

Bulking Lineslips – Target Operating Model

Lloyd's Insurance Company S.A.

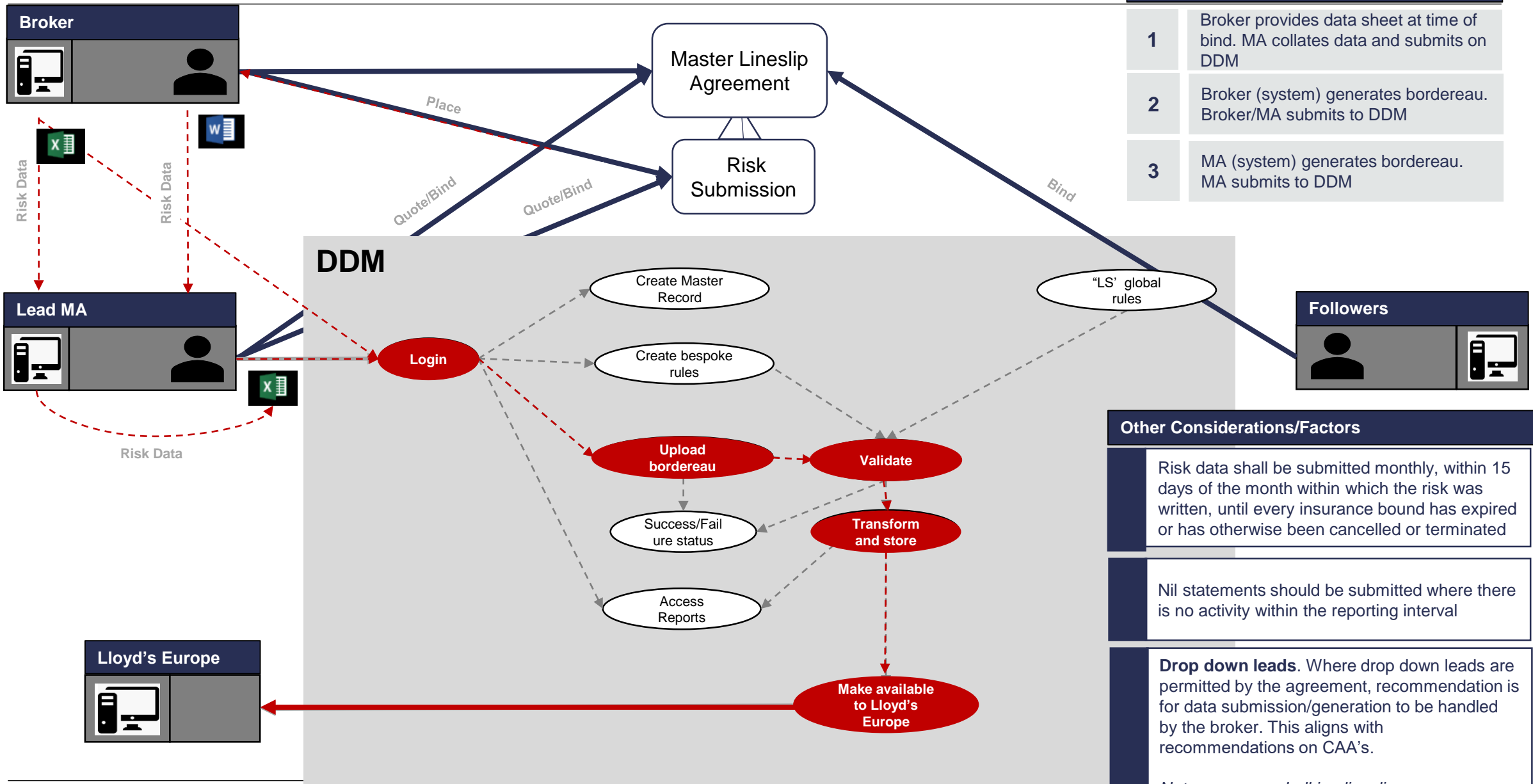
3rd April 2020

Objectives:

- Lloyd's Europe has insufficient data for Bulking Lineslips declarations to meet its Regulatory & Financial Reporting obligations across Risk/Premiums.
- LB has worked up a minimum data set and reporting frequency across Risks/Premiums to support its obligations to its regulator – the NBB (National Bank of Belgium).
- LB requires this data from the market for 2021 renewals.

Context:

- LB contractual relationship is with the Lead MA through the Outsource MA Agreement. The Lead will be held accountable by LB for the supply of this data.
- No changes are required to the Managing Agent Outsource Agreement to support this requirement.
- The Lead does not hold the Premium data required; the Lead may not hold the Risk data in a structured format.
- The Broker holds the Risk/Premium data required.
- The operating model proposes a number of options on how data can be provided by the Broker to the Lead and ultimately to Lloyd's Europe.
- Lloyd's Europe will not prescribe an option – ultimately this should be part of the commercial negotiation between Broker and Lead.
- Endorsement LMA5513 must be appended to the bulking line slip agreement. It agrees division of responsibilities between Lead and Broker and details the risk and paid premium data required. It may be found here <https://www.lloydswordings.com>
- Delegated Data Manager (DDM) is the market service that provides for data submission and management; it is an integral part of the Lloyd's Europe operating model and is the repository in to which the Risk/Premium data must be delivered.



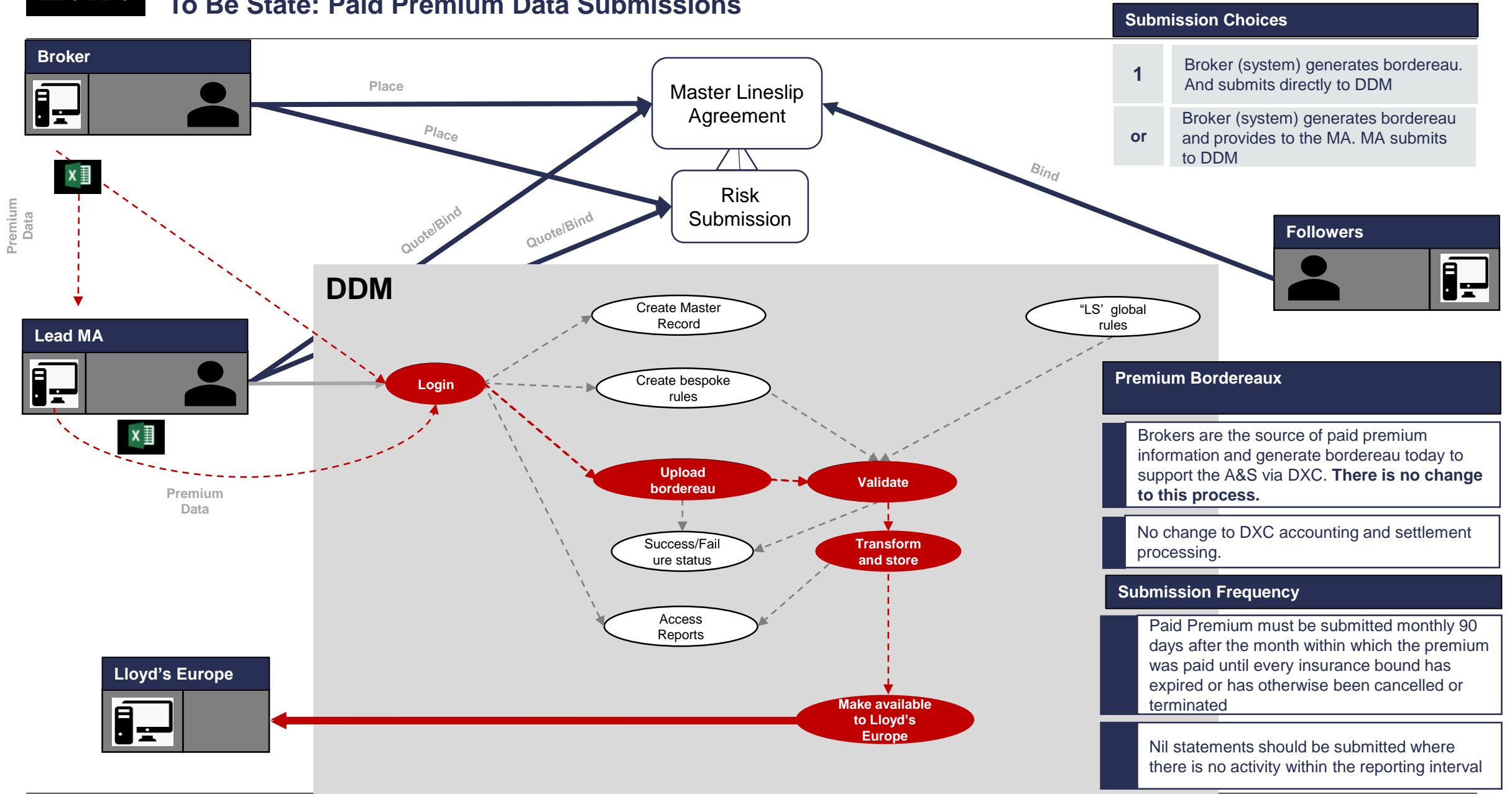
Submission Choices

- 1 Broker provides data sheet at time of bind. MA collates data and submits on DDM
- 2 Broker (system) generates bordereau. Broker/MA submits to DDM
- 3 MA (system) generates bordereau. MA submits to DDM

Other Considerations/Factors

- Risk data shall be submitted monthly, within 15 days of the month within which the risk was written, until every insurance bound has expired or has otherwise been cancelled or terminated
- Nil statements should be submitted where there is no activity within the reporting interval
- Drop down leads.** Where drop down leads are permitted by the agreement, recommendation is for data submission/generation to be handled by the broker. This aligns with recommendations on CAA's.
- Not common on bulking lineslips*

To Be State: Paid Premium Data Submissions



Submission Choices

- 1 Broker (system) generates bordereau. And submits directly to DDM
- or Broker (system) generates bordereau and provides to the MA. MA submits to DDM

Premium Bordereaux

Brokers are the source of paid premium information and generate bordereau today to support the A&S via DXC. **There is no change to this process.**

No change to DXC accounting and settlement processing.

Submission Frequency

Paid Premium must be submitted monthly 90 days after the month within which the premium was paid until every insurance bound has expired or has otherwise been cancelled or terminated

Nil statements should be submitted where there is no activity within the reporting interval