide support throughout the complaints handling process as requested by the Managing Agent in line with the BAU process	
<b>Post-transfer: Part VII Complaints Management</b>	Syndicates will be required to triage all new complaints received after the transfer date using the Segmentation Logic to ensure they have been notified to the correct entity	Syndicates and Coverholders/TPAs with complaints handling authority will be required to triage all new complaints received after the transfer date using the Segmentation Logic to ensure they have been notified to the correct entity	Small updates to clarify – incl. CH without complaints handling authority
	and Coverholders with complaints handling authority	and Coverholders / TPAs with complaints handling authority •Coverholders/TPAs without complaints handling authority are required to notify the complaint to the Managing Agent, and provide support throughout the complaints handling process as requested by the Managing Agent in line with Lloyd's Insurance Company Complaints handling principles and guidelines	
<b>Appendix - Operational Data Model – Detailed Guidance</b>	n/a	Operational Data Model – Detailed Guidance	New slides added for the detailed guidance to the Data Model
<b>Appendix – Asset Transfer</b>	n/a	Asset Transfer	New slides added for guidance on Asset Transfer
<b>Appendix – Bulk DA Processes</b>	n/a	Bulked DA Processes	Bulked DA Processes (PDF) embedded into document

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# Lloyd's Part VII Transfer: Market Design Document

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# Lloyd's Part VII Transfer: Market Design Document

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# Lloyd's Part VII Transfer: Market Design Document

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# Executive Summary

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## The Lloyd's Part VII Market Design Document (MDD)

This document is intended for Managing Agents, Brokers and Coverholders / TPAs responsible for implementing the necessary changes to ensure that all in-scope EEA risks (written from 1993 up to 12<sup>th</sup> April 2019\* for Direct business and up to the end of October 2020 for Reinsurance business) can continue to be serviced post-Brexit.

This document has been developed through consultation with the Lloyd's Market. It provides an overview of the Lloyd's Part VII solution and guidance on what Managing Agents, Brokers and Coverholders / TPAs need to do to ensure they are operationally ready for the transfer, which is scheduled for the 29<sup>th</sup> October 2020.

The MDD is a living document that will be updated with the latest content as outstanding items are finalised. The latest version of this document will be distributed to an agreed contact within each organisation.

## Contact us

For general enquiries about this document please contact the programme team at [Part7@lloyds.com](mailto:Part7@lloyds.com)

**\*Note** - c.300 extensions were granted to Managing Agents, enabling such Managing Agents (through their Coverholders) to bind policies on behalf of the Members up to the relevant extension date granted by Lloyd's. All but five of the extensions granted to Managing Agents expired on 28 March 2019 and the final extension of the five further extensions expired on 12 April 2019 – analysis underway for this small cohort of business

# Introduction to Lloyd's Part VII

# Lloyd's Part VII - Background



As a result of the decision for the UK to leave the EU, it is assumed that UK incorporated insurers, including Lloyd's Underwriters, will lose their current EU passporting rights



Lloyd's Underwriters will not be able to manage and service previously issued EEA policies, and global policies with EEA exposures, after the UK's exit from the EU has become effective



Lloyd's is therefore planning for all in-scope EEA risks (written from 1993 up to 12<sup>th</sup> April 2019\* for Direct business and up to the end of October 2020 for Inwards German Reinsurance business) to be transferred to Lloyd's Insurance Company S.A. – Lloyd's Brussels under a Part VII transfer, scheduled for 29th October 2020

\*Note - c.300 extensions were granted to Managing Agents, enabling such Managing Agents (through their Coverholders) to bind policies on behalf of the Members up to the relevant extension date granted by Lloyd's. All but five of the extensions granted to Managing Agents expired on 28 March 2019 and the final extension of the five further extensions expired on 12 April 2019 – analysis underway for this small cohort of business

# Lloyd's Part VII – Solution Overview



Hyperlink



Lloyd's Insurance Company S.A. (Lloyd's Brussels) will be the insurer for the Part VII book of business after the transfer date. Insurance business originally written by or reinsured to close into a syndicate will, following its transfer to Lloyd's Insurance Company S.A. under the Part VII scheme, be reinsured back to that syndicate by way reinsurance agreements between Lloyd's Insurance Company S.A. and that syndicate



Managing Agents will act in relation to the Part VII book of business as outsourced service providers of Lloyd's Brussels



All claim notification and settlements will be via existing processes on behalf of Lloyd's Insurance Company S.A. - Lloyd's Brussels



All complaints management activity, including notification and resolution for Part VII business will follow existing BAU Lloyd's Insurance Company S.A. - Lloyd's Brussels Complaints Processes/ Guidance (refer to [section 5](#)) for further details on Part VII Complaints Management

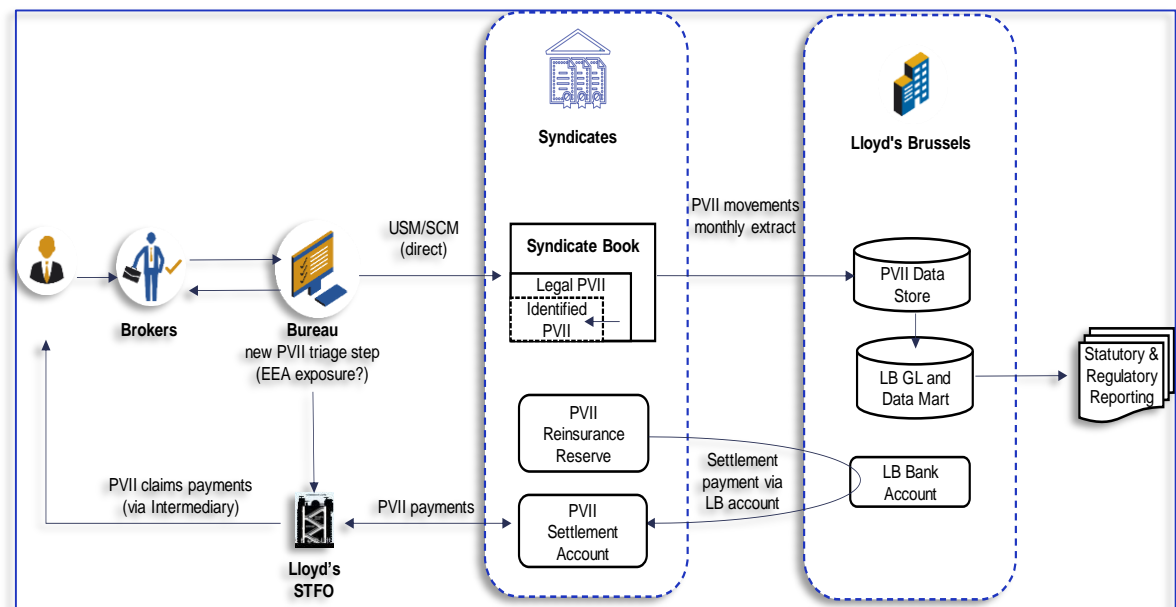
## The Lloyd's Part VII Programme has:

- Defined the Operational Model (detailed in this document) that will be built and in place after the Part VII transfer, which will enable Lloyd's Brussels and all market participants to manage and service the transferred business;
- Produced FAQs to provide market guidance and answer some of the most common questions;
- Maintained (and continues to maintain) a central mailbox for market support (including dissemination of FAQs), communications and enquiries ([Part7@Lloyds.com](mailto:Part7@Lloyds.com)) .

# Introduction to Lloyd's Part VII

## What is covered in this Market Design Document?

- **Section 1** covers the Lloyd's Part VII Design Principles and Scope – this will outline the key elements defining Part VII business
- **Section 2** covers Part VII Identification and Operational Activity – this will outline the approach to identifying Part VII business pre-transfer i.e. before end October 2020, in addition to administering new claims on an ongoing basis (Bureau and non-Bureau)
- **Section 3** covers the data submissions that will be required from MAs / Syndicates (including those required on an ongoing basis)
- **Section 4** covers Part VII Finance requirements – this will detail requirements around the operation of Part VII Settlement Accounts and money movement and control. This also covers Claims VAT requirements
- **Section 5** covers Part VII complaints management – i.e. handling Part VII complaints on an ongoing basis
- **Section 6** covers Lloyd's Brussels sanctions screening process for Part VII business
- **Section 7** covers the impact assessment carried out on the current Lloyd's reporting requirements
- **Section 8** covers the Part VII Delivery Schedule, Onboarding and MAT, including next steps for MAs
- **The Appendix** lists the changes made to MDD between v1.0 and 1.1, v1.1 and v2.0, High-level Operational Framework, Process Diagrams, Reporting impact assessment, Bulk DA Process Maps, Operational Data Model Detailed Guidance and Asset Transfer



**The Market Design Document is a living document that will be updated as outstanding items are finalised. The latest version of this document will be distributed to an agreed contact within each managing agent/broker for dissemination**



# High-level Operational Framework and Navigating the Market Design Document



MA / Syndicate

Broker

CH / TPA

Bureau

Lloyd's Brussels

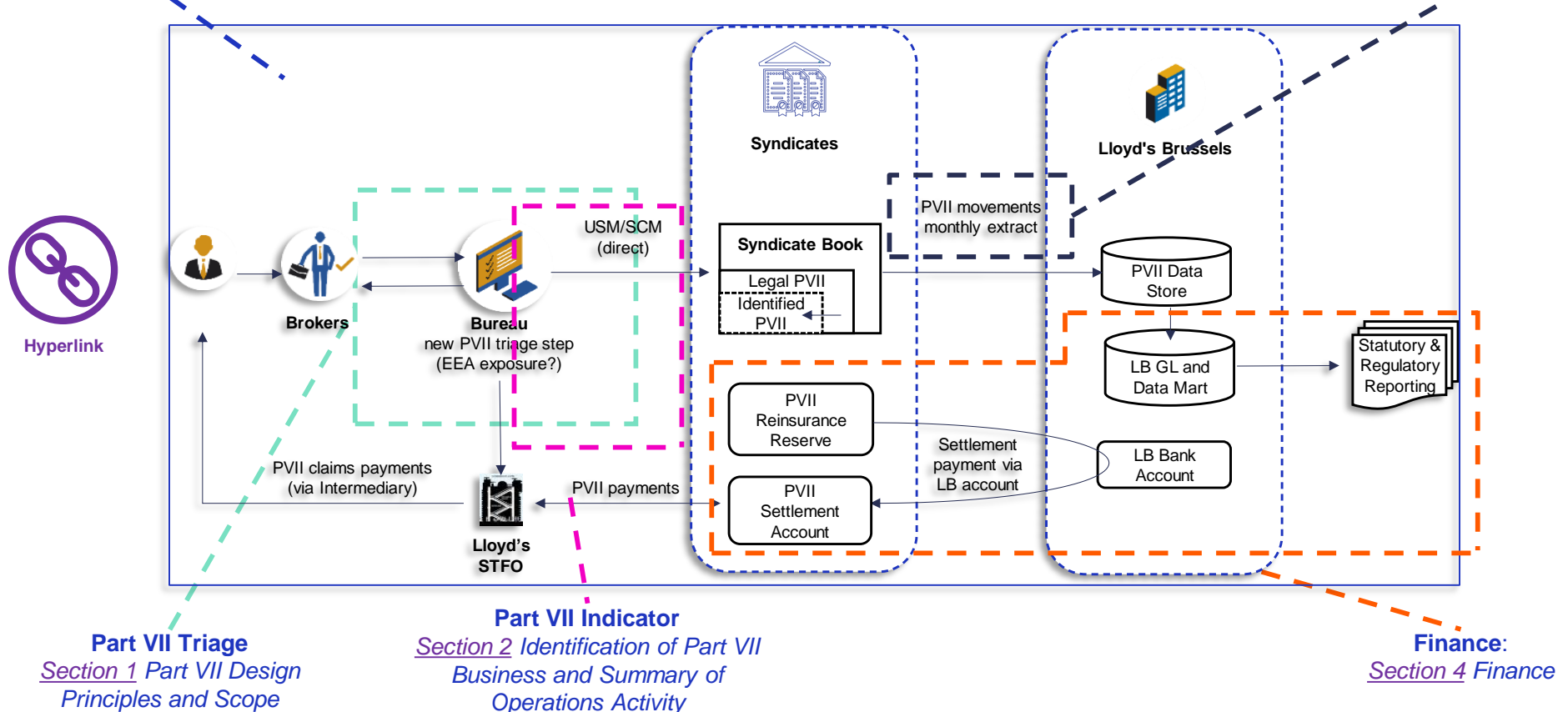
We have signposted below where information can be found relating to each of the main workstreams under the Part VII Programme. We have also included updated versions of the 'swimlane' High-level Operational Framework in the Appendix

## Complaints Management

[Section 5 Complaints Management](#)

## Data submissions

[Section 3 Data Submissions to Lloyd's Brussels](#)



# Introduction to Lloyd's Part VII

## Understanding the icons used in this document

### Part VII impacted actors / stakeholders

For each of the sections in this Market Design Document, the following icons will be used to indicate which stakeholders under the Part VII Solution will be impacted by changes to existing processes / procedures, and / or implementation of new processes / procedures.



**Policy  
Holder**



**MA /  
Syndicate\***



**Broker**



**Coverholder /  
TPA**



**Bureau**



**Lloyd's  
Brussels**

\* Administrative activities will be undertaken by MAs on a Syndicate by Syndicate basis

This icon indicates this slide of the MDD includes a hyperlink. Please hold down CTRL and left-click to navigate to the linked content:



**Hyperlink**

Where there are open design questions relating to the Part VII Operational Solution, these have been flagged with the following symbol:



**Open Design  
Question**

Where there are items which are undergoing market consultation or where market feedback is underway, these have been flagged with the following symbol:



**Undergoing Market  
Consultation**

The following symbol has been used to highlight actions which are included for each relevant stakeholder at the beginning of each section:



**Action**

## Section 1: Part VII Design Principles and Scope

# Key Design Principles for the Part VII Operational Framework



MA / Syndicate



Broker



CH / TPA



Bureau



Lloyd's Brussels

**Key design principles are the parameters which set out the fundamental concepts applicable to the Part VII transfer operational framework. These have been updated, maintained and validated throughout the Part VII Programme and will be taken forward to the future phases of the Part VII Programme.**

Policyholders cannot be adversely impacted

The solution must be compliant with all relevant laws and regulations

Single market-wide solution

Centralise activities and processes where practical

Least disruption and market risk

Robust and resilient with adequate control framework

Must adhere to UK regulatory principles

# Scope of the Part VII Transfer



MA / Syndicate



Broker



CH / TPA



Bureau



Lloyd's Brussels

## Included business:

- EEA risks incepted at Lloyd's between 1993 and 12<sup>th</sup> April 2019\* for Direct business / the end of October 2020 for Inwards German Reinsurance business not already written into Lloyd's Insurance Company S.A. - Lloyd's Brussels;
- Premiums and claims processed on the transferred business after the Part VII transfer date (i.e. from end of October 2020);
- All submission types (Bureau, Non-XIS and LDR);
- All classes of non-Life business;
- Inwards reinsurance is in scope of the transfer where the legally recognised cedant is domiciled in Germany;
- For multi-jurisdictional business with EEA and non-EEA risks, only the EEA business transfers;
- All transaction types including Original Premiums, Additional Premiums; Return Premiums, Treaty Statements;
- Claims Settlements and Claim Advices

## Excluded business:

- Any risk which would otherwise have been included within the Transfer but which is subject to the requirements of a local regulatory licence or other insurance approval granted to Lloyd's in the following jurisdictions: Australia, Canada, Hong Kong, Singapore, South Africa and/or Switzerland;
- Life business;
- Company Market;
- Risks incepted after 12<sup>th</sup> April 2019 for Direct business and after October 2020 for Reinsurance business;
- Business underwritten prior to 1993 (Equitas);
- Outwards Reinsurance

\*Note - c.300 extensions were granted to Managing Agents, enabling such Managing Agents (through their Coverholders) to bind policies on behalf of the Members up to the relevant extension date granted by Lloyd's. All but five of the extensions granted to Managing Agents expired on 28 March 2019 and the final extension of the five further extensions expired on 12 April 2019 – analysis underway for this small cohort of business

# Principles for Identifying Part VII Business



MA / Syndicate



Broker



CH / TPA



Bureau



Lloyd's Brussels

**There is a need for the Market to identify Part VII business. There are four key principles that have been applied to the process design:**

**There is a consistent approach to identifying Part VII transferring policies, claims and related transactions based on the Part VII Segmentation Logic**

**The Part VII Programme will support MAs/Syndicates by performing Part VII segmentation on notified risks prior to the transfer date**

**The Bureau will centrally support certain triage activities and provide end-of-day reporting as well as populating the existing Trust Fund code with the new values for Part VII transactions**

**Syndicates, Brokers and Coverholders / TPAs will utilise the Part VII Triage Rules where manual identification and triage of policies, claims and related transactions is required**

# Key Elements to Part VII Segmentation



Hyperlink



MA / Syndicate



Broker



CH / TPA



Bureau



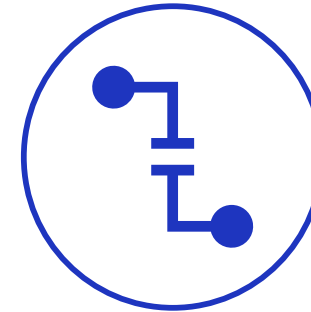
Lloyd's Brussels

## Key elements to the Part VII Segmentation Process:



### Segmentation Logic

- The Segmentation Logic follows the Part VII Transfer Court documentation and applies two key concepts to define whether business is included within the transfer: (i) relates to EEA Risk (applying FIL code where required); or (ii) has been issued to or is held by an EEA Policyholder
- The Segmentation Logic will be used to categorise all records on the Master List, and any new records or transactions after the transfer date



### The Master List

- As outlined by the [Master List slides](#) within this section, the Master List will contain all known risks written from 01/01/1993 (across all placement methods) based on data provided to the Part VII Programme by MAs / Syndicates
- The Master List will be categorised using the Segmentation Logic
- Any transactions for risks on the Master List with a status of 'mixed' or 'unknown', will be subject to a manual triage process to identify the policyholder domicile and risk location and therefore the Part VII transferring status

# Master List Segmentation Logic (1/5)



MA / Syndicate



Broker



CH / TPA



Bureau



Lloyd's Brussels

**Segmentation logic will be applied to the data received from the market to determine the transferring status of each policy, or part policy**

## Segmentation Status

- The segmentation logic will apply a series of rules to the **policyholder domicile, FIL code and risk location data** for **direct open market business** to establish the transferring status of each policy, or part policy
- The status will be one of: **Transferring, Non-Transferring, Mixed or Unknown**
- **For binder business**, the transferring status will be **determined by the Managing Agent**, following the instructions included in the data refresh request, conducted in April 2020
- The segmentation status for **all open market German Reinsurance business** will be derived from **FIL codes** identified as German Reinsurance by the Bureau and the Lloyd's International Regulatory Affairs team
- Each lead Managing Agent will formally agree the data they have provided and the transferring status prior to final Master Lists being provided

## Segmentation Grain

- The **transferring status** will be established at **OSND grain**, with the exception of Non-XIS, LDR and binder business which will be established at **UMR grain**
- **UMR level** transferring status will be derived based on the **constituent OSNDs** (where relevant)
- **Transaction level** transferring status will be derived based on the **associated OSNDs** (where relevant)
- It is expected that there will be **variants between OSND transferring status and UMR transferring status**

**Please note, this Segmentation Logic differs from the current Lloyd's Brussels new business, as it includes a separate and new requirement to determine Insured Domicile in addition to Risk Location. This approach has been driven by the Part VII Court Process Scheme reflecting current legal and regulatory requirements and does not change Lloyd's Brussels' new business scope**



# Master List Segmentation Logic (2/5)



MA / Syndicate



Broker



CH / TPA



Bureau



Lloyd's Brussels

On the following pages the segmentation logic is defined; each of the key attributes have a number of definitions that need to be taken into account

## Data Attribute

## Guidance notes

### 1 Policyholder Domicile

- “**And**” indicates both scenarios are present, e.g. EEA and Non-EEA
- “**Or**” refers to either scenario, e.g. Non-EEA or unknown
- Unknown includes non-jurisdictionally specific locations, e.g. worldwide

### 2 Combined FIL code

- The Combined FIL code status refers to the collective jurisdictional status of FIL code 1 and FIL code 2, where both fields are populated; see the table below for definitions at transaction level
- Unknown includes non-jurisdictionally specific locations, e.g. worldwide

### 3 Risk Location

- “**And**” indicates both scenarios are present, e.g. EEA and Non-EEA
- “**Or**” refers to either scenario, e.g. Non-EEA or unknown
- Unknown includes non-jurisdictionally specific risk locations, e.g. worldwide

The combined FIL code field is designed to ensure that both FIL code 1 and FIL code 2 are taken into account when determining the status of the FIL code at a transactional level. The segmentation logic and triage process will be applied to the Combined FIL code field which is derived from FIL code 1 and FIL code 2 as demonstrated in the examples opposite:

FIL code 1	FIL code 2	Combined FIL code
EEA	N/A	<b>EEA</b>
N/A	EEA	<b>EEA</b>
Non-EEA	Unknown	<b>Unknown</b>
Unknown	Non-EEA	<b>Unknown</b>
Non-EEA	Non-EEA	<b>Non-EEA</b>
Unknown	Unknown	<b>Unknown</b>

# Master List Segmentation Logic (3/5)



MA / Syndicate



Broker



CH / TPA



Bureau



Lloyd's Brussels

## Managing Agent segmentation logic rules for Direct Insurance and Open Market business (excluding binders); this logic is applied at OSND level

ID	Description	Sub ID	Policyholder Domicile <sup>1</sup>	Combined FIL code <sup>2</sup>	Risk Location <sup>3</sup>	Master List Transferring Status	Implication
1	If FIL code equals Canadian trust fund (CR), South Africa, Australia, Switzerland, Singapore or Hong Kong	OS1A	N/A	Any Canadian trust fund (CR), South Africa, Australia, Switzerland, Singapore or Hong Kong FIL codes	N/A	<b>Non-Transferring</b>	Agreed regulated jurisdictions drive exclusions
2	If Non-EEA Policyholder Domicile	OS2A	Non-EEA	Non-EEA	Non-EEA	<b>Non-Transferring</b>	Two or more fields are non-EEA, providing Policyholder Domicile is Non-EEA
		OS2B	Non-EEA	Unknown	Non-EEA	<b>Non-Transferring</b>	
		OS2C	Non-EEA	Non-EEA	Unknown	<b>Non-Transferring</b>	
3	If Policyholder Domicile, FIL code or Risk Location is EEA	OS3A	EEA	N/A	N/A	<b>Transferring</b>	Transferring by virtue of solely EEA presence on one field
		OS3B	N/A	EEA	N/A	<b>Transferring</b>	
		OS3C	N/A	N/A	EEA	<b>Transferring</b>	
4	If FIL code or Risk Location is mixed	OS4A	Non-EEA or Unknown	EEA and Non-EEA*	Non-EEA or Unknown	<b>Mixed OSND</b>	Mixed FIL code or Risk Location determines status
		OS4B	Non-EEA or Unknown	Non-EEA or Unknown	EEA and Non-EEA	<b>Mixed OSND</b>	
5	If Policyholder Domicile is mixed	OS5A	EEA and Non-EEA	Non-EEA or Unknown or (EEA and Non-EEA*)	Non-EEA or Unknown or (EEA and Non-EEA)	<b>Mixed OSND</b>	Mixed Policyholder Domicile
6	If two or more of Policyholder Domicile, FIL code and Risk Location are unknown	OS6A	Unknown or (Unknown and Non EEA)	Unknown or (Unknown and Non EEA)	Non-EEA	<b>Unknown</b>	Two or more unknown fields determine status (excluding Policyholder Domicile)
		OS6B	Unknown or (Unknown and Non EEA)	Non-EEA	Unknown or (Unknown and Non EEA)	<b>Unknown</b>	
		OS6C	Non-EEA	Unknown or (Unknown and Non EEA)	Unknown or (Unknown and Non EEA)	<b>Unknown</b>	
		OS6D	Unknown or (Unknown and Non EEA)	Unknown or (Unknown and Non EEA)	Unknown or (Unknown and Non EEA)	<b>Unknown</b>	
		OS6E	Unknown or (Unknown and Non EEA)	Non-EEA	Non-EEA	<b>Unknown</b>	

# Master List Segmentation Logic (4/5)



MA / Syndicate



Broker



CH / TPA



Bureau



Lloyd's Brussels

The below examples seek to illustrate how the more complex segmentation rules – four, five and six – will work in practice utilising Managing Agent data

ID	Description	Sub ID	Policyholder Domicile <sup>1</sup>	Combined FIL code <sup>2</sup>	Risk Location <sup>3</sup>	Master List Transferring Status	Implication
4	If FIL code or Risk Location is mixed	OS4A	Non-EEA or Unknown	EEA and Non-EEA*	Non-EEA or Unknown	<b>Mixed OSND</b>	Mixed FIL code or Risk Location determines status
		OS4B	Non-EEA or Unknown	Non-EEA or Unknown	EEA and Non-EEA	<b>Mixed OSND</b>	
	EXAMPLE	OS4B	SK	SK1	SK and FR	<b>Mixed OSND</b>	
5	If Policyholder Domicile is mixed	OS5A	EEA and Non-EEA	Non-EEA or Unknown or (EEA and Non-EEA*)	Non-EEA or Unknown or (EEA and Non-EEA)	<b>Mixed OSND</b>	Mixed Policyholder Domicile
	EXAMPLE	OS5A	US and FR	USF1 and FRK1	US and FR	<b>Mixed OSND</b>	
6	If two or more of Policyholder Domicile, FIL code and Risk Location are unknown	OS6A	Unknown or (Unknown and Non EEA)	Unknown or (Unknown and Non EEA)	Non-EEA	<b>Unknown</b>	Two or more unknown fields determine status (excluding Policyholder Domicile)
		OS6B	Unknown or (Unknown and Non EEA)	Non-EEA	Unknown or (Unknown and Non EEA)	<b>Unknown</b>	
		OS6C	Non-EEA	Unknown or (Unknown and Non EEA)	Unknown or (Unknown and Non EEA)	<b>Unknown</b>	
		OS6D	Unknown or (Unknown and Non EEA)	Unknown or (Unknown and Non EEA)	Unknown or (Unknown and Non EEA)	<b>Unknown</b>	
		OS6E	Unknown or (Unknown and Non EEA)	Non-EEA	Non-EEA	<b>Unknown</b>	
	EXAMPLE	OS6B	Unknown	USF1	US and WW	<b>Unknown</b>	

# Master List Segmentation Logic (5/5)



Hyperlink



MA / Syndicate



Broker



CH / TPA



Bureau



Lloyd's Brussels

The transferring status for Binders is derived from the Managing Agent data request, and for German Reinsurance Open Market business, via FIL codes

## Binder Segmentation

- **For binder business (including German Reinsurance binders),** the transferring status will be **determined by the Managing Agent** through the data refresh request, conducted in April 2020
- The transferring status will be assigned using the authorised **risk locations** under each binding authority agreement
  - This will be determined using the Master Agreement, looking at underlying declarations or underwriting guidelines, and/or consulting Coverholders and/or brokers where applicable
  - The data provided and the status of the binder will be formally agreed between Lloyd's and the Managing Agent through the final agreement of the Master List
- Where Binder business is categorised as **mixed or unknown**, the following [actions](#) should be taken

## German Reinsurance Segmentation

- For German Reinsurance open market business, the **identification of Transferring business is purely based on FIL code** which assumes that the FIL code is a **suitable proxy of the cedant domicile**
- Business with **solely German Reinsurance FIL codes** will be treated as **transferring**
- Reinsurance business with a mixture of German and Non-German FIL codes will be treated as **mixed**
- Reinsurance business with Non-German **or Unknown (non-jurisdictionally specific) FIL codes** are treated as **non-transferring**

# Master List Data Lineage



Open Design  
Question



MA / Syndicate



Broker



CH / TPA



Bureau



Lloyd's Brussels

## The Part VII Initial Load Data Lineage follows 5 stages



**Identify, Quantify, Notify (IQN)** is a dataset comprised of all live and expired policies and open claims since 1993 to end of 2018 Year of Account which has been provided by the Managing Agents in July 2019 (a refresh is planned in April 2020). The data refresh activity took place in April 2020 with Managing Agents submitting data by 01.05.2020.



**Master List** – Each Lead's OSNDs and UMRs as provided to IQN will be included in the Master List, regardless of transferring status. There are four possible transferring statuses that are identified on the Master List; Transferring, Not Transferring, Mixed, Unknown (one definitive status for each signing)

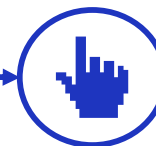


**Segmented Master List** – Views of the Master List are created for each Managing Agent for all risks for which they are the Lead **and Follow**. This will show Managing Agents the Transferring, Not Transferring, Mixed and Unknown statuses of their risks at signing level

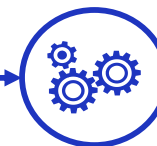


**How are Managing Agents expected to identify Part VII open claims at the point of initial load before the Master List is operational?**

- 1) Any claims associated with an OSND on the MA's Master List with Transferring or Not transferring status should be reported in line with the OSND status – no additional analysis required from MAs
- 2) Any claims associated with an OSND on the MA's Master List with Unknown or Mixed status - MAs are required to apply the Segmentation Logic to confirm the Part VII status, and then either include or exclude from the Initial Load



**Bureau Tagging** - Bureau tag open Part VII claims on the basis of the initial load data, at COR level ahead of go-live



**Go-Live** - The Part VII Programme pass finalised Master List to the Bureau for use in BAU (post go-live October 2020)



**Post Scheme effective date** – The Master List will not be maintained after the Scheme Effective date. Newly identified policies should be (very) minimal, as the Part VII Programme has sourced the input data that has been sent to all MAs for the data refresh from Bureau data. Any transactions that come into Bureau after the scheme effective date which are not on the Master List will form a 5th transferring category – "Newly Identified" – the triage approach for these transactions is subject to a design review



Open Design  
Question

# Master List – Creation Rules



Hyperlink



MA / Syndicate



Broker



CH / TPA



Bureau



Lloyd's Brussels

## Master List Source

- The Master List will be created from the final version of the IQN dataset and agreed by the respective Syndicates once the Part VII transfer Segmentation Logic has been applied
- The Part VII Programme Team will use the Segmentation Logic (detailed in the [Segmentation Logic](#) slides) to categorise the data in order to define the Part VII transfer status of all signings

## Master List Creation Rules

**The Part VII Programme team will establish the Master List at premium signing level, with all transactions following the OSND status after the transfer date**

- Views of the Master List are created for each MA for all contracts for which they are the Lead **and Follow**
- All OSNDs and UMRs that have been submitted to the Programme are expected to be included in the Master List, regardless of transferring status
- There will be a single level of granularity, at Original Signing Number and Date (OSND) level, e.g. each OSND to appear once and once only in the Master List
- There will be UMR reference and transferring status, OSND reference, Insured Domicile, Risk Country, FIL code and Status within each line of granularity. It is expected that there will be variants between OSND transferring status and UMR transferring status, but the combinations must fall into the categories in the table on the right side.
 

OSND Status	UMR Status
All Transferring	Transferring
All Not Transferring	Not Transferring
Some Transferring, some Not Transferring	Mixed
All Unknown	Unknown
- There will be only one instance of each OSND throughout the entire consolidated Master List across all MAs
- There are four possible transferring statuses (Transferring, Not Transferring, Mixed, Unknown)
- One Master List will be provided to the Bureau

# Master List – Distribution and Internal Identification



MA / Syndicate



Broker



Bureau



Lloyd's Brussels

## Distribution of the Master List to the Market

- Views of the Master List will be created for each Managing Agent for all risks for which they are either the Lead or Follow. This will show Managing Agents the Transferring, Not Transferring, Mixed and Unknown statuses of their risks at signing level
- Views of the Master List will be created for each Broker and provided prior to the Scheme Effective Date

## Master List Internal Part VII Identification

- Segmented Master Lists will allow the identification of transferring risks, and will enable the maintenance of an accurate book of record for Syndicates to support internal controls and regulatory compliance
- External reporting requirements to Lloyd's and regulators will include some requirements for MAs to distinguish between Direct and Reinsurance business (e.g. SII Pillar 3 Reporting). Identifying all transferring policies and claims in internal systems will enable syndicates to meet these requirements
- There is no Part VII Programme requirement for MAs to develop internal system validation for Bureau messages** e.g. to check that only USMs and SCMs with Part VII transferring status are attached to signings that were originally identified by MAs as transferring. However, MAs may opt to develop reconciliation processes based on Bureau message status and internal view of transferring status

## Open Claims at the Point of Transfer

- The Part VII status for open claims (based on the Master List status of the open claim's associated OSND) will be appended via the trust fund code. At the point of transfer, the update will be shared with the respective MA at the next transaction movement, regardless of type of movement (including where movement is due to quarterly exchange rate update)

# Managing Agent Master List Requirements

## Data items detail



MA / Syndicate



Bureau



Lloyd's Brussels

The tables below highlight the data item to be included in the Master Lists for all Managing Agents where they are the Lead and Follow

Data items
<ul style="list-style-type: none"> <li>• UMR reference</li> <li>• OSND reference</li> <li>• Transferring Status – OSND level</li> <li>• Data items Managing Agents have provided (<b>see the below table</b>)</li> <li>• Carrier reference</li> <li>• Method of placement</li> <li>• Data source (i.e. Bureau, Non-XIS, LDR)</li> </ul>

### Data items Managing Agents have provided:

Open Market Policy	Binders	Binders – German Re
<ul style="list-style-type: none"> <li>• Insurance Type</li> <li>• Risk Country Code</li> <li>• Insured Domicile Country Code</li> <li>• Broker Name</li> <li>• FIL Code</li> <li>• Broker Policy Reference</li> </ul>	<ul style="list-style-type: none"> <li>• Insurance Type</li> <li>• Binder Segmentation</li> <li>• Coverholder Name</li> <li>• Coverholder PIN</li> <li>• Service Company Indicator</li> <li>• Broker Binder Reference</li> </ul>	<ul style="list-style-type: none"> <li>• Binder Segmentation</li> <li>• Coverholder Name</li> <li>• Coverholder PIN</li> <li>• Service Company Indicator</li> <li>• Broker Binder Reference</li> </ul>

Note: claims data is not applicable to the master list as it used by the notifications process only



# Bureau Triage Rules



MA / Syndicate



Broker



CH / TPA



Bureau



Lloyd's Brussels

Where a signing has a Master List status of Mixed or Unknown, the triage process applied by the Bureau will use information in the specific transaction to identify the transferring status of that transaction

## Triage Process

- The segmentation logic seeks to identify **as many definitive transferring and non-transferring original signings / policies, or part policies** as possible
- In some instances, where the data **cannot definitively verify the transferring status** (i.e. mixed or unknown risks), the information held for the specific transaction will be used.
- For Bureau business, structured data fields and other information within a specific transaction including the **policyholder domicile and FIL codes will be used to determine the status**; only where this information is not available will DXC seek additional information, as per ID 7
- The triage rules at the **transactional level** for Bureau business are to be applied in cascading order as follows:



ID	Description	Policyholder Domicile	Combined FIL Code	Transferring Status	Implication
1	If transaction FIL code equals Canadian trust fund (CR*), South Africa, Australia, Switzerland, Singapore or Hong Kong	N/A	Any Canadian trust fund (CR*), South Africa, Australia, Switzerland, Singapore or Hong Kong FIL codes	<b>Non-Transferring</b>	Agreed regulated jurisdictions drive exclusions
2	If transaction is non-German Reinsurance business	N/A	Any non-German reinsurance FIL code	<b>Non-Transferring</b>	Non-German RI is out of scope
3	If binder or bulking lineslip bordereaux is non-EEA	N/A	N/A	<b>Non-Transferring</b>	Confirmed via the bordereaux
4	If binder or bulking lineslip bordereaux is EEA	N/A	N/A	<b>Transferring</b>	
5	If transaction Policyholder Domicile <b>or</b> FIL code is definitively EEA	EEA	N/A	<b>Transferring</b>	Transferring by virtue of solely EEA presence on one field
		N/A	EEA	<b>Transferring</b>	
6	If transaction Policyholder Domicile <b>and</b> FIL code is definitively Non-EEA	Non-EEA	Non-EEA	<b>Non-Transferring</b>	Definitive confirmation of Non-EEA status
7	Additional data review from DXC using available supporting data; may involve contact with the broker / underwriter / Coverholder	No definitive confirmation of EEA or Non-EEA presence on the transaction; may require additional information from the broker / MA to identify the correct transferring status for the transaction		<b>To be determined by DXC</b>	May require transaction by transaction input by brokers / MAs

# Non-Bureau Triage Rules



Market participants will manually triage transactions on Policies with a Mixed or Unknown status, using information on the specific transaction to identify the transferring status of that transaction

## Triage Process

- The segmentation logic seeks to identify **as many definitive transferring and non-transferring original signings / policies, or part policies** as possible
- In some instances, where the data **cannot definitively verify the transferring status** (i.e. mixed or unknown risks), the information held for each specific transaction will be used
- For Non-Bureau business (including LDR), market participants will utilise the segmentation logic rules below, relying on **policyholder domicile and risk location data** to inform the transferring status
- The triage rules at the **transactional level** for Non-Bureau business will be as follows:

	ID	Description	Policyholder Domicile	Risk Location	Transferring Status	Implication
Direct	1	If risk location equals regulated Canada, South Africa, Australia, Switzerland, Singapore or Hong Kong business	N/A	Any regulated Canada, South Africa, Australia, Switzerland, Singapore or Hong Kong business	Non-Transferring	Agreed regulated jurisdictions drive exclusions
	2	If binder or bulking lineslip bordereaux is non-EEA	N/A	N/A	Non-Transferring	Confirmed via the bordereaux
	3	If binder or bulking lineslip bordereaux is EEA	N/A	N/A	Transferring	
	4	If Policyholder Domicile <b>or</b> Risk Location is definitively EEA	EEA	N/A	Transferring	Transferring by virtue of solely EEA presence on one field
			N/A	EEA	Transferring	
	5	If Policyholder Domicile <b>and</b> Risk Location is definitively Non-EEA	Non-EEA	Non-EEA	Non-Transferring	Definitive confirmation of Non-EEA status
6	Contact the broker / underwriter / Coverholder for further information on the transaction	No definitive confirmation of EEA or Non-EEA presence on the transaction; will require manual intervention to identify the correct transferring status for the transaction		To be determined	Will require transaction by transaction input	
	ID	Description	Cedant Domicile		Transferring Status	Implication
Reinsurance	7	If cedant domicile is Non-German	Non-German		Non-Transferring	Confirmed via the cedant domicile
	8	If cedant domicile is German	German		Transferring	

## Section 2: Identification of Part VII Business and Summary of Operations Activity

# Actions for identifying Part VII Business (1/5)

What does each organisation need to do?



Action



MA / Syndicate



CH / TPA



Bureau

		MA / Syndicate	CH / TPA	Bureau
PRE-TRANSFER	Identification of Part VII policies and open claims as Part VII in PAS/ System of Record	<ul style="list-style-type: none"> <li>Syndicates need to identify in their systems of record, which risks are definitely transferring under Part VII</li> <li>For mixed policies, the transferring part of the policy needs to be identified in order to meet internal and external reporting requirements</li> <li>For policies with "Unknown" status, identify as Unknown within internal systems</li> </ul>	<ul style="list-style-type: none"> <li>Coverholders / TPAs need to know the transferring status of all binders to enable these to be serviced in line with the Part VII transfer and Lloyd's Brussels guidelines.</li> <li>Managing Agents will provide each Coverholder / TPAs with a summary of Master List data showing the transferring status for their portfolio (binders that are transferring, not transferring, mixed or unknown).</li> </ul> <p><u>For binders with "Transferring" status:</u></p> <ul style="list-style-type: none"> <li>Mark this Binding Authority as Part VII transferring in internal systems to ensure this will be administered in line with Lloyd's Brussels Part VII guidelines</li> </ul> <p><u>For binders with "Not transferring" status:</u></p> <ul style="list-style-type: none"> <li>No action required – administer as per BAU</li> </ul> <p><u>For binders with "Mixed" or "Unknown" status:</u></p> <ul style="list-style-type: none"> <li>Mark this Binding Authority as Part VII Mixed or Unknown in internal systems</li> </ul>	N/A

# Actions for identifying Part VII Business (2/5)

## What does each organisation need to do?



Action



MA / Syndicate



CH / TPA



Bureau

		MA / Syndicate	CH / TPA	Bureau
PRE-TRANSFER	Bulk Tagging of Part VII Claims by the Bureau pre-transfer	<ul style="list-style-type: none"> <li>Syndicates will be required to provide onboarding initial loads (including live policies and open claims) to the Part VII Programme to enable the bureau to tag open Part VII claims in their systems</li> <li>Any claims associated with an OSND on the MA's Master List with Transferring or Not Transferring status require no additional analysis from MAs in order to establish whether these should be included on the Master List i.e. the status of the associated signing should be 'followed'</li> <li>Any claims associated with an OSND on the MA's Master List with Unknown or Mixed status - MAs are required to apply the Part VII Segmentation Logic to confirm the Part VII status, and then either include or exclude from the Initial Load</li> <li>When the trust fund code is changed (at the next transaction movement), the incurred will <b>not</b> be brought down to zero and be restated under the new code. Please ensure double reserving is avoided</li> </ul>	N/A	<ul style="list-style-type: none"> <li>The Bureau in the period immediately before the transfer, will execute an internal "behind the scenes" bulk claim update to add Part VII indicators to all open claims relating to Part VII transferring policies using the Initial Load open claims data provided by Managing Agents - noting that there are no Part VII update messages being sent to MAs at this stage</li> <li>The Part VII status will be appended via the trust fund code via USMs/SCMs at the next transaction movement (regardless of type of movement, including where movement is due to quarterly exchange rate update)               <ul style="list-style-type: none"> <li>When the trust fund code is changed (at the next transaction movement), the incurred will <b>not</b> be brought down to zero and be restated under the new code.</li> </ul> </li> </ul>

# Actions for identifying Part VII Business (3/5)

What does each organisation need to do?



Action



MA / Syndicate



Broker



CH / TPA



Bureau

		MA / Syndicate	Broker	CH / TPA	Bureau
POST-TRANSFER	Identification of Part VII Transactions post-transfer (Bureau processed)	<ul style="list-style-type: none"> <li>MAs / Syndicates will consume the USMs/SCMS (including the Part VII indicator) and daily reports of transferring premium and claims from the Bureau, which will support the creation of monthly data submissions to Lloyd's Brussels</li> </ul>	<p><b>Premiums</b></p> <ul style="list-style-type: none"> <li>All premium submissions other than FDOs must be at a level which can be allocated a transferring or non-transferring status by the Bureau. Any premium submission which relates to both EEA and non-EEA risks will be queried by the Bureau with a request to split the submission</li> </ul> <p><b>Bulked Delegated Authority business</b></p> <ul style="list-style-type: none"> <li>Brokers will identify the transferring status of a binder using the Master List</li> <li>Broker should agree with CH/TPAs who will split bordereaux and follow the required naming convention</li> </ul>	<ul style="list-style-type: none"> <li>Coverholders / TPAs must identify Part VII transactions</li> </ul> <p><u>For binders with "Transferring" status:</u></p> <ul style="list-style-type: none"> <li>Administer in line with Lloyd's Brussels Part VII guidelines</li> </ul> <p><u>For binders with "Not transferring" status:</u></p> <ul style="list-style-type: none"> <li>No action required – administer as per BAU</li> </ul> <p><u>For binders with "Mixed" or "Unknown" status:</u></p> <ul style="list-style-type: none"> <li>Apply the Triage Rules to determine the transferring status of each individual declaration-level policy transaction, and the subsequent submission of one Part VII bordereau and one non-Part VII bordereau per reporting period</li> <li>Coverholders/TPAs should agree with brokers who will split bordereaux and follow the required naming convention</li> <li>Part VII transactions will be administered in line with Lloyd's Brussels Part VII guidelines</li> </ul>	<ul style="list-style-type: none"> <li>The Bureau will triage transactions on mixed or unknown signings and any transactions or signings not on the Master List to determine whether they are EEA</li> <li>If a transaction relates to a Part VII transferring risk, the Bureau will indicate this via the Part VII indicator in the US / Canadian Trust Fund Code field</li> <li>The Bureau will send USMs/SCMs (including the Part VII indicator) and a daily report of transferring premium and claims report including these transactions to Syndicates</li> </ul>

# Actions for identifying Part VII Business (4/5)

What does each organisation need to do?



Action



MA / Syndicate



Broker



CH / TPA



Bureau

		MA / Syndicate	Broker	CH / TPA	Bureau
POST-TRANSFER	Identification of Part VII Transactions post-transfer (non-Bureau processed)	<ul style="list-style-type: none"> <li>For non-bureau processed transactions, syndicates must identify transactions relating to Part VII transferring policies, by utilising the Master List and / or Segmentation Logic</li> </ul>	N/A	<ul style="list-style-type: none"> <li>Coverholders / TPAs must identify transactions relating to Part VII transferring policies utilising the Master List</li> </ul> <p><u>For binders with "Transferring" status:</u></p> <ul style="list-style-type: none"> <li>Administer in line with Lloyd's Brussels Part VII guidelines</li> </ul> <p><u>For binders with "Not transferring" status:</u></p> <ul style="list-style-type: none"> <li>No action required – administer as per BAU</li> </ul> <p><u>For binders with "Mixed" or "Unknown" status:</u></p> <ul style="list-style-type: none"> <li>Apply the Triage Rules to determine the transferring status of each transaction, and the subsequent submission of one Part VII bordereau and one non-Part VII bordereau per reporting period</li> <li>Coverholders/TPAs should agree with brokers who will split bordereaux and follow the required naming convention</li> <li>Part VII transactions will be administered in line with Lloyd's Brussels Part VII guidelines</li> </ul>	N/A

# Actions for identifying Part VII Business (5/5)

What does each organisation need to do?



Action



MA / Syndicate



Broker



CH / TPA



Bureau

		MA / Syndicate	Broker	CH / TPA	Bureau
POST-TRANSFER	Monthly data submissions to Lloyd's Brussels post-transfer	<ul style="list-style-type: none"> <li>MAs / Syndicates are required to report all transactions relating to Part VII transferring policies to Lloyd's Brussels – this includes all transactions across all methods of placement and all transaction categories</li> </ul>	N/A	N/A	N/A



# Description of MA / Syndicate Actions

We have summarised below the main operational activities required from Syndicates (and how the Bureau will support these) both pre and post transfer



Hyperlink



Action



MA / Syndicate



Bureau

	Activity	Description
Pre-transfer	Identification of Part VII policies and open claims as Part VII	<ul style="list-style-type: none"> <li>All administering parties need to flag / recognise in their Policy Administration System ('PAS') or alternative system of record which policies and open claims are Part VII (definitely transferring)</li> <li>For mixed policies (partly Part VII transferring), the transferring part of the policy needs to be identified in order to meet internal and external reporting requirements</li> <li>The identification should happen at premium signing level, with all transactions following the OSND status after the transfer date</li> </ul>
	Reporting of transferring risks (at a signing level) as Inwards Reinsurance	<ul style="list-style-type: none"> <li>For some current market reporting requirements, syndicates will need to be able to report all transferred Part VII risks as Inwards Reinsurance rather than Direct business</li> </ul>
	Pre-transfer Bulk Claims Tagging	<ul style="list-style-type: none"> <li>The Bureau will execute an internal "behind the scenes" bulk claim update to add Part VII indicators to all open claims relating to Part VII transferring policies using the Initial Load open claims data provided by Managing Agents - noting that there are no Part VII update messages being sent to MAs at this stage. This process is expected to take place from the beginning of October 2020 up to the transfer date</li> <li>In order to establish the Part VII transferring status of open claims, Syndicates will be required to provide onboarding initial loads to Lloyd's Brussels (see <a href="#">Part VII Data Submissions</a> for a description of this data submission process)</li> </ul>
Post-transfer	Premium transactions and new claims triage	<ul style="list-style-type: none"> <li>The Bureau performs triage for all premium transactions and all new claims at first advice to determine whether they are in-scope of Part VII. The Bureau then adds the Part VII indicator (see <a href="#">Bureau Market Support</a>) to these transactions / new claims. Any subsequent movements on claims which have been allocated a transferring status will inherit the Part VII transferring status from the initial allocation</li> <li>As well as the Part VII status being appended to the USM / SCM the Bureau will produce an end of day report detailing all of the Part VII transactions / movements</li> </ul>

# Bureau Market Support

## Post transfer - Bureau business



MA / Syndicate



Bureau

The Bureau will support the market by indicating Part VII status in USMs/SCMs by amending the Trust Fund Code from the Non-Brexit Part VII code to its Brexit Part VII equivalent. The Part VII status will also be included in end-of-day reports which can be used by the Syndicates to create the Part VII monthly extracts for Lloyd's Brussels



For transactions processed via the Bureau, a Part VII indicator **in the form of new Part VII Trust Fund codes** will be added by the Bureau to each transaction



The addition of the Part VII indicator will be as a result of Bureau straight through processing or the bureau Part VII Triage Process, dependant on transferring status



The Part VII Trust Fund Codes will be the sole indicator that a premium or claim transaction is Part VII transferred

- The EEA Trust Fund Codes will sometimes be for currencies and territories other than USA or Canada
- The Trust Fund on claims will change at the next movement after the go-live date and this may have an outstanding amount with the EEA Trust Code where the previous movement had an outstanding with an existing Trust fund code



The existing US/Canadian Trust fund code field will be unchanged in structure but re-purposed to include codes specifically for Part VII



Open Part VII claims will be updated in time for the Part VII transfer to include the Part VII indicator

# Bulk Tagging of Part VII Claims by Bureau

## Pre-transfer



MA / Syndicate



Broker



Bureau

**In the period immediately before the transfer, the Bureau will execute a bulk claim update to add Part VII indicators to their system of record and SCM messages, carried out at Claims Office Reference (COR) level. This process is expected to take place from the beginning of October up to the transfer date.**

### Syndicates

- In order to establish the Part VII status of open claims, Syndicates will be required to provide onboarding initial loads to Lloyd's Brussels

### Part VII Programme team

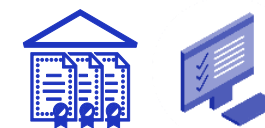
- The Part VII Programme team will consume, review and baseline the claims initial load submissions received from the Syndicates. This will be a recurrent process and must be finished by the end of September 2020 to provide an accurate list of open claims to the Bureau for the bulk claims update process

### The Bureau

- The Bureau in the period immediately before the transfer, will execute an internal "behind the scenes" bulk claim update to add Part VII indicators to all open claims relating to Part VII transferring policies - noting that there are no Part VII update messages being sent to MAs at this stage
- The Part VII status will be appended via the trust fund code via USMs/SCMs at the next transaction movement (regardless of type of movement, including where movement is due to quarterly exchange rate update)
- When the trust fund code is changed (at the next transaction movement), the incurred will not be brought down to zero and be restated under the new code.

# Bureau Market Support (1/2)

## Claims/ premiums transactions



MA / Syndicate

Bureau



The Bureau will support the Syndicates in cases where the Master List clearly states a risk is either in-scope or out of scope, and as such the Part VII indicator can be automatically added



There will be circumstances where the indicator is not definitively in or out of scope. In these cases, a manual solution will be required for both premium processing and claims processing

Activity	Description
<b>Triage</b>	Claims and premium transactions which are not automatically identified as transferring or non-transferring will be referred to Bureau Technicians for manual triage using the <a href="#">Bureau Triage Rules</a>
<b>Assess if in scope of Part VII</b>	The Bureau will review the documentation submitted in the work-package and refer to the Part VII scope definition
<b>Input indicator</b>	After reviewing the documentation, the Bureau will manually select the correct Trust Fund code value and then continue to process as per current Bureau instructions
<b>Queries</b>	In cases where the work-package documentation is ambiguous e.g. incomplete slip, the Bureau will raise a query back to the broker, requesting further advice/ information
<b>Correcting the indicator</b>	The Bureau may receive requests from Syndicates to change the Part VII indicator. In such a circumstance, the Bureau will manually correct the Trust Fund indicator field (the correction is done via using normal BAU procedures including cancel and replace)

# Bureau Market Support (2/2)

## US / Canadian Trust Fund



MA / Syndicate



Bureau

The Bureau will add a Part VII indicator to the US / Canadian Trust Fund Code field when it processes a transaction

### US / Canadian Trust Code Field

Current code	Definition	Part VII Code*
RI	Reinsurance status	R7
SL	Surplus Lines	S7
NR	Lloyd's Dollar Trust Fund	N7
VI	US Virgin Islands	V7
KY	Kentucky	K7
LL	Illinois	L7
OL	Old LATF – Business incepted prior to 01/08/95	O7
CN	Canadian Non-Regulated	7N
CR	Canadian Regulated	NA
Blank/01	PTF	P7

\*Note – this is a definitive Part VII indicator. A composite code is only used to show the historic trust fund status of this transaction

# Non Bureau Administration

## Post transfer - Non-Bureau business (Premiums and Claims)



Hyperlink



MA / Syndicate



CH / TPA



Lloyd's Brussels

**MA / Syndicates (and/or Coverholders/TPAs) are responsible for executing the Master List look-up and Part VII triage process for non-bureau premium and claim transactions**

### Non-Bureau Triage



1. MAs / Syndicates (or Coverholders/TPAs) need to perform a Part VII look-up and triage process using the Master List (see [the Master List](#) slides) and Triage Rules (see [Non-Bureau Triage Rules](#) slide)



2. MAs / Syndicates (or Coverholders/TPAs) are required to handle claims relating to Part VII transferring policies in line with Lloyd's Brussels guidelines



3. All non-Bureau Part VII transactions (premiums and claims) must be provided to Lloyd's Brussels in the next monthly Part VII submission

# Bulked Delegated Authority Processes



Hyperlink

Undergoing Market  
Consultation

MA / Syndicate



Broker



CH / TPA



Bureau



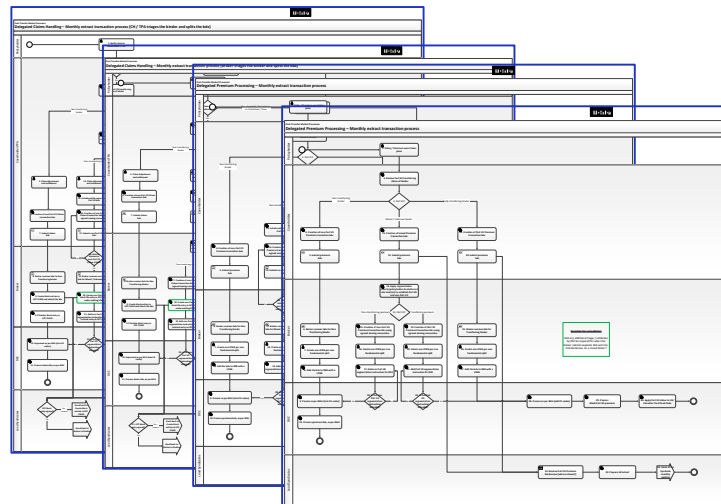
A series of workshops have been held to define the Delegated Authority Premium and Claim end-to-end processes, specifically for bulked delegated authority transactions.



The workshops involved representatives from Managing Agents, Brokers and the Bureau. The programme has issued these process maps to all Managing Agents via the OWG and is reviewing with LIIBA



A key consideration is the option for either the Coverholder/TPA or Broker to carry out the triage of binders and splitting a mixed bordereau into Part VII and non-Part VII. A naming convention has been proposed (added to the prefix of the bdx) for Part VII and non-Part VII bordereaux, to allow for easier identification upon receipt of Part VII and non-Part VII by the Bureau for them to process the transactions



# Delinked / Deferred / Corrections Overview



Undergoing Market  
Consultation



MA / Syndicate



Broker



Bureau



Certain categories of premium transactions processed via the Bureau – delinked, deferred, correction - present potential issues for the Lloyd's Part VII programme



This may create an issue when the timing of these transactions is such that they straddle the Part VII go-live date (29.10.2020). This could lead to delinked / deferred / correction premiums set up prior to the Part VII go-live date but subsequently released after the Part VII go-live date moving into existing Syndicate London bank accounts rather than the Part VII Settlement accounts

	<u>Definition</u>	<u>Approach</u>
<u><b>Delinked Premiums</b></u>	Delinked premium transactions separate the timing of the submission of premium information from the Broker to the Bureau, from the instruction to actually settle the transaction (i.e. move the money from the Broker to the Syndicate).	<b>Design review is underway including LIC, the Bureau and Broker processes to agree the Part VII process solution to address this issue</b>
<u><b>Deferred Premiums</b></u>	Deferred transactions are already in settlement with a known future settlement date (transactions are sitting in the Bureau Settlement tables waiting to be aggregated into the payment when the settlement date is reached)	
<u><b>Correction</b></u>	The action or process of correcting a premium transaction.	



## Section 3: Data Submissions to Lloyd's Brussels

# Actions for Data Submissions (1/3)

What does each organisation need to do?



Action



MA / Syndicate



Broker



CH / TPA



Bureau

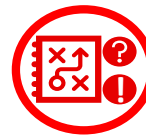
	MA / Syndicate	Broker	CH / TPA	Bureau
<b>Initial Load Submissions</b>	<ul style="list-style-type: none"> <li>Identification of Part VII policies within PAS, based on the Master List distributed by the Part VII Programme</li> <li>Provide onboarding initial load data from June 2020</li> <li>Provide initial load data at transfer date</li> <li>Provide Initial load catch-up data, if relevant, after the transfer date</li> <li>Respond to all queries or feedback from Lloyd's Brussels and rectify any data quality issues as and when required</li> </ul>	N/A	N/A	<ul style="list-style-type: none"> <li>The Bureau in the period immediately before the transfer, will execute an internal "behind the scenes" bulk claim update to add Part VII indicators to all open claims relating to Part VII transferring policies using the Initial Load open claims data provided by Managing Agents - noting that there are no Part VII update messages being sent to MAs at this stage</li> </ul>
<b>Monthly Extract Submissions</b>	<ul style="list-style-type: none"> <li>MAs / Syndicates are required to submit the monthly Part VII extracts to Lloyd's Brussels within 10 working days after the end of the transaction month</li> <li>Respond to all queries or feedback from Lloyd's Brussels and rectify any data quality issues as and when required</li> </ul>	N/A	N/A	N/A

# Actions for Data Submissions (2/3)

What does each organisation need to do?



Action



Open Design  
Question



MA/ Syndicate




Broker



CH / TPA



Bureau

	MA / Syndicate	Broker	CH / TPA	Bureau
<b>Bureau Premium (Transferring status on Master List)</b>	N/A	N/A	N/A	<ul style="list-style-type: none"> <li>The Bureau will add a Part VII indicator in USMs and the end-of-day reports used by the syndicates</li> </ul>
<b>Bureau Claims (Transferring status on Master List)</b>	N/A	N/A	N/A	<ul style="list-style-type: none"> <li>The Bureau will add a Part VII indicator in USMs/SCMs and the end-of-day reports used by the syndicates</li> </ul>
<b>Treatment of unknown and mixed signings on Master List</b>	N/A	<ul style="list-style-type: none"> <li>In cases where the documentation is ambiguous (e.g. incomplete slip), the Broker will need to provide further advice / information in response to a query raised by the Bureau Technician to enable Part VII triage</li> </ul>	N/A	<ul style="list-style-type: none"> <li>For 'unknown' and 'mixed' scenarios, the Bureau will manually triage the claim/ premium transaction based on information available and may need to raise questions with the Broker</li> </ul>
<b>Treatment of newly identified signings (i.e. risks not on Master List)</b>	N/A	<ul style="list-style-type: none"> <li>For 'newly identified' scenarios, the broker support for the triage approach for these transactions is subject to design review</li> </ul>	N/A	<ul style="list-style-type: none"> <li>For 'newly identified' scenarios, the triage approach for these transactions is subject to design review</li> </ul>  <p>Open Design Question</p>

# Actions for Data Submissions (3/3)

What does each organisation need to do?



Action



Hyperlink



MA/ Syndicate



Broker



CH / TPA



Bureau

	MA / Syndicate	Broker	CH / TPA	Bureau
<b>Non-Bureau Premium Processing</b>	<ul style="list-style-type: none"> <li>MA / Syndicates need to perform Part VII look-up using the Master List and triage process using the <a href="#">Triage Rules</a> for Mixed / Unknown and newly identified signings on the Master List</li> <li>Syndicates to prepare the Part VII monthly extract and include the non-bureau Part VII premium transactions for Lloyd's Brussels</li> </ul>	N/A	N/A	N/A
<b>Non-Bureau Claim Processing</b>	<ul style="list-style-type: none"> <li>MA / Syndicates need to perform Part VII look-up using the Master List and triage process using the <a href="#">Triage Rules</a> for Mixed / Unknown and newly identified signings on the Master List</li> <li>MA / Syndicates to prepare the Part VII monthly extract and include the non-Bureau Part VII claim transactions for Lloyd's Brussels</li> </ul>	N/A	N/A	N/A

# Rationale for Part VII Data Submissions

## Why does Lloyd's Brussels need Part VII data?



MA / Syndicate Lloyd's Brussels

**Lloyd's Brussels as the insurance company for the Part VII business must be compliant with all relevant laws and regulations. Obtaining and processing the relevant data is fundamental for required operational activity**

### 1. Book of record

Maintain a full book of record at the transfer date and to capture ongoing updates on Premiums and Claims

### 2. Reporting

Meet the obligation to carry out the following categories of external reporting, all of which will necessitate the collection of Part VII data. These include:

- Statutory Reporting (e.g. Financial Statements)
- Regulatory Reporting (e.g. Solvency II)
- Statistical Reporting (e.g. Foreign Activities Report as required by the National Bank of Belgium)
- Tax Reporting (e.g. VAT on claim fees, IPT)

### 3. Processes

Key processes include complaints management (but not limited to this process)

# Part VII Data Submissions

## Overview of Submission Principles



Hyperlink



MA / Syndicate



Lloyd's Brussels

**Part VII data extracts will be prepared and submitted in accordance with a set of key principles listed below**

### How will data be submitted and validated?

- MAs will be required to submit premium and claims data separately for each syndicate bank account group (and not per unique syndicate)
- MAs will be required to submit data for all transactions and methods of placement for each syndicate i.e. MA submissions will include DA and TPA administered business
- A submission portal will be used for the initial and monthly load of data (see [Data Consumption / Data Quality \(DC/DQ\) Tool](#) for further details)
- Data quality checks will be carried out by the [Market Data Collections \(MDC\)](#) at the point of submission

### What level of data will be submitted?

Area	Detail
1. What is the level of data required in Part VII submissions to Lloyd's Brussels?	Each line item must be reflective of movements / changes at transaction level. Using Gross Additional Premium (AP) as an example, if there were 3 APs in a given month, these must be expressed in 3 different lines rather than aggregated.
2. How do we define 'transaction' for the purpose of Part VII submissions?	A transaction arises when one of the following has occurred: <ol style="list-style-type: none"> <li>Financial, cash movement (e.g. Gross premium received this transaction)</li> <li>Financial, non-cash movement (e.g. Gross additional/return premium amount)</li> <li>Financial non-cash dimension change (e.g. Sum insured updated)</li> <li>Non-financial dimension change (e.g. Insured Name updated)</li> </ol>
3. Do all transactions relating to a change on a monetary value field need to be expressed as a 'delta' or a revised total position?	Fields typically expressed in the form of a monetary value fall into two categories. These are specified within the Data Dictionary. <ol style="list-style-type: none"> <li>Delta – The number reflects the <u>change in value</u> only e.g. AP/RP, Claim Paid this Transaction</li> <li>Total position – The number reflects the <u>absolute value</u> inclusive of the latest change in value, if relevant. E.g. Total Claims Outstanding Amount, month on month, may go from €10k to €9k in the case of a Claim Paid this Transaction of €1k</li> </ol> Note that the application of the correct signage rules, as specified in the Data Dictionary, is essential.

# Summary of Data Requirements

## Premium



Hyperlink



MA / Syndicate



Lloyd's Brussels

### The scope of the **Premium** data submissions will include the following:

- All active, transferring policies as well as expired policies with an open claim
  - A policy is defined as active if it has not expired or has outstanding premium yet to be collected (see [Part VII Operational Data Model Detailed Guidance v1.0](#) for further details on each Method of Placement)
- Bureau, Lloyd's Direct Reporting and Non-XIS processed policies
- All direct insurance
- Inward re-insurance (Cedant domiciled in Germany per [the Scope of the Part VII Transfer](#) slide in Section 1) - this includes all Treaty & Facultative, Proportional & Non-Proportional forms of RI

Premium Field Category	Example of fields
Policy information	Unique Market Reference Syndicate number Lloyd's broker code Type of Insurance Year of Account
Insured party information	Insured or reinsured Full Name, Last Name or Company Name Insured or reinsured Domicile Country Insured or reinsured address
Premium values	Gross Premium, Gross Premium Received to Date, Gross Premium Received this Transaction Net Premium, Net Premium Received to Date, Net Premium Received this Transaction Total Deductions, Brokerage % of Gross Premium, Coverholder Commission % of Gross Premium
Premium tax	Tax Payment Indicator Tax Rate Tax Basis Tax Risk Type
Premium transaction references	Original Signing Number and Date Signing Number and Date Transaction Date Premium Type

# Summary of Data Requirements

## Claim



Hyperlink



MA / Syndicate



Lloyd's Brussels

### The scope of the Claims data submissions will include the following:

- All open, transferring claims
  - Claims are deemed to be open where their status is marked as 'Open' and/or have an outstanding indemnity/fee value of higher than zero (see [Part VII Operational Data Model Detailed Guidance v1.0](#) for further details on each Method of Placement)
- Bureau, Lloyd's Direct Reporting and Non-XIS processed claims
- All direct insurance
- Inward re-insurance (Cedant domiciled in Germany per [the Scope of the Part VII Transfer](#) slide in Section 1) - this includes all Treaty & Facultative, Proportional and Non-Proportional forms of RI

Claim Field Category	Example of fields
Policy information	Unique Market Reference Syndicate number Lloyd's broker code Type of Insurance Year of Account
Claimant information	Claimant Full Name, Last Name or Company Name Claimant Date of Birth / Date of Incorporation Claimant Country
Claim values	<ul style="list-style-type: none"> <li>• Indemnity: Total Claims Paid to date, Claim Paid this Transaction, Total Claims Outstanding amount, Total Claims Incurred amount</li> <li>• Fees (inc VAT) : Total Claims Paid to date, Claim Paid this Transaction, Total Claims Outstanding amount, Total Claims Incurred amount</li> </ul>
VAT on claim fees	VAT paid on fees – Claim Paid this Transaction
Annuity claim information	Duration of annuity claims Discounted best estimate annuity claim provision Undiscounted best estimate annuity claim provision Benefit amount Gender of claimant



## Part VII Data Model

### Overview of structure and content



Hyperlink



MA / Syndicate



Lloyd's Brussels

The Part VII Data Model file contains a number of tabs. The purpose of each is outlined as follows:

<b>Data Model</b>	Provides the full list of data fields, allocated to each Premium/Claim submission file
<b>Data Dictionary</b>	Sets out the definitions, data type, data format and submission rule for each field (e.g. Mandatory, Conditional etc.)
<b>Submission Rules</b>	Explains the submission rules in greater detail (e.g. a field is conditional where Binder is the Method of Placement)
<b>Reference Data Sources</b>	Provides a breakdown of the reference data sources for all relevant fields
<b>Reference Data</b>	Shows a pre-defined list of reference data values for a subset of fields (e.g. Type of Insurance)

#### Preview of the Data Model tab:

Field Ref (updated)	Field Pseudonym	Field Name	Category	Dimension or Measure	Cash/Non cash transaction (LB Accounting)	Initial Load - Premium Master Level  Lead / Follow	Initial Load - Premium Master Level Supplementary  Lead only
PVII_001	UMR	Unique Market Reference	Policy Information	Dimension	NC	Y	Y
PVII_002	CRR	Carrier Reference	Policy Information	Dimension	NC	Y	Y
PVII_003	CER	Declaration certificate reference	Policy Information	Dimension	NC		
PVII_004	CHN	Coverholder name	Policy Information	Dimension	NC		Y
PVII_005	UCR	Unique Claim Reference	Claim Information	Dimension	NC		
PVII_006	COB	Claim Office Reference	Claim Information	Dimension	NC		
PVII_007	MCR	Carrier Claim Reference	Claim Information	Dimension	NC		
PVII_008	CHCR	Coverholder Claim Reference	Claim Information	Dimension	NC		
PVII_009	OSND	Original Signing Number & Date	Transaction Details	Dimension	NC	Y	Y
PVII_010	SNAD	Signing Number & Date	Transaction Details	Dimension	NC	Y	Y
PVII_011	SYN	Syndicate number	Policy Information	Dimension	NC	Y	Y
PVII_012	LSYN	Lloyd's bureau leader syndicate number	Policy Information	Dimension	NC	Y	
PVII_013	LBC	Lloyd's broker code	Policy Information	Dimension	NC		Y
PVII_014	LBP	Lloyd's broker pseudonym	Policy Information	Dimension	NC		Y
PVII_015	TPM	Transaction Processing Method	Policy Information	Dimension	NC	Y	Y
PVII_016	MOP	Method of Placement	Policy Information	Dimension	NC	Y	Y
PVII_017	CTT	Type of Insurance	Policy Information	Dimension	NC	Y	
PVII_018	RII	Reinsurance basis	Policy Information	Dimension	NC	Y	

**Note** - the latest version of the Data Model is v4.7 which will be used as the basis of the June onboarding submission (see the [Data Onboarding](#) slide for more information)

# Overview of Data Submission Files

**Note** – analysis underway regarding potential market option for sourcing of declaration data in order for this to be provided to Managing Agents for use in their Lloyd's Brussels returns – updates will continue to be provided in upcoming market forums



MA / Syndicate

Lloyd's Brussels

## Initial Load

- The Initial Load is required by Lloyd's Brussels to set up opening positions for Premiums and Claims
- The type of submission and the number of submissions required from each Syndicate will depend on whether they are acting as Lloyd's Bureau Lead or Follower on a given policy
- Master level submissions will be required from all participants whereas the Master level supplementary and Declaration level submissions will only be required from Lloyd's Bureau Leads
- The basis of this submission approach is that:
  - Lloyd's Bureau Leads typically hold a richer set of data - certain fields will only be required from the Leads for a policy/claim
  - Declaration level data is often available to Lloyd's Bureau Leads only

Submission File	High-level principles	Frequency	No. of fields	Lead	Follower
Master Agreement Level Initial load	<ul style="list-style-type: none"> <li>Represents the opening position of premiums and claims as at transfer date</li> <li>Each Syndicate (whether Lloyd's Bureau Lead or Follower) submits data relating to their share of the policy or claim</li> <li>This will enable Lloyd's Brussels to create the Part VII Book of Record</li> <li>On identification of Part VII policies and claims <b>after</b> the transfer date, there will be an opportunity to supply Master Agreement level initial load catch-up data</li> </ul>	One-time only (with onboarding iterations from June 2020)	Premium 61	✓	✓
			Claim 51		
Master Agreement Level - Supplementary Initial load	<ul style="list-style-type: none"> <li>Supplementary to the Master Agreement level initial load required for reporting, tax, sanctions checking etc.</li> <li>Will include data which may not be available to Followers</li> <li>On identification of Part VII policies and claims <b>after</b> the transfer date, there will be an opportunity to supply supporting initial load catch-up data</li> </ul>	One-time only (with onboarding iterations from June 2020)	Premium 30	✓	✗
			Claim 54		
Declaration Level Initial load	<ul style="list-style-type: none"> <li>Only relevant to Delegated Authority business</li> <li>The Lloyd's Bureau Lead submits data at declaration level</li> <li>Represents the opening position at declaration level which is required for finance, reporting, tax, sanctions checking etc.</li> </ul>	One-time only (with onboarding iterations from June 2020)	Premium 48	✓	✗
			Claim 76		

# Overview of Data Submission Files

**Note** – analysis underway regarding potential market option for sourcing of declaration data in order for this to be provided to Managing Agents for use in their Lloyd's Brussels returns – updates will continue to be provided in upcoming market forums



## Monthly Load

MA / Syndicate

Lloyd's Brussels

- Monthly extracts will be submitted to Lloyd's Brussels to reflect the changes and movements occurring following the initial load
- Each MA will be required to submit up to three files per Syndicate on a monthly basis. However, an initial load catch-up file would be needed if there is:
  - A new claim on a policy for which the MA had not previously submitted the policy information
  - A newly identified policy or claim which existed at the transfer date but was missed off the initial load

In these cases, an initial load catch-up file would be needed for the month.

Submission File	High-level principles	Frequency	No. of fields	Lead	Follower
Master Agreement Level Monthly extract	<ul style="list-style-type: none"> <li>Required for money movement &amp; control, technical accounting processes</li> <li>Cash transactions will be reported in the Master Agreement monthly extracts only</li> <li>Each Syndicate (whether Lloyd's Bureau Lead or Follow) submits data relating to their share of the relevant transactions</li> <li>Data submission will take place on a monthly basis</li> <li>For Delegated Authority business, Lead and Follow Syndicates will both submit at the master agreement level (e.g. for binders, aggregated / bulked transactions at binder level)</li> </ul>	Monthly	Premium 63	✓	✓
			Claim 70		
Master Agreement Level - Supplementary Monthly extract	<ul style="list-style-type: none"> <li>Supplementary to the Master Agreement level monthly extract required for reporting, tax, sanctions checking etc.</li> <li>Will include data which may not be available to Followers</li> </ul>	Monthly	Premium 40	✓	✗
			Claim 58		
Declaration Level Monthly extract	<ul style="list-style-type: none"> <li>Only relevant to Delegated Authority business</li> <li>The Lloyd's Bureau Lead submits data at declaration level</li> <li>Represents the opening position at declaration level which is required for finance, reporting, tax, sanctions checking etc.</li> </ul>	Monthly	Premium 60	✓	✗
			Claim 74		

# Data Consumption / Data Quality (DC/DQ) Tool



MA / Syndicate

Lloyd's Brussels

Market Data Collections (MDC) configured for Part VII data submissions and with new capabilities, will be utilised as the Data Consumption and Data Quality Tool for Managing Agents to submit all types of Part VII data submissions



Data quality checks will take place at the point of upload for each submission, followed by business validations, which result in errors and warnings to be resolved by the MA, prior to official submission to Lloyd's Brussels



Each data submission will only be accepted if the pre-defined data quality standards are met (i.e. errors are resolved) and all warnings have been reviewed and been responded to



Lloyd's Brussels will conduct a further set of validations on the submitted data to check for data consistency between submissions / Managing Agents where applicable



The further set of validations performed outside of the DC/DQ tool may prompt Lloyd's Brussels to raise queries to Managing Agents for resolution

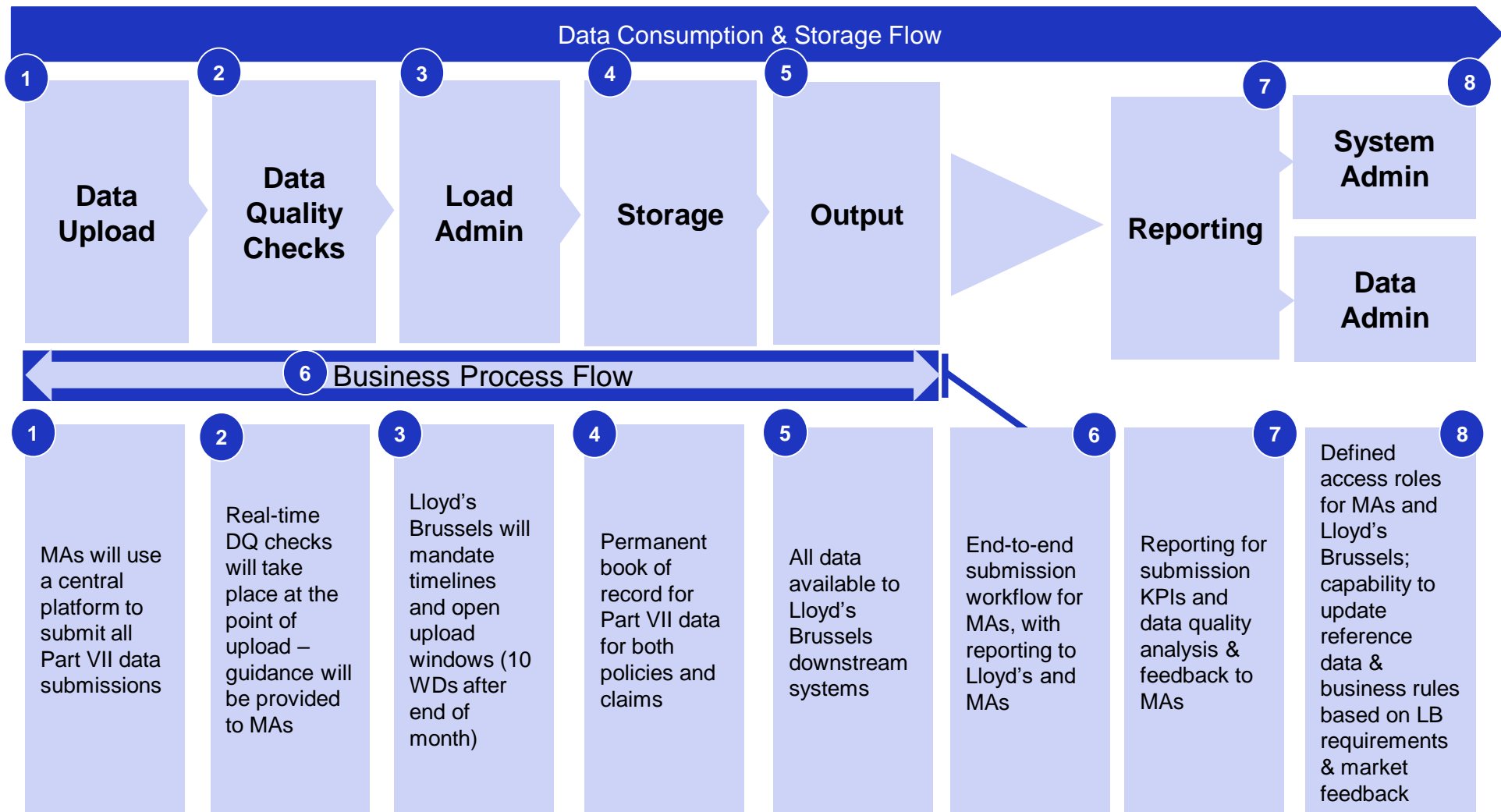


# Data Consumption / Data Quality (DC/DQ) Tool

Overview of key capabilities expected from the tool



MA / Syndicate Lloyd's Brussels



# Full Market Data Onboarding

## Timelines



Hyperlink



MA / Syndicate



Bureau



Lloyd's Brussels



Ahead of the Transfer Date, onboarding activities will take place including submission of both Initial Load and Monthly data – these will be additional to the initial load at Transfer Date



Starting from June, iterations of Initial Load and Monthly load data will be submitted by Lead and Follow syndicates (for full timeline please refer to the [next slide](#))



This will provide assurance of the data submission processes, create an early Lloyd's Brussels book of transferring open claims and live policies, and enable the creation of an open claims list to be provided to the Bureau for the bulk tagging of Part VII Claims.

### Summary of the required activities for data submissions to Lloyd's Brussels:

Creation of the  
final Master List –  
Part VII Programme, May  
2020

Identification of Part  
VII risks within PAS –  
Syndicates, End of May /  
June 2020

Provision of consolidated  
version of the Part VII open  
claims list to the Bureau –  
Part VII Programme, Q3 2020

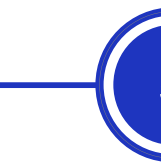
Provision of initial load  
at transfer date –  
Syndicates, November 2020



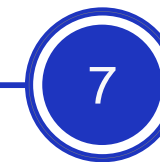
Distribution of the agreed Master  
List to each Syndicate – Part VII  
Programme, End of May 2020



Start of Data  
Onboarding –  
Syndicates, June 2020



Claims bulk  
update – Bureau,  
October 2020



Provision of Monthly  
Submissions –  
Syndicates, Post Transfer



# Part VII Operational Data Model

## Data Onboarding Timeline – June – October 2020



MA / Syndicate

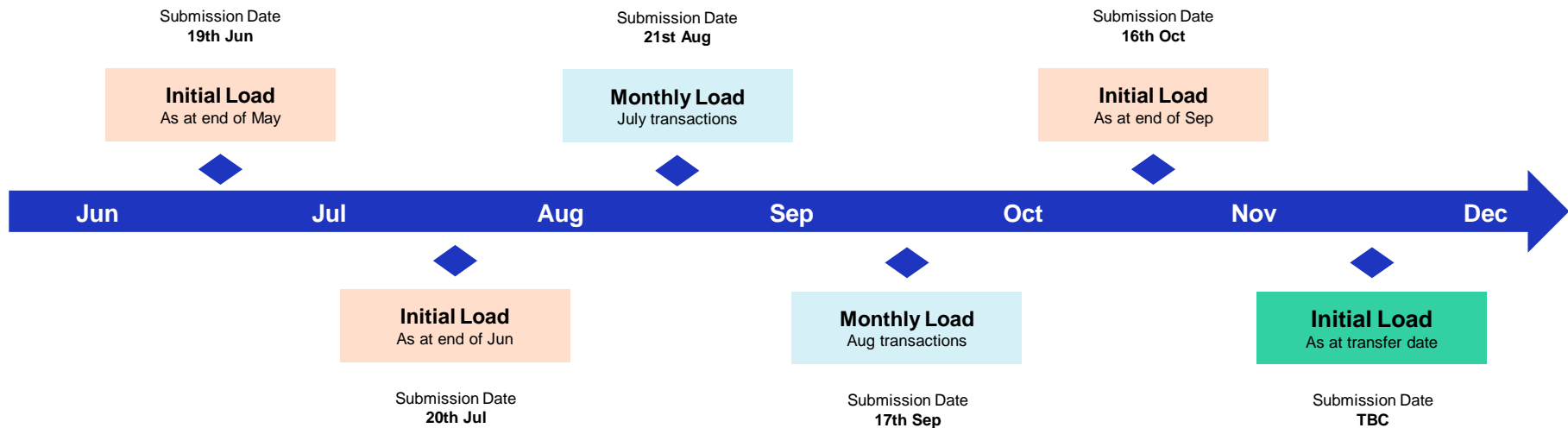


Bureau



Lloyd's Brussels

- As communicated in the Market Design Document V2.0 and at the Data Model briefing on 31/01, all MAs are expected to participate in a Data Onboarding exercise beginning in June
- This will include iterations of the initial load data and monthly load data
- The Data Onboarding process will:
  - Provide assurance of the data submission processes
  - Create an early Lloyd's Brussels book of transferring open claims and live policies
  - Enable the creation of an open claim list to be provided to the Bureau for the bulk tagging of Part VII Claims



# Data Quality checks within the DC/DQ tool

Six key categories of data quality checks are implemented on all Part VII data submissions



MA / Syndicate

Lloyd's Brussels

The DC / DQ tool provides real-time DQ feedback on each submission via:

1. **Errors:** if the data does not meet required standards, the data has to be corrected and re-submitted
2. **Warnings:** these flag potential outliers in the data relative to the entire submission / based on defined rules and have to be reviewed and the correctness of the data confirmed prior to submission

#	Data Quality Controls	Description
1	<b>Data Format/Type Check</b> (generates error)	Control to check the format and completeness of the submitted data, e.g. data format / length (results in an error)
2	<b>Reference Data Checks</b> (generates error)	Control to check if the data items are part of the reference list (aligned with MDC existing reference data where applicable) (results in an error)
3	<b>Prevailing signage</b> (generates errors & warnings)	Control on the expected signage of a data item to provide a warning or error to the user of potentially incorrect data being submitted
4	<b>Threshold checks</b> (generates warning)	Control to verify if any data outliers are correct; this is defined per data field and provides an indication as to whether a data item submitted is within the expected range, e.g. large additional premiums
5	<b>Tolerance checks</b> (generates error)	Control on the percentage of default values allowed per data field / file
6	<b>Business Rules</b> (generates errors & warnings)	Controls to check the data consistency within the submitted file and record (e.g. GWP>NWP, policy expiry date consistent per UMR)



# Monthly Part VII Extract Submission Timeline

Timeline for submission required on an ongoing basis after the  
Transfer Date, i.e. post - October 2020

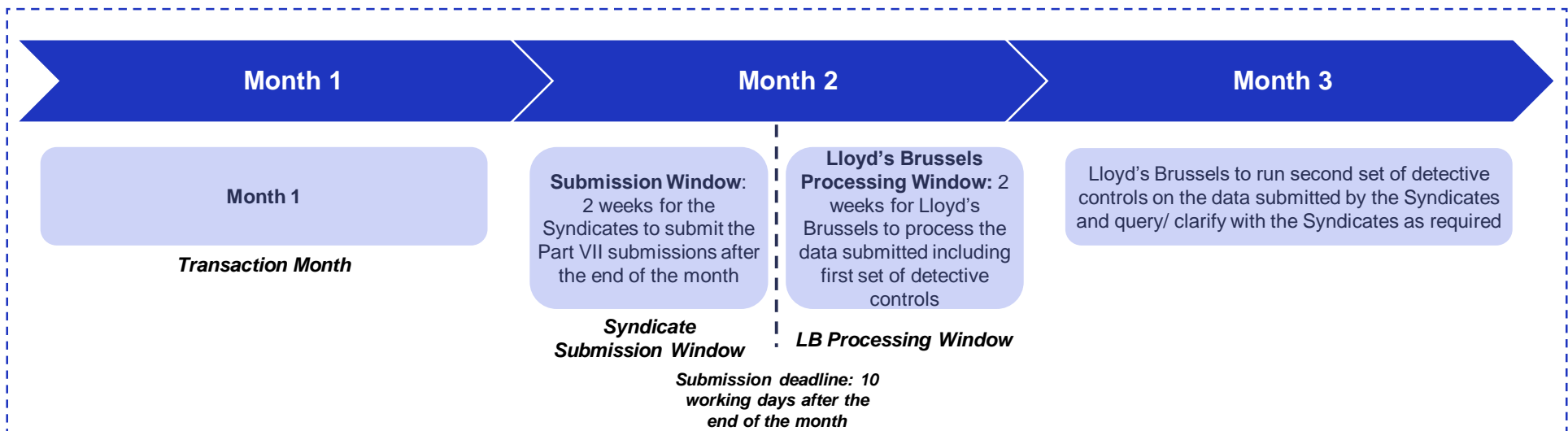


MA / Syndicate

Lloyd's Brussels

- Monthly Part VII Extracts are required to be submitted to Lloyd's Brussels two weeks after the end of the 'transaction month' (or earlier)
- The transaction month refers to the month in which the Syndicate has processed / or been informed of a cash or non-cash transaction
- Please note that for Delegated Authority business, this refers to the month in which the Syndicate has received that month's bordereaux / the Bureau has processed the bordereaux, rather than the month the underlying transaction was processed by the coverholder or TPA.

## Illustrative timelines



## Section 4: Finance

# Finance Actions (1/3)

What does each organisation need to do?



MAs / Syndicates



Bureau



Lloyd's Brussels

	MA's / Syndicates	Bureau	Lloyd's Brussels Finance
<b>Payment of claims / receipt of premiums</b>	<ul style="list-style-type: none"> <li>During the month MAs are responsible for paying all Part VII claims out of the Part VII settlement accounts and receiving all of the premiums due</li> </ul>	<ul style="list-style-type: none"> <li>Bureau ensures transaction messages indicate Part VII where applicable</li> </ul>	N/A
<b>Settlement Account top-up</b>	<ul style="list-style-type: none"> <li>MAs are responsible for ensuring their Syndicate bank accounts have sufficient funds to process the top-up (monies are remitted from Syndicate bank account into LB Settlement Account)</li> </ul>	N/A	<ul style="list-style-type: none"> <li>Lloyd's Brussels will calculate the required Settlement Account top-up for each Syndicate based on movements in the bank statements</li> <li>The Lloyd's Brussels Finance team will instruct STFO to top-up the settlement accounts (monies are remitted from Syndicate bank account into LB Settlement Account)</li> </ul>
<b>Administer Cash Call Process</b>	<ul style="list-style-type: none"> <li>MAs are required to monitor the Part VII Settlement Account balances and trigger the cash-call process (as outlined in the <a href="#">Cash Call Process</a>) if required</li> </ul>		<ul style="list-style-type: none"> <li>Account for the increased Part VII account balance and include this increased balance within the monthly top-up process if the temporary increase spans a month end</li> </ul>

## Finance Actions (2/3)

What does each organisation need to do?



MAs / Syndicates



Bureau



Lloyd's Brussels

	MA's / Syndicates	Bureau	Lloyd's Brussels Finance
<b>Reconciliation of the Part VII Settlement Account</b>	<ul style="list-style-type: none"> <li>MAs / Syndicates are required to reconcile the Part VII Settlement Account movements and provide details in the Part VII extract file submitted monthly to Lloyd's Brussels</li> <li>The extract file should contain all bank movements for the previous month (e.g. January movements are provided to Lloyd's Brussels by February working day 10)</li> <li>Details of any unreconciling items will need to be provided</li> </ul>	<ul style="list-style-type: none"> <li>The Bureau will flag all Part VII transactions for the month and report these to the MAs / Syndicates for inclusion in the monthly Part VII Extract</li> </ul>	N/A
<b>Submission of the Part VII extract file to Lloyd's Brussels</b>	<ul style="list-style-type: none"> <li>MAs / Syndicates are responsible for ensuring the Part VII extract file is of sufficient quality to pass all of the Lloyd's Brussels data quality checks</li> <li>MAs / Syndicates should report non-cash amounts (claims payable, premiums receivable) in both original currency and settlement currency. For cash items, the amount should be quoted in the currency paid or received. Where this differs from the currency in which the related payable or receivable was being held, Lloyd's Brussels will need to know the rate at which the MA / Syndicate converted from one currency to the other</li> </ul>	N/A	<ul style="list-style-type: none"> <li>Lloyd's Brussels will perform a monthly reconciliation between the money that moved through the bank account in the previous period and the extract file submitted to Lloyd's Brussels</li> <li>Lloyd's Brussels will match the premiums received and the claims paid in the month to the Balance Sheet receivable / payable positions</li> </ul>

## Finance Actions (3/3)

What does each organisation need to do?



MAs / Syndicates



Bureau



Lloyd's Brussels

	MA's / Syndicates	Bureau	Lloyd's Brussels Finance
Tax	<ul style="list-style-type: none"> <li>MAs / Syndicates will need to provide claims fees information in the prescribed format as part of the Monthly Part VII Extract</li> <li>MAs / Syndicates will need to upload claims fee invoices to Secure Store for all Part VII business</li> </ul>	<ul style="list-style-type: none"> <li>N/A</li> </ul>	<ul style="list-style-type: none"> <li>Lloyd's Brussels Finance will calculate claims VAT liability based on the information provided by the MAs / Syndicates</li> <li>Lloyd's Brussels Finance will submit Belgian VAT returns and process necessary payments</li> </ul>

# Overview of Finance Requirements



Hyperlink



MA / Syndicate



CH / TPA



Lloyd's Brussels



Bureau

The Finance related components of the Part VII Solution concern Money Movement and Reporting on Claims VAT fees, as outlined below

## 1. Money Movement

- As the insurer, Lloyd's Brussels will be responsible for all cash movements on the transferred policies. This will be handled through Part VII Settlement Accounts administered by Managing Agents on behalf of Lloyd's Brussels
- Part VII Settlement Accounts will hold cash balances equal to 3 months' claims cover (see [the Top-ups and Cash Matching](#)). These cash balances will be topped up on a monthly basis by Lloyd's Brussels from Syndicate bank accounts
- The following pages describe the key impacts for market participants relating to the management and control of these money movements

## 2. Reporting on Claims VAT fees

A further impact relates to the changes in the way MAs / Syndicates report VAT on claims fees along with the storage arrangements for the supporting invoices. Details of the changes are provided in [Claims VAT section](#)

# Part VII Settlement Bank Accounts Summary



MA/ Syndicate



Lloyd's Brussels

**Under the first version of the document LB advised that it would be mandating the use of the CCS.**

**Feedback from the Bureau and certain market participants have indicated challenges implementing the mandatory use of the CCS specifically where transactions are processed outside the CCS before transfer.**

**LB will (in most instances) mirror the syndicate's existing bank account setup**

## Key points:

- It should be noted that the current set of syndicate bank accounts may reflect global business and not that included within the Part VII transfer. Therefore, if there is a currency that has limited use within the Part VII programme LB will expect any new Part VII transactions after the scheme effective date that do occur in the "limited use" currency to be processed via the CCS rather than setting up a bank account. This is to save unnecessary admin activities and enhanced funding requirements
- This means that MAs are encouraged to monitor and control the setting up of future transactions in little-used currencies prior to the date of transfer to enable this to be efficiently implemented
- Lloyd's Brussels will open the bank accounts prior to the transfer. These accounts will be referred to as Part VII Settlement Accounts
- Managing Agents will be able to establish access rights/ authority levels for specific named resources. Part VII Settlement Accounts will be loaded onto existing Citibank banking portals and access rights can be provisioned accordingly

# Part VII Settlement Bank Accounts Summary

## Non Bureau Cashflows



MA / Syndicate



Lloyd's Brussels

**MA's / Syndicates will be authorised to pay Non Bureau claims directly out of the Part VII Settlement Accounts on behalf of Lloyd's Brussels. Each MA / Syndicate will be given authorisation to make payments using their direct banking portal**

### Key points:

- MAs / Syndicates will be given access to their respective Part VII Settlement Accounts via their existing banking platforms and will have the required authorisation to make payments on Lloyd's Brussels behalf
- For Non Bureau cash transactions, MAs / Syndicates will follow their existing processes for Non Bureau business, with the exception that Part VII transactions will flow through their respective Part VII Settlement Account
- Premiums relating to Non Bureau cash transactions can also be received directly into Part VII Settlement Accounts



# Non-cash\* Signings under the Part VII solution



MA/ Syndicate



Broker



Bureau



Lloyd's Brussels



**Non-cash signings processed under the Part VII solution will follow a similar approach to cash signings, the primary difference being that each MA / syndicate will be responsible for settlement in line with the transaction**

## Non-cash signings high level end-to-end overview

1. The original signing for non-cash transactions should be included on the Master List, with a transferring status
2. Brokers (or internal brokers) will submit LPANs to the Bureau in the same way as they do currently – no changes are required
3. The Bureau will process the LPAN in the same way as it would other Part VII LPANs – where there is a Transferring or Non-Transferring status on the Master List, these will be processed on a straight-through basis, where the status is Mixed or Unknown on the Master List, these will be subject to triage by a Bureau technician using the bureau triage rules
4. On the usual notification requirement that a Claim is Non-Cash, the Bureau will process as they do today
5. Part VII non-cash signing transaction USM and SCMs will include the usual Part VII indicator in the US / Canadian trust fund code
6. USMs / SCMs will be sent to Syndicates in the same way as cash-signings. ESAs are generated as per the BAU process (stating that the transaction is settled directly)
7. These transactions will also be included on the Part VII end of day report for the syndicate
8. The syndicate is then responsible for settlement – the Part VII money movement **must** use the same Syndicate Part VII Settlement Account that is used for STFO settlement, or direct settlement by the syndicate – the same process should be applied to settle the net transaction. The syndicate should use the SNAD as the transaction reference and the transaction amount must be the same amount as the net settlement amount shown on the USM. The parties to the settlement transaction must be the same per the USM
9. The transaction should be included within the monthly data submission to Lloyd's Brussels, and the transaction should be included within the reconciliation process which validates that the net movement in the month in the Part VII settlement account reconciles to the data being provided
10. Lloyd's Brussels will process non-cash transactions in the same way as all other transactions including the process to validate the monthly Part VII Settlement Account movement

\* The term "non-cash" (a.k.a. "paid by cheque") is used in instances where the accounting entry is generated by the Bureau however the cash does not move via STFO

# Part VII Money Movement

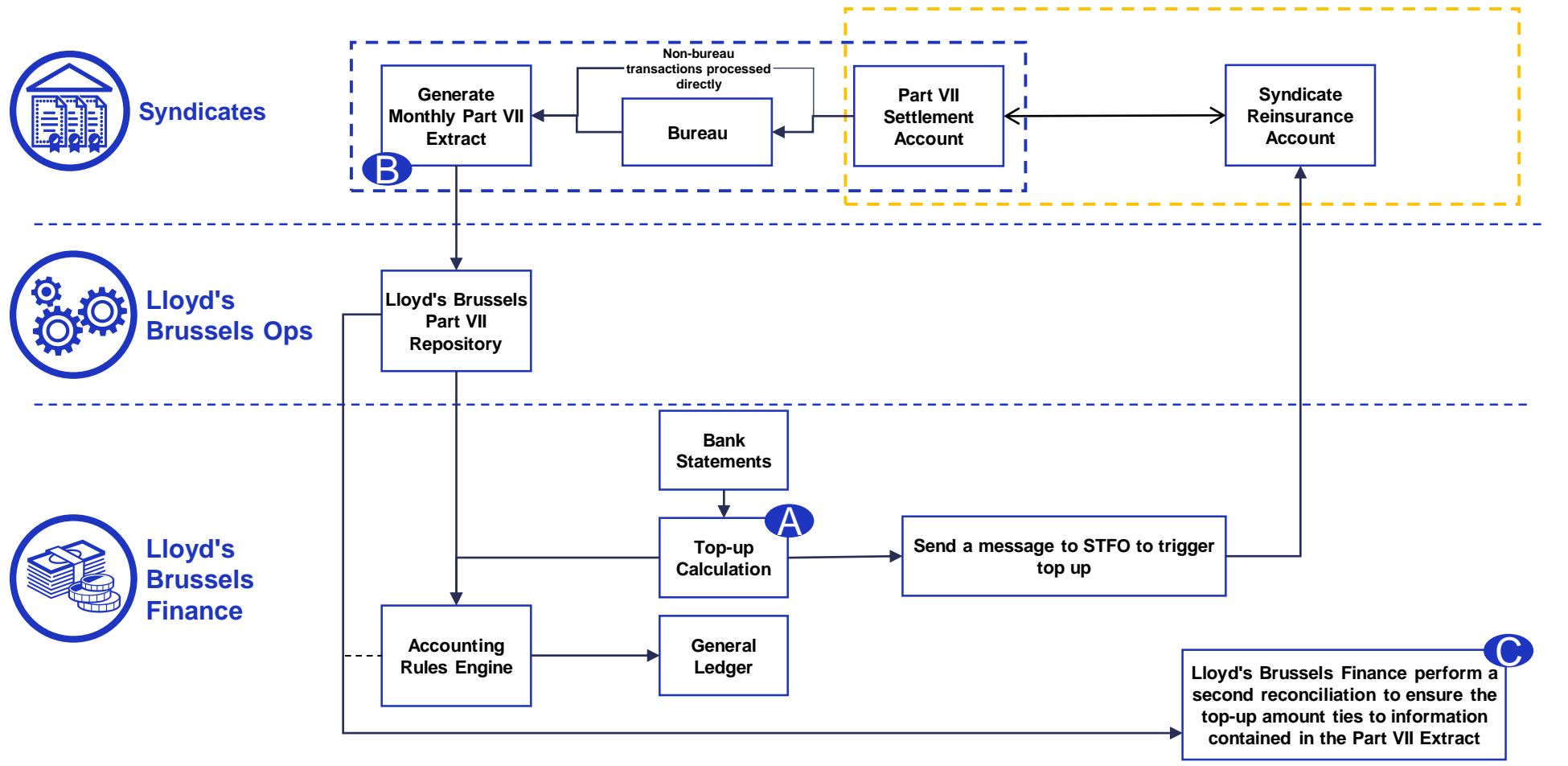


MA / Syndicate



Lloyd's Brussels

In order to ensure appropriate controls MAs / Syndicates are mandated to reconcile the Part VII Settlement account with the underlying transactions reported in their monthly Part VII Extract and with Bureau / non-Bureau data



# Part VII Money Movement

## Summary of requirements



MA / Syndicate



Lloyd's Brussels



Bureau

- A** During the month money will move in and out of the Part VII Settlement Accounts. At the end of the month Lloyd's Brussels will calculate the required top-up for each Syndicate and instruct STFO to move money between the Syndicate's bank account and the Part VII Settlement Account
- B** MAs / Syndicates are responsible for reconciling Part VII Extract data prior to submission to Lloyd's Brussels
  - Data for Part VII extract submission will be reconciled with the Bureau transactional level data and MA's own data for non-bureau processed business
- C** A reconciliation will be performed between the top-up provided for each Part VII Settlement Account, the current Part VII extract data and the outstanding items on the Lloyd's Brussels Balance Sheet (Payables/Receivables). Any non reconciling items will be investigated with each MA / Syndicate via a query process

# Bank Reconciliation

## Summary



MA / Syndicate

Lloyd's Brussels

**MA's and syndicates will receive settlement messages from STFO with a specific Part VII bank account type to identify Part VII transactions. MAs are expected to reconcile the Part VII bank account in line with the transactions on the monthly ESA**

- MAs are required to reconcile each of the Part VII settlement accounts on a monthly basis and provide the breakdown of the reconciliation as reported cash items in the Part VII data submission that is submitted to Lloyd's Brussels. (Refer to the data model data dictionary for detailed guidance on which fields to report cash movements under)
- To support the reconciliation MAs will receive the following messages:
  - Daily ESAs from STFO which will contain a bank account type P7
  - An update to the monthly ESA reports which will contain a bank account type P7
- For any movements that have gone through the bank account that cannot be reconciled MAs are required to populate the "value of unreconciled items" field in the Part VII data submission that goes to Lloyd's Brussels

### Timing and cut off

- MAs are required to report to Lloyd's Brussels all movements that have gone through the Part VII bank account in the previous month in line with the movements on the monthly ESA report (as well as any non-Bureau processed transactions). This means that the bank reconciliation should include all movements that have gone through the bank account from working day 1 to (and including) the final working day of the month
- As an example the bank movements from first working day in January until (and including) the last working day of the month in January should be reported to Lloyd's Brussels in the extract file by working day 10 in February

# Top-ups and Cash Matching

## Summary



MA / Syndicate

Lloyd's Brussels

**There will be a lag between the movement of the cash through the Lloyd's Brussels Part VII Settlement Accounts for the payment of claims and receipt of premium and the time it takes for the MAs to reconcile the extract file to their bank accounts, submit to Lloyd's Brussels and pass all of the required data quality checks**

- **The lag period is expected to be for 10 working days after month end.** This means that all cash movements in and out of the Part VII Settlement Accounts will be reconciled and provided to the Lloyd's Brussels Finance team (2 weeks after the month end to which they relate). For example, all transactions processed during the month of January will be provided to Lloyd's Brussels Finance by February working day 10
- **To ensure prompt topping up of the settlement accounts,** the Lloyd's Brussels Finance team will calculate the required top-up amounts based on electronic bank statements downloaded from the bank portal shortly after the month end. This approach has been adopted to remove the dependency on submission of the extract file to Lloyd's Brussels for settlement account top-up
- **The Settlement Account will need to hold sufficient liquidity** to ensure there is enough cash in place to cover claims that will need paying during the month. The balance on the account will be established by calculating the average monthly claims payment from the previous 12 months and multiplying by 3 (this is subject to detailed data review for each MA). This will help to provide enough of a buffer to reduce the need for out of cycle intra-month top-up
- **Lloyd's Brussels' Finance team will match the cash movements through the Part VII Settlement Accounts** (once they have received the Part VII extract file) to the outstanding payables and receivables in the cash matching process. All cash movements for the current month end will be booked to a suspense account until they are matched
  1. A suspense account provides a holding account for the cash movements that have gone through the Part VII Settlement Accounts during the month but for which Lloyd's Brussels has no details (due to the lag time in the submission of the Part VII extract file)
  2. In cases where there are unmatched cash items in the suspense account, Lloyd's Brussels would query these with the respective MA / Syndicate

# Top-ups and Cash Matching

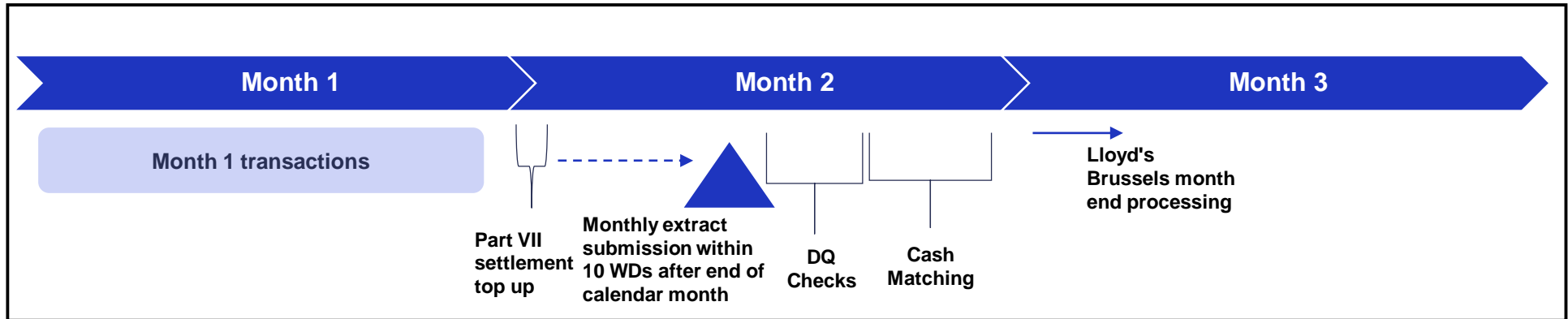
## Process



MA / Syndicate



Lloyd's Brussels



- MAs should report non-cash amounts (claims payable, premiums receivable) in both original currency and settlement currency
- For cash items, the amount should be quoted in the currency paid or received. Where this differs from the currency in which the related payable or receivable was being held, Lloyd's Brussels will need to know the rate at which the MA converted from one currency to the other
- This information should be captured in the monthly Part VII data submissions – specific structured fields will be provided for this purpose

# Set of rules to select appropriate syndicate bank accounts for top-up



MA / Syndicate



Lloyd's Brussels

**Lloyd's Brussels will top up the Part VII settlement accounts based on the movement in the bank account in the previous period, driven by the end of month bank position. Lloyd's Brussels will use the following 4 rules to top-up the settlement accounts using a set of default YoAs.**

1. For all syndicates with the syndicate year set out to 9999, default the YoA to 2018
2. For all syndicates that are RITC into a syndicate with a year set out to 9999, default the YoA to 2018
3. For all syndicates transferring business that do not have a syndicate end year set to 9999, default the YoA to the last available YoA
4. For all syndicates that have a different bank account holder per YoA (but have not been RITC), a single set of Part VII settlement accounts will be created, and the top-up will be taken from the 2018 YoA

**Each submission will need to be by syndicate bank account group and not per unique syndicate**

# Cash Call Process

## Part VII Model



MA / Syndicate



Lloyd's Brussels

- Cash call process will enable the top up of the Part VII settlement accounts part way through the month, in the event the MA identifies the need for a Part VII settlement account to hold a larger cash balance than it does currently.
- MA's are responsible for managing this process and will incur the cost of the overdraft fees, if the bank account goes overdrawn

### Part VII Model



- MA should instruct the cash call process having identified the need for the Part VII Settlement Account to hold a larger cash balance than it does currently based on MA forecasting the need to pay a large claim.
  - Lead MAs will be aware of this, having approved the claim in ECF.
  - Follow MAs will receive a USM notification of the need to make a payment out of the settlement account. Follow MA's should instruct this process within the 3 days window before cash is moved out of the part VII settlement account
- Send an email to the LB Finance shared mailbox to notify them that they will be triggering the cash call process and "topping-up" the Part VII settlement account.
- MA's should log into the Syndicate's bank account and make a direct transfer from the Syndicate's bank account to the Part VII settlement account
- Once the transfer is complete, MAs are required to notify LB Finance that the transfer is complete
- Once the claim payment has left the Part VII settlement account, the MA is required to notify LB Finance that it has been paid



# Claims VAT requirements



MA / Syndicate Lloyd's Brussels

**The Part VII Claims VAT reporting requirements will be similar to the current requirements for Lloyd's Brussels existing business. However, there are some key differences to note:**

1. The types of business for Part VII will include all three placement channels (Bureau, non-Bureau and LDR) whereas existing business is only Bureau. This necessitates a different data sourcing model for Part VII
2. Currently claims fees invoices are uploaded to IMR for Open Market business and to Secure Store for Binder business.

## Overview of requirements

1. VAT paid on claims fees will be reported through the monthly Part VII submissions to Lloyd's Brussels for all three sources (XIS, Non-XIS, LDR)
2. Invoices (**in Lloyd's Insurance Company's name**) will be needed for claims fees where VAT is due (either locally or in Belgium), or where a VAT exemption applies
3. Lloyd's Brussels will require all claims fees invoices for Open Market business to be uploaded to Secure Store. For coverholder business, only invoices over an EUR 50,000 will need to be uploaded to Secure Store using the unique reference as per the monthly Part VII submission. These requirements have been agreed with the Belgian Tax Authorities, and as such these are part of Lloyd's Brussels' VAT arrangement with them
4. MAs / Syndicates will need to provide claims fees information in the prescribed format along with the supporting invoices / documentation in order to:
  - a. avoid paying 21% VAT on items that should be VAT exempt or for which VAT has already been paid abroad
  - b. allow for VAT to be recovered (where applicable)

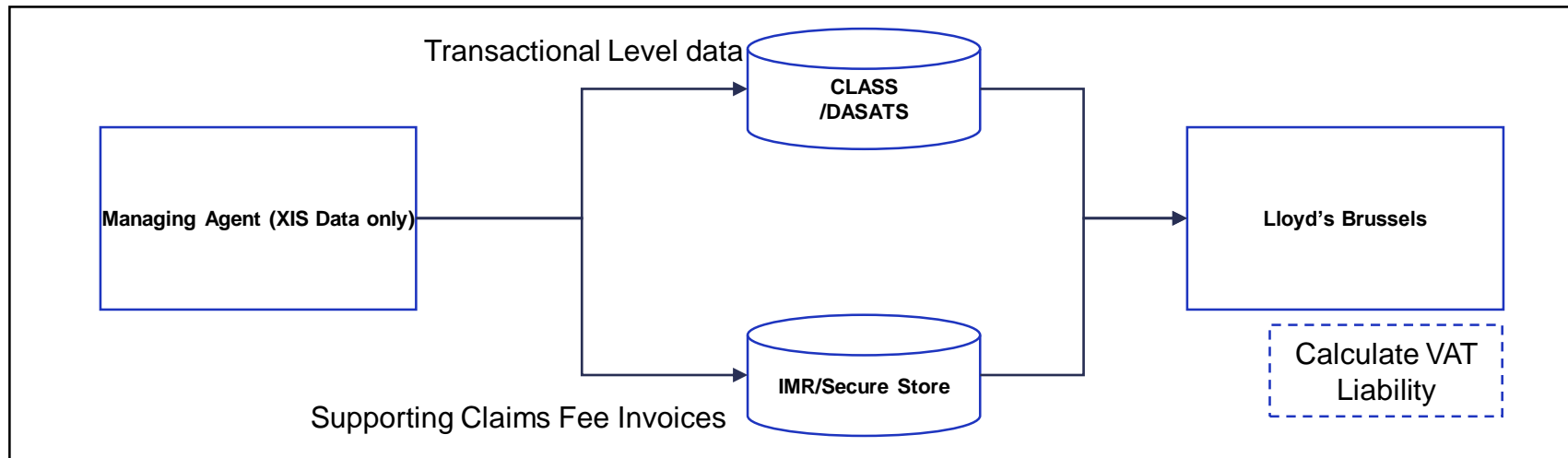
**This will be particularly important as Part VII business will have higher volumes (and amounts) of claims compared to Lloyd's Brussels existing business**

# Claims VAT – Part VII vs Existing Business

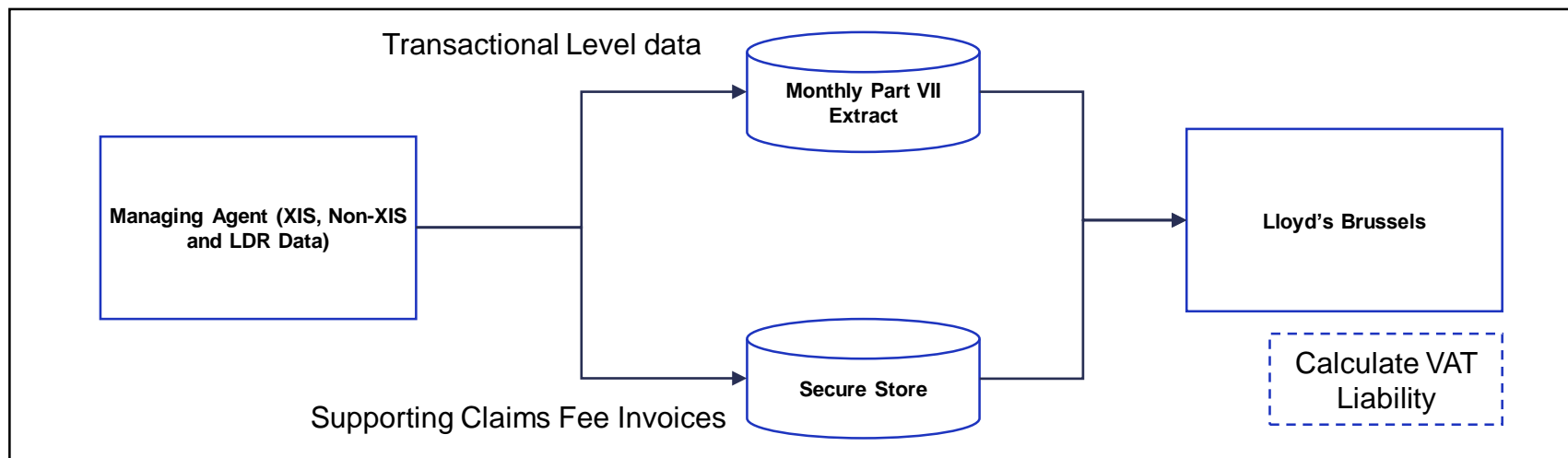


MA / Syndicate Lloyd's Brussels

## Lloyd's Brussels Existing Business VAT Reporting



## Part VII Business VAT Reporting



## Section 5: Complaints Management

# Complaints Actions



What does each organisation need to do?



Hyperlink



MA / Syndicate



CH / TPA

	MA / Syndicate	CH / TPA
Identification of complaints relating to Part VII transferring policies open as at the transfer date	<ul style="list-style-type: none"> <li>There may be a requirement for MAs / Syndicates to provide additional information to Lloyd's of London / Lloyd's Brussels</li> <li>This is to enable a transfer of open complaints relating to Part VII transferring policies from Lloyd's of London to Lloyd's Brussels at the transfer date</li> </ul>	<ul style="list-style-type: none"> <li>There may be a requirement for CH/TPAs with complaints handling authority to provide information via Managing Agents to Lloyd's of London / Lloyd's Brussels</li> <li>This is to enable a transfer of open complaints relating to Part VII transferring policies from Lloyd's of London to Lloyd's Brussels at the transfer date</li> </ul>
Identification of complaints relating to Part VII transferring policies (post-transfer)	<ul style="list-style-type: none"> <li>MAs / Syndicates need to triage new complaints received after the transfer date to determine whether these relate to a Part VII transferring policy, using the Triage Rules (<a href="#">Triage Rules</a> slide in Section 1)</li> <li>MAs / Syndicates are required to handle Part VII complaints in line with Lloyd's Brussels Complaints handling principles and guidelines as per Lloyd's Brussels BAU</li> </ul>	<ul style="list-style-type: none"> <li>CH/TPAs with complaints handling authority need to triage new complaints after the transfer date to determine whether these relate to a Part VII transferring policy, using the Triage Rules (<a href="#">Triage Rules</a> slide in Section 1)</li> <li>CH/TPAs are required to handle Part VII complaints in line with Lloyd's Brussels Complaints handling principles and guidelines</li> </ul>
Notification of complaints relating to Part VII transferring policies to Lloyd's Brussels (post-transfer)	<ul style="list-style-type: none"> <li>MAs / Syndicates need to notify Part VII complaints relating to Part VII transferring policies to Lloyd's Brussels via the notification template (updated to include Part VII Triage Rules) in line with the BAU process</li> </ul>	<ul style="list-style-type: none"> <li>CHs/TPAs with complaints handling authority need to notify Part VII complaints relating to Part VII transferring policies to Lloyd's Brussels via the notification template (updated to include Part VII Segmentation Logic) in line with the BAU process</li> <li>CHs/TPAs without complaints handling authority are required to notify Part VII complaint to the Managing Agent, and provide support throughout the complaints handling process as requested by the Managing Agent in line with the BAU process</li> </ul>

# Part VII Complaints Management

## Key Principles



MA/ Syndicate



CH / TPA



Lloyd's Brussels

After the transfer date, Lloyd's Brussels will be responsible for handling all complaints related to the Part VII book of business (with the exception of non-insurance liabilities including tax, conduct/ mis-selling liabilities for which responsibility remains with MAs / Syndicates)

All complaints management activity, including notification and resolution for Part VII business will follow existing BAU Lloyd's Brussels Complaints Processes/ Guidance

All recipients of complaints will be required to triage all new complaints received after the transfer date using the Triage Rules. The approach for EEA Part VII triage will be consistent i.e. driven by Policyholder Domicile and Risk Location

# Pre-transfer: Transfer of Open Part VII Complaints

## Potential request for information from MAs / Syndicates



MA/ Syndicate



Broker



Lloyd's Brussels

**Syndicates may be required to gap fill information for Part VII complaints open at the point of transfer that will be migrated from Lloyd's of London to Lloyd's Brussels. The process for the transfer of these complaints will be managed by Lloyd's of London and Lloyd's Brussels Complaints Teams internally, with some support likely to be required from the Market**

- Prior to the transfer date, MAs / Syndicates should close as many open EEA complaints as possible to reduce operational impacts and volume of data processing.
- However, it is expected that there will be a small number of open complaints relating to the Part VII book of business as at the transfer date. Lloyd's of London will migrate details of these complaints to Lloyd's Brussels.
- Lloyd's of London and Lloyd's Brussels Complaints Teams will internally manage the transfer process:
  - Lloyd's Brussels will identify the information/ data fields required for the open Part VII complaints that will be migrated from Lloyd's of London to Lloyd's Brussels
  - Where information on open complaints relating to Part VII transferring policies is not currently available, this will be requested from MAs / Syndicates (potentially with support required from Coverholders and Brokers)
  - Lloyd's Brussels and Lloyd's of London Complaints Teams will perform a gap analysis in the next phase of work. An update will be provided on completion of the gap analysis

# Post-transfer: Part VII Complaints Management

## Potential request for information from MAs / Syndicates



Hyperlink



MA / Syndicate



Broker



Lloyd's Brussels

**After the transfer date, all complaints relating to Part VII transferring policies, are required to be notified to Lloyd's Brussels. All complaints management activity, including notification and resolution for Part VII business will follow existing BAU Lloyd's Brussels Complaints Processes/ Guidance**

- Complaints relating to Part VII transferring policies are required to be notified to Lloyd's Brussels
- Syndicates and Coverholders/TPAs with complaints handling authority will be required to triage all new complaints received after the transfer date using the Segmentation Logic to ensure they have been notified to the correct entity (see [Triage Rules](#) slide in Section 1).
  - Notification to Lloyd's Brussels will take place using the Notification Template used for Lloyd's Brussels BAU, which has been amended to include a Part VII flag
- MAs will investigate complaints and recommend resolution as an outsourced activity from Lloyd's Brussels in-line with the BAU Lloyd's Brussels Complaints Processes/ Guidance. Syndicates cannot directly correspond with complainants for the Part VII book of business and all correspondence must be via Lloyd's Brussels (and Coverholders / TPAs with complaints handling authority) in-line with the BAU Lloyd's Brussels Complaints Processes/ Guidance
- Coverholders/TPAs with complaints handling authority will be required to handle complaints on the Part VII book of business in-line with the BAU LB Complaints Processes/ Guidance
- Coverholders/TPAs without complaints handling authority are required to notify the complaint to the Managing Agent, who will then notify LIC in line with Lloyd's Insurance Company Complaints handling principles and guidelines via the Complaints Notification Template.
- Coverholders/TPAs without complaints handling authority should provide support throughout the complaints handling process as requested by the Managing Agent or LIC. All contact with the complainant throughout the complaints handling process will be via LIC and CHs/TPAs with complaints handling authority only

## Section 6: Sanctions



# Sanctions

## Overview



Policy Holder



Broker



MA / Syndicate



CH / TPA



Lloyd's Brussels

**Lloyd's Brussels sanctions screening process for Part VII business will be in accordance with a set of key principles listed below**

### 1. Market Requirements

- Market participants will be required to continue to adhere to their financial crime screening obligations, including their existing local legal requirements and their contractual arrangements with Lloyd's Brussels - which will continue to apply to Part VII business.
- This activity is delegated from Lloyd's Brussels, through the Outsourcing Agreement, to the market for BAU business, and will continue to be delegated for transferring Part VII business.
- Once transferred, both Lloyd's Brussels existing and Part VII business will be subject to the same requirements, and Lloyd's Brussels will monitor compliance with those requirements under the Outsourcing Agreement.
- There may be differences between the requirements for Market participants as regulated by Lloyd's, and as outsource providers for Lloyd's Brussels

### 2. Lloyd's Brussels Part VII Sanction Process

- Lloyd's Brussels intends to establish a post-transaction Sanctions screening process for Part VII transactions against the policyholder / claim beneficiary
- The Lloyd's Brussels screening process for Part VII will follow the same screening and clearing process as developed by Lloyd's Brussels for BAU

## Section 7: Current Market Reporting

# Current Market Reporting

## Overview



Undergoing Market  
Consultation



Hyperlink



Broker



MA / Syndicate



CH / TPA



Lloyd's Brussels



An impact assessment has been carried out on the current Lloyd's reporting requirements.



The review focused on all reporting requirements as set out in the Core Market Return and Non-Core Market Return catalogues. It also included any other returns identified through discussions with the relevant Lloyd's return owners



The following summary table shows a consolidated view of the findings from the impact assessment. The [Current Market Reporting](#) slides in the Appendix show analysis for each report

Reporting basis change
Solvency II – ASR / QSR / ASB
Syndicate Report & Accounts
QMA
US Federal Excise Tax
US SIS (Syndicate information statement returns)
Lloyd's Brussels Standard Formula*

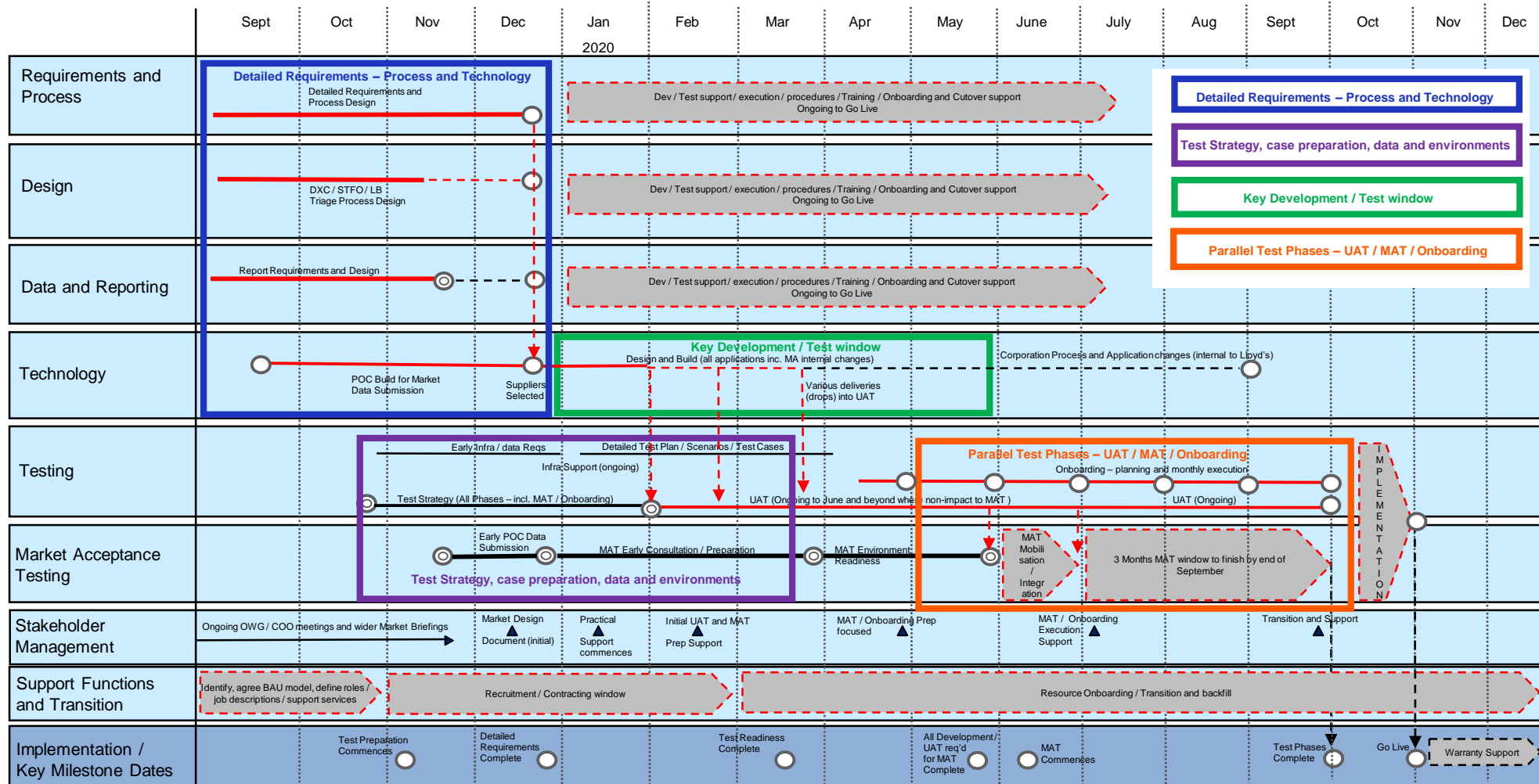
Reporting requirement change
Solvency II – Risk and Claims Reporting
Lloyd's Direct Reporting (LDR) - On Elective Basis

No Impact
Solvency II – AAD / QAD
France – GAREAT Large Risk Pool
France – GAREAT Small and Medium Sized Risk Pool
France – Reporting of Medical Legal Liability Business
France – Reporting of Trade Credit Business
Ireland - Motor Gross Written Premiums
US Regulatory Reporting Return
Non-XIS Overseas Business Return (New Zealand)
Annual Non-XIS Return
US Qualified Intermediary Arrangements
TUK (UK Tax)
Model Change Submissions
Lloyd's Capital Requirement (LCR)
Lloyd's Catastrophe Model
Technical Provisions Data (TPD)

No Impact
Gross Quarterly Data (GQD)
MRC - SAO
Agent Expense Return
Claims Outsourcing Arrangements List
Third Party Administrators (TPA) Register
Syndicate Business Forecast (SBF)
QMB
Performance Management Data return (PMDr)
Realistic Disaster Scenario (RDS)
Realistic Disaster Scenario Lite
Realistic Disaster Scenario – Supplementary Information
LCM (Lloyd's Catastrophe Model in-force quarterly return)
LCM Forecast (Lloyd's Catastrophe Model forecast return)
Syndicate Reinsurance Structure (SRS)
Related Parties Disclosure (RPD)
Broker Remuneration Report

## Section 8: Delivery Schedule

# Indicative Delivery Schedule



# Appendix

## Areas to be addressed in the MDD Version 4.0 (to be issued by 3<sup>rd</sup> July)

### Ongoing consultation with market



Coverholder Loss Fund



Delinked / Deferred /  
Cancel & Replace



DQ & Validation checks  
Rules



Part VII updates - Claims  
Do's and Don'ts



Sanctions Process

### Completed/ consulted with market



Detailed process mapping for delegated  
triage for Broker/ TPA/Coverholders



Segmentation Logic (updated to reflect the latest  
Scheme Wording)



DC/DQ tool reference to Market Data  
Collections and data quality checks



Part VII Settlement Accounts (CCS not  
mandated)



Bank Reconciliation of Part VII bank  
account in line with transactions on  
monthly ESA

## Changes to MDD from v1.0 to v1.1 (Previous Versions)



# Changes made to MDD (1/3)

Page #	PREVIOUS CONTENT - MDD v.1.0	NEW CONTENT - MDD v1.1	Rationale for change / update / addition
8	1. This document is intended for Managing Agents, Brokers and Coverholders / TPAs responsible for implementing the necessary changes to ensure that all non-life EEA risks (written from 1993 to 2020) can continue to be serviced post-Brexit.	1. This document is intended for Managing Agents, Brokers and Coverholders / TPAs responsible for implementing the necessary changes to ensure that all non-life in scope EEA risks (written from 1993 up to the end of March 2019 for Direct business and up to the end of October 2020 for Reinsurance business) can continue to be serviced post-Brexit. 2. Note - c.300 extensions were granted to Managing Agents, enabling such Managing Agents (through their Coverholders) to bind policies on behalf of the Members up to the relevant extension date granted by Lloyd's. All bar five of the extensions granted to Managing Agents expired on 28 March 2019 and the final extension of the five further extensions expired on 12 April 2019 – analysis underway for this small cohort of business	Wording change due to the change in period of scope; March 2019 for Direct Business, October 2020 for Reinsurance Business
11	n/a	Updated version of FAQs	Shared the latest version of FAQs
17	1. Policies underwritten at Lloyd's between 1993 and 2020 not already written into Lloyd's Brussels;  2. Inwards reinsurance is in scope of the transfer where the legally recognised cedant is domiciled in Germany or Poland  3. Years of account from 2021 onwards;	1. Risks underwritten at Lloyd's between 1993 and the end of March 2019 for Direct business / the end of October 2020 for Reinsurance business not already written into Lloyd's Brussels; 2. Inwards reinsurance is in scope of the transfer where the legally recognised cedant is domiciled in Germany 3. Risks underwritten after March 2019 for Direct business and after October 2020 for Reinsurance business; 4. Note - c.300 extensions were granted to Managing Agents, enabling such Managing Agents (through their Coverholders) to bind policies on behalf of the Members up to the relevant extension date granted by Lloyd's. All bar five of the extensions granted to Managing Agents expired on 28 March 2019 and the final extension of the five further extensions expired on 12 April 2019 – analysis underway for this small cohort of business	1. Wording change due to the change in period of scope; March 2019 for Direct Business, October 2020 for Reinsurance Business  2. Removed reference to Polish Reinsurance as now out of scope  3. Wording change due to the change in period of scope; March 2019 for Direct Business, October 2020 for Reinsurance Business
18	1. The Part VII Programme will support MAs/Syndicates by performing Part VII segmentation on notified policies and claims prior to the transfer date  2. The Bureau will centrally support certain triage activities and provide end-of-day reporting and updated USMs/SCMs to MAs/Syndicates for Part VII transactions	1. The Part VII Programme will support MAs/Syndicates by performing Part VII segmentation on notified risks prior to the transfer date  2. The Bureau will centrally support certain triage activities and provide end-of-day reporting as well as populating the existing Trust Fund code with the new values for Part VII transactions	1. Wording change required, "risks" rather than "policies and claims" used  2. Wording change to make clear that a specific "Part VII flag" is not added, that new values for Part VII transactions are added to existing Trust Fund code.

## Changes made to MDD (2/3)

Page #	MDD v.1.0	MDD v1.1	Rationale
19	1. As outlined on pages 18-19, the Master List contains all policies and claims written from 01/01/1993 (across all placement methods) based on data provided to the Part VII Programme by MAs / Syndicates	1. As outlined on pages 21-22, the Master List will contain all risks written from 01/01/1993 (across all placement methods) based on data provided to the Part VII Programme by MAs / Syndicates  2. There is an open design question relating to the Master List, see "DXC Design Update" on slide 80 for additional information	1. Wording change required, "risks" rather than "policies and claims" used  2. Added reference to open design question relating to the Master List
21		Added: Note - There is an open design question relating to simplification of the Master List, see "DXC Design Update" on slide 80 for more information	Added reference to open design question relating to the Master List
22	1. Lead Syndicates are responsible for further segregating their local Master List to provide relevant data to their Coverholders and TPAs relating to the contracts they are servicing. This is to ensure that Coverholders and TPAs can perform lookup and triage activities and service policies.  2. After the segregated Master Lists are distributed, each Syndicate is responsible for maintenance / update of their Master Lists to accommodate the following scenarios:	1. Lead Syndicates may segregate their local Master List to provide relevant data to their Coverholders and TPAs relating to the contracts they are servicing. This is to ensure that Coverholders and TPAs can perform lookup and triage activities and service policies in line with Lloyd's Brussels requirements. The Master List can be used to support this, however, this process is to be agreed between MAs and Coverholders/TPAs and is not prescribed by LB.  2. After the segregated Master Lists are distributed, each Syndicate may wish to update their versions of the Master List, if these are used for MA or Coverholder / TPA operational processes (not mandated by LB), to accommodate the following scenarios:  3. There is an open design question relating to the change to OSND led approach (outlined on "DXC Design Update" on slide 80) which is expected to reduce the volume of maintenance activity required, detailed process mapping underway	1. Wording update to be less prescriptive regarding local use of Master List  2. Wording update to be less prescriptive regarding local use of Master List  3. Included reference to the open design question relating to the change to OSND led approach
27	1. This could be done either at individual signing level, i.e. identify the specific exposure within a mixed policy with a European FIL code, or at a higher aggregated / reporting layer level This is to ensure that the Part VII book of business is administered in-line with Lloyd's Brussels Part VII guidelines	1. This should be done at individual signing level	Wording update as Identification of Part VII policies and open claims as Part VII should be done at individual signing level

## Changes made to MDD (3/3)

Page #	MDD v.1.0	MDD v1.1	Rationale
28	1. For mixed Part VII UMRs, the MA should identify these as mixed and identify the specific portion of the mixed UMR that is transferring (i.e. moves from Direct to Reinsurance) in order to meet internal and external reporting requirements This could be done either at individual signing level, i.e. identify the specific exposure within a mixed policy with a European FIL code, or at a higher aggregated / reporting layer level	1. For mixed Part VII UMRs, the MA should identify the specific transferring signings During the Part VII claims or premium triage process, the Bureau will assess all transaction notified for mixed policies to establish which include an EEA exposure and therefore transfer under Part VII 2. There is an open design question relating to DXC triage, refer to "DXC Design Update" on page 80 for additional information	1. Wording update as Identification of Part VII risks should be done at individual signing level  2. Included reference to the open design question relating to the change to OSND led approach
31	A set of new Trust Fund Codes will be created by the Bureau to be used exclusively for Part VII premium and claims. These codes will be used to advise Syndicates and STFO that a claim is within scope of the Part VII transfer and this will be shown on the USMs and SCMs that are sent to Syndicates	Wording removed and replaced with the open design question: There is an open design question relating to whether a movement is required, see DXC Update Slide (page 80)	Added open design question relating to whether a movement is required
33	The Bureau may receive requests from Syndicates to change the Part VII indicator. In such a circumstance, the Bureau will manually correct the Trust Fund indicator field	The Bureau may receive requests from Syndicates to change the Part VII indicator. In such a circumstance, the Bureau will manually correct the Trust Fund indicator field (the correction is done via using normal BAU procedures including cancel and replace)	Updated wording to include clarification of correction processing following BAU procedures
42	1. The inclusion of annuity claim information is subject to the volume and materiality of transferring claims of this nature. An assessment is being undertaken by the Part VII Programme team, the outcome of which will inform this decision. 2. A further update on the Data Model will be provided in Jan 2020	1. Removed  2. The baselined Data Model was shared 31.01.20, please refer to the Appendix for summary/ overview and Excel document for Data Model	1. Removed Open Design Question and associated mark-up relating to annuity claim information. Agreed would keep fields in data model, with some conditional on an annuity claim flag and the remainder 'supply where available' 2. Updated wording as baselined data model was shared
43+44		New Slides - Part VII Data Model	Included a new slide - Overview of the Part VII Data Model
46		New Slide - Data Consumption / Data Quality (DC/DQ) Tool an overview of key capabilities expected from the tool	Included a new slide - Data Consumption / Data Quality (DC/DQ) Tool an overview of key capabilities expected from the tool
47		Replacement slide - view as to how the required data fields are to be submitted for initial load	Updated slide
48		Replacement slide - Updated view as to how the required data fields are to be submitted for monthly submissions	Updated slide
56		Included - Managing Agents will be able to establish access rights/ authority levels for specific named resources. Part VII Settlement Accounts will be loaded onto existing Citi Bank banking portals and access rights can be provisioned accordingly	New content / clarification
57		Included - For non-Bureau transactions/ settlements Citi Bank's currency conversion service will be used for any non EUR, GBP, USD & CAD transactions	New content / clarification

## Changes made to MDD (1/6)

Page #	PREVIOUS CONTENT - MDD v.1.1	NEW CONTENT - MDD v2.0	Rationale for change / update / addition
14	<ul style="list-style-type: none"> <li>This document is intended for Managing Agents, Brokers and Coverholders / TPAs responsible for implementing the necessary changes to ensure that all non-life in scope EEA risks (written from 1993 up to the end of March 2019* for Direct business and up to the end of October 2020 for Reinsurance business) can continue to be serviced post-Brexit.</li> </ul>	<ul style="list-style-type: none"> <li>This document is intended for Managing Agents, Brokers and Coverholders / TPAs responsible for implementing the necessary changes to ensure that all in-scope EEA risks (written from 1993 up to 12th April 2019* for Direct business and up to the end of October 2020 for Reinsurance business) can continue to be serviced post-Brexit.</li> </ul>	Revised to be in line with Scheme document
16	<ul style="list-style-type: none"> <li>Lloyd's is therefore planning for all non-life EEA business written from 1993 to 2020 to be transferred to Lloyd's Brussels under a Part VII transfer, scheduled for end of October 2020.</li> </ul>	<ul style="list-style-type: none"> <li>Lloyd's is therefore planning for all in-scope EEA risks (written from 1993 up to 12th April 2019* for Direct business and up to the end of October 2020 for Reinsurance business) to be transferred to Lloyd's Brussels under a Part VII transfer, scheduled for end of October 2020.</li> </ul>	Revised to be in line with Scheme document
18	<ul style="list-style-type: none"> <li>The Appendix lists areas to be addressed in the next iterations of the Market Design Document, and High-level Operational Framework</li> </ul>	<p><u>Introduced the new "Sanctions" and "Reporting" sections in the document</u></p> <ul style="list-style-type: none"> <li>Section 6 covers the Part VII sanctions update</li> <li>Section 7 covers the impact assessment carried out on the current Lloyd's reporting requirements</li> <li>Section 8 covers the Part VII Delivery Schedule, Onboarding and MAT, including next steps for MAs</li> <li>The Appendix lists areas to be addressed in the next iterations of the MDD, Changes to MDD from v1.0 to 1.1., process maps, reporting and glossary</li> </ul>	As part of Version 2.0, new sections were added to the document, and the page was updated to reflect this change.
20	N/A	<ul style="list-style-type: none"> <li>Added new symbol to identify items which are currently undergoing market consultation or where market feedback is underway</li> </ul>	Clearly highlight items undergoing consultation

## Changes made to MDD (2/6)

Page #	PREVIOUS CONTENT - MDD v.1.1	NEW CONTENT - MDD v2.0	Rationale for change / update / addition
23	N/A	<u>Added new countries to excluded business:</u> <ul style="list-style-type: none"> <li>Any risk which would otherwise have been included within the Transfer but which is subject to the requirements of a local regulatory licence or other insurance approval granted to Lloyd's in the following jurisdictions: Australia, Canada, Hong Kong, Singapore, South Africa and/or Switzerland;</li> </ul>	Revised to be in line with Scheme document
25	In instances where the Policyholder Domicile is unknown or non-EEA and the risk location is unknown, the risk location should be established either via the existing FIL code, or by using existing market guidance and tools in order to determine if the premium or claim is Part VII	In instances where the Insured Domicile is non-EEA or unknown and the Risk Location is unknown, the FIL Code will be used to determine the transferring status wherever possible	Clarified the use of FIL code to establish transferring status
27	N/A	<b>Master List Data Lineage</b>	New slide added to provide a detailed view of the Part VII Initial Load Data Lineage
28	N/A	<b>Master List – Creation Rules</b>	Replacement slide describing the Master List creation rules in line with updates provided in OWG and COO AG sessions
29	N/A	New section added: Master List Internal Part VII Identification	Content expanded in response to Market feedback
31	N/A	Replaced slide	Expanded and updated content in line OWG and COO AG updates

## Changes made to MDD (3/6)

Page #	PREVIOUS CONTENT - MDD v.1.1	NEW CONTENT - MDD v2.0	Rationale for change / update / addition
32	N/A	Replaced slide	Expanded and updated content in line OWG and COO AG updates
33	N/A	Replaced slide	Expanded and updated content in line OWG and COO AG updates
35	<b>Mixed</b> <ul style="list-style-type: none"> <li>If the local Master List provided to the Coverholder contains individual declarations, utilise the Master List to perform look-up for any transactions to determine their Part VII status (i.e. establish the transferring / not transferring status of the relevant declaration where this is available)</li> <li>If declaration-level data is not contained within the local Master List or if the indication is 'mixed' or unknown', utilise the Segmentation Logic</li> <li>Indicate relevant transactions relating to this Binding Authority as 'Part VII' on their bordereaux on an individual line by line basis OR split the bordereaux submissions into one submission for Part VII and one submission for non-Part VII (to be agreed by the MA)</li> </ul>	<b>Mixed or Unknown</b> <ul style="list-style-type: none"> <li>Mark this Binding Authority as Part VII Mixed or Unknown in their internal systems to ensure that:               <ul style="list-style-type: none"> <li>The Segmentation Logic will be applied to determine the transferring status of each transaction, and the subsequent submission of one Part VII bordereau and one non-Part VII bordereau per reporting period</li> <li>Part VII transactions will be administered in line with Lloyd's Brussels Part VII guidelines</li> </ul> </li> </ul>	Removed reference to declarations within the Master List – this will not be required Updated content to clarify pre-transfer CH/TPA actions

## Changes made to MDD (4/6)

Page #	PREVIOUS CONTENT - MDD v.1.1	NEW CONTENT - MDD v2.0	Rationale for change / update / addition
37	<ul style="list-style-type: none"> <li>The US / Canadian Trust Fund Code field will be used by the Bureau to advise the market of Part VII premiums and claims in the USM and SCM messages</li> <li>There is an open design question relating to whether a movement is required, see DXC Update Slide (page 80)</li> </ul>	<ul style="list-style-type: none"> <li>The Bureau in the period immediately before the transfer, will execute an internal “behind the scenes” bulk claim update to add Part VII indicators to all open claims relating to Part VII transferring policies - noting that there are no Part VII update messages being sent to MAs at this stage</li> <li>The Part VII status will be appended via the trust fund code via USMs/SCMs at the next transaction movement (regardless of type of movement, incl. where movement is due to quarterly exchange rate update)</li> </ul>	Slide updated to reference DXC design approach for bulk tagging and movement approach
39	N/A	N/A	Moved Canadian Regulated code to NA – as this business will be excluded from the transfer
61	N/A	Replaced slide	Slide updated to reflect that under the previous version of the MDD LB was mandating use of CCS. Based on feedback from the market and DXC this is being relaxed. LB will (in most instances) mirror the syndicate’s existing bank account setup

## Changes made to MDD (5/6)

Page #	PREVIOUS CONTENT - MDD v.1.1	NEW CONTENT - MDD v2.0	Rationale for change / update / addition
62	For non-Bureau transactions/ settlements Citi Bank's currency conversion service will be used for any non EUR, GBP, USD & CAD transactions	Bullet removed	Point removed in line with above approach to current currency settlement accounts
67	N/A	<b>New slide:</b> Proposed rules to select correct syndicate accounts to fund Part VII settlement account top-up based on Year of Account	Slide added in line with OWG content
68	N/A	<b>New slide:</b> Explaining the Cash Call Process Proposed solution presented for Part VII settlement account Cash Call process	Slide added in line with OWG content

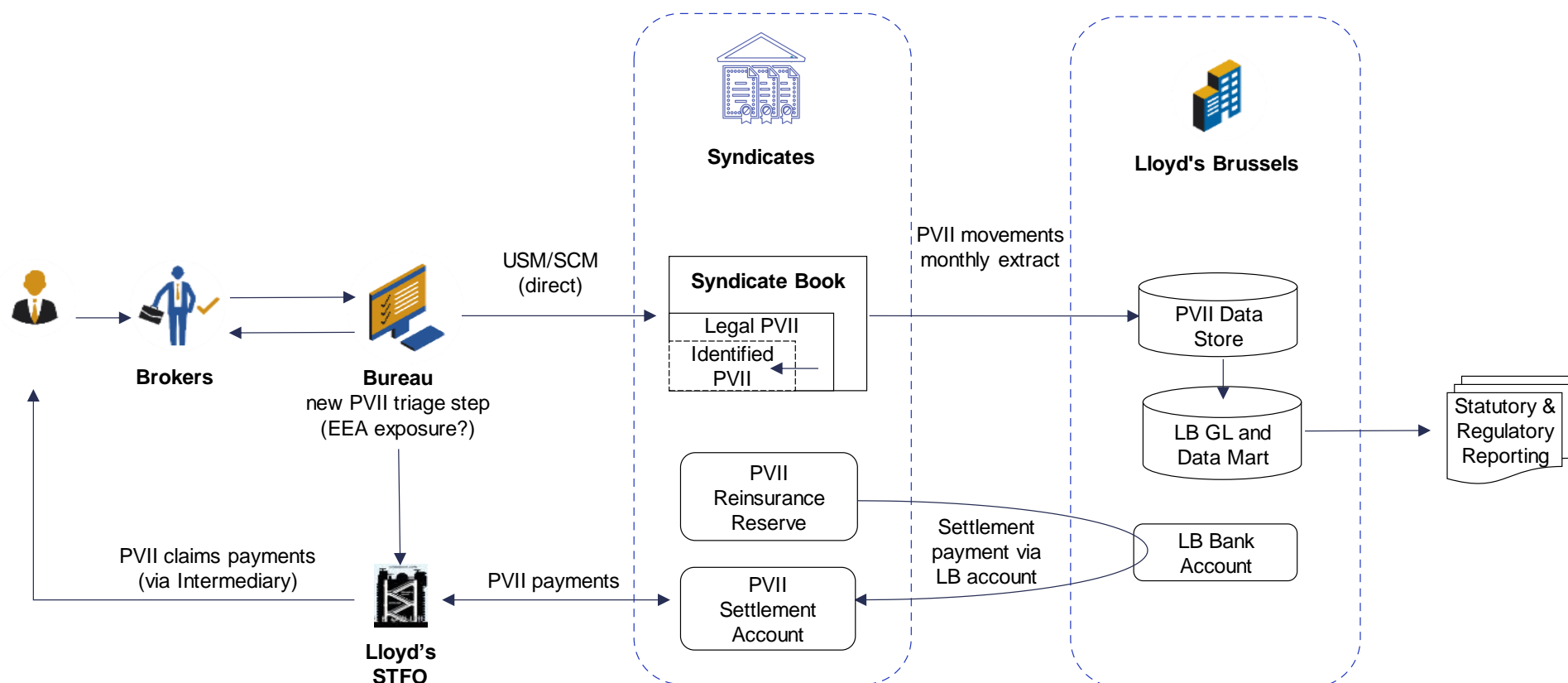


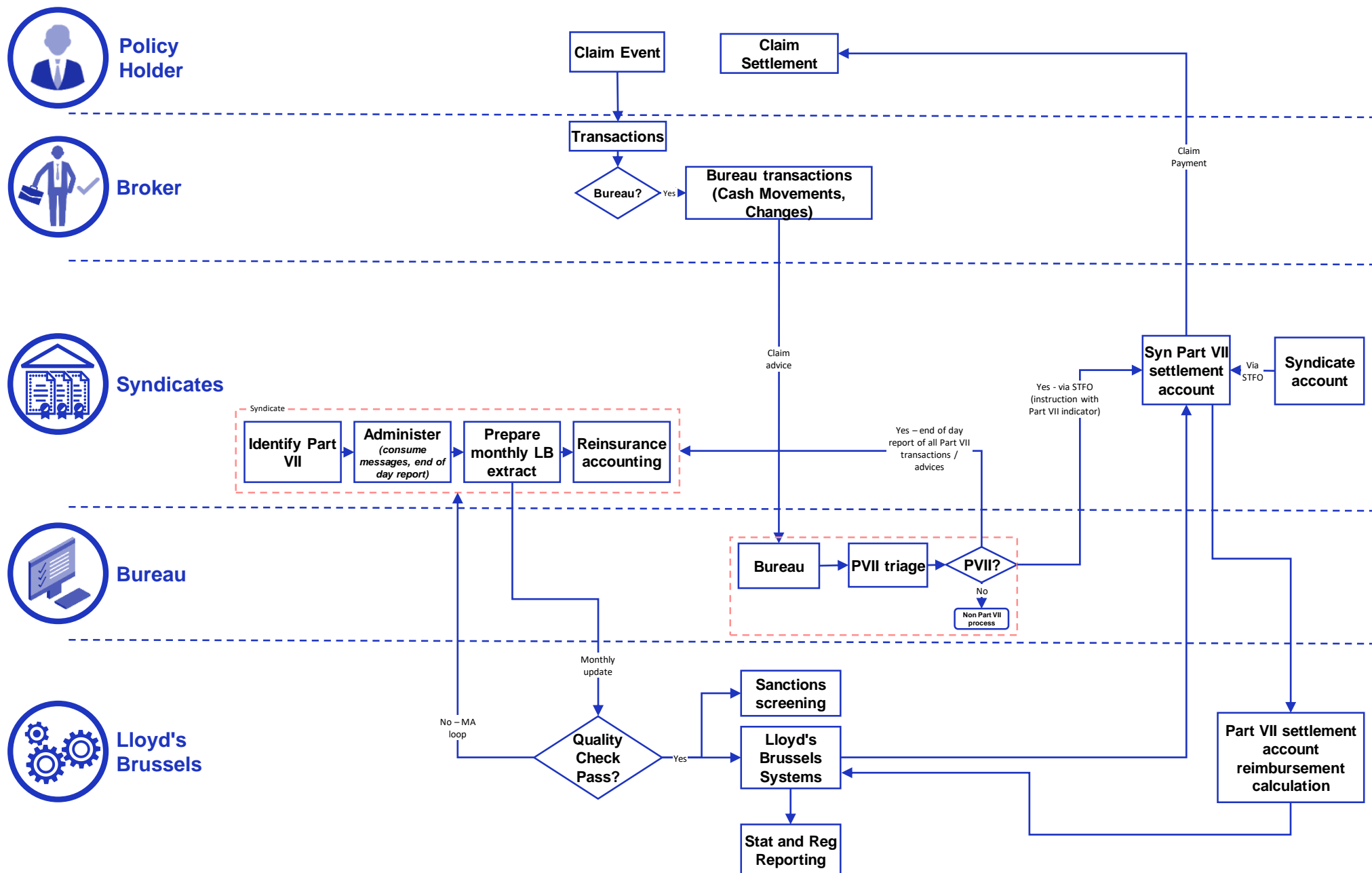
## Changes made to MDD (6/6)

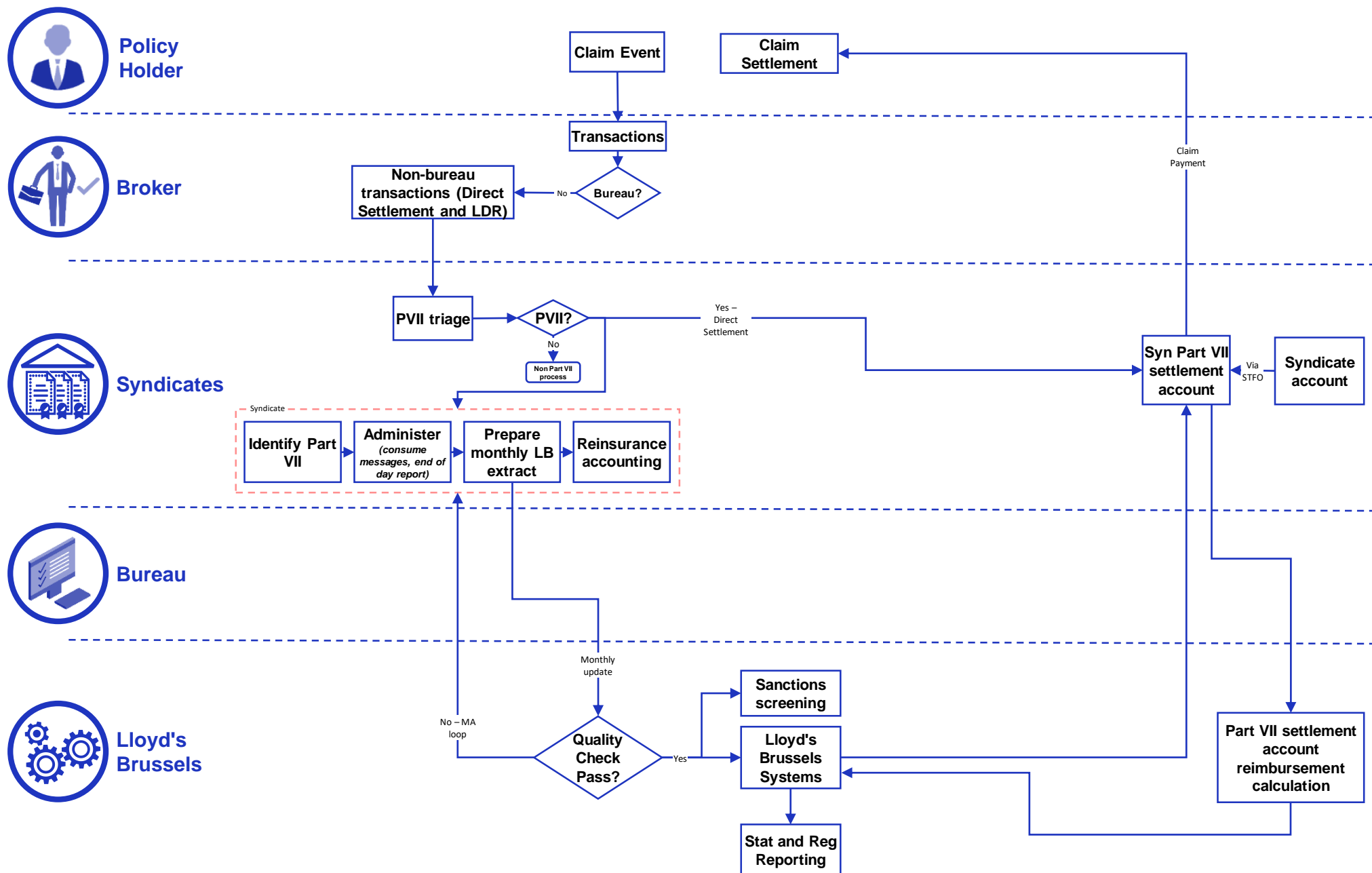
Page #	PREVIOUS CONTENT - MDD v.1.1	NEW CONTENT - MDD v2.0	Rationale for change / update / addition
77	N/A	<b>New slide:</b> Lloyd's Brussels sanctions screening process for Part VII business	Slide added in line with OWG content
79	N/A	<b>New slide:</b> Slide explaining the Part VII impact assessment carried out on the current Lloyd's reporting requirements	Slide added in line with OWG content
93	N/A	<b>New slide:</b> End-to-end process detailing non-Bureau Premium processing	Content detailing the end-to-end process for non-Bureau Premium processing

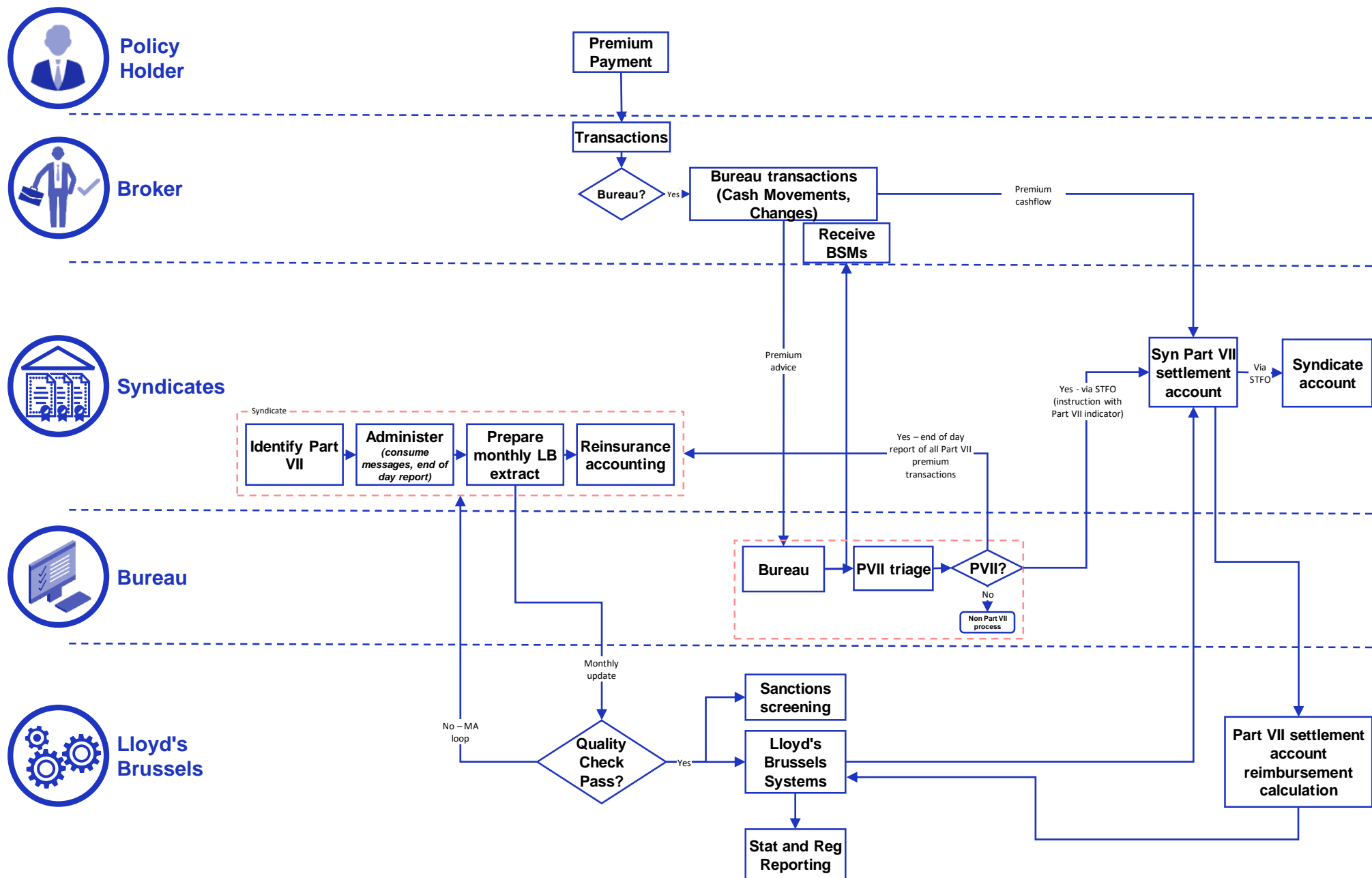
## Process Maps

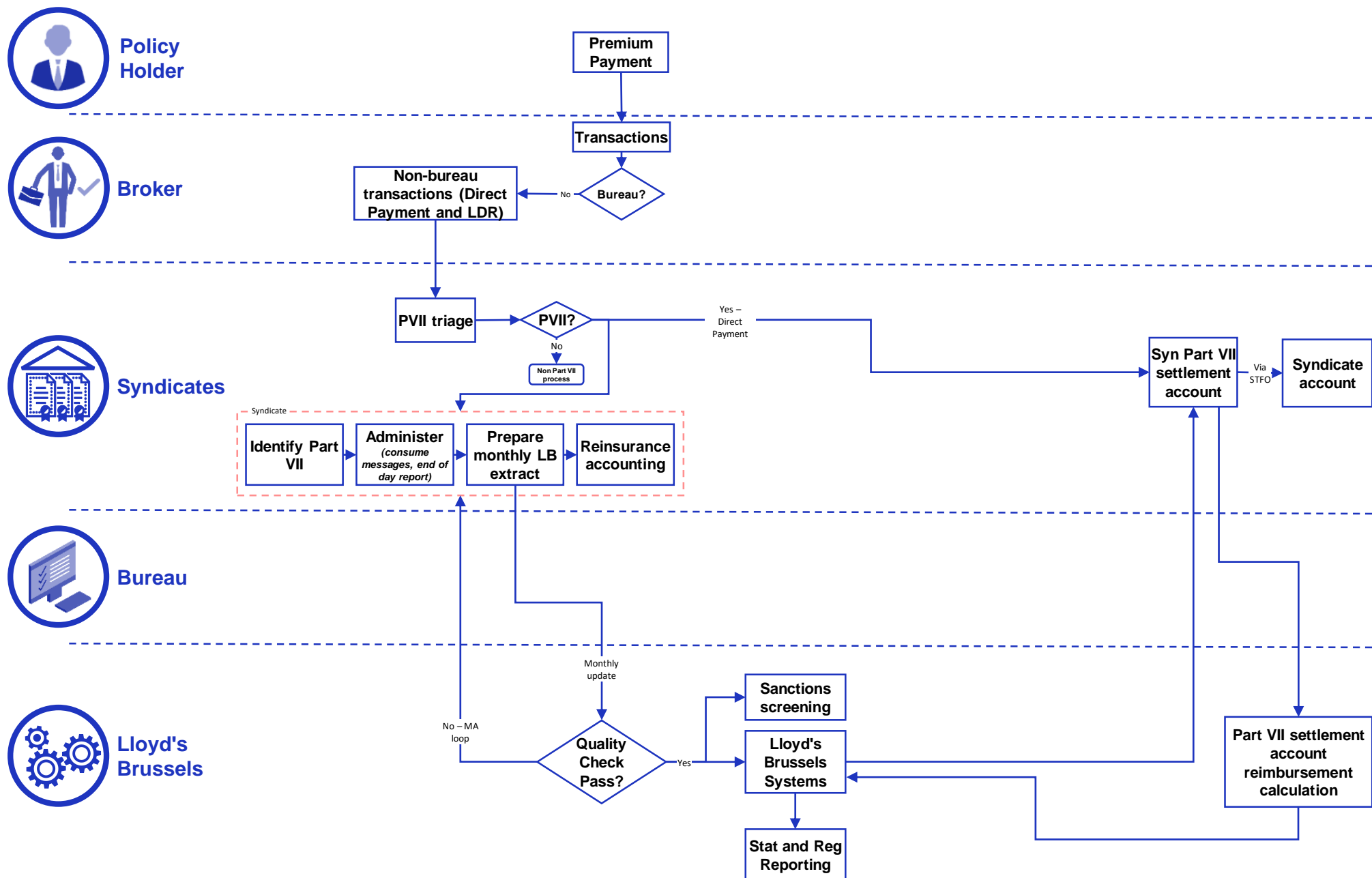
# High-level Operational Framework

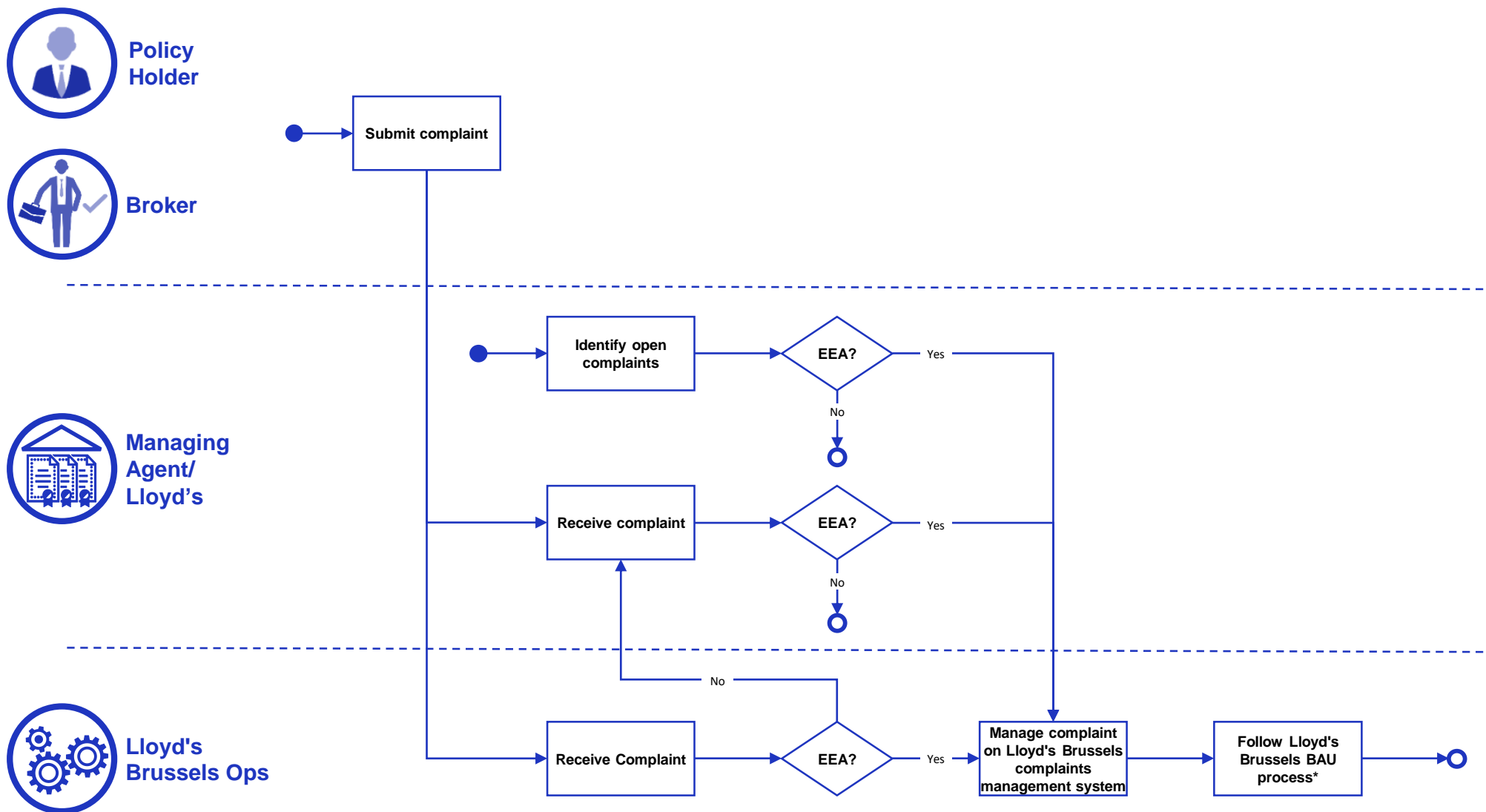














## Current Market Reporting

## Solvency II – ASR / QSR / ASB

Key considerations	Description
<b>What the return is</b>	Annual / Quarterly Solvency Returns required to be submitted by Lloyd's, prepared in accordance with the Solvency II Directive (2009/138/EC), the Delegated Act (Commission Delegated Regulation (EU) 2015/35) and EIOPA Implementing Technical Standards
<b>Whether there are changes required as a result of Part VII</b>	Yes – there are changes required as to how the templates are populated as a result of the Part VII transfer
<b>If changes are required, what are they and what is the impact to Lloyd's Brussels</b>	<p>The change required in the preparation of the submission will vary by template. The categories of change identified are:</p> <ol style="list-style-type: none"> <li>1) No impact / change required</li> <li>2) Report needs to reflect the movement / accounting treatment as a result of the Part VII transfer</li> <li>3) All Part VII transferred business should now be reported as proportional inwards reinsurance business</li> <li>4) Part VII transferred business now treated as Inwards Reinsurance. As a result, templates requiring only Direct business to be reported should exclude the Part VII transferred business</li> </ol>
<b>What the return changes mean to the MAs</b>	The MAs will need to ensure they are correctly reflecting the effects of the Part VII transfer when preparing the SII submission in accordance with the categories of change identified
<b>Dependencies to other returns</b>	The accounting treatment for S.04 and S.05 templates will need to be consistent with the treatment applied in the QMA

## Solvency II – AAD / QAD

Key considerations	Description
<b>What the return is</b>	Annual / Quarterly Asset Data required to be submitted by Lloyd's, prepared in accordance with the Solvency II Directive (2009/138/EC), the Delegated Act (Commission Delegated Regulation (EU) 2015/35) and EIOPA Implementing Technical Standards
<b>Whether there are changes required as a result of Part VII</b>	No - There will be no changes to these templates. Asset data is not directly impacted by Part VII transfer
<b>If changes are required, what are they and what is the impact to Lloyd's Brussels</b>	N/A
<b>What the return changes mean to the MAs</b>	N/A
<b>Dependencies to other returns</b>	There are no dependencies with other returns

## Solvency II – Risk and Claims Reporting

Key considerations	Description
<b>What the return is</b>	Report claims and risk information for the ASR 249 / 250 (analysis and distribution of claims) and ASR 252 (distribution of underwriting risk) forms. Report is prepared in accordance with the Solvency II Directive (2009/138/EC), the Delegated Act (Commission Delegated Regulation (EU) 2015/35) and EIOPA Implementing Technical Standards
<b>Whether there are changes required as a result of Part VII</b>	Yes – there are changes required as to how the information is reported as a result of the Part VII transfer
<b>If changes are required, what are they and what is the impact to Lloyd's Brussels</b>	Those risks and claims reported on this submission will need to identify those risks and claims that have transferred as a result of the Part VII transfer
<b>What the return changes mean to the MAs</b>	<p>For the Part VII transferred business, the MAs will need to continue to report any risks and claims that are currently direct business. Those risks and claims that have transferred to Lloyd's Brussels as a result of the Part VII will require identification</p> <p>The process for identifying those risks and claims that have transferred is currently being worked through with the Lloyd's Market Finance team, Lloyd's Brussels, and DXC</p>
<b>Dependencies to other returns</b>	N/A

# Syndicate Report & Accounts

Key considerations	Description
<b>What the return is</b>	This return refers to the annual accounts prepared by the syndicates for the current financial year. The annual report is prepared using the annual basis of accounting as required by "Lloyd's Regulations 2008"
<b>Whether there are changes required as a result of Part VII</b>	Yes – whilst the Report & Accounts still need to be prepared under UK GAAP and the 2008 Regulations (and therefore the requirements do not change), syndicates will need to ensure that the Part VII transfer as well as the transactions relating to Part VII transferred policies and claims are correctly reported
<b>If changes are required, what are they and what is the impact to Lloyd's Brussels</b>	Changes in the preparation of the Report & Accounts are required, however there is no impact to Lloyd's Brussels. As such, the changes required are discussed below in the context of their impact on the MAs
<b>What the return changes mean to the MAs</b>	<p>Syndicates should continue to prepare the Syndicate Report &amp; Accounts in compliance with UK GAAP, and will need to account for the Part VII transaction accordingly</p> <p>Additionally, the Part VII transferred business will now be considered inwards reinsurance business from the perspective of the syndicate and so will need to be reported as such. For example, on the balance sheet a debtor relating to Part VII transferred business that is now reinsured into the syndicate from Lloyd's Brussels would now be reported as an inwards reinsurance debtor rather than a debtor from direct insurance</p>
<b>Dependencies to other returns</b>	Syndicate annual accounts are dependant on the QMA as both returns are required to be consistent

## QMA

Key considerations	Description
<b>What the return is</b>	The QMA is a quarterly return produced as per Lloyd's the Underwriting Byelaw (No. 2 of 2003). The annual QMA is produced under the Solvency and Reporting Byelaw (No. 5 of 2007). Lloyd's require that each syndicate prepare a QMA on a UK GAAP basis
<b>Whether there are changes required as a result of Part VII</b>	Yes – whilst the QMA still needs to be prepared under UK GAAP and the Lloyd's Byelaws (and therefore the requirements do not change), syndicates will need to ensure that the Part VII transfer as well as the transactions relating to Part VII transferred policies and claims are correctly reported
<b>If changes are required, what are they and what is the impact to Lloyd's Brussels</b>	Changes in the preparation of the QMA are required, however there is no impact to Lloyd's Brussels. As such, the changes required are discussed below in the context of their impact on the MAs
<b>What the return changes mean to the MAs</b>	<p>Syndicates should continue to prepare the QMA in compliance with UK GAAP, and will need to account for the Part VII transaction accordingly</p> <p>Additionally, the Part VII transferred business will now be considered inwards reinsurance business from the perspective of the syndicate. For example, on the balance sheet a debtor relating to Part VII transferred business that is now reinsured into the syndicate from Lloyd's Brussels would now be reported as an inwards reinsurance debtor rather than a debtor from direct insurance</p>
<b>Dependencies to other returns</b>	QMA is dependant on the syndicate annual accounts as both returns are required to be consistent

## France – GAREAT Large Risk Pool

Key considerations	Description
<b>What the return is</b>	GAREAT large risk pool return allows syndicates to declare and submit risks reinsuring against an act of terrorism. GAREAT provides reinsurance coverage for French property risks (with fire coverage) with a total sum insured equal or above EUR 20m. Information regarding the structure of the GAREAT large risk compulsory pool is published in a Market Bulletin or e-alert each year
<b>Whether there are changes required as a result of Part VII</b>	No - there will be no change to the market return. The data included within the returns will relate to policies transferred due to Part VII as these policies will include risk written in EEA, but this will have no impact on how these returns are prepared going forward
<b>If changes are required, what are they and what is the impact to Lloyd's Brussels</b>	N/A
<b>What the return changes mean to the MAs</b>	N/A
<b>Dependencies to other returns</b>	Quantitative Reporting templates (QRT's) completed by syndicates for Lloyd's Underwriters business

## France – GAREAT Small and Medium Sized Risk Pool

Key considerations	Description
<b>What the return is</b>	GAREAT small and medium risk pool return allows syndicates, via Lloyd's Brussels participation to this scheme, to declare and submit risks written under Lloyd's Brussels stamp in order to be reinsured against an act of terrorism. Participation in the GAREAT small and medium-sized risk pool is compulsory since 1 January 2019 for syndicates writing French property risks (with fire coverage) via Lloyd's Brussels with a total sum insured strictly below EUR 20m. Information regarding the structure of the GAREAT small and medium sized risk compulsory pool is published in a market bulletin or e-alert each year
<b>Whether there are changes required as a result of Part VII</b>	No - there will be no change to the market return. The data included within the returns will relate to policies transferred due to Part VII, as these policies will include risk written in EEA and as such the return will only relate to Lloyd's Brussels policies. This will have no impact on how these returns are prepared going forward
<b>If changes are required, what are they and what is the impact to Lloyd's Brussels</b>	N/A
<b>What the return changes mean to the MAs</b>	N/A
<b>Dependencies to other returns</b>	Quantitative Reporting templates (QRT's) completed by syndicates for Lloyd's Underwriters business



## France – Reporting of Medical Legal Liability Business

Key considerations	Description
<b>What the return is</b>	The objective of this return is to report on medical malpractice business in France. This is compulsory for insurers providing medical malpractice insurance to health professionals for risks located in France. It is a requirement from the French Regulator, the ACPR, which uses the data to perform statistical analysis on the medical malpractice portfolio in France
<b>Whether there are changes required as a result of Part VII</b>	No - there will be no change to the market return. The data included within the returns will relate to policies transferred due to Part VII as these policies will include risk written in EEA, but this will have no impact on how these returns are prepared going forward
<b>If changes are required, what are they and what is the impact to Lloyd's Brussels</b>	N/A
<b>What the return changes mean to the MAs</b>	N/A
<b>Dependencies to other returns</b>	There are no dependencies with other returns

## France – Reporting of Trade Credit Business

Key considerations	Description
<b>What the return is</b>	As per article L.310-2 of the French Insurance Code, insurers writing trade credit business must complete a report for the French regulator, the Banque de France. Banque de France uses the data to perform statistical analysis on trade credit business
<b>Whether there are changes required as a result of Part VII</b>	No - there will be no change to the market return. The data included within the returns will relate to policies transferred due to Part VII as these policies will include risk written in EEA, but this will have no impact on how these returns are prepared going forward
<b>If changes are required, what are they and what is the impact to Lloyd's Brussels</b>	N/A
<b>What the return changes mean to the MAs</b>	N/A
<b>Dependencies to other returns</b>	There are no dependencies with other returns

## Ireland - Motor Gross Written Premiums

Key considerations	Description
<b>What the return is</b>	This return requires syndicates to provide details of total gross written motor premium and gross written motor liability premium. MIBI uses the data received from all insurers to calculate each insurer's contribution. The data provided in the return is required to be externally audited
<b>Whether there are changes required as a result of Part VII</b>	No - there will be no change to the market return. Any endorsements in respect of Part VII transferred policies will continue to be reported as they would be if the transfer was not taking place
<b>If changes are required, what are they and what is the impact to Lloyd's Brussels</b>	N/A
<b>What the return changes mean to the MAs</b>	N/A
<b>Dependencies to other returns</b>	There are no dependencies with other returns

# US Regulatory Reporting Return

Key considerations	Description
<b>What the return is</b>	This is the Regulatory Reporting Return required by the US Insurance Regulator for syndicates to report their US regulated business and calculate the level of assets required to be held in their US Situs trust funds
<b>Whether there are changes required as a result of Part VII</b>	No - there will be no change to the market return. Syndicates are expected to complete the US Regulatory Reporting return as they currently do
<b>If changes are required, what are they and what is the impact to Lloyd's Brussels</b>	N/A
<b>What the return changes mean to the MAs</b>	N/A
<b>Dependencies to other returns</b>	There are no dependencies with other returns

## Non-XIS Overseas Business Return (New Zealand)

Key considerations	Description
<b>What the return is</b>	This return is produced to ensure that information related to policies and claims that were not (or will not be) processed through DXC or via the Lloyd's Direct Reporting (LDR) process are available to Lloyd's. Lloyd's uses the information to meet prudential obligations in New Zealand
<b>Whether there are changes required as a result of Part VII</b>	No - there is no impact on the quarterly Non-XIS return (New Zealand). Managing Agents should continue to report all transferring business as it is currently. Part VII policy or claim transactions do not require separate identification
<b>If changes are required, what are they and what is the impact to Lloyd's Brussels</b>	N/A
<b>What the return changes mean to the MAs</b>	N/A
<b>Dependencies to other returns</b>	There are no dependencies with other returns

## Annual Non-XIS Return

Key considerations	Description
<b>What the return is</b>	This return is produced to ensure that information related to policies and claims that were not (or will not be) processed through DXC or via the Lloyd's Direct Reporting (LDR) process are available to Lloyd's. Lloyd's uses the information to meet prudential obligations worldwide. In addition, the report is required to calculate the annual UK VAT global market recovery figures and provide an audit trail for HMRC
<b>Whether there are changes required as a result of Part VII</b>	No - There is no impact on the annual Non-XIS return. Managing agents should continue to report all transferring business as it is currently (i.e. direct as direct). Part VII policy or claim transactions do not require separate identification
<b>If changes are required, what are they and what is the impact to Lloyd's Brussels</b>	N/A
<b>What the return changes mean to the MAs</b>	N/A
<b>Dependencies to other returns</b>	There are no dependencies with other returns

# Lloyd's Direct Reporting (LDR) - On Elective Basis

Key considerations	Description
<b>What the return is</b>	To enable participating Managing Agents to report their regulatory and tax information directly to Lloyd's for Service Company or Coverholder 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
<b>Whether there are changes required as a result of Part VII</b>	Yes – there are changes required to LDR, to allow Managing Agents and the Corporation of Lloyd's to identify the transactions relating to Part VII transferred policies and claims
<b>If changes are required, what are they and what is the impact to Lloyd's Brussels</b>	<p>The proposed change is for MAs to split the LDR submission into two – Part VII and non-Part VII transactions - using a unique naming convention to determine between each submission</p> <p>Other options considered were:</p> <ol style="list-style-type: none"> <li>1) Add a field to the existing LDR submission to identify Part VII transactions;</li> <li>2) MAs identify Part VII transactions using an existing field</li> </ol>
<b>What the return changes mean to the MAs</b>	<p>MAs will need to identify Part VII transactions for the LDR submission, to then allow them to split the submission into two – Part VII and non-Part VII transactions. A unique naming convention will be needed to allow Lloyd's to determine between the two</p> <p>The Part VII transferred policies and claims upon which transactions are reported via LDR are expected to align to those Part VII policies and claims upon which transaction are reported to Lloyd's Brussels</p> <p>Given above, there is likely to be new validations required to ensure the accuracy of Part VII information provided</p>
<b>Dependencies to other returns</b>	There is no direct dependency with other returns

**\* The exact changes required will be communicated in due course once workable solution finalised.**

# US Federal Excise Tax (FET)

Key considerations	Description
<b>What the return is</b>	The purpose of this return is to provide information for Lloyd's to centrally calculate FET on US\$ reinsurance premiums both ceded and assumed
<b>Whether there are changes required as a result of Part VII</b>	Yes – there will be an impact on US FET reporting as the Part VII transaction is expected to be conducted in USD
<b>If changes are required, what are they and what is the impact to Lloyd's Brussels</b>	Changes in the preparation of the US FET return are required, however there is no impact to Lloyd's Brussels. As such, the changes required are discussed below in the context of their impact on the MAs
<b>What the return changes mean to the MAs</b>	Adjustments to the preparation of the return will depend on how the Part VII transaction is reported through Xchanging. Adjustments may be necessary to remove the Part VII transaction from US FET reporting
<b>Dependencies to other returns</b>	There are no dependencies with other returns

\* This is the working hypothesis based on the expected accounting treatment for the Part VII transaction. The accounting treatment is still to be confirmed



## US Qualified Intermediary Arrangements

Key considerations	Description
<b>What the return is</b>	The objective of this return is to ensure that the market is able to comply with its obligations under Lloyd's Qualified Intermediary agreement with the IRS. In order to ensure that the investment income included in the United States Federal Income Tax return agrees with information provided by the custodians of the assets
<b>Whether there are changes required as a result of Part VII</b>	No – there are no changes required as a result of Part VII. The return relates to investment income and this is not expected to be impacted by Part VII
<b>If changes are required, what are they and what is the impact to Lloyd's Brussels</b>	N/A
<b>What the return changes mean to the MAs</b>	N/A
<b>Dependencies to other returns</b>	There are no dependencies with other returns

# US Syndicate Information Statement (SIS)

Key considerations	Description
<b>What the return is</b>	The purpose of the US SIS is to allocate the worldwide results of the syndicate between the US taxable and non-taxable categories. The required categories are Illinois, Kentucky, US binding authority, other US Situs and other business. The SIS is prepared on a calendar year basis
<b>Whether there are changes required as a result of Part VII</b>	Yes – there will be an impact on US SIS reporting
<b>If changes are required, what are they and what is the impact to Lloyd's Brussels</b>	Changes in the preparation of the US SIS return are required, however there is no impact to Lloyd's Brussels. As such, the changes required are discussed below in the context of their impact on the MAs
<b>What the return changes mean to the MAs</b>	Adjustments to the preparation of the return will depend on how the Part VII transaction is reported through Xchanging. Adjustments may be necessary to remove the Part VII transaction from US SIS reporting
<b>Dependencies to other returns</b>	The data reported in the US SIS return is dependant on the QMA

\* This is the working hypothesis based on the expected accounting treatment for the Part VII transaction. The accounting treatment is still to be confirmed

## TUK (UK Tax)

Key considerations	Description
<b>What the return is</b>	The objective of the return is to collect the information needed to produce members' UK taxation advices. The syndicate tax computation contains the necessary data to produce a consolidated taxation advice for members of Lloyd's
<b>Whether there are changes required as a result of Part VII</b>	No - there will be no change to the market return. Syndicates are expected to complete the TUK (UK tax) return on a consistent basis to the QMA as they currently do
<b>If changes are required, what are they and what is the impact to Lloyd's Brussels</b>	N/A
<b>What the return changes mean to the MAs</b>	N/A
<b>Dependencies to other returns</b>	The data reported in the TUK (UK tax) return needs to be consistent with the QMA

\* This is the working hypothesis based on the expected accounting treatment for the Part VII transaction. The accounting treatment is still to be confirmed

# Lloyd's Brussels Standard Formula

Key considerations	Description
<b>What the return is</b>	Data required for Lloyd's Brussels to calculate the Standard Formula capital requirement
<b>Whether there are changes required as a result of Part VII</b>	Yes, however the changes have already been made to the guidance to reflect Part VII in the Lloyd's Brussels return via the "Standard Formula Return: 2020 Projection – Guidance & Instructions" issued and communicated to the market in June 2019. The return is already being completed by the market using the updated guidance, therefore no further changes required
<b>If changes are required, what are they and what is the impact to Lloyd's Brussels</b>	N/A
<b>What the return changes mean to the MAs</b>	The changes to guidance have already been made and communicated to the market last year
<b>Dependencies to other returns</b>	The Standard Formula return is currently captured via an excel sheet by the syndicates, then internally validated by the Risk Aggregation team in Lloyd's, for National Bank of Belgium (NBB) reporting requirements. There is no direct dependency with other returns. The current reconciliation process will continue for Standard Formula

# Model Change Submissions

Key considerations	Description
<b>What the return is</b>	To record all changes made by syndicates to their SII models on both a quantitative and qualitative basis, and to monitor aggregation of minor to major changes across the market
<b>Whether there are changes required as a result of Part VII</b>	No - there are no changes required, as the template is to be completed on a whole account basis by syndicates and therefore does not consider Lloyd's Brussels separately
<b>If changes are required, what are they and what is the impact to Lloyd's Brussels</b>	N/A
<b>What the return changes mean to the MAs</b>	N/A
<b>Dependencies to other returns</b>	There is no direct dependency with other returns

## Lloyd's Capital Requirement (LCR)

Key considerations	Description
<b>What the return is</b>	The objective of the return is to provide syndicate level data required for the calculation of the Society level Solvency Capital Requirement. The return is also used for collecting quantitative information for review of syndicate Solvency Capital Requirements and input to the Lloyd's Internal Model (LIM)
<b>Whether there are changes required as a result of Part VII</b>	No – with the business transferring to Lloyd's Brussels and Lloyd's Brussels now becoming the insurer (and the syndicates becoming the reinsurer of the Part VII transferred business), there are no changes the LCR return. MAs will continue to complete the LCR as they do currently
<b>If changes are required, what are they and what is the impact to Lloyd's Brussels</b>	N/A
<b>What the return changes mean to the MAs</b>	N/A
<b>Dependencies to other returns</b>	There are no dependencies with other returns

## Lloyd's Catastrophe Model

Key considerations	Description
<b>What the return is</b>	The LCM return is used to capture in-force catastrophe risk simulations. The return consists of probabilistic estimate of losses to in-force policies arising from five natural catastrophe region and peril combinations, split by the major classes of business exposed
<b>Whether there are changes required as a result of Part VII</b>	No - there will be no change to the market return, as the return is on a whole account basis and therefore does not require syndicates to split between Lloyd's and Lloyd's Brussels
<b>If changes are required, what are they and what is the impact to Lloyd's Brussels</b>	N/A
<b>What the return changes mean to the MAs</b>	N/A
<b>Dependencies to other returns</b>	There are no dependencies on other returns

## Technical Provisions Data (TPD)

Key considerations	Description
<b>What the return is</b>	To monitor and analyse the different aspects of syndicate's profit and loss and technical provisions. Collects data at a risk code level and is the only net dataset mandated from the market at this risk code currency level. The information in the return is fundamental to the requirements of Lloyd's central Actuarial Function
<b>Whether there are changes required as a result of Part VII</b>	No - There are no changes required. All risk code information is reported on a look through basis and therefore all transferring business reported as it is currently (i.e. direct as direct), hence no impact by Part VII
<b>If changes are required, what are they and what is the impact to Lloyd's Brussels</b>	N/A
<b>What the return changes mean to the MAs</b>	N/A
<b>Dependencies to other returns</b>	There is no direct dependency with other returns



## Gross Quarterly Data (GQD)

Key considerations	Description
<b>What the return is</b>	To collect quarterly premium and incurred claims information by risk code from the market at a level of detail beyond pure year. Fundamental to Lloyd's central Actuarial Function. Most of the main uses of the GQD require analysis on homogenous (risks in each class behaving in the same way) data that is credible (data volumes sufficient for valid analysis). Risk codes provide a balance between homogeneity and credibility
<b>Whether there are changes required as a result of Part VII</b>	No - There are no changes required. All risk code information is reported on a look through basis and therefore all transferring business reported as it is currently (i.e. direct as direct), hence no impact by Part VII. For Transaction Type this should still be treated as Treaty business
<b>If changes are required, what are they and what is the impact to Lloyd's Brussels</b>	N/A
<b>What the return changes mean to the MAs</b>	N/A
<b>Dependencies to other returns</b>	There is no direct dependency with other returns

## MRC - SAO

Key considerations	Description
<b>What the return is</b>	For the completion of the Statement of Actuarial Opinion
<b>Whether there are changes required as a result of Part VII</b>	No - There are no changes required to this return. The liabilities which will be transferred to Lloyd's Brussels under the Part VII transfer will be 100% reinsured back to the Syndicates, and therefore there will be no change in liabilities within the scope of the opinion. The valuation of liabilities in scope of the Opinion remain on the same basis
<b>If changes are required, what are they and what is the impact to Lloyd's Brussels</b>	N/A
<b>What the return changes mean to the MAs</b>	N/A
<b>Dependencies to other returns</b>	There is a dependency with the QMA (Form 223), the QSR / ASR (Forms 210 & 002) and as such how Syndicates will account for Part VII transfer business

# Agent Expense Return

Key considerations	Description
<b>What the return is</b>	The submission of Agent Expense data files to Member Services to establish Member' agents fees and profit commission from their members' closing distribution profits
<b>Whether there are changes required as a result of Part VII</b>	No - there are no changes required, as the calculation of charges is agnostic of distribution channel (only at Members / Managing Agent level) and only in relation to forecasting prospective live underwriting year performance to determine the charges. Therefore, there will be no impact by the Part VII transfer
<b>If changes are required, what are they and what is the impact to Lloyd's Brussels</b>	N/A
<b>What the return changes mean to the MAs</b>	N/A
<b>Dependencies to other returns</b>	There is no direct dependency with other returns

## Claims Outsourcing Arrangements List

Key considerations	Description
<b>What the return is</b>	The optional supply of data from the market to inform Lloyd's of the service providers with claims handling authority for open market business, for Lloyd's awareness and for sharing amongst volunteer MAs
<b>Whether there are changes required as a result of Part VII</b>	No - there are no changes required, as the existing optional return only requires MAs to list the service providers with claims handling authority for open market business alongside detail of COB and year of account. Therefore, the Part VII transfer would not impact this list nor how the market reports via the return
<b>If changes are required, what are they and what is the impact to Lloyd's Brussels</b>	N/A
<b>What the return changes mean to the MAs</b>	N/A
<b>Dependencies to other returns</b>	There is no direct dependency with other returns

## Third Party Administrators (TPA) Register

Key considerations	Description
<b>What the return is</b>	A register of TPAs with claims handling authority which MAs have informed Lloyd's they have appointed to handle binder claims, as required by the Intermediaries Byelaw
<b>Whether there are changes required as a result of Part VII</b>	No - there are no changes required. Requirements under the Intermediaries Byelaw will apply to Lloyd's Brussels as well as all other Lloyd's business. TPA information provided by MAs to Lloyd's in relation to Lloyd's Brussels business will be available to Lloyd's Brussels
<b>If changes are required, what are they and what is the impact to Lloyd's Brussels</b>	N/A
<b>What the return changes mean to the MAs</b>	N/A
<b>Dependencies to other returns</b>	There is no direct dependency with other returns

## Syndicate Business Forecast (SBF)

Key considerations	Description
<b>What the return is</b>	The syndicate business forecast (SBF) provides information that is needed to enable Lloyd's to support the business plan approval and capital processes. The SBF Return collects data that is common to each syndicate. It does not represent the full business plan, which requires submission of additional information that is specific to syndicates and also ad-hoc requests.
<b>Whether there are changes required as a result of Part VII</b>	No - there will be no change to the market return, as the return is on a future, forecast basis, utilising current year data to project the next calendar year business plan and will therefore not be impacted by the Part VII transfer.
<b>If changes are required, what are they and what is the impact to Lloyd's Brussels</b>	N/A
<b>What the return changes mean to the MAs</b>	N/A
<b>Dependencies to other returns</b>	The SBF return will be captured via the MDC system and data passed through to the Corporation Data Warehouse (CDW), which holds key master information which other returns have dependencies on i.e. QMB, PMDr and TPD. There is no direct dependency on other returns to the SBF.

## QMB

Key considerations	Description
<b>What the return is</b>	The quarterly monitoring return is required in order to allow the SBP to identify and challenge underwriting performance which is not in line with a managing agent's approved syndicate business forecast.
<b>Whether there are changes required as a result of Part VII</b>	No – the proposed approach is for MAs to continue as per current instruction to report business via the London distribution channel, rather than requesting an exercise from the market to report all Part VII transferring business to the LBS distribution channel.
<b>If changes are required, what are they and what is the impact to Lloyd's Brussels</b>	No change to the market return will impact Lloyd's Brussels due to not having access to past performance data used in the QMB for the Part VII transferring business, however this will be available on a whole account basis. The Part VII Data Model will also supplement the data available to Lloyd's Brussels.
<b>What the return changes mean to the MAs</b>	N/A
<b>Dependencies to other returns</b>	<p>The reforecast of the QMB return will be captured via the MDC system using built in soft validations and data passed through to the Corporation Data Warehouse (CDW) . QMB has a number of internal dependencies to enrich its ability to monitor and oversee underwriting performance from the returns below:</p> <ul style="list-style-type: none"> <li>▶ SBF return – includes forecast data from the 100 and 105 returns</li> <li>▶ PMDr – includes actual business written monthly</li> </ul>

## Performance Management Data return (PMDr)

Key considerations	Description
<b>What the return is</b>	The PMDr allows the SBP to identify and challenge, in a timely manner, underwriting management and performance, which is not in line with a managing agent's business plan for a syndicate as in the approved Syndicate Business Forecast (SBF) for the return year. It collects data on the premium volumes being written, the price business is being written at relative to business plan assumptions (benchmark price) and the price change on renewed business (risk adjusted rate change). It is required to be submitted on the 15 <sup>th</sup> of each month.
<b>Whether there are changes required as a result of Part VII</b>	No - there will be no change to the market return, as it utilises current year data to report price movement and changes based on income that has been written in the current year to date and will therefore not be impacted by the Part VII transfer.
<b>If changes are required, what are they and what is the impact to Lloyd's Brussels</b>	N/A
<b>What the return changes mean to the MAs</b>	N/A
<b>Dependencies to other returns</b>	The PMDr return will be captured via the MDC system via an offline validation tool and data passed through to the Corporation Data Warehouse (CDW). PMDr has an internal dependency on the SBF forecast data, to enrich its ability to monitor and oversee underwriting performance.



## Realistic Disaster Scenario (RDS)

Key considerations	Description
<b>What the return is</b>	The objective of Lloyd's Realistic Disaster Scenario ('RDS') exercise is for managing agents to estimate the losses they would incur from a variety of hypothetical disaster scenarios, using consistent and appropriate methods and assumptions.
<b>Whether there are changes required as a result of Part VII</b>	No - there will be no change to the market return, as the return is on a whole account basis and therefore does not require syndicates to split between Lloyd's and Lloyd's Brussels.
<b>If changes are required, what are they and what is the impact to Lloyd's Brussels</b>	N/A
<b>What the return changes mean to the MAs</b>	N/A
<b>Dependencies to other returns</b>	The RDS return is captured via the CMR systems and data passed through to the Corporation Data Warehouse (CDW). There are no dependencies on other returns: however, some elements of the RDS return are monitored against syndicate forecasts.

## Realistic Disaster Scenario Lite

Key considerations	Description
<b>What the return is</b>	The objective of Lloyd's Realistic Disaster Scenario 'Lite' ('RDL') exercise is for managing agents to estimate the losses they would incur from a variety of hypothetical disaster scenarios, using consistent and appropriate methods and assumptions.
<b>Whether there are changes required as a result of Part VII</b>	No - there will be no change to the market return, as the return is on a whole account basis and therefore does not require syndicates to split between Lloyd's and Lloyd's Brussels.
<b>If changes are required, what are they and what is the impact to Lloyd's Brussels</b>	N/A
<b>What the return changes mean to the MAs</b>	N/A
<b>Dependencies to other returns</b>	The RDL return is captured via the CMR systems and data passed through to the Corporation Data Warehouse (CDW). There are no dependencies on other returns: however, some elements of the RDL return are monitored against syndicate forecasts.

## Realistic Disaster Scenario – Supplementary Information

Key considerations	Description
<b>What the return is</b>	A collection of exposure and other data to supplement the natural catastrophe loss estimates collected in the CMR.
<b>Whether there are changes required as a result of Part VII</b>	No - there will be no change to the market return, as the return is on a whole account basis and therefore does not require syndicates to split between Lloyd's and Lloyd's Brussels.
<b>If changes are required, what are they and what is the impact to Lloyd's Brussels</b>	N/A
<b>What the return changes mean to the MAs</b>	N/A
<b>Dependencies to other returns</b>	There are no dependencies on other returns: however, some elements of the RDS and RDL Supplementary Information returns are monitored against syndicate forecasts.

## LCM (Lloyd's Catastrophe Model in-force quarterly return)

Key considerations	Description
<b>What the return is</b>	The LCM quarterly return is a probabilistic estimate of losses to in-force policies arising from five natural catastrophe region and peril combinations, split by the major classes of business exposed
<b>Whether there are changes required as a result of Part VII</b>	No - there will be no change to the market return, as the return is on a whole account basis and therefore does not require syndicates to split between Lloyd's and Lloyd's Brussels.
<b>If changes are required, what are they and what is the impact to Lloyd's Brussels</b>	N/A
<b>What the return changes mean to the MAs</b>	N/A
<b>Dependencies to other returns</b>	There are no dependencies on other returns: however, some elements are monitored against syndicate forecasts.

## LCM Forecast (Lloyd's Catastrophe Model forecast return)

Key considerations	Description
<b>What the return is</b>	During the business-planning and capital-setting process, Lloyd's needs to have a clear understanding of projected catastrophe risk for the forthcoming calendar year at both syndicate and market levels. The Lloyd's Catastrophe Model Forecast Return is the primary means of gaining this understanding.
<b>Whether there are changes required as a result of Part VII</b>	No - there will be no change to the market return, as the return is on a whole account basis and therefore does not require syndicates to split between Lloyd's and Lloyd's Brussels.
<b>If changes are required, what are they and what is the impact to Lloyd's Brussels</b>	N/A
<b>What the return changes mean to the MAs</b>	N/A
<b>Dependencies to other returns</b>	There are no dependencies on other returns

## Syndicate Reinsurance Structure (SRS)

Key considerations	Description
<b>What the return is</b>	<p>The Syndicate Reinsurance Structure (SRS) return is the core syndicate submission for reporting to Lloyd's PMD the technical information for all in-force outwards reinsurance treaty and facultative contracts that protect the syndicate.</p> <p>The information provided is used to satisfy Lloyd's internal reporting and oversight requirements and obligations, as well as enabling Lloyd's to meet the PRA's Solvency II Pillar 3 reporting requirements.</p>
<b>Whether there are changes required as a result of Part VII</b>	No - there will be no change to the market return, as the critical elements of the historic data reported to date by syndicates remains accurate even after the Part VII.
<b>If changes are required, what are they and what is the impact to Lloyd's Brussels</b>	N/A
<b>What the return changes mean to the MAs</b>	N/A
<b>Dependencies to other returns</b>	The SRS return is captured via the CMR system and data passed through to the Corporation Data Warehouse (CDW). There is no direct dependency with other returns.

## Related Parties Disclosure (RPD)

Key considerations	Description
<b>What the return is</b>	<p>The Related Party Declaration &amp; Disclosure return is the core syndicate submission for reporting to Lloyd's PMD the key details of, both inwards and outwards, Related Party transactions that each syndicate has / or will be entering into; and for declaring that such does not present any conflicts of interest. Each annual return requires reporting for the expiring and current years of account.</p> <p>The information provided is used to satisfy Lloyd's internal oversight requirements and obligations, as well as enabling Lloyd's to meet PRA's regulatory requirements on this topic.</p>
<b>Whether there are changes required as a result of Part VII</b>	No - there will be no change to the market return, as Lloyd's syndicates would not need to report the Part VII inwards transactions as part of these submissions.
<b>If changes are required, what are they and what is the impact to Lloyd's Brussels</b>	N/A
<b>What the return changes mean to the MAs</b>	N/A
<b>Dependencies to other returns</b>	The RPD return is captured in an excel file format, uploaded onto SecureStore then manually aggregated into tables via VBA, for all the disclosures. There is no direct dependency with other returns.

# Broker Remuneration Report

Key considerations	Description
<b>What the return is</b>	Lloyd's requires managing agents that have entered into arrangements with a broker that involve additional payments to report on those arrangements to Lloyd's on a quarterly basis. This data is collected as part of the response to the Bribery Act and is used to produce an internal Lloyd's report to demonstrate that the market as a whole has a clear understanding of the Bribery Act and its implications for their Business.
<b>Whether there are changes required as a result of Part VII</b>	No - there will be no change to the market return, as the Lloyd's syndicates submit the return using current year data on a whole account basis and therefore does not require syndicates to split between Lloyd's and Lloyd's Brussels.
<b>If changes are required, what are they and what is the impact to Lloyd's Brussels</b>	N/A
<b>What the return changes mean to the MAs</b>	N/A
<b>Dependencies to other returns</b>	The Broker Remuneration data is captured in an excel file format, and uploaded onto SecureStore. The data is manually aggregated into tables via VBA and reported in Business Objects. There is no direct dependency with other returns.



## Bulked Delegated Authority Processes

## Bulked Delegated Authority Processes



**Press CTRL + Shift + A**

**Open the .pdf document to view the process maps**

## Operational Data Model – Detailed Guidance

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# Lloyd's Part VII Transfer

## Operational Data Model – Detailed Guidance

Version 1.0

Issued on 7<sup>th</sup> May 2020

**This Data Model Detailed Guidance document is a living document that will be updated as outstanding items are finalised. The latest version of this document will be distributed to an agreed contact within each MA for dissemination**

# Part VII Operational Data Model – Detailed Guidance

## Overview

### Purpose of the Part VII Operational Data Model

Lloyd's Insurance Company, as the insurer for the Part VII business, must be compliant with all relevant laws and regulations. Obtaining and processing the relevant data is fundamental for required operational activity

- **Book of records** - Maintain a full book of record at the transfer date and to capture ongoing updates on Premiums and Claims
- **Reporting** - Meet the obligation to carry out external reporting (including regulatory, statutory, statistical and tax reporting), all of which will necessitate the collection of Part VII data.
- **Operational processes** - Key processes include but not limited to complaints management

### Purpose of this document

- To inform the build of MAs' Part VII data solutions in line with Lloyd's Brussels requirements
- To address key FAQs received by the Programme

#### Note:

- *This document should be read in conjunction with the Part VII Operational Data Model (version 4.7) and the latest version of the Market Design Document issued*

# Part VII Operational Data Model – Detailed Guidance

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**Note:** The Part VII Programme will be issuing further guidance on the following areas and will be incorporated in the next iteration of this document:

- Corrections
- Coverholder & TPA loss fund reserves
- Cedant deposit cash reserves

# Scope of Premium Initial Load – Master & Master Supplementary

## Active Policies & Expired Policies with Open Claim(s)

The scope of the Initial Load premium submissions will include premium data on:

- All active, transferring policies as well as expired policies with an open claim (see below breakdown by method of placement)
- Bureau, Lloyd's Direct Reporting and Non-Xchanging processed policies
- All direct insurance
- Inward re-insurance (Cedant domiciled in Germany per slide 23 in the Market Design Document v2.0) - this includes all Treaty & Facultative, Proportional & Non-Proportional forms of RI

Method of placement	Master & Master Supplementary Active Policy – Not yet expired	Master & Master Supplementary Active Policy – Expired with premium receivable*	Master & Master Supplementary Expired Policy - Open transferring claim
<b>Open Market</b>	<ul style="list-style-type: none"> <li>• Where a policy has not expired on scheme effective date</li> </ul>	<ul style="list-style-type: none"> <li>• Where a policy is expired by scheme effective date and has outstanding premium to be collected</li> </ul>	<ul style="list-style-type: none"> <li>• Where a policy is already expired by scheme effective date but has one or more open, transferring claim(s)</li> </ul>
<b>Binder</b>	<ul style="list-style-type: none"> <li>• Where a Binder has not expired on scheme effective date;</li> <li>• <b>or</b></li> <li>• Where any declaration pertaining to a Binder has not expired on scheme effective date</li> </ul>	<ul style="list-style-type: none"> <li>• Where a Binder is already expired by scheme effective date and has outstanding premium to be collected on at least 1 declaration</li> </ul>	<ul style="list-style-type: none"> <li>• Where a Binder is already expired by scheme effective date but has one or more open, transferring claim(s) against at least 1 declaration</li> </ul>
<b>CH9000</b>	<ul style="list-style-type: none"> <li>• Same rules per Binder (see above)</li> </ul>	<ul style="list-style-type: none"> <li>• Same rules per Binder (see above)</li> </ul>	<ul style="list-style-type: none"> <li>• Same rules per Binder (see above)</li> </ul>
<b>Service Company</b>	<ul style="list-style-type: none"> <li>• Same rules per Binder (see above)</li> </ul>	<ul style="list-style-type: none"> <li>• Same rules per Binder (see above)</li> </ul>	<ul style="list-style-type: none"> <li>• Same rules per Binder (see above)</li> </ul>
<b>Bulking lineslip</b>	<ul style="list-style-type: none"> <li>• Same rules per Binder (see above)</li> </ul>	<ul style="list-style-type: none"> <li>• Same rules per Binder (see above)</li> </ul>	<ul style="list-style-type: none"> <li>• Same rules per Binder (see above)</li> </ul>
<b>Non-bulking Lineslip</b>	<b>All declarations will be treated as master policies</b> <ul style="list-style-type: none"> <li>• Where a policy has not expired on scheme effective date</li> </ul>	<b>All declarations will be treated as master policies</b> <ul style="list-style-type: none"> <li>• Where a policy is expired by scheme effective date and has outstanding premium to be collected</li> </ul>	<b>All declarations will be treated as master policies</b> <ul style="list-style-type: none"> <li>• Where a policy is already expired by scheme effective date but has one or more open, transferring claim(s)</li> </ul>
<b>Consortia</b>	<b>All declarations will be treated as master policies</b> <ul style="list-style-type: none"> <li>• Where a policy has not expired on scheme effective date</li> </ul>	<b>All declarations will be treated as master policies</b> <ul style="list-style-type: none"> <li>• Where a policy is expired by scheme effective date and has outstanding premium to be collected</li> </ul>	<b>All declarations will be treated as master policies</b> <ul style="list-style-type: none"> <li>• Where a policy is already expired by scheme effective date but has one or more open, transferring claim(s)</li> </ul>

\*For all methods of placement, the premium receivable is determined based on the difference between Gross (Signed) Premium (GP-S) and Gross (Signed) premium received up to transfer date (GPR7-S). Written Premium or EPI will not form the basis of this calculation.

# Scope of Premium Initial Load – Declaration Level

## Active Policies & Expired Policies with Open Claim(s)

The scope of the Initial Load premium submissions will include premium data on:

- All active, transferring policies as well as expired policies with an open claim (see below breakdown by method of placement)
- Bureau, Lloyd's Direct Reporting and Non-Xchanging processed policies
- All direct insurance
- Inward re-insurance (Cedant domiciled in Germany per slide 23 in the Market Design Document v2.0) - this includes all Treaty & Facultative, Proportional & Non-Proportional forms of RI.
  - Only applicable to declarations on RI Binders, CH9000, Service Company business and Bulking Lineslips (not the schedule of policies on direct RI)

Method of placement	Declaration Level - Premium Active Policy – Not yet expired	Declaration Level - Premium Active Policy – Expired with premium receivable*	Declaration Level - Premium Expired Policy - Open transferring claim
Open Market	Not applicable		
Binder	<ul style="list-style-type: none"> <li>• Where a declaration has not yet expired on scheme effective date</li> </ul>	<ul style="list-style-type: none"> <li>• Where a declaration has expired by scheme effective date and has outstanding premium to be collected</li> </ul>	<ul style="list-style-type: none"> <li>• Where a declaration has expired by scheme effective date but has one or more open, transferring claim(s)</li> </ul>
CH9000	<ul style="list-style-type: none"> <li>• Same rules per Binder (see above)</li> </ul>	<ul style="list-style-type: none"> <li>• Same rules per Binder (see above)</li> </ul>	<ul style="list-style-type: none"> <li>• Same rules per Binder (see above)</li> </ul>
Service Company	<ul style="list-style-type: none"> <li>• Same rules per Binder (see above)</li> </ul>	<ul style="list-style-type: none"> <li>• Same rules per Binder (see above)</li> </ul>	<ul style="list-style-type: none"> <li>• Same rules per Binder (see above)</li> </ul>
Bulking lineslip	<ul style="list-style-type: none"> <li>• Same rules per Binder (see above)</li> </ul>	<ul style="list-style-type: none"> <li>• Same rules per Binder (see above)</li> </ul>	<ul style="list-style-type: none"> <li>• Same rules per Binder (see above)</li> </ul>
Non-Bulking lineslip	Not applicable due to premiums being processed in a similar way to Open Market premiums, therefore only captured at Master Level based on the receipt of the relevant USM message from DXC		
Consortia	Not applicable due to premiums being processed in a similar way to Open Market premiums, therefore only captured at Master Level based on the receipt of the relevant USM message from DXC		

\*At Declaration level, Gross Premium (GP-S) based on CR0021 in Coverholder Reporting Standards (v5.2) and Gross Premium received up to transfer date (derived from CR0059 per v5.2) enable the determination of the receivable balance as at scheme effective date



# Premium Initial Load File Conditional Rule - Active Policies

Certain fields in the Data Model are dependent on whether or not a policy is active

- In the Premium Initial Load, there are fields which are **conditional** on policies having an **'active'** status (see slides 4 and 5 for detailed definitions)
- This recognises the challenge of sourcing certain Premium and Policy information relating to expired policies with an open claim
  - For such policies, the population of these fields will not be mandatory

	A	B	C	N
1	Field Ref	Field Pseudonym	Field Name	Mandatory / Conditional / Supply where available / Optional - Premium
2				
63	PVII_061	LCY	Limit currency	C - Required for Active Policies only*
64	PVII_062	LMT	Limit per occurrence	C - Required for Active Policies only*
65	PVII_063	SICCY	Total sum insured currency	C - Required for Active Policies only*
66	PVII_064	SINS	Total sum insured amount	C - Required for Active Policies only*
67	PVII_065	GP7T-O	Gross Premium at transfer date (Original ccy)	C - Required for Active Policies only*
69	PVII_067	GP-O	Gross Premium (Original ccy)	C - Required for Active Policies only*
70	PVII_068	GPR7-O	Gross Premium Received up to transfer date (Original ccy)	C - Required for Active Policies only*
72	PVII_070	GPR7D-O	Gross Premium Received to date (Original ccy)	C - Required for Active Policies only*
73	PVII_071	NP7T-O	Net Premium at transfer date (Original ccy)	C - Required for Active Policies only*
75	PVII_073	NWP-O	Net Premium (Original ccy)	C - Required for Active Policies only*
76	PVII_074	NPR7-O	Net Premium Received up to transfer date (Original ccy)	C - Required for Active Policies only*
78	PVII_076	NPR7D-O	Net Premium Received to date (Original ccy)	C - Required for Active Policies only*
79	PVII_077	BKP	Brokerage % of gross premium	C - Required for Active Policies only*
80	PVII_078	CCM	Coverholder commission % of gross premium	C - Required for Active Policies only*
81	PVII_079	OD7T-O	Total deductions at transfer date (Original ccy)	C - Required for Active Policies only*
83	PVII_081	OD-O	Total deductions (Original ccy)	C - Required for Active Policies only*
84	PVII_082	ODP7T-O	Total deductions Paid up to transfer date (Original ccy)	C - Required for Active Policies only*
86	PVII_084	ODP7D-O	Total deductions Paid to date (Original ccy)	C - Required for Active Policies only*
93	PVII_091	GP7T-S	Gross Premium at transfer date (Settlement ccy)	C - Required for Active Policies only*
95	PVII_093	GP-S	Gross Premium (Settlement ccy)	C - Required for Active Policies only*
96	PVII_094	GPR7-S	Gross Premium Received up to transfer date (Settlement ccy)	C - Required for Active Policies only*
98	PVII_096	GPR7D-S	Gross Premium Received to date (Settlement ccy)	C - Required for Active Policies only*
99	PVII_097	NP7T-S	Net Premium at transfer date (Settlement ccy)	C - Required for Active Policies only*
101	PVII_099	NWP-S	Net Premium (Settlement ccy)	C - Required for Active Policies only*
102	PVII_100	NPR7-S	Net Premium Received up to transfer date (Settlement ccy)	C - Required for Active Policies only*

The condition is applicable where the submission rule reads **'C – Required for Active Policies only'**

# Scope of Initial Load Claim Extracts – Master & Master Supplementary

## Open Claims

**The scope of the Initial Load claim submissions will include data relating to:**

- All open, transferring claims – Claims are deemed to be open where its status is marked as 'Open' and/or have an outstanding indemnity/fee value of higher than zero\*
- Bureau, Lloyd's Direct Reporting and Non-Xchanging processed claims
- All direct insurance
- Inward re-insurance (Cedant domiciled in Germany per slide 23 in the Market Design Document v2.0) - this includes all Treaty & Facultative, Proportional & Non-Proportional forms of RI

Method of placement	Master Level – Open Claim
Open Market	<ul style="list-style-type: none"> <li>• All open individual claims relating to Open Market policies</li> </ul>
Binder	<ul style="list-style-type: none"> <li>• All open individual or block claims (at the Master Agreement level) relating to Binders</li> </ul>
CH9000	<ul style="list-style-type: none"> <li>• Same rules per Binder (see above)</li> </ul>
Service Company	<ul style="list-style-type: none"> <li>• Same rules per Binder (see above)</li> </ul>
Bulking Lineslip	<ul style="list-style-type: none"> <li>• All open individual claims relating to Bulking lineslip policies</li> </ul>
Non-Bulking lineslip	<ul style="list-style-type: none"> <li>• All open individual claims relating to Non-Bulking lineslip policies</li> </ul>
Consortia	<ul style="list-style-type: none"> <li>• All open individual claims relating to Consortia policies</li> </ul>

\*Any claims with an outstanding value (COS-I-S and/or COS-F-S) but have had limited/no movement prior to transfer will need to be included in the initial load

# Scope of Initial Load Claim Extracts – Declaration Level

## Open Claims

The scope of the Initial Load claim submissions will include data relating to:

- All open, transferring claims – Claims are deemed to be open where its status is marked as 'Open' and/or have an outstanding indemnity/fee value of higher than zero\*
- Bureau, Lloyd's Direct Reporting and Non-Xchanging processed claims
- All direct insurance
- Inward re-insurance (Cedant domiciled in Germany per slide 23 in the Market Design Document v2.0) - this includes all Treaty & Facultative, Proportional & Non-Proportional forms of RI
  - Only applicable to declarations on RI Binders, CH9000, Service Company business and Bulking Lineslips (not the schedule of policies on direct RI)

Method of placement	Declaration Level – Open Claim
Open Market	Not applicable
Binder	<ul style="list-style-type: none"> <li>• Open claims, always at the individual (not block) level as reported to the MA via the Coverholder Claim bordereaux</li> </ul>
CH9000	<ul style="list-style-type: none"> <li>• Same rules per Binder (see above)</li> </ul>
Service Company	<ul style="list-style-type: none"> <li>• Same rules per Binder (see above)</li> </ul>
Bulking lineslip	Not applicable due to claims being processed individually similar to Open Market claims, therefore only captured at Master Level based on the receipt of the relevant SCM message from DXC
Non-Bulking lineslip	Not applicable due to claims being processed individually similar to Open Market claims, therefore only captured at Master Level based on the receipt of the relevant SCM message from DXC
Consortia	Not applicable due to claims being processed individually similar to Open Market claims, therefore only captured at Master Level based on the receipt of the relevant SCM message from DXC

\*Any claims with an outstanding value (COS-I-S and/or COS-F-S) but have had limited/no movement prior to transfer will need to be included in the initial load.

## Part VII Transfer Date Positions & Monthly Transactions

### Initial Load and Monthly Data Submissions

There are a number of key principles relating to the purpose and scope of the Initial and Monthly submissions:

#### Initial Load

- Initial load data is required by Lloyd's Brussels to set up the **opening positions** for Premiums and Claims
- **No transactions** (historic or within the month of Part VII transfer) will be reported in the initial load file<sup>1</sup>
- **Full scope** of active policies, expired policies with open claim(s) and all open claims must be included (per slides 4-8)



#### Monthly Submissions

- Monthly extracts will **build on the opening positions** created from the initial load
- On all active policies and open claims (as defined in slides 4-8), **any transactions and changes to premium/claim records** which occurred in the previous month (or missed off from a prior period submission) will need to be captured in the current month's submission to Lloyd's Brussels<sup>2</sup>

#### Note:

- <sup>1</sup> For XIS data, Initial Load Premium and Claim positions will be consolidated at OSND level and hence no reference to historic SNADs. For monthly submissions, individual transactions will indeed feature SNADs.
- <sup>2</sup> Where no Premium or Claim transactions have occurred in a given period for a syndicate, a NIL submission (i.e. blank file) will be required through the DC/DQ tool

## Initial Load Catch-up

MA's will provide initial load catch-up files in a number of scenarios

Scenarios	Initial Load catch-up requirements	
<b>Records missing from Initial Load as at transfer date</b>	<b>Premium</b> <ul style="list-style-type: none"> <li>MA's may identify policy/premium records which were in scope of the transfer, but were not reported within the initial load</li> <li>Catch-up file(s) will be required along with the next monthly submission</li> </ul>	<b>Claim</b> <ul style="list-style-type: none"> <li>MA's may identify claim records which were in scope of the transfer, but were not reported within the initial load</li> <li>Catch-up file(s) will be required along with the next monthly submission</li> </ul>
<b>Specific data had been missing from Initial Load as at transfer date</b>	<b>Premium &amp; Claim</b> <ul style="list-style-type: none"> <li>MA's are expected to submit all the relevant data to inform the opening position for Lloyd's Brussels Part VII book of business</li> <li>If specific data on records submitted had been missed off by error (but passes MDC validations), MA's will need to supply via an initial load catch-up</li> </ul>	
<b>New claim / re-opened claim after transfer date</b>	<b>Premium</b> <ul style="list-style-type: none"> <li>MA's may come across a new or re-opened claim on an expired and inactive policy which did not come through on the initial load</li> <li>Catch-up file(s) will be required along with the next monthly submission</li> </ul>	<b>Claim</b> <ul style="list-style-type: none"> <li>MA's will report the new claim or re-opened claim in monthly extracts only</li> <li>Catch-up file(s) will <u>not</u> be required</li> </ul>

Note that it is the MA's responsibility to submit initial load catch-up files where necessary. Lloyd's Brussels will have controls in place to pick up on situations where such data is missing and may result in queries sent to the MA.

# Data Quality

Part VII data extracts will be subject to validation at the point of submission in the DC / DQ tool

- Lloyd's Brussels has defined **data quality standards in order to support all downstream processes** and to enable **accurate reporting**
- MDC, the DC/DQ tool, provides **real-time data quality feedback** to MAs, requiring resolution of data quality errors and confirmation of the correctness of data items which are flagged as potential outliers (warnings)
- As part of the submission process, MAs are also required to confirm that the **data submitted reconciles with the money movement** into and out of the Part VII Settlement Account
- Lloyd's Brussels conducts a **further set of validations** once the data has passed checks and been submitted
- Query & escalation processes**, where required, will underpin the end-to-end submission cycle

The DC / DQ tool provides real-time DQ feedback on each submission via:

- Errors:** if the data does not meet required standards, the data has to be corrected and re-submitted
- Warnings:** these flag potential outliers in the data relative to the entire submission / based on defined rules and have to be reviewed and the correctness of the data confirmed prior to submission

#	Data Quality Check	Generates Warning / Error?	Description
1	<b>Data Format/Type Checks</b>	Error	Control to check the format and completeness of the submitted data, e.g. data format / length
2	<b>Reference Data Checks</b>	Error	Control to check if the data items are part of the reference list (aligned with MDC existing reference data where applicable)
3	<b>Prevailing signage</b>	Warning	Control on the expected signage of a data item to provide a warning to the user of potentially incorrect data being submitted
4	<b>Threshold checks</b>	Warning	Control to verify if any data outliers are correct; this is defined per data field and provides an indication as to whether a data item submitted is within the expected range, e.g. large additional premiums
5	<b>Tolerance checks</b>	Error	Control on the percentage of default values allowed per data field / file
6	<b>Business Rules</b>	Warning / Error	Controls to check the data consistency within the submitted record (e.g. GWP>NWP)

The full set of business validation rules will be shared in due course. For further details on how the data submission files are expected to be structured and formatted, please refer to templates labelled '**Part VII Data Extracts – Templates**' which will be issued on w/c 18<sup>th</sup> May.

# Primary Keys for Lloyd's Brussels Book of Records

## Premium & Claims

- Data submitted by MAs will be processed and stored in line with a pre-defined set of primary keys for Premium and Claims
- Each line of data per file must have a **unique key** – this means there must **not** be more than 1 line with the same combination of values in the Premium or Claims key fields listed

**Note** that if there are multiple lines with the same key values (e.g. where there are multiple intra-day transactions), MAs will be required to provide a single record with the total summed amounts of these transactions

- See full mapping of primary key fields to each submission file type for reference
- In some cases, the full set of key fields does not apply. For example:
  - Declaration certificate reference (CER)** is relevant to Declaration Level files only
  - Transaction Date (TD)** is relevant to Monthly submissions only

*\*For reference, the set of primary keys shared on this slide is subject to final validation by the Programme and will apply primarily to XIS Premium and Claims data submissions. A review is being undertaken, in parallel, to update / expand the keys to accommodate LDR & Non-XIS data*

Premium Key*		IL - M	IL - MS	IL-D	M-M	M-MS	M-D
UMR	Unique Market Reference	Y	Y	Y	Y	Y	Y
CRR	Carrier Reference	Y	Y	Y	Y	Y	Y
CER	Declaration certificate reference			Y			Y
OSND	Original Signing Number & Date	Y	Y	Y	Y	Y	Y
SNAD	Signing Number & Date	Y	Y	Y	Y	Y	Y
SYN	Syndicate number	Y	Y	Y	Y	Y	Y
RCC-P	Lloyd's Risk code - Premium	Y	Y	Y	Y	Y	Y
PFIL2	FIL code 2 - Premium	Y	Y	Y	Y	Y	Y
PFIL1	FIL code 1 - Premium	Y	Y	Y	Y	Y	Y
TD	Transaction Date				Y	Y	Y
POCCY	Original Currency - Premium	Y		Y	Y		Y
PSCCY	Settlement Currency - Premium	Y		Y	Y		Y

Claim Key*		IL - M	IL - MS	IL-D	M-M	M-MS	M-D
UMR	Unique Market Reference	Y	Y	Y	Y	Y	Y
CER	Declaration certificate reference			Y			Y
COR	Claim Office Reference	Y	Y	Y	Y	Y	Y
MCR	Carrier Claim Reference	Y	Y	Y	Y	Y	Y
OSND	Original Signing Number & Date	Y	Y	Y	Y	Y	Y
SNAD	Signing Number & Date	Y	Y	Y	Y	Y	Y
SYN	Syndicate number	Y	Y	Y	Y	Y	Y
RCC-C	Lloyd's Risk code - Claim	Y	Y	Y	Y	Y	Y
CFIL2	FIL code 2 - Claim	Y	Y	Y	Y	Y	Y
CFIL1	FIL code 1 - Claim	Y	Y	Y	Y	Y	Y
TD	Transaction Date				Y	Y	Y
COCCY	Original Currency - Claim	Y	Y	Y	Y	Y	Y
CSCCY	Settlement currency - Claim	Y	Y	Y	Y	Y	Y

## Field Granularity – Premium Master Level

All measures in the Data Model come with a composite key which defines the granularity to the value expected

Each of the measure fields needs to be presented at the granularity specified in the column 'Composite key (made up on specific dimensions)' within the Data Model. Below is a worked example which explains the level at which values need to be reported.

### Worked Example - Gross Premium (Settlement ccy)

*Granularity: UMR (Master), OSND, CTT, RIT, LOD/RAD, SYN, RCC, PFIL, PFIL1, PFIL2 (or RRL), UWL, PSCCY*

UMR	OSND	CTT	RIT	LOD/RAD	SYN	RCC	PFIL	PFIL1	PFIL2	UWL	PSCCY	GP-S
UMR01234	98765 - 20/12/2018	DR			6130	FA	GD	GEB1		DEU	USD	6000
UMR01234	98765 - 20/12/2018	DR			7140	FA	GD	GEB1		DEU	USD	4000

- In the Master Level file, **both Lead and Follow syndicates** will be supplying data
- In this example (and in most cases), the **Type of Insurance (CTT)**, **Reinsurance Basis (RIT)**, **LOD/RAD** determination and the **Underwriting Location (UWL)** will be consistent on the **UMR**
- For 1 UMR, there may be multiple signings (different OSNDs)
- On an individual signing received by a syndicate (**OSND level**), the signed Gross Premium figure will **already** be broken down at **Syndicate share level (SYN)**, **Risk code level (RCC)** and **FIL code level (PFIL, PFIL1 and PFIL2)**
- For the 2 different syndicate submissions, Syndicate 6130 has a signed line of 60% and Syndicate 7140 has 40% for the same risk (with the same risk code and FIL codes)



## Field Granularity – Premium Declaration Level

All measures in the Data Model come with a composite key which defines the granularity to the value expected

Each of the measure fields needs to be presented at the granularity specified in the column 'Composite key (made up on specific dimensions)' within the Data Model. Below is a worked example which explains the level at which values need to be reported.

### Worked Example - Gross Premium (Settlement ccy)

*Granularity : UMR, CER (Dec), OSND, CTT, RIT, LOD/RAD, SYN, RCC, PFIL, PFIL1, PFIL2 (or RRL), UWL, PSCCY*

UMR	CER	OSND	CTT	RIT	LOD/RAD	SYN	RCC	PFIL	PFIL1	PFIL2	RRL	UWL	PSCCY	GP-S
UMR0123 4	C246810	NNNNN - DD/MM/YYYY	DR	DR		6130	FA		{ZZ}		DEU	DEU	USD	5000

- At Declaration Level, the **Lead syndicate only** will be supplying data to Lloyd's Brussels (for Binders and Bulking Lineslips). In this example, the Lead syndicate is 6130
- On 1 **UMR**, there will be 1 or more **Certificate References (CER)** associated and reported in bordereaux files from the Coverholder
- In cases where Declaration mapping to **Original Signing Number & Date (OSND)** is not available, MAs may proceed to the next item on the composite key list
- **Type of Insurance (CTT), Reinsurance Basis (RIT) , LOD/RAD** determination, **Underwriting Location (UWL)** and **Location of risk (RRL)** should be consistent at a Certificate Reference (CER) level (otherwise multiple lines need to be submitted)
- In contrast to the Master Level submission (example detailed in slide 13), the submitting **Lead syndicate (SYN)** will supply declaration data on **100%** basis (i.e. not by Syndicate share)
- Following this logic, the Gross Premium value therefore broken down per each of the attributes mentioned above and by Settlement currency (USD in this case) give 5000 which is the 100% figure. Syndicate 6130's share is 60% (i.e. 3000) but not reported here.

## Field Granularity – Claim Master Level

All measures in the Data Model come with a composite key which defines the granularity to the value expected

Each of the measure fields needs to be presented at the granularity specified in the column 'Composite key (made up on specific dimensions)' within the Data Model. Below is a worked example which explains the level at which values need to be reported.

### Worked Example - Claim Paid this Transaction - Indemnity (Settlement ccy)

*Granularity : UCR, COR, UMR, OSND, SYN, RCC, CFIL, CFIL1, CFIL2 (or RRL), UWL, CSCCY*

UCR	COR	UMR	OSND	SYN	RCC	CFIL	CFIL1	CFIL2	UWL	CSCCY	CPTT-I-S
UCR01234	N90448624 619	UMR01234	98765 - 20/12/2018	6130	FA	GD	GEB1		DEU	USD	600
UCR01234	N90448624 619	UMR01234	98765 - 20/12/2018	7140	FA	GD	GEB1		DEU	USD	400

- In the Master Level file, both **Lead and Follow syndicates** will be supplying data
- The **Unique Claim Reference (UCR)** will break down to a specific **Claim Office Reference (COR)** – both of which will relate to a given UMR and in this case the same **Underwriting Location (UWL)**. *[Note that UWL is not required in Claim extracts]*
- In relation to each COR, there will be claim movements and payments shown on the SCM (Claim message) – this will tie back to the **OSND**
- On an individual Claim message received by a syndicate (OSND level), the Claim Paid this Transaction – Indemnity (Settlement ccy) will **already** be broken down at **Syndicate share level (SYN)**, **Risk code level (RCC)** and **FIL code level (PFIL, PFIL1 and PFIL2)**
- For the 2 different syndicate submissions, Syndicate 6130 has a signed line of 60% and Syndicate 7140 has 40% for the same risk (with the same risk code and FIL codes) which is in line with the split between the 2 claim paid this transaction values (USD600 and USD400 accordingly)

## Field Granularity – Claim Declaration Level

All measures in the Data Model come with a composite key which defines the granularity to the value expected

Each of the measure fields needs to be presented at the granularity specified in the column 'Composite key (made up on specific dimensions)' within the Data Model. Below is a worked example which explains the level at which values need to be reported.

### Worked Example - Total Claims Incurred amount - Indemnity (Settlement ccy)

*Granularity : UCR, COR, UMR, OSND, SYN, RCC, CFIL, CFIL1, CFIL2 (or RRL), UWL, CSCCY*

UCR	COR	UMR	OSND	SYN	RCC	CFIL	CFIL1	CFIL2	RRL	UWL	CSCCY	CIN-I-S
UCR01234	N9044862 4619	UMR01234	NNNNN - DD/MM/YYYY	6130	FA		{ZZ}		DEU	DEU	USD	2000

- At Declaration Level, the **Lead syndicate only\*** will be supplying data to Lloyd's Brussels (for Binders and Bulking Lineslips). In this example, the Lead syndicate is 6130
- On 1 UMR, there will be 1 or more **Claim References (UCR)** associated and reported in bordereaux files from the Coverholder
- In cases where Declaration mapping to **Original Signing Number & Date (OSND)** is not available, MAs may proceed to the next item on the composite key list
- On a given Claim Reference (UCR) as indicated in the Claim bordereau file, the **Risk code (RCC)** and **Location of Risk (RRL)** should be consistent (otherwise separate lines need to be reported)
- In contrast to the Master Level submission (example detailed in slide 15), the submitting **Lead syndicate (SYN)\*** will supply declaration data on **100%** basis (i.e. not by Syndicate share)
- Following this logic, the Total Claim Incurred value therefore broken down per each of the attributes mentioned above and by Settlement currency (USD in this case) give 2000 which is the 100% figure

\*Note that the Lloyd's Bureau lead syndicate may not always necessarily be the lead claims adjuster and as such may not hold the declaration level claims information. In such cases, the syndicate which identifies themselves as the lead claims adjuster will be responsible for submitting the relevant declaration level claims data to Lloyd's Brussels

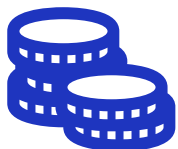
# Reinsurance To Close Policies

Principles for reporting these policies in the Part VII data extracts

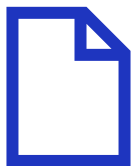
Many syndicates will have undergone the Reinsurance to Close (RITC) process and there are a number of principles will guide



Part VII settlement accounts will be set up by syndicate



Lloyd's Brussels will top up the Part VII settlement accounts based on the movement in the bank account in the previous period, driven by the end of month bank position



Data relating to RITC policies has to be captured within the **current syndicate's extract** with the **current syndicate number** populated in the 'Syndicate Number' field (SYN)

For specific information on YoA rules, see slide 67 of the MDD v2.0

## Value of All Unreconciled Items

### Example 1 – When USMs received have not resulted in cash movements through the Part VII Settlement Account

- MAs will be performing bank reconciliation of the syndicate's Part VII settlement account. When reconciliation issues are encountered, the unreconciled value has to be reported via the **Monthly Master Level Claim extract**. If the account is fully reconciled, this field will normally be populated with zero
- In the example below, only the USMs that result in a cash movement in the bank account should be posted in the reported cash lines in the Part VII extract file

#### Bank Account

	Transaction Date	Bank Account
Opening Balance		100,000
STFO Mov	13-Jan	21,000
STFO Mov	23-Jan	14,000
Direct Settlement	25-Jan	-10,000
Month end Balance		125,000

USM No	USM Date	Gross Premium	Deductions	Net Premium
USM 1	10-Jan	20,000	5,000	15,000
USM 2	10-Jan	7,000	1,000	6,000
USM 3	20-Jan	17,000	3,000	14,000
USM 4	20-Jan	10,000	2,000	8,000
USM 5	31-Jan	4,000	500	3,500
Direct Claim Payment	25-Jan	N/A	N/A	N/A

Claim Paid
10,000

#### What does this mean for the Part VII data submission?

- No need to report the 'Value of all unreconciled items' separately
- The '**Value of all unreconciled items**' field will therefore be **zero** by default in all line items within the extract
- When the **cash movements** come through at the **bank account** for 8,000 and 3,500 per USM 4 and 5 respectively (e.g. in the following month), then these can be reported in the subsequent submission(s)

Cash movement reported on extract file

Cash movement not reported on extract file because the actual cash movement did not go through the bank account

## Value of All Unreconciled Items

### Example 2 – Where cash movement is detected at the Part VII settlement account but no USM received

- MAs will be performing bank reconciliation of the syndicate's Part VII settlement account. When reconciliation issues are encountered, the unreconciled value has to be reported via the **Monthly Master Level Claim extract**. If the account is fully reconciled, this field will normally be populated with zero
- In the example below only the USMs that result in a cash movement in the bank account should be posted and the 8,000 that has moved through the bank but does not relate to a known policy or claim movement should be reported as an unreconciled item.

#### Bank Account

	Transaction Date	Bank Account
Opening Balance		100,000
STFO Mov	13-Jan	21,000
STFO Mov	23-Jan	22,000
Direct Settlement	25-Jan	-10,000
Month end Balance		133,000

USM No	USM Date	Gross Premium	Deductions	Net Premium
USM 1	10-Jan	20,000	5,000	15,000
USM 2	10-Jan	7,000	1,000	6,000
USM 3	20-Jan	17,000	3,000	12,000
Unreconciled item	20-Jan			8,000
USM 5	31-Jan	4,000	500	3,500
Direct Claim Payment	25-Jan	N/A	N/A	N/A

#### Note on signage:

- If the total of unreconciled transactions shows a **net inflow**, this should be reported as a **positive balance**
- If the total of unreconciled transactions shows a **net outflow**, this should be reported as a **negative balance**

#### What does this mean for the Part VII data submission?

- **Separate line** required within the Monthly Master Level Claim file
- **'Value of all unreconciled items'** field will be 8,000 in this instance
- Populate the **Settlement currency** field accordingly
- For all **other fields** within the submission file, populate **with default or zero** where appropriate
- See Part VII extract templates (due to be released w/c 18<sup>th</sup> May) to understand how the full line will appear

Claim Paid
10,000

Cash movement reported on extract file

Cash movement not reported on extract file because the actual cash movement did not go through the bank account

Unknown movement through the bank account that cannot be reconciled and therefore reported as an unreconciled item

## Asset Transfer

## Asset transfer and reinsurance

The asset movements at Scheme Effective Date (SED) are in four stages

Stage	Stage name	Funds transferring	From	To	Action by	CUR
1	<b>Part VII asset transfer</b> <small>note 1</small>	Assets equal to the value of the Part VII liabilities transferring	<ul style="list-style-type: none"> <li>Syndicate accounts</li> </ul>	<ul style="list-style-type: none"> <li>Brussels USD account</li> <li>Via Lloyd's Central Accounting USD Clearing A/C</li> </ul>	STFO	USD
2	<b>Reinsurance transfer</b>	Assets equal to the reinsurance premium	<ul style="list-style-type: none"> <li>Brussels USD account</li> </ul>	<ul style="list-style-type: none"> <li>Syndicate accounts</li> <li>Via Lloyd's Central Accounting USD Clearing A/C</li> </ul>	STFO	USD
3	<b>Part VII Settlement account transfer</b>	Required Initial Floats amounts for LIC Part VII settlement accounts	<ul style="list-style-type: none"> <li>Syndicate accounts</li> </ul>	<ul style="list-style-type: none"> <li>LIC Part VII Settlement accounts (CUR)</li> <li>Via Lloyd's Central Accounting (CUR) Clearing A/C</li> </ul>	STFO	Various (note 2)
4	<b>Loss funds</b>	Loss Funds held by Coverholders and TPAs	<ul style="list-style-type: none"> <li>TBC</li> </ul>			

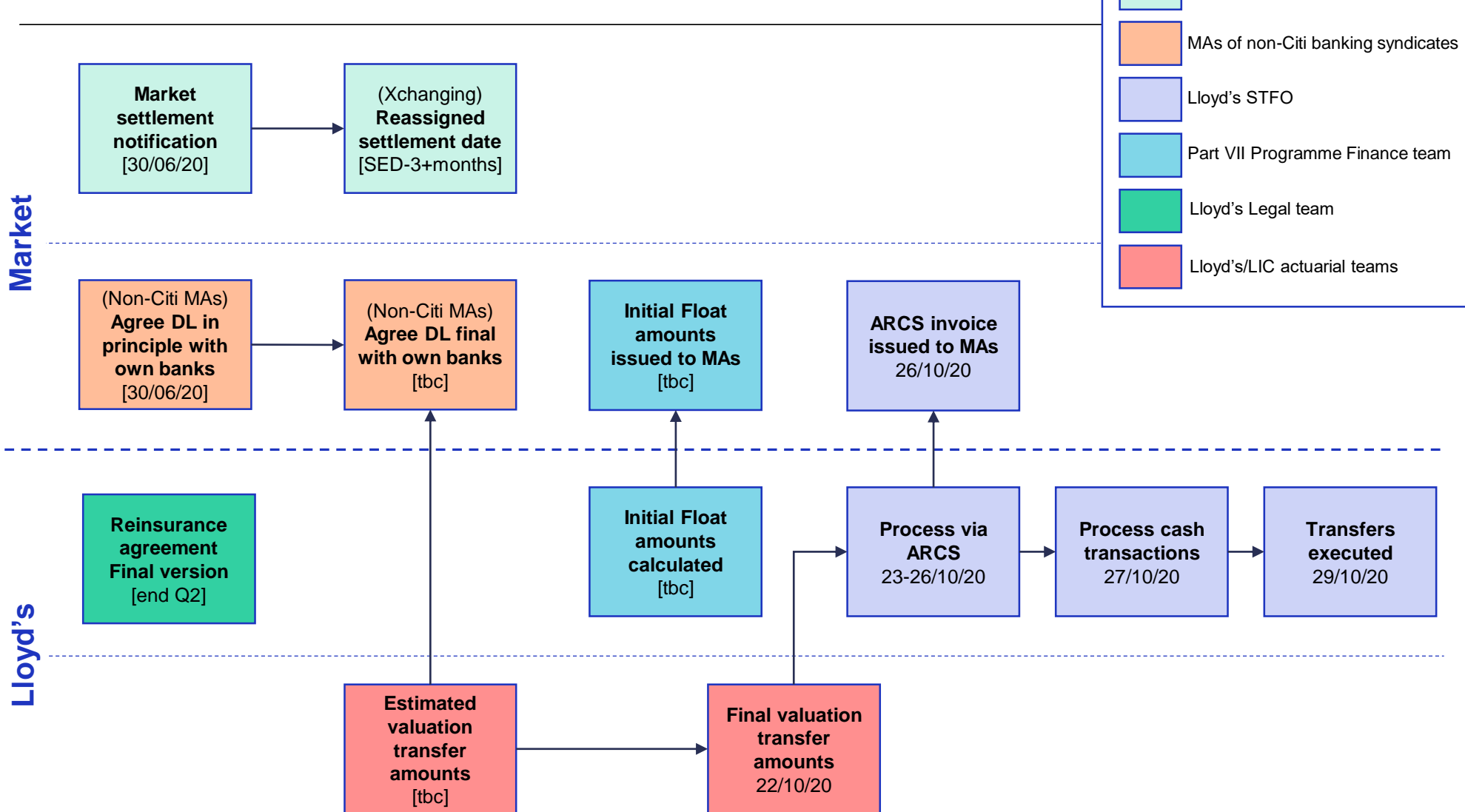
### Notes

1. This covers the value of transferring liabilities that is compensated in cash. In practice, part of the consideration will be non-cash, in the form of premium receivable assets transferred from Syndicates to LIC under the Scheme
2. For stage 3 the cash will be moved in each of the currencies for which claims may need to be paid. There are up to 14 currencies involved, although Syndicates usually have no more than 4-5. There will be an assessment as to the number of settlement accounts required depending on the currencies involved and the numbers of policies for each.



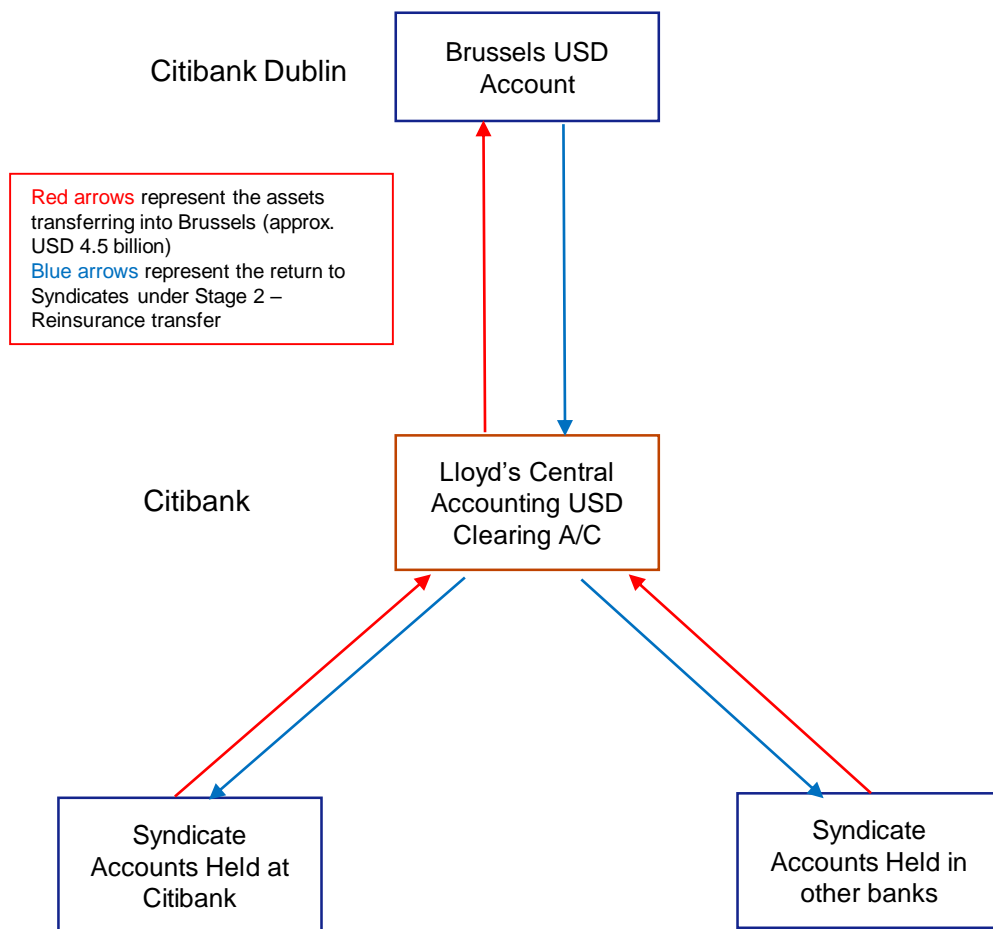
# Pre-transfer process

Steps relating to Day 1 required before transfer



## Day 1 asset transfers – execution 1 of 2

### Mechanics of the transfers and flow of funds (stages 1 and 2)



- The Part VII transfer of assets will be in one currency – USD
- Funds will move on the 29th October 2020.
- Citibank have confirmed that they will work with us to put a “daylight exposure limit” in place to ensure that the funds can move without Syndicates having to liquidate assets.
- Lloyd’s Group Finance will receive a file detailing Syndicate, Year of Account and amount to transfer, we will then process this as two files via ARCS (Apportionment, Reporting and Collection System)
- The first will debit the Syndicates USD LDTF account and credit Brussels Broker 1966 and the second will credit the Syndicates USD LDTF account and debit Brussels Broker 1966.
- This will be processed via STFO using the Non-Central Accounts Banking as ad hoc payment runs.
- ARCS will produce an “invoice” for these movements which the syndicates will receive.
- There are some syndicates who do not have their bank accounts at Citibank. These syndicates will need to talk to their banks to ensure that they will allow the funds to leave their bank account in a timely manner to prevent an overdraft in the Lloyd’s clearing account. Lloyd’s will charge overdraft interest at 5% above the current base rate should this happen.

As funds are flowing via the Lloyd’s clearing account Brussels will get the total amount of funds as one movement into the USD bank account.

## Day 1 asset transfers – execution 2 of 2

### Impact on settlement processing

1. The Brussels Part VII reinsurance contract comes into effect at 00.01 on Thursday 29th October 2020.
2. On this day it has been stated that there should be no other settlement monies moved and therefore it is proposed that Thursday 29th October is set to be a “bank holiday”.
3. Following on from discussions with Xchanging it has been brought to our attention that if we set the 29th October as a pseudo “bank holiday” for Lloyd’s then it will also need to be set for the Company market as the overnight batch can not be stopped for one settlement process only.
4. The market are being made aware of this and appropriate agreements sought.
5. Lloyd’s will also contact Resolute Syndicate Management who process 1992 and Prior transactions into settlement to advise them that the 29th October 2020 is not going to be a settlement date
6. Once the Market agreement is obtained the “Re-assigned settlement” date function should be run to move any settlements that are already posted to settle on the 29th October 2020 to settle on the 28th October 2020.
7. STFO will process the Part VII transactions into the banking systems on Tuesday 27th October 2020 for settlement date Thursday 29th October 2020.
8. The proposed timetable below minimises the impact on the market settlement and reduces risk over the month end.
9. The month end processing can be completed on the last working day on the month as normal.

#### Processing and Settlement Calendar for October Month end:

The processing and settlement timetable for this period for Lloyd’s and Company Market business is as follows:

#### Three Day Settlement (Lloyd’s and Company Market Business)

Transaction processed on or delinked entries released on:	Settlement on:
Friday 23 <sup>rd</sup> October 2020	Wednesday 28 <sup>th</sup> October 2020
Monday 26 <sup>th</sup> October 2020	Friday 30 <sup>th</sup> October 2020
Tuesday 27 <sup>th</sup> October 2020	Monday 2 <sup>nd</sup> November 2020
Wednesday 28 <sup>th</sup> October 2020	Tuesday 3 <sup>rd</sup> November 2020
Thursday 29 <sup>th</sup> October 2020	Wednesday 4 <sup>th</sup> November 2020
Friday 30 <sup>th</sup> October 2020	
Monday 2 <sup>nd</sup> November 2020	Thursday 5 <sup>th</sup> November 2020

There will be no batch processing on the night of Thursday 29<sup>th</sup> October

## Appendix - Status of issues 1 of 2

### Summary of key decisions and open questions

Ref	Issue	Description	Status
	<b>Asset transfer Day 1 execution</b>		
I05	<b>Use of a single currency for the P7 asset and reinsurance premium transfers</b>	<p>Using a single currency for the asset transfers in respect of the transfer of liabilities and the reinsurance premium greatly simplify the logistics.</p> <p>For historical reasons, nearly all syndicates hold their USD bank accounts at Citibank, so STFO has much more control on Day 1 and risk is greatly reduced.</p>	<p>Use USD for the P7 and reinsurance premium transfers.</p> <p>Because nearly all USD accounts are with Citibank, the daylight limits facility can then be used, allowing the transfers to be made without assets being realised. Daylight limits across many banks would be very difficult to arrange.</p>
I07	<b>Claims settlement will be unavailable on a business day</b>	Lloyd's settlement (and so company settlement including claims) will not be run on the day of the transfers, planned to be 29/10/20, a business day.	Plans include briefing as part of updates to the Market forums and formal notification to Xchanging, Resolute Syndicate Management and Equitas.
I08	<b>MA's which do not use Citibank for USD accounts</b>	<p>The USD bank accounts of some syndicates are with banks other than Citibank. Lloyd's cannot centrally arrange the Daylight Limits facility for these banks as it can with Citibank.</p> <p>Lloyd's would charge interest at 5% above base rate should transfers fail to happen from these accounts.</p>	<p>MA's for the syndicates concerned should contact their banks as soon as possible to discuss in principle the use of a Daylight Limits arrangement on the transfer day.</p> <p>Lloyd's will provide estimated valuation figures in September which should allow the MA's to confirm the arrangements with their banks.</p>
I17	<b>Treatment of Coverholder/TPA Loss funds</b>	<p>Process for the establishment of LIC loss funds for TPA/Coverholder business, and handling movements around cutover, with minimum market disruption.</p> <p>Lloyd's proposed an approach at a focus meeting of 7 MA's and the LMA on 19/03/20.</p>	After feedback from the meeting Lloyd's is considering an alternative proposal which will be discussed with focus meeting attendees before wider market engagement. It is hoped to make a final decision on the process during May.

## Appendix - Status of issues 2 of 2

Summary of key decisions and open questions

Ref	Issue	Description	Status
	<b>Accounting and actuarial</b>		
I18	<b>Valuation of syndicate liabilities</b>	Whilst the methodology for the valuation of syndicate liabilities will be specified by Lloyd's Market Reserving and Capital, MAs will be fully briefed and provided with estimates of the liabilities ahead of the final valuations being issued for the transfer date.	Steps for market engagement are being planned and will be communicated via the LMA on 20th May.
	<b>Legal and regulatory</b>		
I19	<b>TPA/Coverholders not licensed for EEA business post-Transition Period</b>	Once the transition period ends on 31/12/2020, UK based/FCA authorised brokers, Coverholders and TPAs cannot place business that meets the cumulative definition of EU policyholders / EU risks.	This issue is currently being considered more widely in Lloyd's / LIC.
I21	<b>US Federal Excise Tax</b>	There will be an impact on US FET reporting if the Part VII transaction is conducted in USD. Will the reinsurance premium be subject to tax?	Lloyd's Tax team have confirmed that US Federal Excise Tax will not be charged on the transfer amount as a result of choosing to conduct the transfer in USD – the transaction currency should not be relevant in this case.

## Glossary of Terms

## Part VII Programme - Glossary

Acronym	Description
<b>APIX</b>	Advanced Premium Input at Xchanging
<b>BAU</b>	Business as Usual
<b>CH</b>	Coverholder
<b>COR</b>	Claims Office Reference
<b>DA</b>	Delegated Authority
<b>DC/DQ</b>	Data Consumption and Data Quality
<b>EEA</b>	European Economic Area
<b>ECF</b>	Electronic Claim Files
<b>EU</b>	European Union
<b>FAQ</b>	Frequently Asked Questions
<b>FIL</b>	Foreign Insurance Legislation code
<b>GL</b>	General Ledger
<b>LB</b>	Lloyd's Brussels/Lloyd's Insurance Company S.A.
<b>LBRRAD</b>	Lloyd's Brussels Regulatory Reporting and Actuarial Datamart
<b>LDR</b>	Lloyd's Direct Reporting
<b>LIDS</b>	Lloyd's Insurance Data Systems

Acronym	Description
<b>LORS</b>	Lloyd's Outwards Reinsurance System
<b>MA</b>	Managing Agent
<b>PAS</b>	Policy Administration System
<b>RI</b>	Reinsurance
<b>RLT</b>	Risk Locator Tool
<b>SCM</b>	Syndicate Claim Message
<b>STFO</b>	Lloyd's Settlement and Trust Fund Office
<b>TPA</b>	Third Party Administrator
<b>UCR</b>	Unique Claims Reference
<b>UMR</b>	Unique Market Reference
<b>UK</b>	United Kingdom
<b>USM</b>	Underwriters Signing Message
<b>VAT</b>	Value Added Tax
<b>XIS</b>	Xchanging Insurance Services

## Part VII Programme – Data Glossary

Acronym	Description
<b>IQN data</b>	All live and expired policies and open claims since 1993 Provided by MAs in July 2019, with a refresh planned in 2020 (TBC)
<b>Notifications Control List (NCL)</b>	MA data, as provided to IQN, to be used to determine which policyholders will need to be notified of the transfer, including: Policyholders of expired policies subject to Line of Business specific look-back periods; policyholders with open claims and policyholders with policies active at scheme effective date Finalised in March 2020
<b>Part VII Master List (ML)</b>	The ML will be created from the final version of the IQN dataset once Part VII transfer Segmentation Logic has been applied and agreed by the respective Syndicates The agreement of the segmentation will take place from March onwards
<b>Operational data submission - Initial load</b>	Includes all live policies and open claims Submitted via the DC/DQ portal from June (dry runs) with at-transfer date position submitted in early November
<b>Operational data submission - Monthly update files</b>	Transactions / movements on transferring policies and open claims / new claims related to transferring policies and newly identified transferring policies Submitted on a monthly basis post transfer