

Blueprint One Update—Lloyd’s Outlines Its Priorities for the First Phase of the Future at Lloyd’s

5 March 2020

On 26 February 2020, Lloyd’s of London (“Lloyd’s”) published an online [Update](#) to Blueprint One, its ambitious project to create the world’s most advanced insurance marketplace. The Blueprint One Update details the progress made during the transition period that began with the launch of the project in September 2019, outlines Lloyd’s priorities for 2020, and includes detailed plans for Phase 1 of the Future at Lloyd’s. The new strategy, originally announced by Lloyd’s on 1 May 2019, is expected to cut Lloyd’s overall cost base by up to 10% and boost business, particularly in emerging market spaces such as cybercrime/attacks and reputational risks (see our [Client Update](#) for further details).

As part of the plans for Phase 1, Lloyd’s confirmed that it will take a 40% stake in the London Market’s electronic placing platform (PPL), which will form a key component of the new complex risk platform. Lloyd’s also confirmed that the first risk exchange pilot will be trialled in 2020, connecting broker and insurer e-trading portals.

Based on feedback from the market, Lloyd’s is prioritising the delivery of three specific components of the Future at Lloyd’s that it says will deliver the most initial impact and value to participants. These are:

- The Complex risk platform—this sits at the heart of the Future at Lloyd’s, enabling risk to be placed using standardised data. During 2020, Lloyd’s will complete its investment in PPL to support and influence its future design and develop the document-plus-data component of the complex risk platform.
- Lloyd’s Risk exchange (including the digital coverholder solution)—the coverholder solution is central to the Lloyd’s risk exchange and will support Lloyd’s risk-based approach to market oversight. Lloyd’s is putting in place a Delegated Authority Advisory Board with cross-market participation to enable delivery in 2020.
- The Claims solution—Lloyd’s says that improvements to the claims process will create early benefits for both customers and the market, while also laying the foundations for longer term changes such as replacing ECF (electronic claims file).

Lloyd's plans for 2020 include an update to the Lloyd's Claims Scheme, automated settlement for small claims, and a new catastrophe management framework.

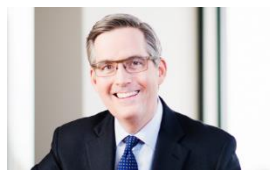
Lloyd's is also prioritising three other components that are essential parts of the Future at Lloyd's infrastructure, namely:

- Data and technology—Lloyd's will focus on defining API (application programming interface) gateways and delivering APIs for various proofs of concept and pilots. In 2020, Lloyd's will develop a data framework and data standards and work across the Future at Lloyd's to define the common data platform and set this up within the cloud.
- Middle and back office (including accounting and settlement)—this is a new workstream, focused on delivering a centralised, simplified, and automated accounting and settlement service, plus other support capabilities for the Future at Lloyd's. Lloyd's aim is frictionless processing driven by reliable data from trusted sources.
- Lead/follow (modern syndication of risk)—this workstream seeks to deliver best-in-breed underwriting by leaders, whilst making it simpler and cheaper for followers to follow. New lead/follow standards and an oversight framework will be designed and piloted. This activity will be led by the Lloyd's Market Association.

In parallel to the 2020 priorities, Lloyd's will continue to progress the ideas laid out in Blueprint One for delivery in 2021. These include a prototype of the “data-first” version of the complex risk platform, as well as new capital investment opportunities, including pilots for ILS (insurance-linked securities) and the syndicate-in-a-box (SIAB) framework, designed to bring new business into the market without the need for a physical Lloyd's presence. This has already gone live, with Munich Re Innovation Syndicate 1840 writing business using the SIAB framework. There is also a commitment to ongoing cultural change with the appointment of Lloyd's Cultural Advisory Group to provide expert leadership.

Lloyd's has raised £300 million of new debt to fund the programme.

Please do not hesitate to contact us with any questions.



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