

# Blueprint Two

## Working Session

24 June 2024



# Agenda

	<b>Opening remarks</b>	Bob James
14:00 – 15:25	<b>Progress update</b>	Chris Halbard
	<b>Data copy &amp; cutover activities</b>	Teresa Jennings & Alvaro Montenegro
	<b>Regulatory notification, assurance &amp; market engagement</b>	David Sansom & Hannah-Kate Smith
15:25 – 15:40	<b><i>Break &amp; move to spotlight sessions (10 or 15-minute break between sessions)</i></b>	
15:40 – 16:05 /	<b>Spotlight session: testing &amp; Vanguard</b>	Kerry Rainer
16:20 – 16:45 /	<b>Spotlight session: data copy &amp; cutover activities</b>	Teresa Jennings, Alvaro Montenegro & Steve Stinson
16:55 – 17:20	<b>Spotlight session: regulatory notification, assurance &amp; market engagement</b>	David Sansom & Hannah-Kate Smith
17:20 – 17:30	<b>Closing remarks</b>	Chris Halbard, Bob James & Matt Unsworth
17:30 – 19:00	<b><i>Drinks &amp; canapés</i></b>	

# Opening remarks & progress update



**Chris Halbard**  
CEO, Velonetic



**Bob James**  
COO, Lloyd's



# Phase one digital services postponed to ensure a safe cutover

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As we progress the delivery of Blueprint Two, we've faced challenges which have **impacted our timelines**, particularly with testing. In light of these setbacks, **the planned cutover to phase one digital services originally set for October 2024 will be delayed.**

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**Market testing of the new platform is progressing** but running eight weeks behind, driven by onboarding and integration issues. **We're confident we can resolve defects quickly** and encourage the market to **keep momentum** with their own testing schedules.

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**We will only cutover to phase one digital services once it is safe to do so** and we are satisfied a number of key activities have been completed or are near completion. Only then will we decide a new cutover date, informed by market feedback.

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Between now and year end, we'll focus on those key activities:

- **Delivering the technology build** safely
- **Testing the new services**, training and onboarding users
- **Providing assurance** to market participants
- Ensuring **internal governance** and decision making to sign the new agreement and **notifying the regulator**



# Velonetic are committed to ensuring a safe cutover

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**Setbacks have impacted our timelines** and **eroded the contingency from our plan**; the October cutover has been postponed as it is no longer viable



We've experienced **onboarding issues with Vanguard and blocking defects** such as DRI; we're overcoming these before commencing with mass testing



**SIT and UAT testing have progressed through cycles 1 and 2** with cycle 3 to commence shortly, yet we recognise the frustration experienced with market testing



Velonetic Board and shareholders, Lloyd's Council and the market associations have agreed **we will only cutover once it is safe to do so**, and once a number of key activities have been completed or near-completed



**We're implementing lessons learned** by optimising capacity, increasing plan contingency and enhancing the detailed oversight of planning, delivery, and execution as we move forward



**Testing and training are essential to landing a safe cutover**; we'll support you by issuing a new testing plan soon



# After initial issues with Vanguard, testing is starting to progress

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## SIT and UAT testing



### Cycle 1 and 2 functionality is well progressed

- Pass rates are > 60% on new drops and > 90% on full-stack re-tests
  - Majority of defects have been resolved within a week
  - Passed tests included premium signing, queries, claim signing & settlements
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## Vanguard testing



### Following early setbacks, majority of onboarding now complete and DRI issue resolved

- Now focused on completion of 12 controlled test journeys
  - 2 submissions channels (DRI and IMR) for 3 markets (ILU, LIRMA, Lloyd's)
  - Both premiums and claims prior to mass testing
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## Vendor testing



### There are 20 vendors within Vanguard

All vendors are now onboarded and are testing connectivity for a mix of messages:

- 16 vendors subscribed to EDI, 11 vendors subscribed for DRI, 6 vendors subscribed for WB, and 6 vendors subscribed for CWT
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## LIMOSS coordinated testing



### After initial issues, onboarding is progressing with 95% contracts signed (69 of 73)

- 51 onboarding forms checked
- Set-up of parties ongoing



# How we'll move the programme forwards

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- 1** | **Cutover planning is progressing**, using the extra time to **de-risk** and plan in more detail (e.g. settlement calendars, access blocks, controlled launch detailing)
- 2** | **Data copy planning**, with more emphasis on **detailing assurance** and functional testing approach well ahead of time
- 3** | **Vanguard is starting to deliver value**, catching issues in tandem with UAT and before wider customer testing commences
- 4** | **Training is progressing**, with e-learning as well as face-to-face options available for market participants
- 5** | **Communication and engagement continues**, with updates on where we are and how things are evolving



# What we need from you

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## Maintaining testing momentum

Uncovering defects early gets us to the confidence line quicker, and a revised testing plan will be shared soon



## Collaborating on cutover planning

Including settlement calendars, black-out planning and dress rehearsals



## Engaging through the EC10 communities

Reprioritise readiness activities with your engagement partner, in light of latest update



# Data copy & cutover activities



**Teresa Jennings**  
Operations Director,  
Velonetic



**Alvaro Montenegro**  
Product & Technology  
Director, Velonetic



# Data copy and cutover progress update

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**Robust testing and assurance plan for data copy in place**



**Cutover plan available; communications plan ready for July publication**



**Paper-based rehearsals held on 14 May and 20 June**



**Submissions block approach agreed and plan amended**



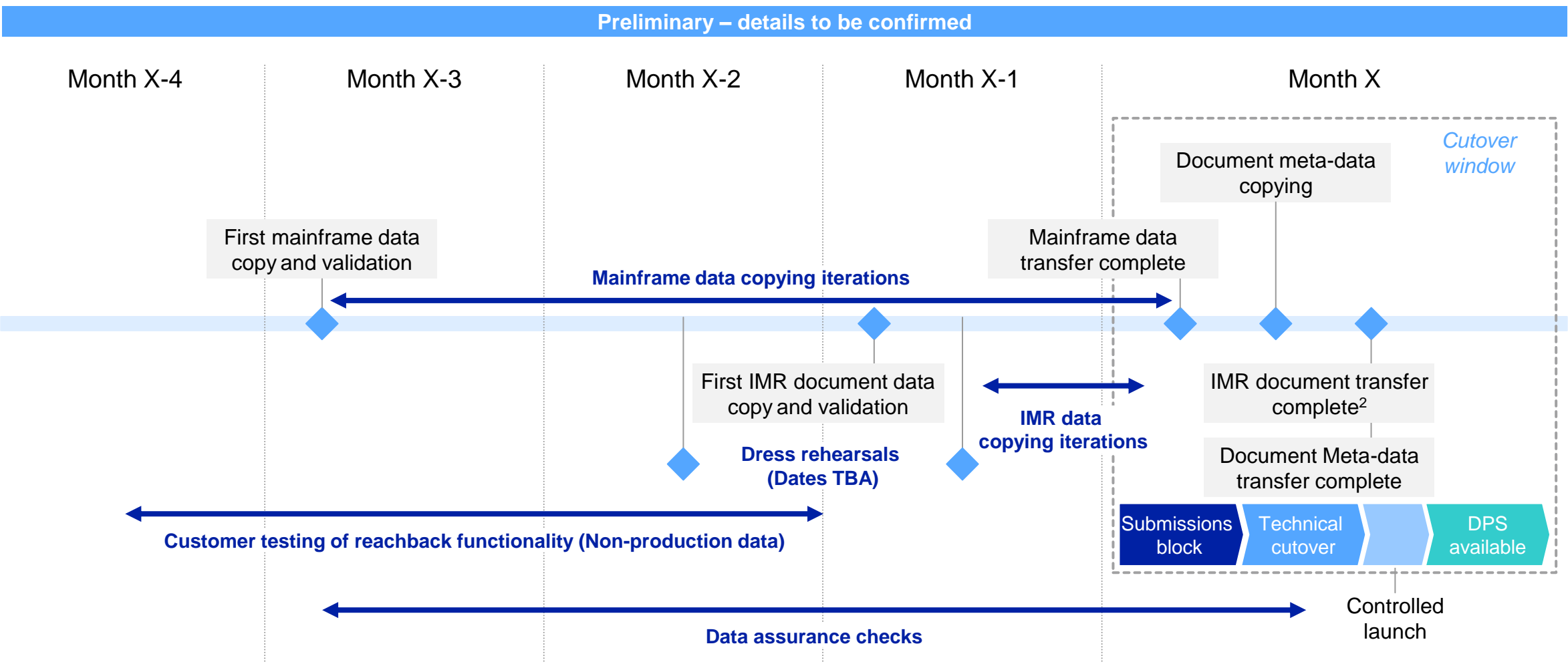
**Controlled launch criteria progressing to identify partners**



**Customer journey drafted in conjunction with market associations**

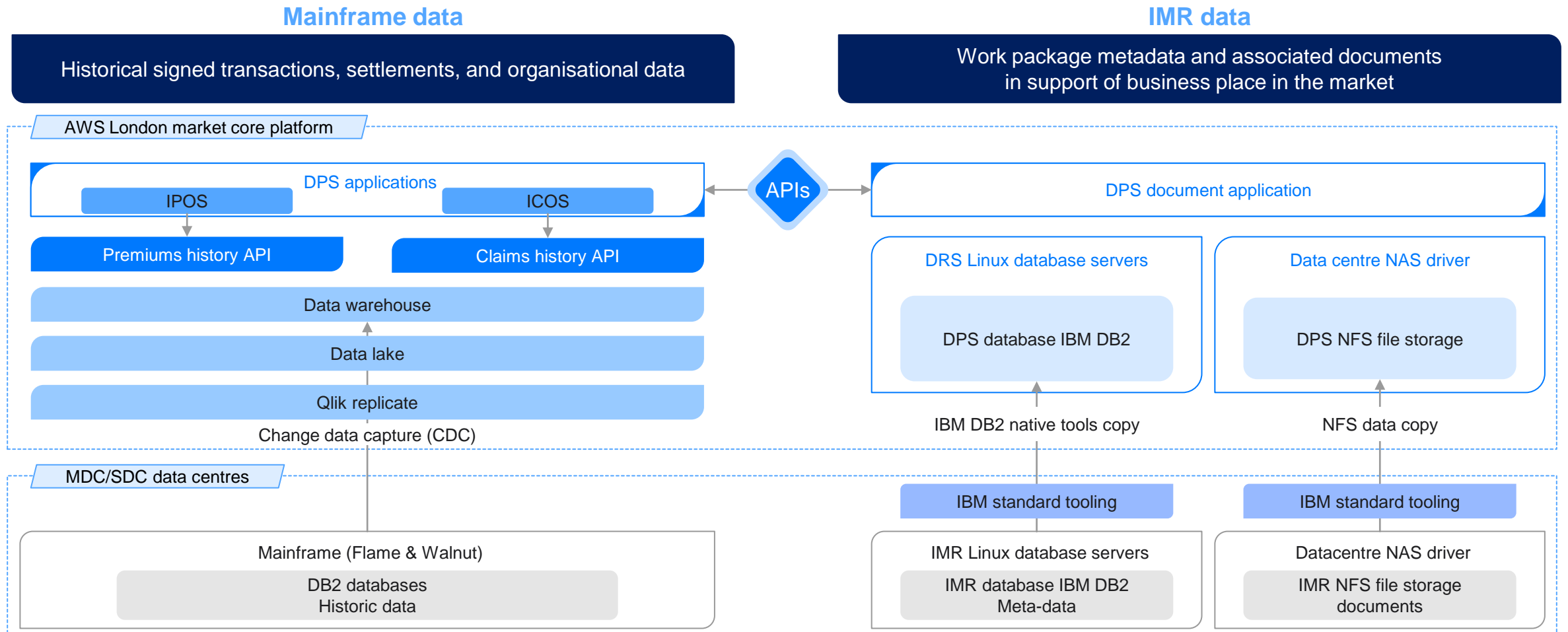


# Data copy and assurance supports a safe cutover








# We'll copy over different types of data





# Robust testing process to provide assurance

	 Checks will include:	 Will I be able to check my own data?	 When will testing occur?
<b>Velonetic quantitative testing</b> (historical data only)	Table numbers, row counts, summation of key values, key fields	Completed by Velonetic and with an attestation report from PwC	Monthly tests from initial data copy to final technical cutover; after each incremental data copy and dress rehearsal
<b>Velonetic qualitative testing</b>	Production of reports, manual sampling (including in-flight transactions), and information comparison	Reports produced for Velonetic qualitative checks will also be sent to customers	
<b>Customer testing in Vanguard, LIMOSS CCT or enhanced CT</b>	Using the reachback functionality, customers will be able to test copied data	Customers will be able to check test data migrated from the mainframe test environments	During customer testing cycles



## What other assurance will be provided?

- Dress rehearsal documentation, verified by the external PwC assurance review
- Governed by relevant terms of FERN agreement and governance model
- See cutover plans and execution work groups for more information



# Communications and engagement to support cutover



**Blueprint  
Two Q&As**  
Monthly



**Cutover  
walkthroughs**  
August 2024



**Cutover  
workshops**  
August 2024



We'll hold a series of walkthroughs of the cutover plan in the run-up to cutover

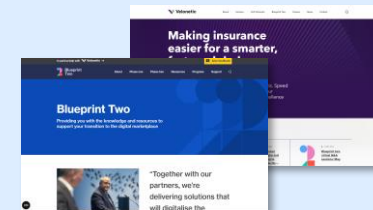


We'll hold four cutover workshops for premiums, claims, settlements and contingency



We'll share our communications plan in July 2024

## Resources available to support








Velonetic and Blueprint Two websites



Cutover plan



# Paper-based rehearsals complete, two dress rehearsals planned

	 Paper-based rehearsal 1 (completed)	 Paper-based rehearsal 2 (completed)	Dress rehearsal 1	Dress rehearsal 2
 Date	14 May	20 June	24 to 26 Aug (UK bank holiday)	To be confirmed (moved from 25 May)
 Activity description	Teams walked through their daily and hourly activities to be completed during cutover period	Validation of amended plan, focused on rollback & fix-forward, incorporating Lloyd's operational resilience plans	Dress rehearsal to simulate the technical cutover	Dress rehearsal to simulate the technical cutover
 Customer / market impact	Full access – no customer or market impact	Full access – no customer or market impact	No systems available for the duration of the dress rehearsal – no customer or market impact due to bank holiday	No systems available for the duration of the dress rehearsal – potential impact to customer and market due to service blackout day



Observed by PwC as QAA partner



# Claim submissions will be possible during the submission block

## Three key features of submission block



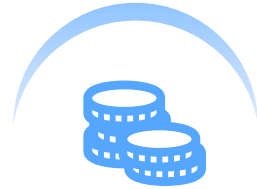
### Brokers & carriers:

Claims\* can continue to be submitted and processed during the submission block



### Velonetic:

We'll continue to reduce work in progress prior to technical cutover



### All:

Last settlement date is the final date of the submission block

## What does this mean?

- All claims, \*except LORS, Statics and Prop Treaty, can be submitted during the submission block
- Minimises disruption for claims
- New premium submissions will not be possible during the submission block

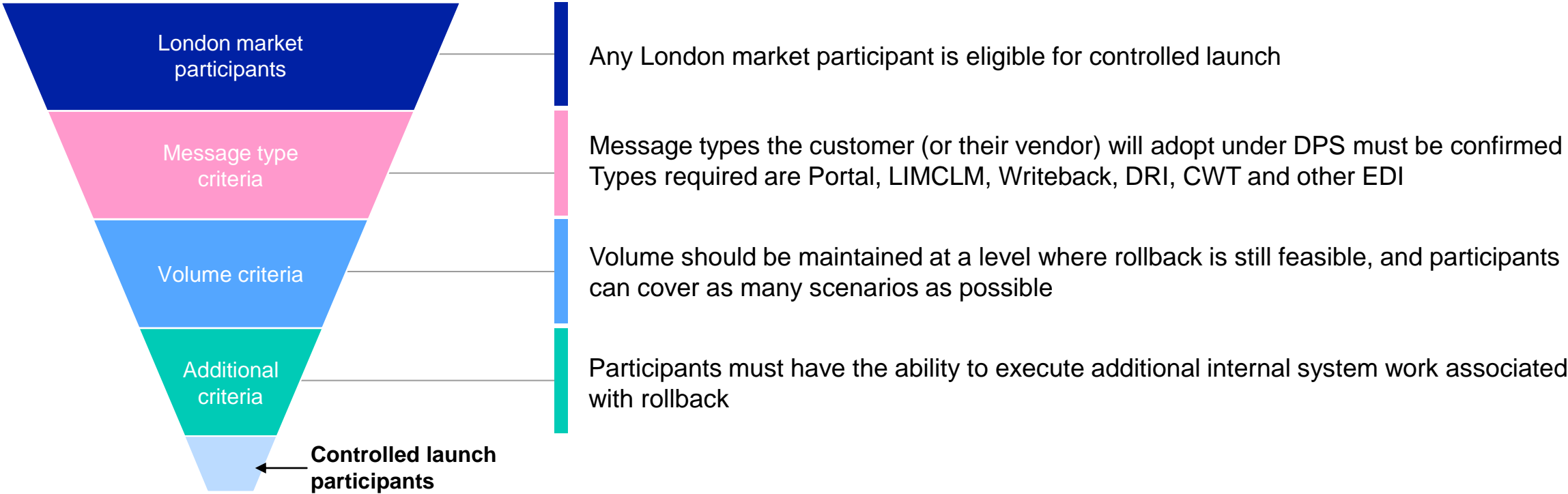




# Participant selection criteria for controlled launch

We've identified the test scenarios, message types and workload requirements for the controlled launch

Our selection criteria will be based on the following:





# Customer view of broker capabilities

		Pre-submission block		Submission block			Technical cutover			Controlled launch	DPS available	
Capability		X-9	X-8	X-7	X-6	X-5	X-4	X-3	X-2	X-1	X	X+1
Claims	Submit a claim	Available	Available	Available	Available	Available with restricted hours	Not available	Not available	Not available	Available with restricted hours	Available	Available
	Action queries	Available	Available	Available	Available	Available with restricted hours	Not available	Not available	Not available	Available with restricted hours	Available	Available
	Submit corrections	Available	Available	Available	Available	Available with restricted hours	Not available	Not available	Not available	Not available	Available	Available
Premiums	Release delinked premiums	Available	Available	Available	Available	Available with restricted hours	Not available	Not available	Not available	Available with restricted hours	Available	Available
	Action queries	Available	Available	Available	Available	Available with restricted hours	Not available	Not available	Not available	Not available	Available	Available
	Submit premiums	Available	Available	Not available	Not available	Not available	Not available	Not available	Not available	Available with restricted hours	Available	Available
Both	Receive signing messages	Available	Available	Available	Available	Available	Available with restricted hours	Not available	Not available	Not available	Available	Available

\*NB. Claims excluding LORS, Static Prop Treaty & SCAP

Key:  Available  Available with restricted hours  Not available



# Customer view of carrier capabilities





		Pre-submission block		Submission block			Technical Cutover			Controlled Launch	DPS available	
Capability		X-9	X-8	X-7	X-6	X-5	X-4	X-3	X-2	X-1	X	X+1
Claims	Agree claims	Available	Available	Available	Available	Available with restricted hours	Not available	Not available	Not available	Available with restricted hours	Available	Available
	Action queries	Available	Available	Available	Available	Available with restricted hours	Not available	Not available	Not available	Available with restricted hours	Available	Available
Both	Receive settlement report (USM & SCM)	Available	Available	Available	Available	Available	Available with restricted hours	Not available	Not available	Not available	Available	Available

\*NB. Claims excluding LORS, Static Prop Treaty & SCAP

Key:  Available  Available with restricted hours  Not available



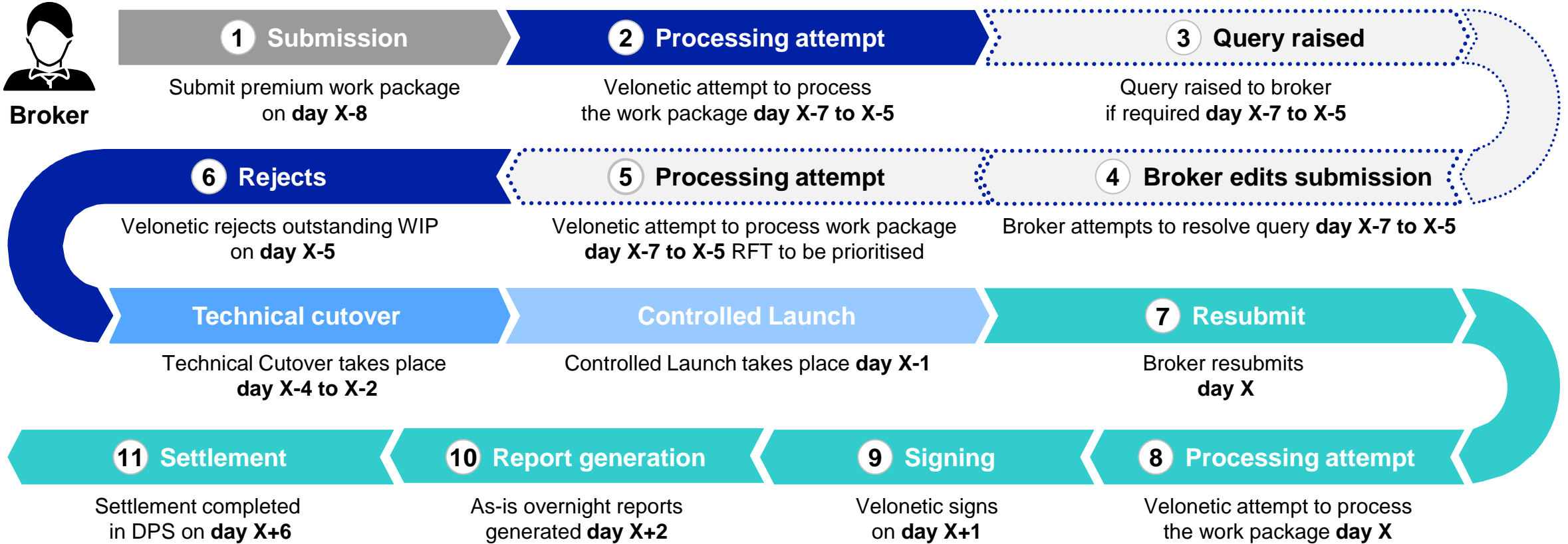
# Customer view of applications and services available during and after submissions block

	 Submission Block	 Technical Cutover	 Controlled Launch	 DPS Available
Available	<ul style="list-style-type: none"><li>• IMR Services</li><li>• WriteBack Service</li><li>• DRI services</li><li>• XIS Workflow service - BPS only</li><li>• XOMP - BPS Only</li><li>• XCS Class - BPS only</li><li>• Elective service (PAS / PBS)</li><li>• ECF service</li><li>• E-accounts service</li><li>• Claim services (CASA/DMS)</li><li>• DFV Service</li><li>• Messaging Services - Batch/online</li><li>• Insurance Portal / Knowledgebase</li><li>• Tracker</li><li>• Reporting Services</li><li>• Mainframe Services</li><li>• Robotic Services</li></ul>	N/A	<ul style="list-style-type: none"><li>• All DPS applications used to deliver the whole catalogue detailed in the DPS agreement.</li><li>• Open only for a selected group of customers.</li></ul>	<ul style="list-style-type: none"><li>• All DPS applications used to deliver the whole catalogue detailed in the DPS agreement.</li><li>• Open to all customers.</li></ul>
Not available	N/A	<ul style="list-style-type: none"><li>• IMR Services - online / background</li><li>• WriteBack Service</li><li>• DRI service</li><li>• XIS Workflow service - BPS only</li><li>• XOMP - BPS Only</li><li>• XCS Class - BPS only</li><li>• Elective service (PAS / PBS)</li><li>• ECF service</li><li>• E-accounts service</li><li>• Claim services (CASA/DMS)</li><li>• DFV Service</li><li>• Messaging Services - Batch/online</li><li>• Insurance Portal / Knowledgebase</li><li>• Tracker</li><li>• Reporting Services</li><li>• Mainframe Services</li><li>• Robotic Services</li></ul>	<ul style="list-style-type: none"><li>• WriteBack Service</li><li>• DRI service</li><li>• XIS Workflow service - BPS only</li><li>• XOMP - BPS Only</li><li>• XCS Class - BPS only</li><li>• Elective service (PAS / PBS)</li><li>• ECF service</li><li>• E-accounts service</li><li>• Claim services (CASA/DMS)</li><li>• DFV Service</li><li>• Messaging Services - Batch/online</li><li>• Insurance Portal / Knowledgebase</li><li>• Tracker</li><li>• Mainframe Services</li></ul>	<ul style="list-style-type: none"><li>• WriteBack Service</li><li>• DRI service</li><li>• XIS Workflow service - BPS only</li><li>• XOMP - BPS Only</li><li>• XCS Class - BPS only</li><li>• Elective service (PAS / PBS)</li><li>• ECF service</li><li>• E-accounts service</li><li>• Claim services (CASA/DMS)</li><li>• DFV Service</li><li>• Messaging Services - Batch/online</li><li>• Insurance Portal / Knowledgebase</li><li>• Tracker</li><li>• Mainframe Services</li></ul>



# Premiums customer journey during cutover

Scenario: Original premium submitted before the submission block - Query raised

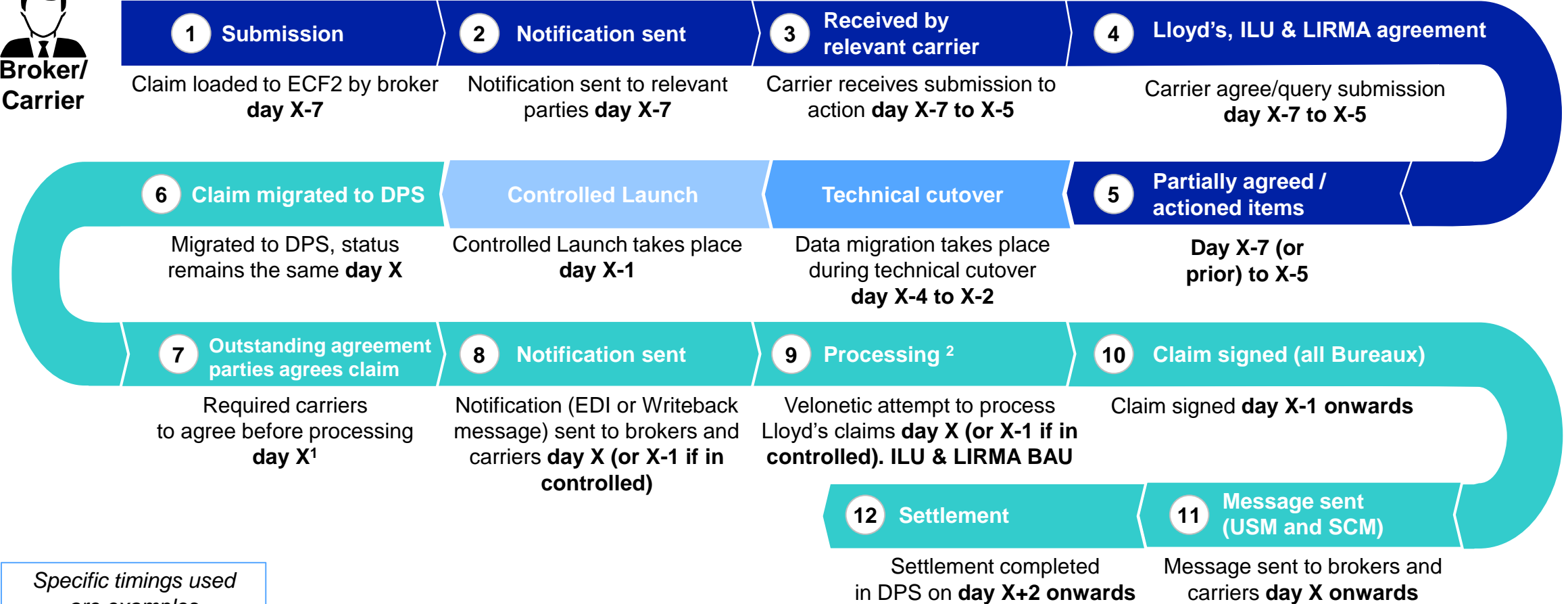


**Key:** Pre-submission block | Submission block | Technical cutover | CL | DPS available | Query activity | Cutover stage

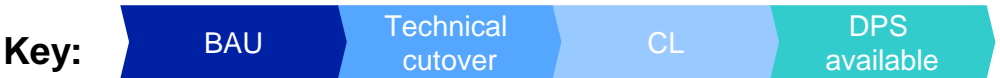


# Claims customer journey during cutover

Scenario: Claim submitted before Technical cutover but not fully agreed/actioned



Specific timings used are examples



1. Date of carrier agreements beyond Velonetic control, estimated dates provided; 2. Assumed no query arises



# What's coming next

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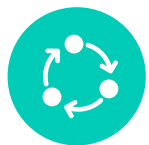
**Progress controlled launch plans including customer engagement**



**Continued iterations of mainframe data copying and assurance checks**



**Share communications plan and hold cutover walkthroughs and workshops**



**Publish customer journey addendum to cutover plan**



**First full dress rehearsal: 24 – 26 August**

# Regulatory notification, assurance & market engagement



**David Sansom**  
Chief Risk Officer,  
Lloyd's



**Hannah-Kate Smith**  
Operations & Engagement  
Director, Lloyd's





# The governance activities you should be considering

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The programme will set out the key dates and milestones in relation to these:



**Critical dates for governance linked to the milestone cutover plan, and associated needs for internal meetings and sign off at individual firms**



**Topics for discussion, approval and review in line with the regulatory notification process**



**Outlining Lloyd's approach to support your own governance, including the curation of evidence for assurance and the drafting of guidance materials to support you**



**Suggesting 'no regrets moves' which you can action now to aid your preparation for cutover**

Lloyd's will provide support and guidance, but ultimately how you navigate your internal governance is up to each individual business to determine



# Submitting the regulatory notification

The regulatory notification is a **market-wide material outsourcing notification (MON)** that Lloyd's will submit on behalf of all managing agents to the regulators. The notification informs the regulators of **significant changes to outsourcing arrangements** with the market.



BANK OF ENGLAND  
PRUDENTIAL REGULATION  
AUTHORITY

## Updating the regulators of change in material outsourcing arrangements

Lloyd's has agreed with the PRA and FCA that a **single, consolidated, market-wide MON** will be submitted by the Corporation on behalf of all managing agents for DPSA services.



## Developing a template and framework for the notification

Lloyd's has developed the framework and template for the notification. We plan to **share sections of this template and related documentation** with the regulators – and the market – on an iterative basis.



## Submitting the notification to the regulators

We intend to **submit the notification at least four weeks ahead of managing agents signing their Termination Letter**. We will ask managing agents to confirm support for this consolidated submission.



# Cutover governance and regulatory sequencing

## Signing of the DPSA

DPSA and scope of services

Termination Letter

Blueprint Two timeline and plan

Data room assurance artefacts and Q&A function

## Submission of the MON

MON notification framework and template

Resolution of any regulatory queries

SMF confirmation to Lloyd's

Data room assurance artefacts and Q&A function

## Signing of the Termination Letter

Completion of any residual risk assessment and assurance queries

All legal checks complete

Board approval where relevant

Data room assurance artefacts and Q&A function



Evidence to consider

Ongoing testing, assurance and governance activity



# Supporting your firms & Boards through tailored engagement



**Dear CEO letter**  
**Dear COO letter**  
21 June



**Chair & Board briefings**  
June & July 2024



**C-suite testing & progress report**  
Fortnightly



**C-suite interaction**  
Fortnightly & 8 July

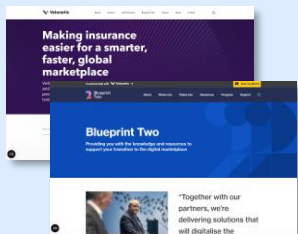


**Progress events & Q&As**  
Bimonthly



**1:1 firm engagement**  
Ongoing

## Resources available to support



**Velonetic and Blueprint Two websites**



**White paper and data room**



**Adoption guide and checklists**



**Onboarding guide**



**Training materials and sessions**

Approach informed and delivered in partnership with market associations

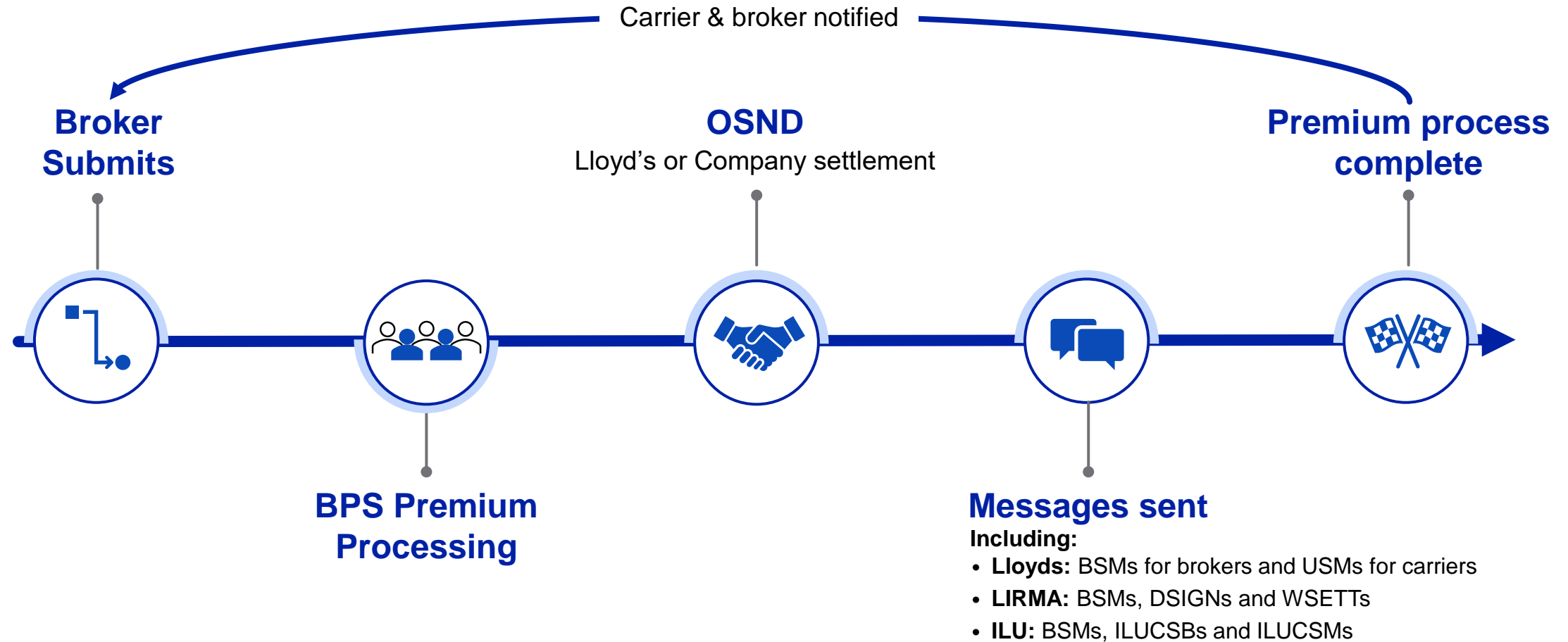
# Testing & Vanguard



**Kerry Rainer**  
Chief Strategy  
Director, Velonetic

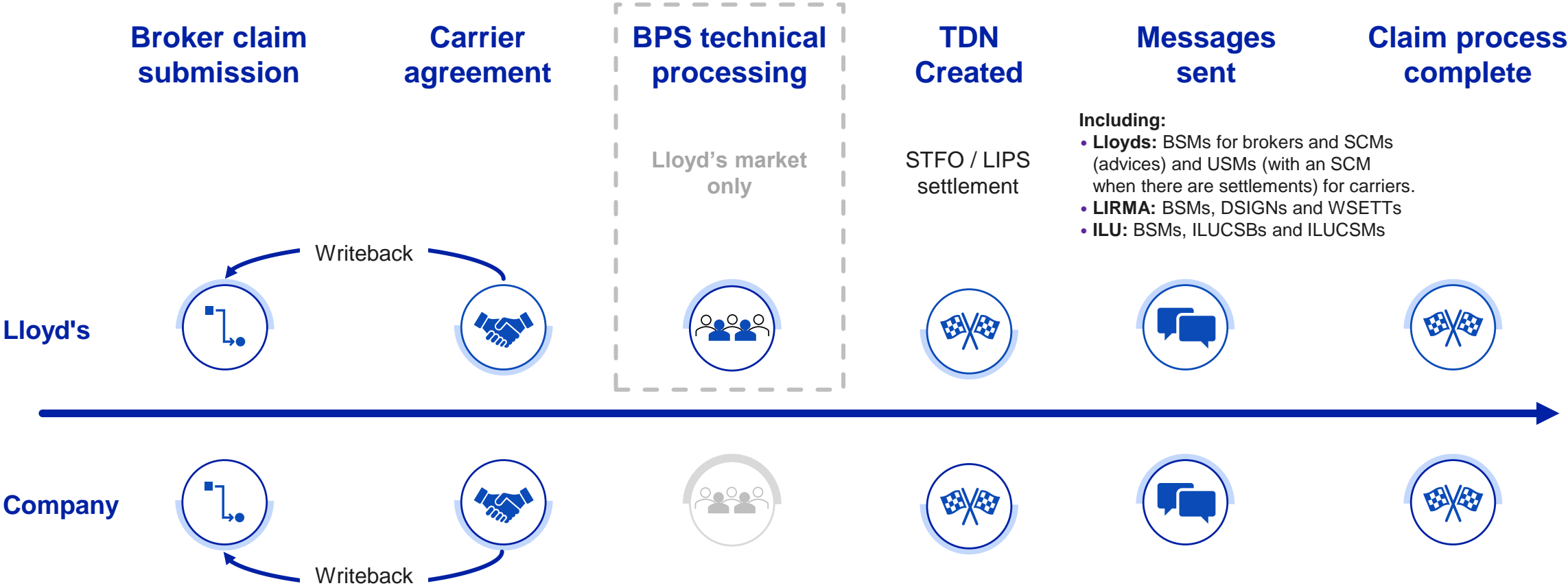


# Original premiums process flow





# Claims FNOL process flow



# Closing remarks





# Key resources to support cutover

1



## Adoption guide

Iterative guide with the latest information on key people, process and technology changes

2



## Model office

Interactive spaces on Galleries 3 and 4, facilitating adoption workshops led by Lloyd's and Velonetic engagement team

3



## Blueprint Two website

Refreshed website centralising all details and artefacts in one place

4



## Learning platform

Central repository with all training materials

5



## Vanguard programme

Sharing experiences and insights from Vanguard testing

6



## Market events

Ongoing events to share key information and actions required to adopt the new digital services

*Next event*

*Q&A: 8 July (in-person) and 11 July (virtual)*

**Supported by an experienced, collaborative Blueprint Two engagement and CRM team**