



Date: 14/01/2021

Attendees: 3 x Underwriters, 2 x Coverholders, 1 x Broker with CH
Status

1. Meeting Notes:

1.1 Clarifying post-it content:

Lloyd's has often worked on "principles" rather than rules, and only mandated where absolutely necessary, driving inconsistencies and inefficiencies (Access business):

- Lloyd's has certain guidelines and mandates. If it's a condition of trade everybody would do it in the same way, But with the principles, everybody uses a different way, (especially brokers and MAs) which means inconsistency. The DA market needs a standardised process. (UW1)

No differentiation between UW, administration & distribution (Lloyd's compliance):

- Restricted binder could be used in certain situations, when the CH has less authority and flexibility. Those restricted binders were phased out. Different CH has different authority (from full authority to only distribute products) and it's a disparity in risk. (UW3)

DA employees with lack of knowledge (Lloyd's compliance):

- From a broking coverholder perspective, asking basic tick box questions is not useful. Being a Broker or a CH in the process is difficult. In the due diligence process not the right people ask the right questions, they are only following a tick box exercise (Broker with CH Status)

Compliance too open to interpretation by individual syndicates (Lloyd's compliance):

- Compliance at the moment is a muddled and messy process. It needs to be more black and white, and become more efficient and effective. Every syndicate develops their own rules around Lloyd's recommendation and compliance process, which leads to a submarket, where they create their own values in the compliance part by interpreting rules, this overlays



additional checks and balances in the processes. In terms of coverholders, they have to be categorised whether they are compatible or not, and not to change it every 2 months. More efficient, effective and consistent process needed. (UW2)

Attempts at "market standardisation" has just resulted in DA being expensive i.e LIMOSS! (Lloyd's compliance)

- In the past they tried to standardise DA, for instance Chorus or coordinated audit etc. They talk about the acquisition cost is high in DA but the problem is the administration, which requires around the processing – it's costly, there is no sensible cost model in place. (Broker with CH Status)

Template claims BDX not fit for purpose (Claim)

- Standardisation is not in place and not appropriate. The UW needs to be able to establish where the claim downside is, but that is difficult to do without additional information fields. The templates need to be more bespoke. UW facing a pushback from CH, TPA and brokers, they don't want to do it as it's not Lloyd's mandate. (UW3)

1.2. Discussion on most voted post-it:

The Lloyd's market is way behind the digitisation curve (Access business & create product)

- Covid forced digital change for the market, use technology to streamline the process. Suggest developing a system where CH is allowed to write business, so syndicates would see what their customers are buying, what risk they have. Investment in technology is key. (UW2)
- Lloyd's is trying hard, but every system fails. The market systems are not functional. The concept of the BDX is outdated, constantly filling spreadsheets makes it difficult. We should invest in a modernised system that links with the process. (UW1)

Over the top compliance processes making it expensive (Lloyd's compliance):

- Binders have become difficult, the UW find another way to do it, like lineslip. (CH2)



- Most of the process part is just chasing different people for different info. The info is in Atlas but it doesn't connect efficiently. There is no quick way to do it. (UW3)

Changing goal posts:

- A few years ago we were told V5 would be in place and there would be no more BDX changes required. Now it's all changed with the Conditions of Trade and there have been other changes in the meantime. (UW1)

Market inconsistencies:

- It is hard to be a CH typically in a mixed market, dealing with inconsistency and just trying to keep up with the changes makes it difficult. (Broker with CH Status)