



Date: 08/02/2021

Attendees: 2 x Managing Agents, 1 x Broker, 1 x Coverholder, 1 x Vendor and 3 x Other

1. Meeting Notes:

1.1 Why? How? What? Approach:

Meeting discussion topic: Rating

At the beginning of the session the attendees didn't understand the concept and meaning of Health Score in the future DA model.

The project team explained discovery workshop findings and tried to influence the audience with a real example - e.g. Uber - to make the context of health score more acceptable and unambiguous.

| WHY? | |
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| What are the ways in which this could be used to make DA a better market to participate in for you and your Customers? | |
| What value Health Score could add to DA? | <ul style="list-style-type: none"> • Add a core framework and create an easy visualisation (Broker) • Health checks can be positive, compliance point of view could be beneficial. If somebody has a positive health score, they don't need to redo the compliance each time, the product creation could be easier and save time. (Broker) • Health score would be useful to reduce the amount of compliance check (MA2) • Atlas depository makes sense but the frequent ask for the same information causes a lot of frustration. For annual compliance the CH needs to provide information every year, but if nothing changes they don't need to upload it again - "exception" based (MA2) |
| Where Health Scores could be used? | <ul style="list-style-type: none"> • Categorise companies on DA market on risk based decisions • The benefit of it, if the market moves to a more digital ecosystem, like an experian type credit reference or credit |



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| | <p>rating agency that would tag data points within the health score. (Other3)</p> <ul style="list-style-type: none"> • Compliance - not tick box exercise - it would be more reward mechanism, more put in more chance to have capacity or opportunities. (MA2) |
| <p>Where it can't be used?</p> | <ul style="list-style-type: none"> • Only use it where it doesn't complicate the already complex process • Don't overrule the current qualities of DA • Don't introduce more complexity where we want to simplify the process (Coverholder) • Where creates additional effort to small coverholders (Broker) • No need an extra layer of complexity (Other3) • A number of different entities involved in the chain (MA, Lloyd's, broker, CH) and health score requirements can be different, depending what's most important to the entity should be different. It might make things more complicated. It can reduce different types of checks and frequency that need to be fulfilled. (MA2) • Antiquated CH to become relevant and give the right information is hard but they have the best business. Can't be restricted to flexibility. (Broker) |

| <p style="text-align: center;">HOW?</p> | |
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| <p style="text-align: center;">What are the best methods of introducing this into the DA market?</p> | |
| <p>Start with a base score that can be lost?</p> | <ul style="list-style-type: none"> • High, medium, low touch scores on the Coverholder (Other2) • Call it "Rating" instead of Health Score (Other2) |
| <p>How visible/prominent?</p> | <ul style="list-style-type: none"> • Visibility should be recorded: complaints from CH, compliance and audit scores. (Other2) • If it's an Experian type of score, CH could see the positive number and it would bring benefits, then more likely they would upload PI themselves without asking them. Then their score would go higher and if it would hit a certain number - 80 - then they can trade without anybody asking them more compliance. Improvement should be reflected to them. (Broker) • Interactive system where the CH can see certain required information would be great. (MA2) • It works where the information required is held in one place (MA2) |



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| | <ul style="list-style-type: none"> The health score should be properly benchmarked and attached within the value chain. (Other3) |
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| WHAT? | |
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| What information would be needed to make up the Health Score for each type of Stakeholder group? | |
| Company vs DA performance? | <ul style="list-style-type: none"> Insurance in the future can be transacted, uberisation. Increasing capacity and access!! (Other3) |
| Base set of information for all? | <ul style="list-style-type: none"> Rolling base, keeping score and information up to date in a digital form as possible that would make the market feel consistent. (Broker) Real time accessibility (Other3) Access to usable data (MA2) Visibility of accurate risk data and claim data (MA2) Accessing the CH to a particular territory and classes (MA2) |
| Stakeholder Group specific information? | <ul style="list-style-type: none"> How CH performed in that specific area, loss ratio, normality MA perspective: Form of book of business will make profit (MA2) |

1.2. Health Score Discussion Insights:

- Health score should be renamed / reframed as “rating”.
- Make sure that the explanation of Rating will be detailed, such as what is included in it.
- Ratings need to be broken down for each stakeholder group.
- The attendees were not convinced about the health score at the beginning but through the meeting as a group agreed that the different stakeholder groups health check / rating would simplify and shorten the DA process.