

A New Approach to TPAs

I am a TPA - what do Lloyd's rule changes mean for me?

Lloyd's has changed the Intermediaries Byelaw which will apply to all third parties with delegated authority, including TPAs and coverholders. Lloyd's is also developing a new system, called Delegated Oversight Manager, which in 2021 will replace ATLAS and BAR, the systems Lloyd's currently uses for delegated authority approvals. TPAs and other firms with authority to agree claims on behalf of Lloyd's will be referred to as Delegated Claims Administrators (DCAs).

Centralised approval

- Like coverholders, TPAs represent a critical network for the Lloyd's market. They bring expertise and local knowledge and can make a significant impact on Lloyd's reputation. We believe that TPAs should be subject to a similar central approval process to coverholders.
- From 30 September 2020 a DCA will need to be approved by Lloyd's before being appointed by Managing Agents to handle claims.
- Once approved they will be able to use Lloyd's brand and refer to themselves as 'approved' by Lloyd's.
- They will also have the benefits of annual centralised compliance in the same way as coverholders. So, they should no longer have the frustration sometimes caused by multiple compliance checks.

A new transparent system

- The system that is being developed to approve DCAs is called Delegated Oversight Manager (DOM) and it will provide compliance visibility to all stakeholders (managing agents, brokers and TPAs).
- The system will become operational during H2 2021. Until then, Managing Agents proposing to use a DCA that is not already approved and registered by Lloyd's will need to ask the DCA to complete a Lloyd's standard due diligence questionnaire online.

Quicker, easier and more risk-based approval process

- The DCA approval process will be risk-based. Any areas of heightened risk in the application will be automatically identified which means that low risk approval requests will be dealt with quickly. Where Lloyd's needs to review an application in more detail we will focus on the

higher risk features.

- Existing Lloyd's DCAs will not need to go through a new approval process but will be 'grandfathered'. Once DOM is operational Lloyd's will assist in uploading the standard due diligence information of grandfathered DCAs onto the system through an onboarding process.
- The system will provide an end to end due diligence and compliance process for both managing agents and Lloyd's, meaning due diligence and compliance information only needs to be submitted once.

The benefits of these changes should be consistent, transparent processes and reduced frictional costs to all.

We look forward to working with you.