CONTROL FRAMEWORK PHASE II ROAD MAP 2013

Q2 2013
Pre-project consultation
Lloyd’s project tool kit
Developed

Q3 2013
Understand Phase II requirements
Risk matrix applied to coverholders

Q4 2013
Planned implementation

ACTIVITIES
Lloyd’s and managing agents joint broker engagement

A volunteer group of managing agents formed a sub working group that fed into developing the Lloyd’s tool kit and project roadmap
Broker sub group created
Met with 15 MAs not part of phase 1

INPUTS
Lloyd’s met with each managing agent to explain what is required for phase 2
Lloyd’s provided each managing agent with Lloyd’s listed coverholders
Reviewed coverholder audit schedule

OUTPUTS
Lloyd’s project tool kit- in consultation with managing agents
15 MAs not part of phase 1 bought in to the control framework
Sign off wording
Lloyds.com updated

OUTPUTS
Each managing agent:
• Set up a governance group with roles and responsibilities assigned
• Assigned project resource to see through the implementation
• Verified, confirmed and returned to Lloyd’s the coverholder list with risk ratings applied
• Revised audit schedule for coverholders

COMPLETED CHECKPOINTS
1. Lloyd’s to meet with managing agents to explain project and available tool kit
2. Managing agent has project resources in place
3. Managing agent has completed risk rating exercise and provided this to Lloyd’s
4. Managing agent has an audit plan for high risk coverholders
5. Managing agent confirms a project delivery timeline

Progress reviewed on on-going audits
### Control Framework Phase II Road Map 2014-2015

#### Q1 – Q4 2014
**Activities:**
- Assess risk, identify controls and gaps

**Inputs:**
- Review of risk ratings and audit plans
- Agree on engagement and communications with brokers/coverholders
- Complete risk assessment and detailed analysis to identify gaps
- Review audit results and address remediation

**Outputs:**
- For each managing agent:
  - Completed delivery roadmap
  - Completed risk assessment
  - Completed gap analysis
  - Remediation plan for review

**Checkpoints:**
- 6. Agreed plan/deliverables for up to end of 2014 (agreed between Lloyd’s and each managing agent)
- 7. Agreement within managing agents on engagement and communications with brokers/coverholders
- 8. Assess risks; identify controls and gaps
- 9. Evidence remediation plan
- 10. Agree assurance to be shared with Lloyd’s

#### Q1 – Q2 2015
**Activities:**
- Develop and implement Controls

**Inputs:**
- Test controls and procedures in operation
- Confirm evidence for sign off

**Outputs:**
- For each managing agent:
  - Managing agent evidence of coverholder compliance and board sign off to Lloyd’s

**Checkpoints:**
- 11. Formal sign off

#### Q3 – Q4 2015
**Activities:**
- Review, monitor and Sign-off

**Inputs:**
- Lloyd’s and managing agents joint broker engagement

**Outputs:**
- Carry out audits and review findings

**Checkpoints:**
- Review on-going progress on coverholder audits

**Outputs:**
- For each managing agent:
  - Managing agent evidence of coverholder compliance and board sign off to Lloyd’s