Blueprint Two update

11 March 2025

Agenda

Welcome	Bob James
Technology Build	Callum Gibson
Testing	Callum Gibson
Exit plan	Callum Gibson
Q&A	Steve Pallett

Blueprint Two

Welcome

Bob James
CEO, Velonetic

Blueprint Two

Technology Build

Callum Gibson
COO, Velonetic

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Technology build overview

Velonetic has successfully completed the build of 5 additional products. Out of the 13 products, 8 are now complete. The completed products are IPOS, ICOS, Settlement, Parties and Document Management.
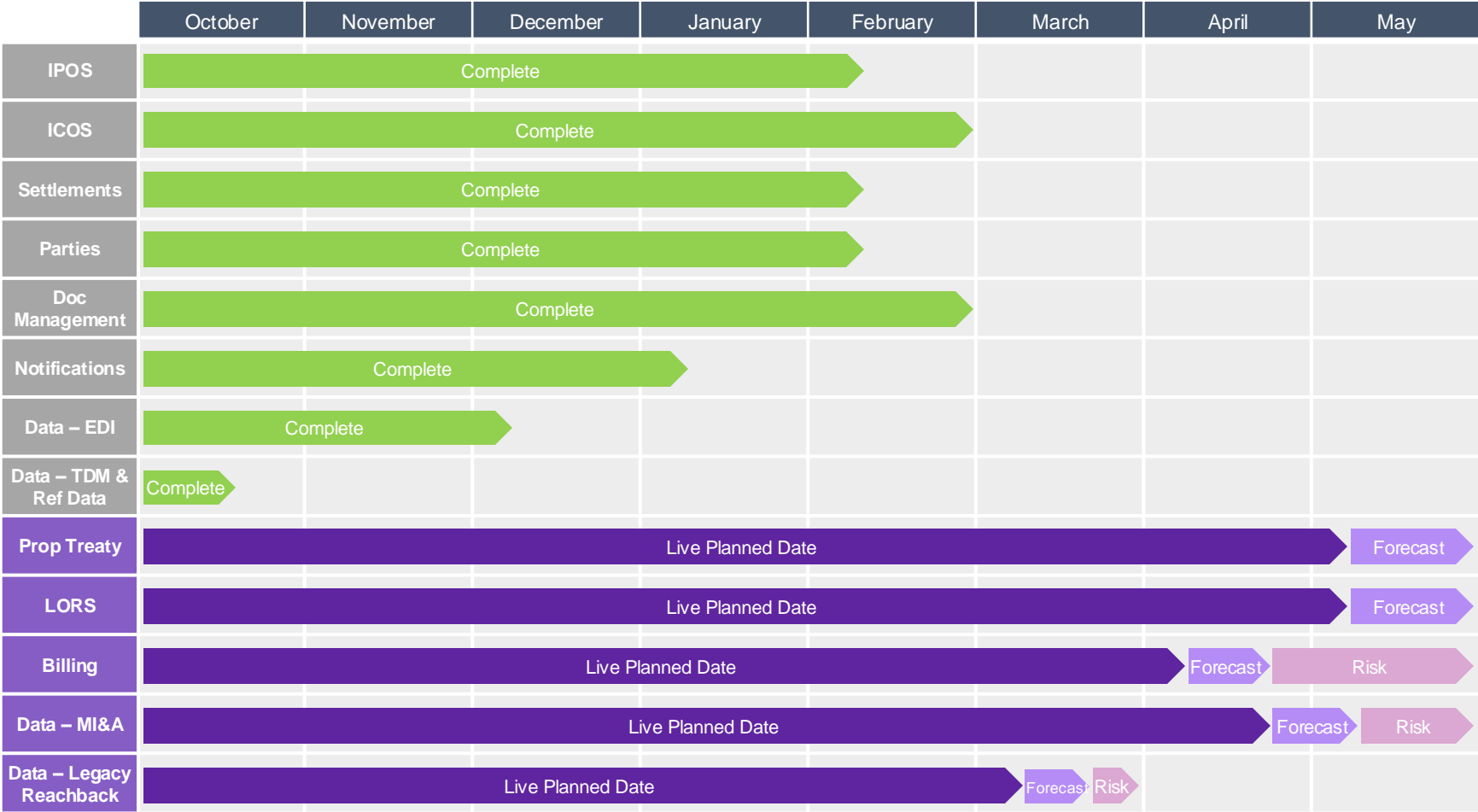
Another product, Data Legacy Reachback, is expected to be completed in March. However, the **remaining 4 products have presented challenges** which require additional work to complete. As a result, these products will not be completed in Q1, and Velonetic is now **targeting end of May for build completion**.

Products expecting to complete in May:

- **Customer billing:** This is an internal Velonetic function (external billing functions are included in Settlement) and does not impact the customer testing timelines.
- **Prop Treaty:** Extension due to complexity of requirements.
- **LORS:** Extension due to complexity with validating incoming LORS EDIs.
- **Data:** This depends on the completion of the other products.

Technology build timeline

	October	November	December	January	February	March	April	May
IPOS	Complete							
ICOS	Complete							
Settlements	Complete							
Parties	Complete							
Doc Management	Complete							
Notifications	Complete							
Data – EDI	Complete							
Data – TDM & Ref Data	Complete							
Prop Treaty	Live Planned Date							Forecast
LORS	Live Planned Date							Forecast
Billing	Live Planned Date						Forecast	Risk
Data – MI&A	Live Planned Date						Forecast	Risk
Data – Legacy Reachback	Live Planned Date					Forecast / Risk		

The timeline on the left shows the **build plan for the remaining 5 products:**
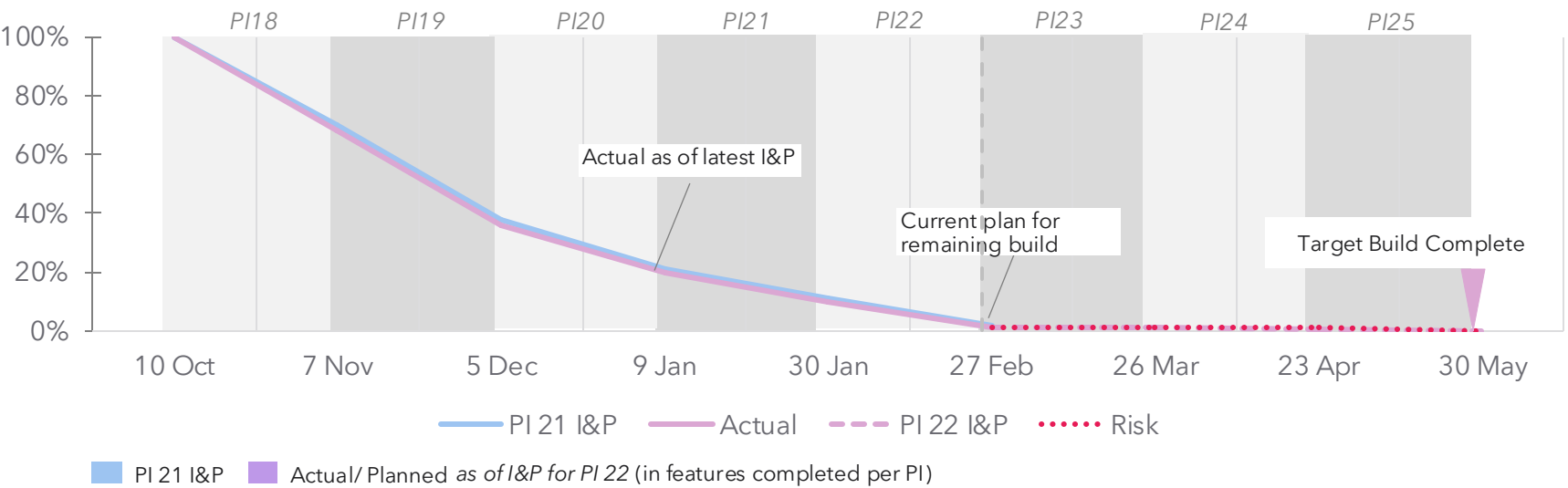
- **Dark purple** bars show the **target build completion**
- **Light purple** bar represents the **additional time forecasted** to complete, based on historic data
- **Potential risk** forecast has also been highlighted in **pink**

Plan as of 7 March 2025

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Technology build progress

Velonetic continues to work through the technology build in month-long programme increments (PIs). 37 features were completed in PI22, leaving six features to complete. Three features were reclassified as a change in PI22, reducing the total features count in the core build to 416.

# of features	PI18	PI19	PI20	PI21	PI22	PI23	PI24	PI25	Total
Total features in PI	132	133	67	41	37	1	4	1	416 (419)

In terms of business scenarios, **15 of the total 142 scenarios are in progress**. Lloyd's and Velonetic are **progressing effort on the traceability exercise**, which will give confidence to the market through validating the completeness of the build.

Core build features yet to complete; replan vs actual/forecast (PI18-25)

Legend: PI 21 I&P — Actual — PI 22 I&P ····· Risk

PI 21 I&P   Actual/ Planned *as of I&P for PI 22* (in features completed per PI)

Technology build progress – business scenarios

A business scenario is a **high-level step in the business process of a service that has a clear input and/or output and that adds value to the customer**. For example, 'submission of an original premium' and 'notification of a claim' are both examples of a root business scenarios. As the name 'root' implies, scenarios have many possible permutations that will be explored in test scripts, for example 'a Lloyd's submission of an original premium with only one carrier and no conditions. **15 of the total 142 business scenarios remain for delivery**.

Category	Description	Total Business Scenarios	Build Complete	Remaining (Forecasted Completion)
Premiums (IPOS, IMR)	Managing Op, AP, RP, Reinstalment, XOL and simultaneous premium submissions. Processing of queries. Signing & settlement	20	19 +1 descoped	0
Claims (ICOS, Notifications)	Processing of FNOL, Subsequent advice and SIMRIP. Claim notifications. Queries, Signing & settlements	26	26	0
Delegated Authority (IPOS & ICOS)	Processing of risk, premium, claims and advices via periodic Bordereaux that have been written and managed by Delegated Authorities.	23	23	0
Prop Treaty (Prop Treaty)	Processing of contract & statement submission set up, C&R, rejection as well as loss signing & settlement.	9	6	3 (May)
LORS (LORS)	Lloyds outwards reinsurance processing	1	0	1 (May)
Corrections (IPOS, ICOS, PT)	Processing amendments or cancel and replace transactions initiated from Broker, Carrier or Velonetic.	4	3	1 (Apr)
Lineslips (IPOS)	Processing of bulking and non-bulking Lineslips	24	24	0
Settlements (Settlements)	Processing of settlements including a currency conversion service via the Company Market central settlement and via Lloyds STFO.	6	6	0
Scheme Canada (IPOS, ICOS)	Processing of premium and claims for Canadian Binding Authority contracts	2	1	1 (Mar)
Business Information (Data)	Standard, Solvency, Regulatory and ESA Reports and Account Enquiries.	8	3	5 (May)
Other Services (Party, IPOS, ICOS)	Processing of mid market changes. Onboarding & offboarding organisations and associated user management.	11	7	4 (Mar)
Lloyd's European Business (IPOS, ICOS)	Processing of policy & claims via Lloyds Brussels post Brexit.	3	3	0
Repository Services (IMR)	Insurance Market Repository where all policy and claim documents are held	5	5	0
Total		**142**	**127**	**15**

Testing

Callum Gibson

COO, Velonetic

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Testing strategy

The Test Strategy is being refined, and we'll soon engage with key programme stakeholders and associations to gather feedback for further refinement. **Once it has undergone the necessary governance, we'll share an executive summary with the market**. At our April market event we will also go into more detail around market testing including Vanguard and CCT (customer combined testing).

We will be socialising the Test Strategy with the market to get feedback

Market Associations

Vendor Community

Vanguard 8

Lloyd's

Blueprint Two
Test Strategy Executive Summary

March 2025

Feedback will be incorporated into the final documents

Testing phases currently underway

System Integration Testing (SIT)

Velonetic is targeting the completion of the current SIT cycle including premiums functionality by end of March, with 95% of the test scripts currently executed. There are currently five P1/P2 defects that need to be fixed ahead of UAT cycle 1.

Vendor Testing

Testing has been executed on premium submissions for four standard EDI messages, two bespoke EDIs, and two A4A EDIs. An environment upgrade and preliminary tests to reveal simple failures are currently in progress (also known as smoke testing) are expected to be completed by end March.

Non-Functional Testing (NFT)

NFT stage one, of three, has been documented, baselined, and execution is currently underway. Velonetic is in the process of shaping what the remaining stages look like.

Critical path to start User Acceptance Testing (UAT)

Velonetic is planning to start User Acceptance Testing on completed products and scenarios in early Q2 2025. The key preparation activities underway:

Technology Readiness

*Confirm exit and entry points, environments, and code deployments.*

Operational Readiness

Confirm scripting, and resources are available for defect resolution and change request fixes.

Process Readiness

Confirm scripting, refine / improve defect and change request management processes, and onboard users.

Reporting Readiness

Enhance internal updates and market progress reports.

Defect management

Velonetic has improved the defect management process to handle additional defects expected during UAT testing. As testing efforts intensify, the significance of effective defect management becomes increasingly critical.
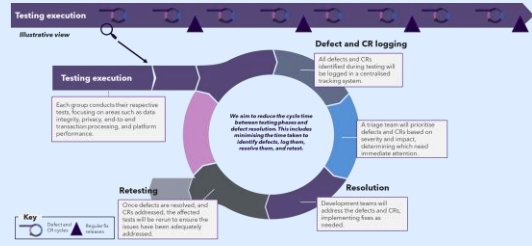
System Integration Testing (SIT) Defects

	Blocker (P1)	Critical (P2)	Medium (P3)	Minor (P4)	Total
Total – resolved	22	14	5	3	44
Total – unresolved	2	3	47	6	58
Grand total	24	17	52	9	102

Defect Summary

- Velonetic resolved a total of 44 defects in this SIT cycle, which started 20 February
- There are 5 open P1/P2 defects remaining
- With only 5% of test scripts left to be executed, we do not anticipate a significant number of new defects

Exit plan

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COO, Velonetic

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Exit plan

The Exit Plan is a contract framework that gives Velonetic consent to undertake transition activities under full market governance. It describes the exit scenario and the conditions Velonetic needs to meet in order to commence the Digital Processing Services. These conditions have been established to navigate the safe, controlled & evidence-based transition to DPS.

The Exit Plan has been developed by Velonetic in collaboration with the LMA, IUA and Lloyd's; it has been reviewed and feedback provided by a representative panel of market participants, including a review by the LMA Legal team with input from the LMA Legal Committee and external counsel on behalf of the IUA.

The Exit Plan is the first of three Market wide contract signing events required prior to cutover, with the Digital Processing Services Agreement (DPSA) and Termination letter signature to follow once the Regulatory Notification phase has concluded and conditions of market readiness met.

Velonetic is looking to issue the Exit Plan by the end of March, with an aim to collect all customer signatures by the end of June. The Blueprint Two engagement team will support this timeline.

For further information on Exit Plan please email DPSA.Velonetic@dxc.com

Market engagement

Steve Pallett
Head of Market
Engagement, Lloyd's

Blueprint Two

Market engagement

We remain committed to keeping the market informed and engaged.
Our next in-person session will take place on Monday, 28 April.

In-person market event

Monday 28 April 2025

High-level agenda: During this in-person market event we'll provide an update on the programme plan, build, testing, cutover options, and traceability phase one output

Questions?

Steve Pallett
Head of Market
Engagement, Lloyd's

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