

# MARKET BULLETIN

REF: Y4469

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<b>Title</b>	Coverholder Claims Reporting Standard
<b>Purpose</b>	The purpose of this bulletin is to introduce a standard for coverholders and TPAs to report claims to the Lloyd's market.
<b>Type</b>	
<b>From</b>	Sue Langley, Director of Market Operations
<b>Date</b>	21st February 2011
<b>Deadline</b>	
<b>Related links</b>	<a href="http://www.lloyds.com/acord">http://www.lloyds.com/acord</a> <a href="http://www.lloyds.com/The-Market/I-am-a/Coverholder">http://www.lloyds.com/The-Market/I-am-a/Coverholder</a>
	For queries or further information, please contact: <a href="mailto:CoverholderReportingStandard@lloyds.com">CoverholderReportingStandard@lloyds.com</a>

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A standard has been created for coverholders and Third Party Administrators (TPAs) to report claims to Lloyd's brokers and syndicates. The standard has been designed following consultation with market participants including members of the Binding Authority Claims Group (BACG); the Binders, Offslips, Lineslips and Treaties Committee (BOLT); Xchanging Claims Services (XCS), TPAs and system vendors.

The standard will make it easier for coverholders to do business with Lloyd's by replacing many differing requests for information and giving a clear statement of the information that is needed. The standard will also enable a move towards straight through processing by standardising information flows; whilst allowing coverholders to choose their own technologies and systems.

The standard states the minimum information coverholders and TPAs are required to report into the Lloyd's market. The standard can be used for all binding authority business; it is intended for use across all classes of business and territories.

The standard includes:-

- **Mandatory fields.** These are required to be reported in all circumstances

- Mandatory conditional fields. These have conditions under which they must be reported, for instance, territorial location
- Management information (MI) fields. To help Lloyd's syndicates perform accurate claims management. It is optional for the coverholder or TPA to provide this information.

For new coverholders, Lloyd's is mandating the use of the standard from the 1<sup>st</sup> April 2011. We would expect all new coverholders to provide all the mandatory fields; all the relevant mandatory conditional fields and any applicable MI fields.

It is expected that all existing coverholders will ultimately use the standard. Lloyd's will work with the market and other stakeholders towards this goal.

### **Background**

Coverholders are given authority to write risks on behalf of Lloyd's syndicates via binding authority contracts. Part of the contractual agreement is that the coverholder regularly reports claims to the Lloyd's syndicate. Such information is required to ensure the correct movement of monies between coverholders, brokers and Lloyd's syndicates; and to ensure Lloyd's is able to meet its regulatory reporting obligations and so maintain its licences in different territories.

A multitude of differing information requests from syndicates and brokers has made it hard for coverholders to do business with Lloyd's. The receipt of varying submissions for coverholders has made it hard for syndicates and brokers to work with the information supplied by coverholders.

Information is typically provided by coverholders in a spreadsheet format and the standard is reflective of this. Lloyd's is providing a suggested spreadsheet layout. This is a recommendation only and other layouts may meet requirements.

Where coverholders are able to provide XML, this is also an acceptable format. The global standards development agency ACORD is forming a working group to ensure there is an appropriate XML standard to meet the information requirements of the Lloyd's standard.

In the past information has been submitted on paper, in faxes, in word processing formats and as PDFs; such formats do not allow calculations to be performed and lead to re-keying, and are no longer acceptable.

### **Documentation**

The following materials are available:-

- A user guide which gives guidance on the information required, expected content and circumstances under which information should be provided when reporting claims to Lloyd's brokers and syndicates
- A spreadsheet template which can be used for reporting, or as a model to help design reports from systems.

These can be found on: <http://www.lloyds.com/acord>

### **Broker and managing agent specific requirements**

Brokers and managing agents are expected to help ensure that new coverholders adopt the standard and that existing coverholders gradually move towards using the standard.

Brokers and managing agents are requested to:

- Look at submissions being received from coverholders, to check that all mandatory information is included together with any relevant conditional fields.
- Talk to coverholders about the standard. Make sure they have any information they need.
- Discuss the standard as part of conversations about the renewal of binder contracts.
- Talk to Lloyd's about any questions or concerns you might have.

### **Coverholder and TPA specific requirements**

New coverholders are expected to include all mandatory fields and any relevant conditional fields in the claims submissions they make to the Lloyd's market. New coverholders are expected to build their reports to include such information. Existing coverholders are expected to agree any planned changes with their brokers and syndicates and to gradually implement these.

Coverholders and TPAs are requested to:

- Talk to your brokers and syndicates in London, you may not need to take any action yet.
- Look on <http://www.lloyds.com/acord> for more relevant documents and information, including the detailed user guide.
- If you manually create spreadsheets for your reports, or are currently submitting paper reports; consider using Lloyd's claims reporting spreadsheet tool.
- If you produce reports from a system, talk to your system vendor about the changes which might be needed.
- Agree a plan with your broker in London and the syndicates you work with for any changes needed.
- Talk to Lloyd's about any questions or concerns you might have.

### **Coverholder and London Market System Vendors**

Vendors are encouraged to:

- Ensure that claims reports from their systems include all the mandatory and appropriate conditional fields.
- Build a standard report from their system in the recommended layout.
- Talk to Lloyd's about your progress and plans.

### **Further contacts**

For general enquiries regarding reporting standards for coverholders, please e-mail [CoverholderReportingStandard@lloyds.com](mailto:CoverholderReportingStandard@lloyds.com)

Sarah Thacker, Market Operations

Telephone: 020 7327 6616; E-mail: [sarah.thacker@lloyds.com](mailto:sarah.thacker@lloyds.com)

Adam Stafford, Market Operations

Telephone: 020 7327 6588; E-mail: [adam.stafford@lloyds.com](mailto:adam.stafford@lloyds.com)

Gemma Reed, Market Operations

Telephone: 020 7327 5622; E-mail: [gemma.reed@lloyds.com](mailto:gemma.reed@lloyds.com)