

# Operations Update



## Operations Update Q1 2025

Welcome to the first quarterly operations round-up of 2025.

As ever, there is a lot going on in the world of Operations, Change and Technology across the Lloyd's and London market.

Let's start with how we engage with our membership. There have been changes in both the LMA Board and Operations Committee memberships through the second half of 2024. You can find details of current participation on the respective LMA website pages ([Board](#) and [LMAOC](#)), along with a brief [summary and minutes](#) of the monthly Operations Committee meetings (login required). Details of the Delegated Authority Committee participants are [available here](#).

### Committee effectiveness

In January, the LMA completed its annual round of committee effectiveness surveys, inviting members of the Board and committees to comment. Results are being reviewed at the time of writing, and appropriate action to address improvement opportunities taken. It's not only committee members' views that matter; we also want to hear from the majority of managing agents who are not participants but on whose behalf the Board and committees act. If your firm has a view on any matters we need to hear, please do get in touch with [Rob Myers](#).

### LMA website upgrade

We have a project underway to redesign the LMA website to create an intuitive, modern, accessible and mobile-friendly platform that better serves members' needs. We look forward to unveiling our new website in the coming months.

### 2025 priorities

Goals for the Operations Committee in 2025 have been agreed and are posted [here](#). We will update status on topics every four-to-six weeks, so please consider bookmarking the page if you are interested but not directly involved in certain topics.

Goals for the Delegated Authority Committee (DAC) are being finalised. You may not be surprised to learn that the following feature prominently in our plans:

- Completing the drafting of the new Computable Binding Authority Agreement (CBAA) model wordings.

- Ensuring significant progress in developing the CBAA digital Wording Objects Library and the LIMOSS Contract Creator market service.
- Collaborating with Lloyd's to ensure the approach to 'streamlined compliance' in Delegated Authority delivers genuine benefits to the market.

The DAC is also keeping a watching brief, via the DA Underwriting Group (DAUG), on Lloyd's developments in DA underwriting performance, including expected changes to how DA is treated under Lloyd's Principles-Based Oversight (PBO) and a change to the reporting of high-level splits for the 2026 SBF to separate broker facilities and binding authorities where placement platforms are used.

## **Dates for your diary**

### COO Forum

On **Tuesday 25 March**, we will host the first in-person quarterly COO Forum for 2025. Invitations have been sent to everyone recorded with the COO role in our members' database. If you are unable to attend but would like your organisation represented, please contact [Rob Myers](#) with the relevant details. The agenda will be circulated in mid March.

### Embracing the AI Agent Revolution

On **Thursday 24 April**, we will be hosting a breakfast event with [Digital Workforce](#) which explores the future of insurance in an era of rapid knowledge work disruption. Invitations to register coming soon.

## **Digitisation**

### Blueprint Two

This year, Velonetic will focus on testing the new digital processing services (DPS) with Lloyd's and market firms (via the Vanguard and LIMOSS Co-ordinated Customer Testing (CCT)). Our current expectation, therefore, is signing the Termination Letter (required to expire existing central services contracts) and the new Digital Processing Services Agreement (DPSA) will not be required until sometime in 2026.

### Exit plan

In parallel with testing, activities in the Exit Plan will be executed. This plan prepares for the simultaneous retirement of existing central services contracts and activation of the new DPSA. Current expectation is the Exit Plan will be circulated to managing agents around the end of March and will be addressed in a market event being scheduled for late April. It has undergone three months of review, feedback and refinement with a representative group of LMA and IUA member organisations and is in the final round of review at the time of writing.

The plan requires Velonetic customers' sign-off, giving consent for confidential historical customer data to be copied from existing systems into the new DPSA AWS public cloud, and for the commissioning of new ancillary services operating in the AWS cloud (for example, Velonetic's RPA and sanctions screening). These services will initially be directed at ongoing provision of Heritage Services before being redirected to DPS. The Exit Plan also defines the Conditions of Service Readiness (for Velonetic and Lloyd's) and the Conditions of Market Readiness (for market firms) that need to be met in order for cutover to DPSA to proceed. Once these are conditions are met, the Termination Letter can be signed.

### Testing

Current expectation is that the Vanguard community will likely begin structured testing in Q3 2025. Co-ordinated Customer Testing (CCT) will commence later in the year, once Vanguard demonstrates confidence in the results. This timetable suggests that managing agents' Board considerations relating to Material Outsource Notification (MON) decisions will move into the second half of the year.

### Historic data copy

This relates to 30-plus years of transaction data held in Velonetic processing systems and roughly 18 years of documentation in the Insurers' Market Repository (around 100 million documents, increasing by 10% annually). The data copy is one of several workstreams referenced in the Exit Plan and planning for this has commenced, drawing on last year's preliminary data copy efforts. There is a lot of focus on this, ensuring that the data copy and associated assurance of that activity satisfy managing agents' requirements.

### Connectivity to electronic trading platforms for managing agents

With the encouragement of the LMA Operations Committee and support of LIMOSS, the LMA commissioned a feasibility study exploring the hypotheses that there is:

1. a case for a central market service offering enabling all managing agents to connect to different e-trading solutions, and
2. sufficient appetite to adopt such a service.

The fieldwork conducted by Altus Consulting concluded in January 2025 and the findings were discussed with relevant LMA committees. Subsequently, a small working group of managing agents has validated and shaped what a day-one service offering would comprise and identified several must-haves in terms of how the service offering and general e-trading eco-system would need to evolve to secure success. The next steps include formal shaping of the service and discussion with potential suppliers and wider socialisation with the broker and company market communities and, importantly, third-party e-trading platform providers.

### Core Data Record (CDR) scope extension – treaty reinsurance

The LMG's Data Council extended its market consultation window for the Treaty Reinsurance CDR from 09 December 2024 to 14 February 2025, recognising the intensity of treaty business at year-end. This allowed firms more time to provide their feedback on the fields proposed by the CDR working group. That feedback is now being collated and next steps will be to lock-down the Treaty CDR specification. From Q2, we expect similar work for Delegated Authority, starting with the contract of delegation and opportunity to utilise thinking already applied to the Computable Binding Authority Agreement development (see below).

### Computable Binding Authority Agreement (CBAA)

The CBAA remains a priority for the LMA and the Delegated Authority Committee. The LMA DA Wordings Group continues to draft the 15 contract modules, aiming to complete digital-ready model wordings by Q4. A full external legal review will follow before publication in analogue (MS Word) form. At the same time, a CBAA Information Model is being developed, which will underpin the digital Wording Objects Library (WOL). The WOL will store the model wordings in a codified format, accessible to contract-builder solutions via API. The target is to roll out the WOL in H1 2026, alongside a market service CBAA Contract Creator, supported by LIMOSS. Work is already underway to validate the suitability of the LIMOSS Market Business Glossary as the WOL's home.

### **More Delegated Authority...**

#### Streamlined compliance

There are three workstreams in the streamlined compliance project:

1. definition of the question set
2. definition of roles and responsibilities
3. commissioning a new market system (ultimately to replace ATLAS).

The LMA is working closely with Lloyd's to develop a single, common question set for both coverholders and Delegated Claims Adjusters (DCAs), aiming for completion by September 2025. Of the ten question-set topics, around half are largely complete, with work on the remaining five now in progress. The roles and responsibilities workstream, led by Lloyd's, addresses compliance responsibilities between lead and follow underwriters, as well as Lloyd's own role. The market system workstream is led by the LMA in partnership with LIMOSS. It starts with ensuring that market requirements are documented and fully understood in advance of an RFP process towards the end of 2025.

## **Operational Resilience**

### Contingency Solution for Central Settlement

The market has long recognised the need to have a contingency solution should Lloyd's central settlement service become unavailable. While Blueprint Two (BP2) cutover planning has sharpened focus on this, the need is independent of BP2 and remains essential to Operational Resilience. The Urgent Settlement Guidance (USG) was written as a solution to this problem. It is recognised that USG is not effective for an extended period, recently highlighted by the Market-Wide Scenario Exercise conducted during H2 2024. Lloyd's recognises it has a prominent role to play in orchestrating an effective response to a prolonged service outage – whether caused by issues at the Corporation or within Velonetic's operations. The LMA is currently discussing next steps with Lloyd's and will work with them and the market to design, develop and test an effective solution.

### Regulator consultations/third-party risk management

Monday 31 March marks the end of the three-year implementation period for Operational Resilience. At the end of 2024, the LMA published a testing maturity matrix and a benchmarking exercise, both of which were well supported. Looking ahead, the LMA Operational Resilience Committee (OpRes) is considering re-running the IBS/Itol benchmarking exercise after March to track progress at the close of the implementation period. With regulators placing increasing focus on third-party risk management, the LMA OpRes Forum will prioritise this through 2025. We continue to monitor the designation of critical third parties, expected mid-year, and the associated implications. The LMA will also respond to consultations on incident reporting proposals.

## **LMA Academy**

In November, the LMA Academy supported our members by launching and delivering our new Operational Resilience Scenario Testing programme. Over four modules, delegates discussed best practice in this area and took part in a live case study. This programme will run again in April.

We are also delighted to confirm that our Operations Management Business Simulation Programme will run for four days, starting 14 July 2025. This popular, hands-on experience is especially valuable for operations professionals.

For further details and to register, please visit the [LMA Virtual Academy](#) or contact [Andy Oakley](#). Spaces for both programmes are limited and going quickly.

## **And finally...**

Our new Operations Director, Joe Brace, currently at Apollo, joins the LMA on Tuesday 08 April. I look forward to working with Joe to ensure a smooth transition. I will continue to support the LMA for the remainder of 2025 in specific project areas. Joe and I hope to see many of you at the COO Forum on Tuesday 25 March. If you have any questions or feedback in the meantime, please feel free to get in touch.

*This update was issued on 05 March*