

LLOYD'S



Blueprint Two Re-plan update

12 September 2024



Agenda

Welcome and introductions

Bob James – CEO, Velonetic

Technology build and requirements update

Callum Gibson – COO, Velonetic

Testing framework

Kerry Rainer – Chief Strategy Officer, Velonetic

Market assurance and regulatory notification

Matt Unsworth – Transformation Director, Lloyd's

Q&A

Close

Bob James – CEO, Velonetic

Re-plan developed & underway following phase one postponement



On 21 June, we announced the **October 2024 phase one cutover would be delayed** and a **re-plan would be conducted with Velonetic shareholders** together with quality assurance partners

- The new cutover date will be bifurcated from delivery of the technology platform and testing framework



As part of that re-plan, a **new and experienced Velonetic leadership team** has been put in place



The re-plan aims to develop a clear view of:






- When the **technology build** will complete
 - How **testing will be structured**, as well as testing timelines
 - **Regulatory notification** and **market assurance** activities
 - How we'll set up **third party quality assurance** going forward
-



Key re-plan milestones are estimated as follows:

- Completing the technology build in **January 2025**
- Completing Vanguard testing in **Q1 2025**
- LIMOSS coordinated customer testing will not begin before **Q1 2025**

Progressing the technology build and testing, though setbacks have been encountered

-  We're **progressing with the technology build and have revised the testing framework, but setbacks have been encountered** given the sheer complexity of the existing platform and lack of documented processes
-  To manage this, we have built **contingency into the re-plan**, including around 8 weeks for the remaining technology build and 1 month for additional Vanguard testing
-  **2 out of 8 weeks of build contingency** has been used, with impact on notifications, IPOS and ICOS
-  The build sequences are now more **closely aligned to business scenarios** in the Vanguard test cycles, providing greater flexibility to avoid delays with testing
-  Vanguard testing is estimated to **complete in Q1 2025**, with a seventh Vanguard cycle planned as build contingency in case of delays to the build

A refreshed operating model to support programme delivery



- Resetting the Transformation Management Office (TMO) with all stakeholders engaged, and a transparent operating model to provide **end-to-end visibility for swifter risk mitigation** and **aid programme delivery**.
- We'll continue with our **regular suite of market communications and engagement activities to keep you updated**.

Our refreshed TMO will **de-risk the core elements of the programme needed to ensure a safe and secure cutover**.

This includes key deliverables such as:



Technology build



Onboarding



Testing



Market assurance



Training



Cutover plan



The revised TMO includes all Velonetic shareholders, the LMA and assurance partners, and will be led by Mark Tidy

Re-plan estimates core build to finish by mid Q1 2025 and customer testing by end of Q2 2025

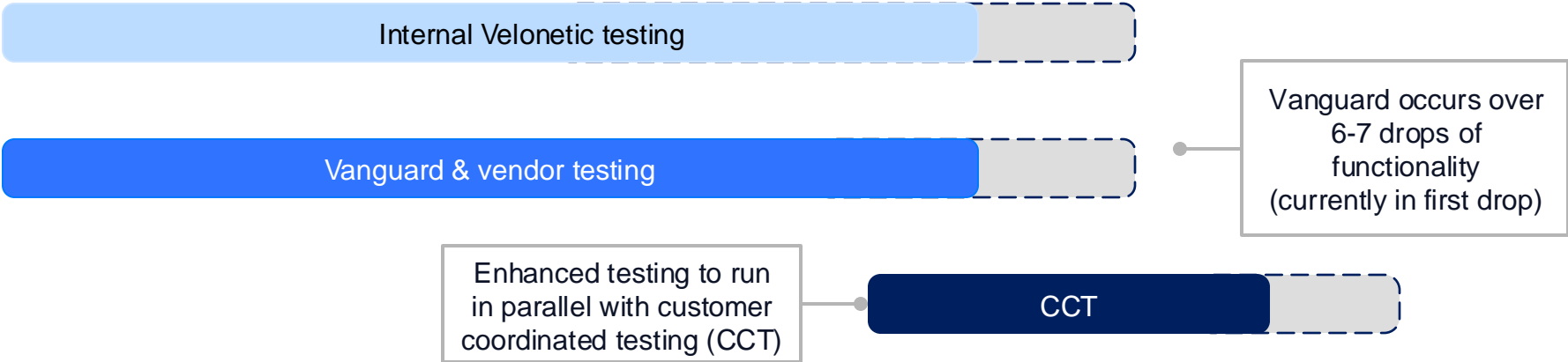
TIMELINES



1 BUILD¹



2 TESTING









Additional contingency built into plan 

1. Excludes some non-market facing functionalities

Complexity of technology build has impacted delivery timelines

Why did we need to re-plan?

-  **Operating model concerns**
-  **Requirement gaps**
-  **Team resourcing**
-  **Integration issues**
-  **Testing progress**
-  **Redefining of scope**

Re-plan highlights

- ✓ Completed in July 2024
- ✓ Includes contingency
- ✓ Forecast to complete in January 2025
- ✓ Build team is adequately resourced

Accelerators in the re-plan

- Updated build operating model
- Increased business analyst and architectural capacity
- Increased build capacity



Current build update

The build has used 2 weeks of contingency, due to:

- Delayed delivery of requirements and solutioning
- Underestimation of timelines
- Testing support

Use of contingency is stabilising and will continue as accelerators come into effect (expected by end of September)

Testing framework revised and aligned to re-plan

- A revised framework de-risks the testing programme, though milestones are still dependent on build delivery and quality.
- We're currently addressing areas including performance, EDIs and claims, reported through the new TMO structure.
- The three key changes include:



Reducing complexity across Vanguard cycles

- Vanguard testing is dependent on the timely delivery of the build, quality of the build and the volume of defects identified
- Test cycles have now been increased to six, spreading complex build delivery components across cycles
- A seventh Vanguard cycle has been added for build contingency, if required



Introduction of vendor test stream

- Vendors will test and validate EDIs, allowing Vanguard participants to focus on functionality testing
- Vendors will test mapping and validation of EDIs across vendor products and versions
- Both vendor and Vanguard participants will be brought together to complete end-to-end testing to enable sign off and assurance



Creating separation between Vanguard and CCT

- Vanguard will likely complete before CCT begins, allowing full end-to-end business scenarios to be tested
- The test plan is milestone-based, and CCT and enhanced testing will not start before Q1 2025
- CCT and enhanced testing participants will be provided with a near complete code set with minimal defects

Building market confidence to enable cutover governance and the regulatory notification process

We're making progress in setting out a clear view of the framework and sequencing for assurance, governance and regulatory notification activities such as the signing of the Digital Processing Services Agreement (DPSA), submission of the Material Outsourcing Notification (MON) and the activation of the Termination Letter.

The virtual data room, managed by Deloitte, is a key resource in building the confidence necessary for market assurance activity. It includes artefacts that will support governance and assurance over the transformation and are expected to be used by market participants to perform appropriate due diligence.



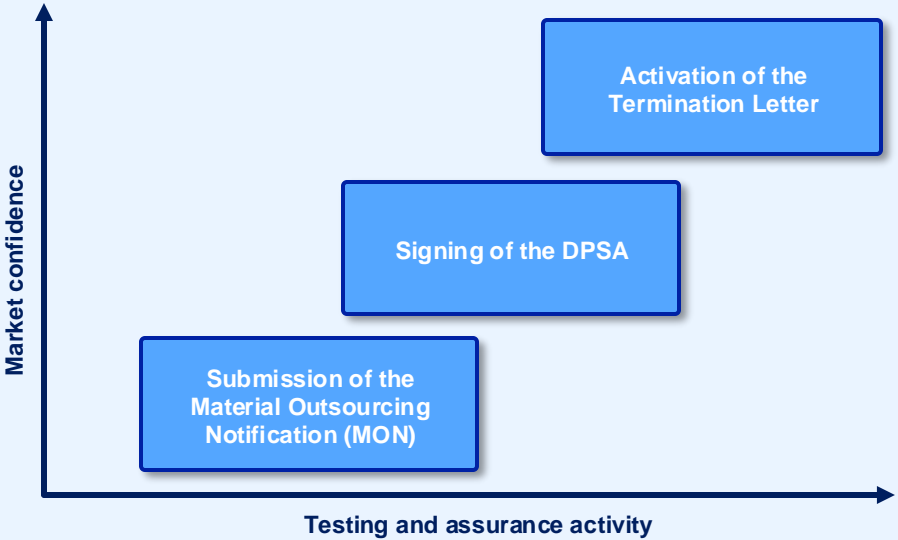
Testing reports and updates



Blueprint Two white paper



Lloyd's and market adoption readiness reports



Supporting the market through tailored engagement



C-suite interaction

- Fortnightly market progress report
- Fortnightly IUA and LMA COO engagement sessions



Market events

- Market events, including individual vendor briefings and managing agent CRO sessions
- Follow up Q&A sessions

7 October: Working Session (includes vendor briefing & managing agent CRO session)



Engagement partners

- One-to-one / one-to-few firm engagement
- Tailored for Blueprint Two champions



Testing communities

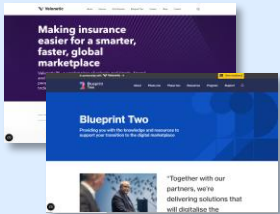
- Vanguard early adopters
- Coordinated customer testing (CCT)



Regular communications

- Quarterly progress updates
- Monthly newsletters

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

Q&A



Callum Gibson
COO,
Velonetic;
General Manager ISB
London Market,
DXC



Bob James
CEO,
Velonetic



Kerry Rainer
Chief Strategy Officer,
Velonetic



Matt Unsworth
Transformation Director,
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Thank you!

