

DA SATS Intent to Mandate FAQs

December 2019

Mandate

1. What are the pre-requisites before a mandate can take effect?

Through LMA and LIMOSS service governance, managing agents have made it clear that a number of dependencies must be met before a mandate can take effect including:

- A fully operational governance process that ensures feedback from the market feeds into planning and delivery of regular DA SATS releases. This will be driven by the market-led DA SATS Steering Group, and the User Group that feeds it, both managed by LIMOSS.
- Enabling access to the DA SATS platform for company market business written by 'Dual Platform' re/insurers.
- Binding authority agreement data fed from a master source (replacement for BAR) making creation of contracts in DA SATS complete and more efficient.
- A functioning API capability as an alternative data submission option for coverholders and to enable upload and download integration between managing agents' existing bordereaux management systems and DA SATS.
- Greater data validation capability to deliver improved consistency, accuracy and completeness of data. This will cover validation of all mandatory and conditional mandatory fields as set out in the current version of the Coverholder Reporting Standards. Any invalid bordereaux submitted after the mandate has come into force will be rejected.
- A (re)statement of accountabilities and responsibilities of all parties involved in the DA value-chain; specifically in relation to the activities necessary to comply with the mandate requirements.
- Extract capability for accurate extraction of data for regulatory reporting.

2. Has the broking community put forward any considerations?

Brokers have requested the following points be taken into consideration ahead of a mandate...

- Broking firms wishing to integrate other contract builders with any BAR replacement are not disadvantaged by doing so i.e. market agreed protocols and governance over updates and releases are in place to ensure parity
- Market-agreed governance around integrations and release protocols for future run state across systems that interface with DA SATS is in place
- Market-agreed minimum standard protocols in respect of data extract reporting are in place
- Market agreed roadmap for full DA SATS validation is in place

3. When will the mandate come into effect?

We are working with the market to identify the dependencies, scope, reporting and timing that any potential mandate will include. We will provide further updates on timings, but we do not expect the mandate to come into effect before Q1 2021 at the earliest.

4. Who will be covered by the mandate?

The intention is that managing agents who write Delegated Authority (DA) business through Lloyd's would be mandated to ensure all DA data is submitted into DA SATS.

5. What will happen after the mandate is announced?

Once the mandate is announced to the market, we'll provide guidance on what to do next. However, you can start using DA SATS right away and support with training, data migration and business process changes is available on limoss.com

6. Will the funding model change?

As in 2019 and 2020, DA SATS will be funded through the Market Service Funding Model managed by LIMOSS. Today, all managing agents pay based on their total DA GWP and binder count. Once the mandate is in place and binder volumes on DA SATS are sufficient to cover the contracted fixed costs of the platform, LIMOSS plans to implement a true user pays model based on actual usage.

7. Will fees for DA SATS increase following the mandate?

The LMA and Lloyd's agrees the fees each year in the Market Service Funding Model based on recommendations by LIMOSS. As a market-owned, not-for-profit firm LIMOSS seeks to keep fees to a minimum and will look to reduce the 2021 DA SATS fees if possible (although this will depend upon the size of the change agenda).

8. Does this change the contractual arrangements for the use of DA SATS?

All managing agents have signed a Market User Agreement with Lloyd's for the use of DA SATS. Managing Agents will shortly be asked to sign a replacement Market User Agreement with LIMOSS as LIMOSS is taking responsibility for the contract. However, the terms will be the same or better than those currently (for example, at managing agent request LIMOSS will provide £1M of liability cover per managing agent).

9. How can I contribute my requirements into DA SATS?

Contact chris.rees@limoss.london who co-ordinates the change agenda for DA SATS and runs the Market User Group which gathers requirements from across the market.

10. What is the relationship between Lloyd's and LIMOSS in respect of DA SATS?

Lloyd's and the LMA set up LIMOSS to run Market Services on behalf of market firms including DA SATS. Lloyd's and the LMA have directors on the LIMOSS Board. LIMOSS operates DA SATS and manages the day to day relationship with the chosen partner, Charles Taylor InsureTech.

11. How do we assure the performance of the DA SATS Market Service?

Lloyd's and the LMA hold LIMOSS accountable to operate DA SATS and work with Charles Taylor InsureTech. LIMOSS uses a comprehensive portfolio of good practice standards to manage the production service, change and risk & assurance and provides monthly performance reports to market firms. Contact james.bobbitt@limoss.london for more information.

12. What does a mandate mean for new coverholders?

Further consideration will need to be given to the impact of a mandate on the conditions of becoming a coverholder at Lloyd's.

General

13. What is DA SATS?

DA SATS is a central bordereaux processing platform for Lloyd's delegated authority business that went live in 2018. Data is captured in one place through a consistent process for all market participants and enriched, validated and available to all relevant parties on the contract.

14. What are the benefits of DA SATS

The use of DA SATS presents a commercial opportunity to reduce costs, improve service, drive better performance and ensure people are focused on the right tasks to provide the best possible customer service.

A single process - DA SATS enables a consistent, automated process for all Lloyd's market participants so bordereaux data is submitted once against a single set of reporting standards reducing duplicated effort.

Better data - Data is transformed, mapped, cleansed, validated and stored in a single place that anyone on the contract and Lloyd's can access. Accurate, standardised data is available to the people that need it.

Connected systems - Data is entered once and then can flow into (and from) other systems across the DA ecosystem, including market firms' own systems to improve consistency and reduce re-keying.

Regulatory reporting - The data available to Lloyd's will allow it to submit the necessary regulatory reports to regulators worldwide reducing the need for separate data requests to managing agents and subsequent collation by Lloyd's.

DA SATS...

- Establishes consistent processes for market participants
- Eliminates duplication and reduces work effort
- Simplifies and standardises data cleansing
- Facilitates regulatory reporting
- Provides complete and consistent information for more informed decision making
- Reduces cost to the market through automation

15. What does DA SATS mean for me as a Coverholder?

- ✓ I only have to send data once
- ✓ I have a single set of reporting standards for all my Managing Agents
- ✓ I can submit data into DA SATS in various formats
- ✓ My data is transformed, mapped, cleansed, validated and stored in a single place that anyone on the contract can access
- ✓ It's much easier for me to do business in the London Market

16. What does DA SATS mean for me as a Broker?

- ✓ I have access to a central source of standardised, cleansed and validated DA data
- ✓ I get more consistent data with fewer gaps for improved coverholder portfolio management
- ✓ My data quality standards and contractual integrity are higher
- ✓ I can generate reports and extract any of my data from the platform
- ✓ It's easier to attract coverholders to the London Market
- ✓ I will continue to manage my coverholder relationships

17. What does DA SATS mean for me as a Managing Agent?

- ✓ I have access to a central source of standardised, cleansed and validated DA data
- ✓ All my coverholders provide me with consistent data based on agreed standards
- ✓ I have improved portfolio analysis capabilities which can support profitable pricing strategies
- ✓ I can generate reports and extract any of my data from the platform
- ✓ I am better able to meet DA Business Regulatory requirements
- ✓ It is easier to attract coverholders to the London Market
- ✓ I can conform to the business conditions for the Lloyd's Brexit solution
- ✓ As a follower, I have better access to data