

LLOYD'S



Blueprint Two

Working Session

7 October 2024



Agenda

	Opening remarks	Callum Gibson & Bob James
14:00 – 15:00	Technology build, requirements and testing	Ruan Ebersohn, Callum Gibson, Alvaro Montenegro & Kerry Rainer
	Regulatory notification, assurance and market engagement	David Sansom & Matt Unsworth
15:00 – 15:20	Break & move to spotlight sessions (15-minute break between each)	
15:20 – 15:50 / 16:05 – 16:35 /	Spotlight session: technology build and requirements	Ruan Ebersohn, Callum Gibson & Alvaro Montenegro
15:20 – 15:50 / 16:05 – 16:35 /	Spotlight session: testing and Vanguard	Linsey Cranfield, Sian Keeble & Kerry Rainer
16:35 – 16:45	Closing remarks	Callum Gibson, Bob James & Matt Unsworth
16:45 – 19:00	Drinks & canapés	

Opening remarks



Callum Gibson

COO, Velonetic

General Manager ISB

London Market, DXC



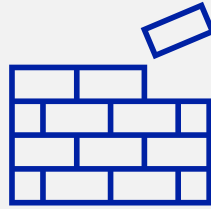
Bob James

CEO, Velonetic

Progress made since the re-plan



**Management
reset**



Build



Testing



**Transformation
Management Office (TMO)**



**Quality
assurance**



**Getting to the
finish line**

Resetting our programme management



Listen

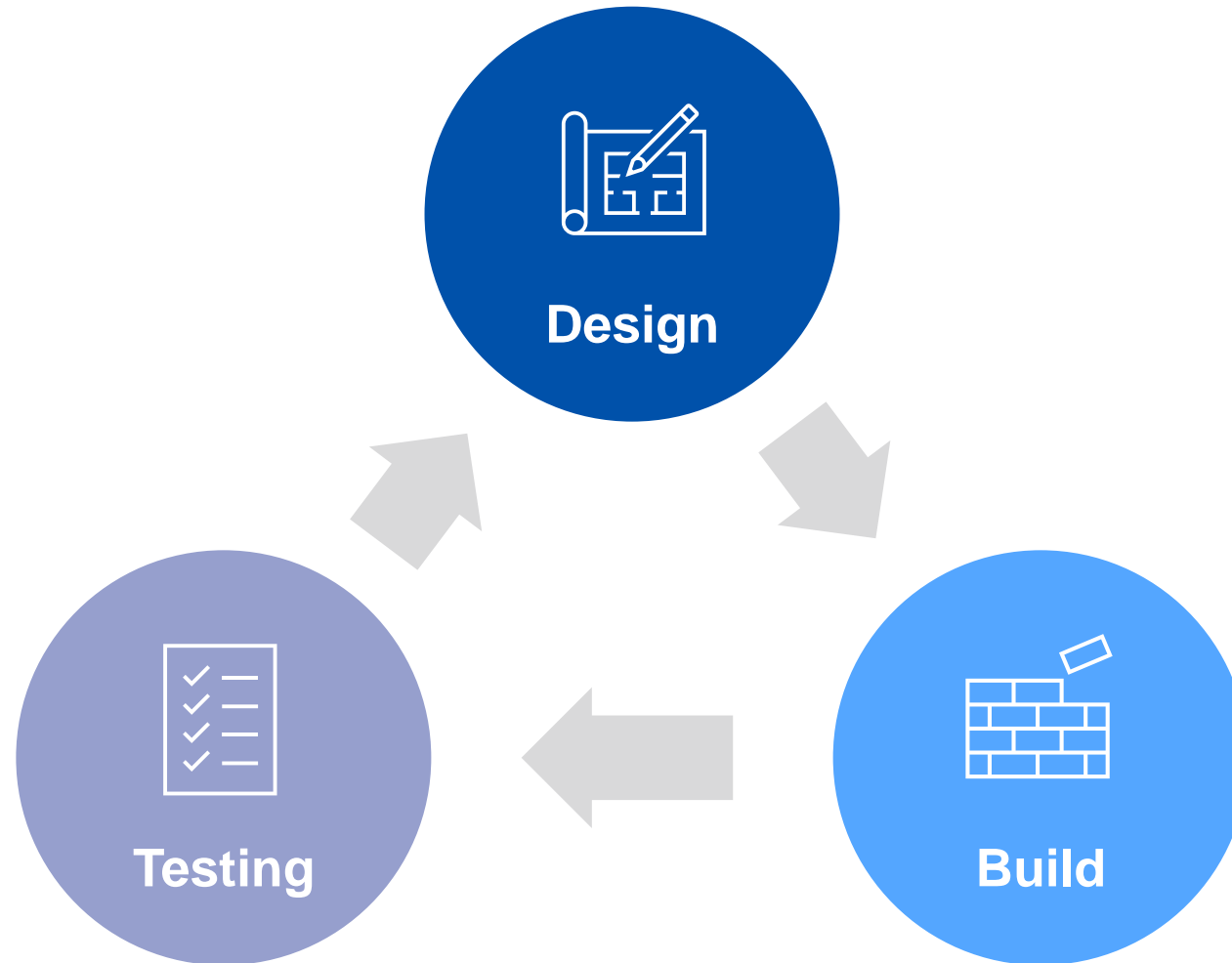


Learn



Act

Progressing the technology build and testing

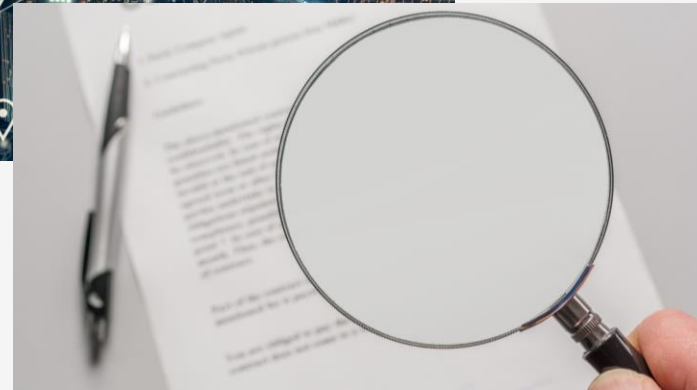


Updating our TMO and quality assurance processes



Getting to the finish line...

- ✓ **Transparency**
- ✓ **Communication**
- ✓ **Market acceptance**



Listen



Learn



Act

Technology build, requirements & testing



Ruan Ebersohn
Programme Director,
DXC



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









Alvaro Montenegro
Product & Technology
Director, Velonetic



Kerry Rainer
Chief Strategy
Director, Velonetic

Technology build and testing status

-  **The technology build is currently estimated to complete by Q1 2025.** Within the next month, we'll have a clearer view on whether the build will successfully complete by this date.
-  We've **updated the operating model and increased capacity** across the delivery team, and we're stabilising the backlog of requirements and solutioning.
-  **Testing has not proceeded as planned** with issues around platform performance, integration and EDIs. **We've revised the testing framework to de-risk the testing programme.**
-  **Eight Vanguard participants will recommence testing from mid-October. We don't anticipate broader Vanguard testing to start before January 2025.**
-  **By the end of October, we'll provide clarity on when Vanguard, CCT and enhanced testing will commence.** CCT and enhanced testing will not commence before the end of Q1 2025.
-  **We'll provide a 30 to 45-day lead time in advance of commencing any market testing,** providing ample time for market participants to stand up testing resource.

Regulatory notification, assurance and market engagement



David Sansom
Chief Risk Officer,
Lloyd's



Matt Unsworth
Transformation Director,
Lloyd's

The impact of the re-plan on market governance and sequencing of regulatory notification

We conducted a series of workshops to develop a consolidated, end-to-end re-plan to deliver phase one digital services. As part of this re-plan, we conducted a review on how we'll quality assure delivery, reporting and governance.

Key highlights of this review:



All quality assurance (QA) for both Velonetic and Lloyd's is now consolidated under one partner



QA will cover build, testing and readiness



QA partner's reporting lines streamlined across holistic programme



This new process will increase transparency across DXC, Lloyd's and Velonetic

The MON template documentation has continued to progress

The **Material Outsourcing Notification (MON)** template is continuing to develop, and a **guidance document** is being created to support your organisation with understanding the notification and associated responsibilities.

LLOYD'S **DRAFT**

4: MON Template

Completed ■ Requires additional info ■ Not finalised at point of notification ■

Section C

Response

Yes. The services outlined in the DPA design documentation have data in transfer.

Yes. Policy data including clients and processes may include personal data. Services will be performed in UK. Data will be stored in the UK under AWS UK.

Yes. Security to be implemented managed out of the vendor but every phase of work specific security needs.

Velonetic are adhering to AWS best practice in the Solution Design. Note that best practice information security provisions are seen as part of ongoing governance and best Data and technology will form part of our processes including change management.

LLOYD'S **DRAFT**

4: MON Template

Completed ■ Requires additional info ■ Not finalised at point of notification ■

Section B

Response

Yes. The services provided will encompass BS for all services and these are described within the DPA control. Data is performed under DPA as in the context of the relevant Managing Agents will have individually documented their need to maintain (including any necessary changes) that are essential to how they will have specifically requested. It has to separately notify the FRA / FCA for any services critical to the performance of BS delivered by Velonetic to agents of DPA services.

Yes. Policy data including clients and processes may include personal data. Services will be performed in UK. Data will be stored in the UK under AWS UK.

Yes. Security to be implemented managed out of the vendor but every phase of work specific security needs.

Velonetic are adhering to AWS best practice in the Solution Design. Note that best practice information security provisions are seen as part of ongoing governance and best Data and technology will form part of our processes including change management.

LLOYD'S **DRAFT**

4: MON Template

Completed ■ Requires additional info ■ Not finalised at point of notification ■

Section A	Response	Artefact	Responsible	Delivery Date	Areas of responsibility
A1	Business name	Velonetic			Lloyd's (1)
A2	Company registration number	2320718			Lloyd's (1)
A3	Registered address	10, York Road, London, EC3A 3DF			Lloyd's (1)
A4	Registered company name	Velonetic (UK) Limited			Lloyd's (1)
A5	Parent company name	Velonetic (UK) Limited			Lloyd's (1)
A6	Parent company name	Velonetic (UK) Limited			Lloyd's (1)
A7	Parent company name	Velonetic (UK) Limited			Lloyd's (1)
A8	Parent company name	Velonetic (UK) Limited			Lloyd's (1)
A9	Parent company name	Velonetic (UK) Limited			Lloyd's (1)
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A19	Parent company name	Velonetic (UK) Limited			Lloyd's (1)
A20	Parent company name	Velonetic (UK) Limited			Lloyd's (1)

Classification: Restricted

LLOYD'S

Material Outsource Notification Guidance

Guidance for Lloyd's Managing Agents for the MON for Velonetic (Ins-sure Holdings Ltd)

Version 1.0 | 10th September 2024

DRAFT

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11

The guidance document is under development and will be shared in due course

Revised cutover governance and regulatory sequencing

The **new sequencing follows 'best practice' by informing the regulator on the updated approach** we're taking before signing the DPSA and Termination Letter. This adjustment provides additional time to thoroughly test the system, ensuring a higher level of confidence prior to signing.

Delivering the exit plan

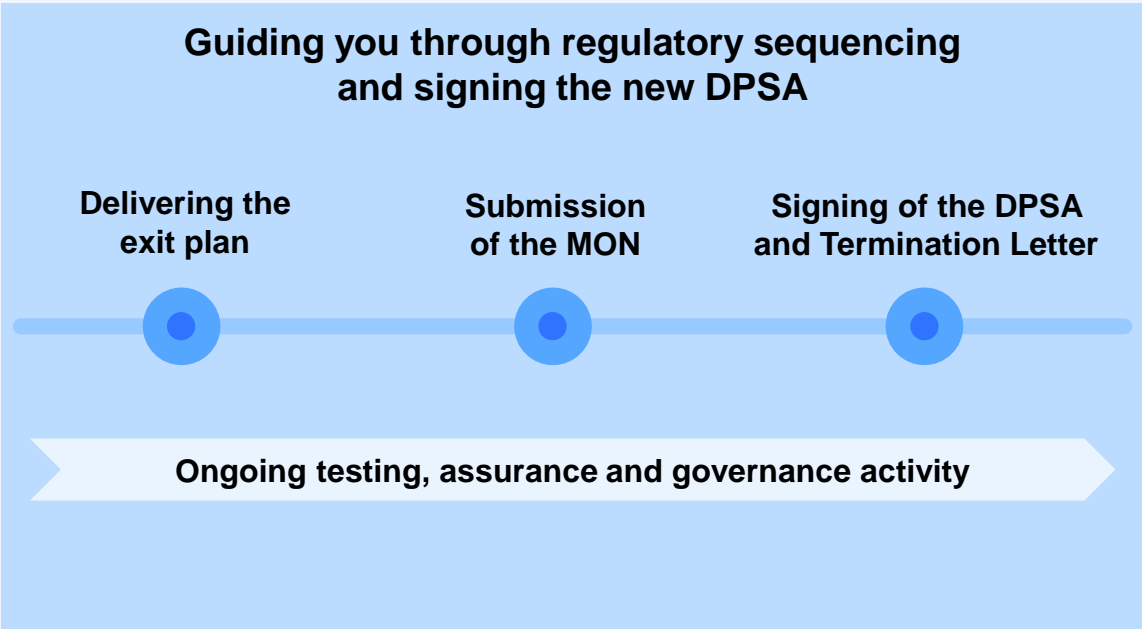
Submission of the MON

Signing of the DPSA and
Termination Letter

Ongoing testing, assurance and governance activity

Supporting your adoption journey

As we progress through key build, testing and assurance activity, it's important the **market feels confident to cutover to phase one digital services**. Lloyd's and Velonetic are committed to providing support, ensuring the market has the necessary information to be ready to adopt the new digital services – which includes regulatory notification, before signing the DPSA and Termination Letter.



How we'll support you

-  Testing
-  Training
-  Onboarding
-  Artefacts
-  MON guidance
-  Commercial support
-  Regular communication
-  Ongoing engagement

Spotlight session: technology build and requirements



Ruan Ebersohn
Programme Director,
DXC

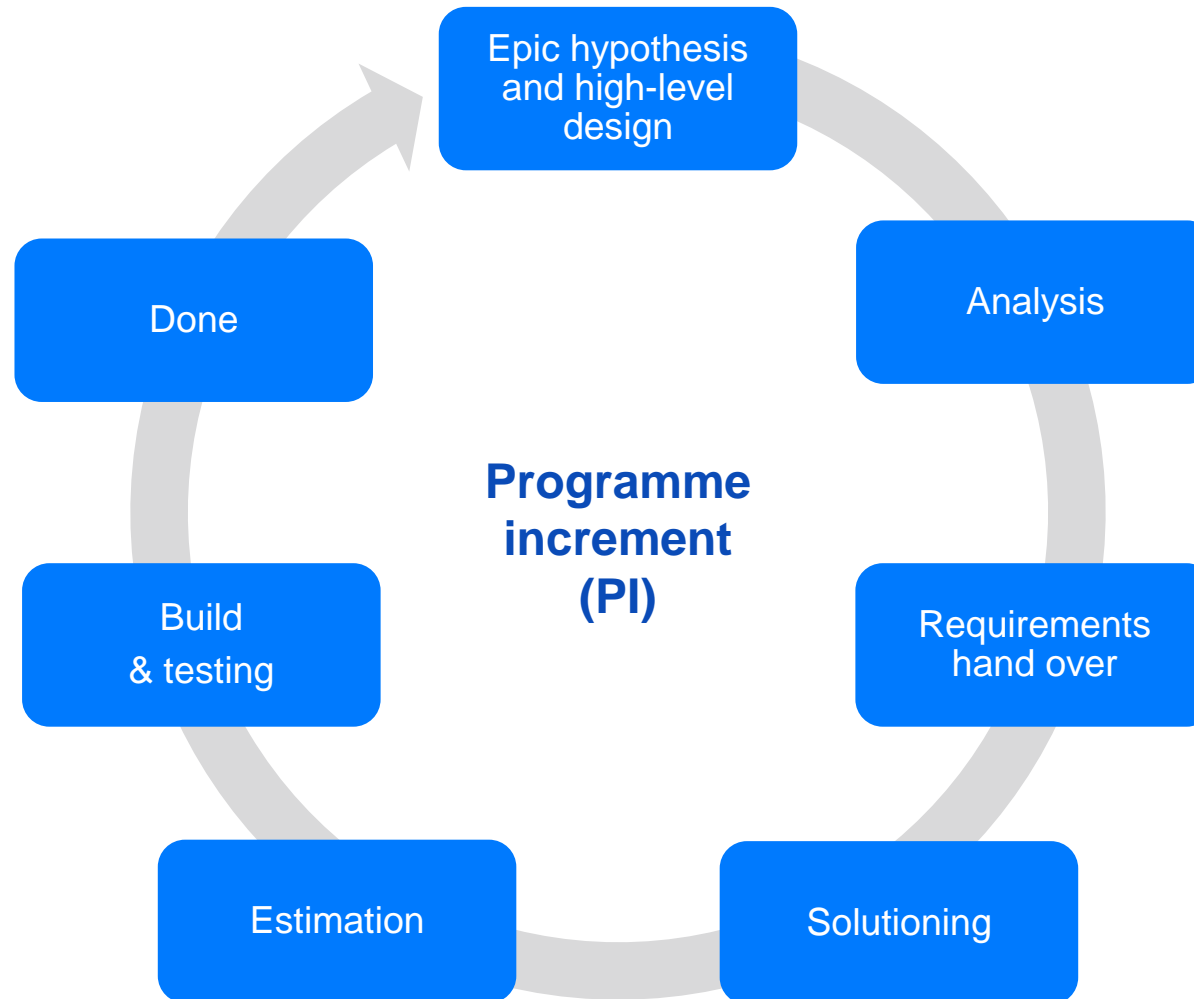


Callum Gibson
COO, Velonetic
General Manager ISB
London Market, DXC

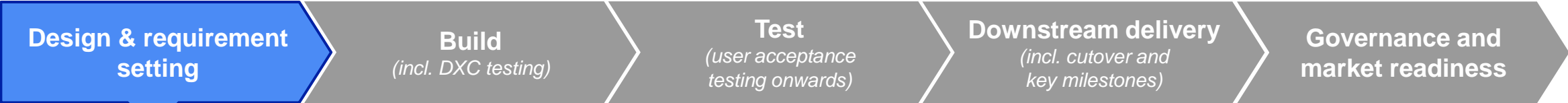


Alvaro Montenegro
Product & Technology
Director, Velonetic

To aid delivery, we've revised our operating model



How we gather requirements and design products



1. Business requirements

Velonetic team specifies business functionality required for each product, gathered from several sources:

- Original programme epics (signed off during mobilisation stage)
- Contract service definitions
- Operation process maps
- Reverse engineering of mainframe code or processes
- 3-in-a-box market feedback
- Individual key customer and vendor input
- Gaps found during analysis or testing phase
- Messaging and interfaces current specs

2. Solution definition

DXC team defines the build solution, which includes architectural designs and technical stories

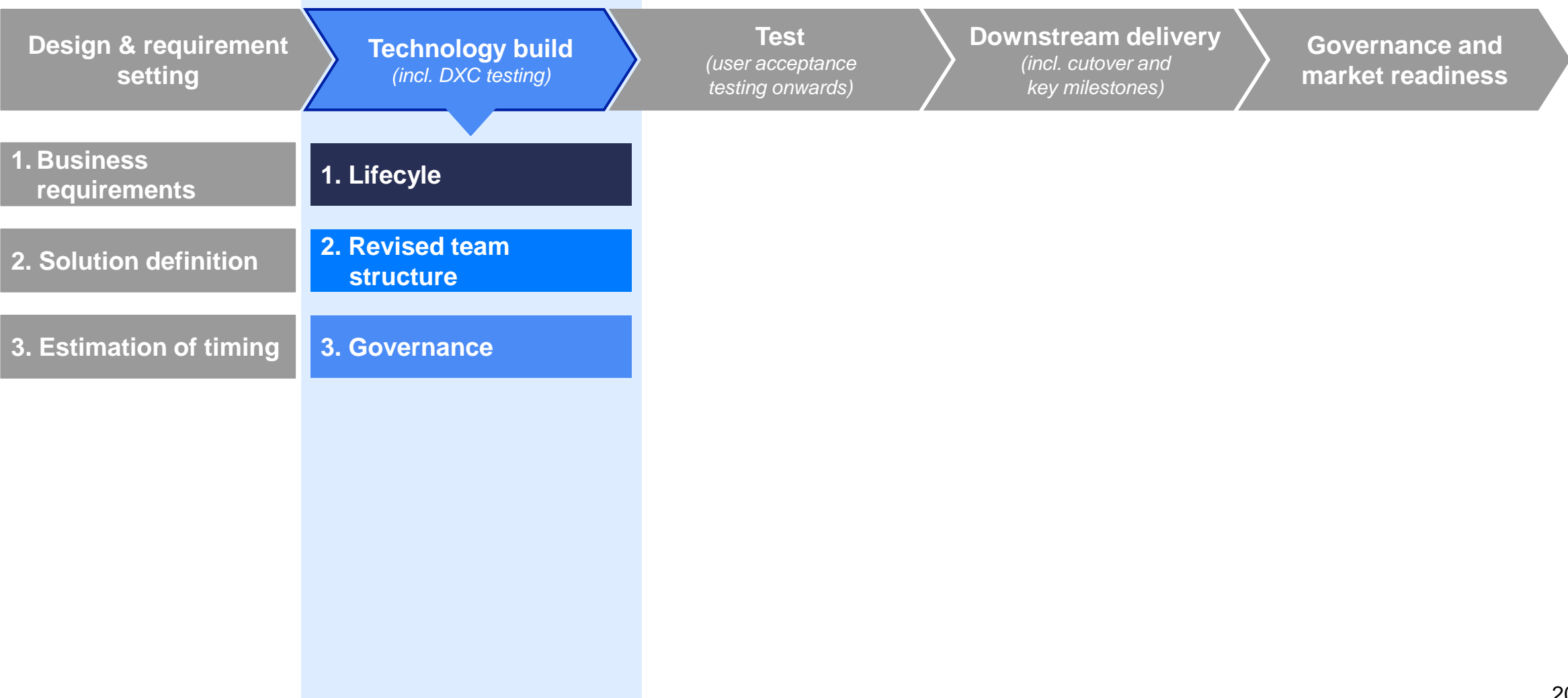
3. Estimation of timing

Once the technical stories are defined, the DXC development team provides a concrete timeline for delivery

Current status of requirements and solutioning

Last three months	Today's status	Outlook
<ul style="list-style-type: none"> Tackled a backlog of delayed business requirements with extra resources Found gaps in connections to Lloyd's systems required for Lloyd's readiness; these now form part of the re-plan 	<ul style="list-style-type: none"> Business requirements still in progress, including Proportional Treaty, Lloyd's systems' connections and interfaces, and billing Accelerating outputs is the next step in the design queue to expedite the backlog 	<ul style="list-style-type: none"> All core business requirements are planned to be completed in October Three new scope gaps are currently in progress to be included in the build plan

There have been changes to the technology build workstream



Current status of the technology build

Last three months	Today's status	Outlook
<ul style="list-style-type: none"> • New operating model • Revised programme team structure • Governance changes to aid delivery 	<ul style="list-style-type: none"> • Two programme increments (PIs) delivered • Stabilising backlog of requirements and solutioning • Contingency use is stabilising 	<ul style="list-style-type: none"> • Testing alignment • Reachback analysis and implementation • Integration with vendors • Validation of messaging and reporting

Spotlight session: testing and Vanguard



Linsey Cranfield
Head of Engagement,
Velonetic



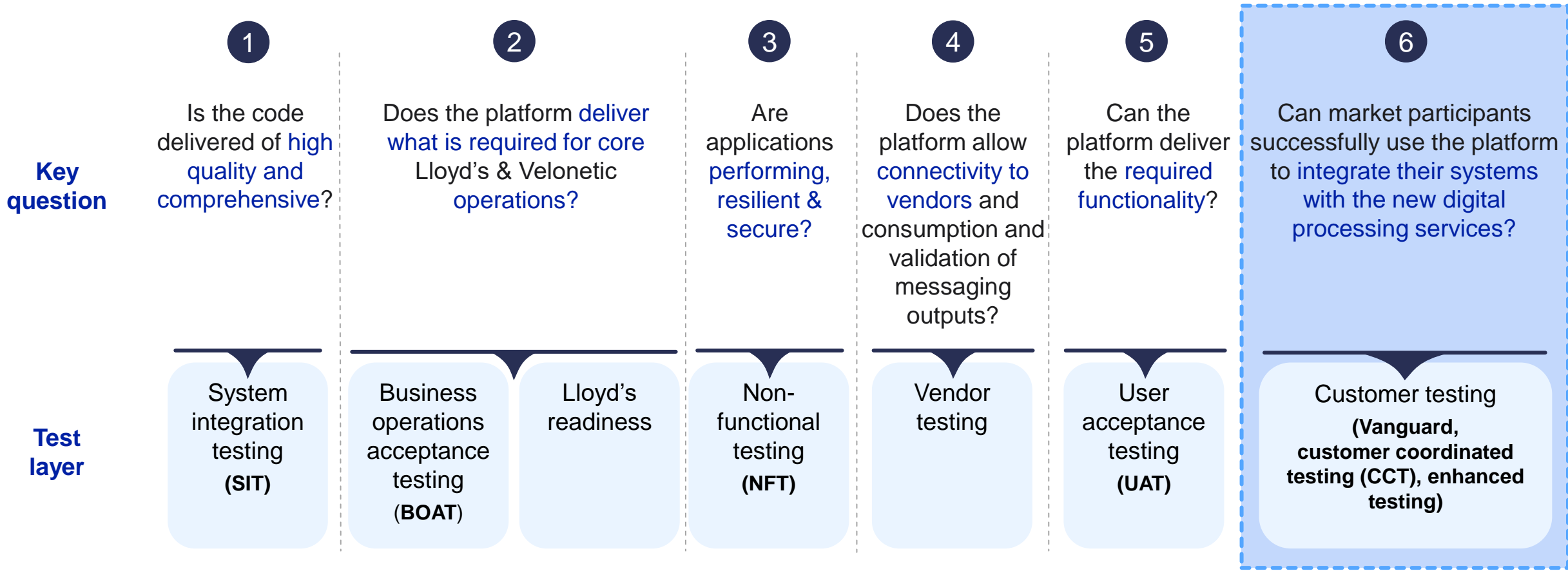
Sian Keeble
Product Manager,
Velonetic



Kerry Rainer
Chief Strategy
Director, Velonetic

There are multiple layers to the revised testing framework

Vanguard and customer coordinated testing (CCT) are key for market participants



Testing milestones depending on build delivery and quality

De-risking the testing programme through a revised framework

- Milestones dependent on build delivery and quality; we're currently addressing areas including performance, EDIs and claims
- Vanguard group of eight will recommence testing from mid-October, broader Vanguard testing will not start before Q1 2025
- CCT and enhanced testing will not start before the end of Q1 2025, therefore resource not required before this point
- Revised testing framework focused on four key changes:



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 all inbound and outbound messaging types, 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



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 we'll provide revised dates once key build activity has been completed
- CCT and enhanced testing participants will be provided with a near complete code set with minimal defects



Focused Vanguard testing for earlier cycles

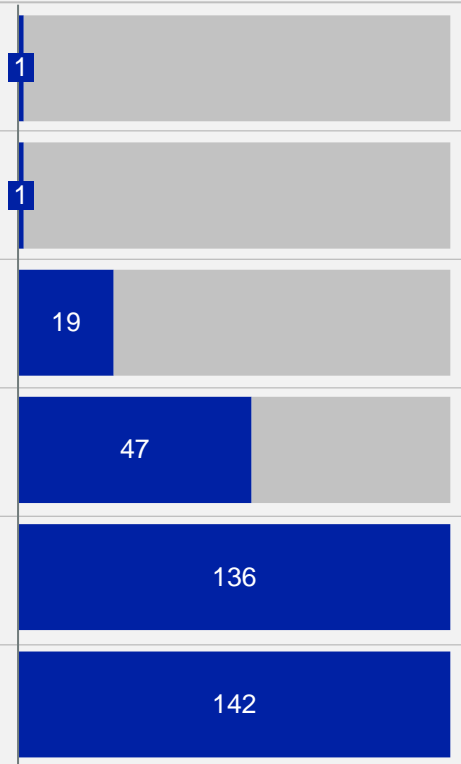
- For the earlier test cycles, we'll be working with eight Vanguard participants
- A strategic selection of a smaller group promotes a manageable testing environment, enabling agile feedback and defect resolution
- This prepares for effective subsequent testing, as full end-to-end business scenarios will be ready

Key functionality for market participants is structured in 142 business scenarios and planned for Vanguard testing in 6 cycles

Cycle # Business scenarios and functionalities originally planned to be delivered from build
Testing framework is dependent on timely delivery of build and quality of build, as well as
swift resolution of defects

Cycle 1	<ul style="list-style-type: none"> Base premium & claim processing, base scheduling, base account enquiry
Cycle 2	<ul style="list-style-type: none"> Writeback, base de-linked premium settlement release, base DA bordereau submission (both premiums and claims)
Cycle 3	<ul style="list-style-type: none"> Premium reachback, claims reachback, claim notifications, bulking/non-bulking lineslips, document upload and search
Cycle 4	<ul style="list-style-type: none"> De-linked premium settlement release, LORS reachback, NAIC and surplus lines
Cycle 5	<ul style="list-style-type: none"> DA reachback, LORS, Part VII, Prop Treaty, Prop Treaty reachback, experts, Scheme Canada, mid-term market broker and carrier changes, corrections (premium and claims)
Cycle 6	<ul style="list-style-type: none"> Additional functionality (i.e., ARCs, market search, DPS data model), settlement fulfilment (Lloyd's STFO and Company Market central settlement)

of end-to-end business scenarios planned to be delivered for testing¹



Note: Testing of business scenarios in each drop depends on delivery of business scenarios from build (e.g., if build doesn't deliver claims processing business scenarios for drop 1, they will need to be tested in a later drop)
 1. Base – minimal meaningfully testable functionality for customers, Base + Additional – minimal meaningfully testable functionality with additional functionality released, E2E – scenario testable E2E, with all epics required for a business scenario complete

■ Not available ■ Available
 Partial scenarios may be released early to allow for more front-loaded testing