

# Central Services Refresh

## Market Interaction Model - PbS User Guide

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# 1 Introduction

## 1.1 Background

Post-bind Submission (PbS) will enable Brokers to use ACORD messages to process accounting transactions addressed to Carriers for handling by London Market Bureau(x).

The use of these messages will remove the need for the Broker to submit London specific information through current eAccounts; A&S and ECF channels and to use a global standard method of submission. Although PbS will utilise components of the eAccounts; A&S and CLASS infrastructure, the development for PbS will not affect the current services. Brokers who have not migrated may continue using eAccounts; A&S and ECF until such date that these services are retired as long as they had not previously made a submission using the new method for the risk in question.

## 1.2 Purpose and Scope of Document

In the majority guidance and specification is provided by the EBOT & ECOT Quick Reference Guides and the Global (Re)insurance Best Practice Guide. This document provides supplementary information to define the precise handling in respect of London Market business handled via the Bureau(x).

It describes the use of ACORD Technical Account; Financial Account; Claim Movement and Acknowledgement messages to advise the details of premium and claim accounting transactions addressed to Carriers for handling by London Market Bureau(x) on their behalf.

This version of the PbS User Guide document is focussed on providing the Broker community with sufficient detail to commence messaging development. Subsequent versions of the document will be provided to expand on the current content (e.g. specific business scenarios) and provide details relevant to carriers processes in working with PbS (noting that carriers will not be affected in terms of supporting messaging or integrating PbS release 1 with their systems).

## 1.3 Service Scope and Exclusions

This service will enable:

- EBOT standard ACORD Technical Account messages to provide details of the premium and claim accounting transactions;
- EBOT standard ACORD Financial Account messages to trigger the settlement of de-linked signings that resulted from the submission of ACORD Technical Accounts;
- ECOT standard ACORD Claim Movement messages to advise details of claims;
- EBOT / ECOT standard ACORD Application Level Acknowledgement messages to advise acceptance or rejection as valid messages on behalf of each Carrier;

EBOT / ECOT standard ACORD Business Level Acknowledgement messages to advise business queries, or to confirm completion of business processing on behalf of each Carrier.

The only exclusion is:

- Deferred Scheme. This scheme is a 'Londonism' which the Brokers have asked to be phased out and needs to be because it potentially breaches Brokers financial regulations. This is being phased out. It was previously agreed that Brokers using eAccounts could drop the Deferred Scheme and this is carried forward for PbS. (As an aside, EBOT/ECOT does not technically support Deferred Scheme fully either.) Consequently, PbS will not support the Deferred Scheme and Brokers will not be able to use EBOT submissions for the Deferred Scheme.

Beyond this, there are no exclusions of activity where it would be appropriate or within the ACORD standards to use EBOT/ECOT between Broker and Carrier. There are a number of areas where there are specific considerations, these are noted below.

The following items are not within the scope for PbS Release 1 because the form of the financial notification is either quite different to that or does not involve the Broker:

- Outwards Reinsurance. Transactions between a Reinsured and their reinsurance Broker (e.g. Lloyd's Outward Reinsurance Scheme). These are quite different transactions and financial relationship being between insured customer and broker. For this reason replacement of LORS was outside the scope of PbS TOM.
- Direct submission by Coverholders or (Re)Insured's (see also above). Kept outside scope of PbS R1 and TOM to avoid perceived risk of disintermediation of Brokers. It is anticipated that submission arrangements could be extended in due course to Coverholders (particularly with Binders and Bordereau) with the agreement and supervision of Brokers.
- General Average, where transactions are generated by and settled to the Average Adjuster. That is, there is no Broker involvement in notifying the transaction. XCS act directly on instructions by the adjuster and may consider switch to ECOT/EBOT for internal use inside the Bureau.
- Claims Payable Abroad, where transactions are generated by and settled to the Lloyd's Agent. Once again, there is no Broker involvement in these transactions.
- Expert fees, which are not normally submitted or collected by the Broker. With the implementation of PbS Release 1, experts will still be required to submit invoices themselves or via a collection agent, using the Expert Fee user interface (service) which will remain unaltered.

The following are items where payments and claims submissions will be supported by PbS EBOT/ECOT messages but where there are non-payment submission / non-claim notification activities that will not be changed by PbS:

- Consortia registration and fee payments. Processes for the initial registration of the Consortium and recovery of fees by the Consortium Leader (which cannot be supported by EBOT/ECOT).
- Scheme Canada. Applies to ECOT messages only where ECOT will support the advising of claims outside authority. The initial contract set up is achieved via the Lineage system operated by Lloyd's Canada and the relevant bordereau are submitted directly to CLASS and LIDS by Lloyd's Canada (i.e. there is no Broker involvement). Consequently these elements are unchanged by PbS Release 1.
- With regards to Binding Authority Claims 'outside authority', ECOT messaging does not currently provide the facility for specific amounts to be authorised for payment by the coverholder. Consequently, the only available option to specify the amounts is to use the ECF On-line claims submission channel. Otherwise the method (normally used today) of identifying the amounts to be authorised within supporting documentation can be used in an ECOT submission.

The following items are not (and should not) be accomplished by EBOT/ECOT but PbS is making process arrangements to support these to allow for the transition from the existing submission channels (e.g. A&S). Consequently these are sometimes called 'out-of-band' transactions because they are not supported by ACORD standard processes (and may never be because of complexity of very low volumes):

- **Contracts Submissions** –The early submission of a facility contract will still be available (also known as 'FDO' or For Declaration Only submission), but will be accomplished via other means (brokers will not be able to use EBOT submissions to submit a contract when it does not coincide with an accounting transaction). This primarily covers Binding Authority and Proportional Treaty Contract Submissions.
- **Non-Premium Endorsements.** Another form of contract submissions. These are changes to risks/contracts that do not require a premium change but are useful to receive early because they affect reporting needs. Brokers will be able to continue to submit these types of 'contract submissions' in a similar fashion to FDOs.
- **Correction requests.** Brokers can use EBOT cancellation and replacement arrangements provided through ACORD to notify changes. There are some circumstances (e.g. error made by the Bureau which needs correction, these are about 3% of corrections) where notification is better and more conveniently supported out-of-band. These will be supported within the new 'query portal'.
- **Mid Term Broker Changes.** These are not explicitly supported by EBOT/ECOT notifications, but the relevant MTBC documentation may be associated with an EBOT/ECOT submission (though this approach is not recommended). Full details of Mid Term Broker change handling are being included with the Addendum to the PbS User Guide. PbS will provide much better support for the changes to the referencing of contracts that this activity can result in.

Percentage of transactions that can go through the bureau post EBOT/ECOT:

- 100%. All transactions currently going through the bureau will still be able to go through the bureau. All payment notifications supported by A&S and eAccounts or 'paper' will be supported by EBOT including some that cannot be supported by eAccounts (e.g. Prop Treaty) that can only go through one can go through EBOT/ECOT. Similarly for ECOT where the support for electronic messaging is being extended over that currently in ECF. Out-of-Band approaches are only used where ACORD cannot or chooses not to support ancillary processes.

It is intended that no other exclusions will apply and none have been identified to date.

**Note:** Entries that were previously submitted as part of the Deferred Scheme should be submitted with an individual Technical Account message for each instalment (EBOT mandates that instalment premiums are identified by including a TechAccountAmtItem with Type of 'instalment\_premium' and recommends that the instalments are grouped). Whilst provision of an instalment number element is optional within EBOT, where multiple instalments have the same due date and amount, use of the instalment number element would ensure that Central Services apply the same sequence as the Broker (see section 5.5 – Premium Instalments for further details).

Settlement for each instalment would not be automatically triggered by Central Services (as is the case for the Deferred Scheme), they would be only be submitted for settlement once the corresponding Financial Account messages are received.

## 2 Technical Standards

### 2.1 ACORD Standards Versions

The following combination of ACORD standards versions will be supported:

- Reinsurance & Large Commercial EBOT Quick Reference Guide - version 2015-04
- Reinsurance & Large Commercial ECOT Quick Reference Guide - version 2015-04
- ACORD Messaging Service XML Specification and SOAP Implementation Guide v1.4.3
- Reinsurance & Large Commercial XML Message Specification version 2015-04
- Document Repository Interface (DRI) Reference Guide v1.2.3 (schema 1.2.1)

### 2.2 Ruschlikon Guide & Protocols

The following Ruschlikon Guide and protocols will be supported:

#### Guide

- Global (Re)insurance Best Practice Guide – Accounting, Settlement & Claims v1.0 (April 2015)

#### Protocols

It is intended that in future the current version and immediate previous version of the published ACORD standards will be supported, subject to the following:

- The initial implementation in Q1 2016 will support the April 2015 standards only<sup>1</sup>.
- Latest and immediate previous standards to be supported from a subsequent release (most likely from September / October 2016).
- When future releases are published (e.g. April 2017), the aim will be to support the latest release as early as possible and retire the oldest version at the same time, this maintaining the support of current plus immediate previous.

### 2.3 Additional Reference Documentation

The following documentation / guides are regularly referenced throughout this user guide:

- Electronic Claims File – Lloyd's Systems Processes & Procedures
- Electronic Claims File – IUA Systems Processes & Procedures

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<sup>1</sup> The initial implementation in Q1 2016 may support specific extensions to the April 2015 standards, to incorporate functions currently under discussion with ACORD and Ruschlikon (e.g. two way query messaging and the facility to settle TAs immediately without the requirement for an FA).

Discussion will take place with the ECF User group to ascertain the extent to which the claims aspects of this guide would subsequently be combined with the Lloyd's/IUA Systems Processes & Procedures (SP&P) but is kept separate for the time being.

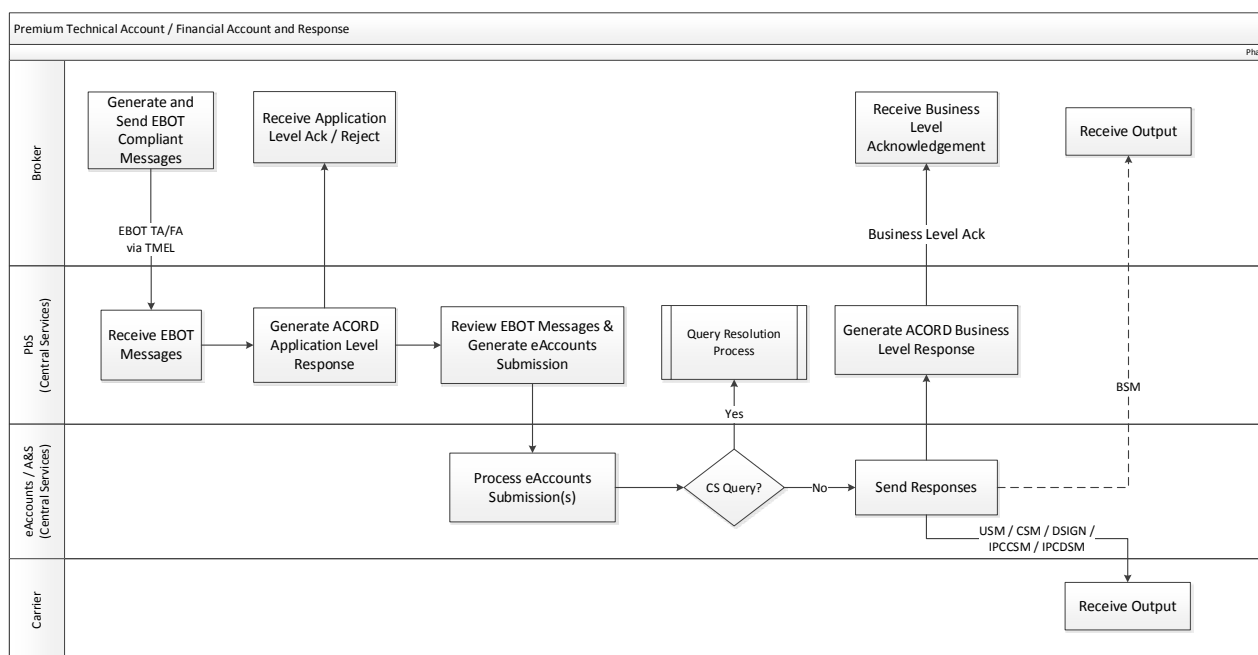


### 3 Business Process Overview

In general, the ACORD EBOT / ECOT standard process will be followed as stated in the Quick Reference Guides (section 3, processes) identified in section 2.1 (ACORD Standards Versions) of this document. This section will provide an overview of EBOT / ECOT processing in relation to PbS and specifically to the handling in respect of the London Market business handled via the Bureau(x).

All messages will be transmitted via The Exchange (TMEL), where the appropriate ACORD validator will be applied. If the message passes validation it will be forwarded to Central Services, otherwise an application level rejection will be sent to the broker.

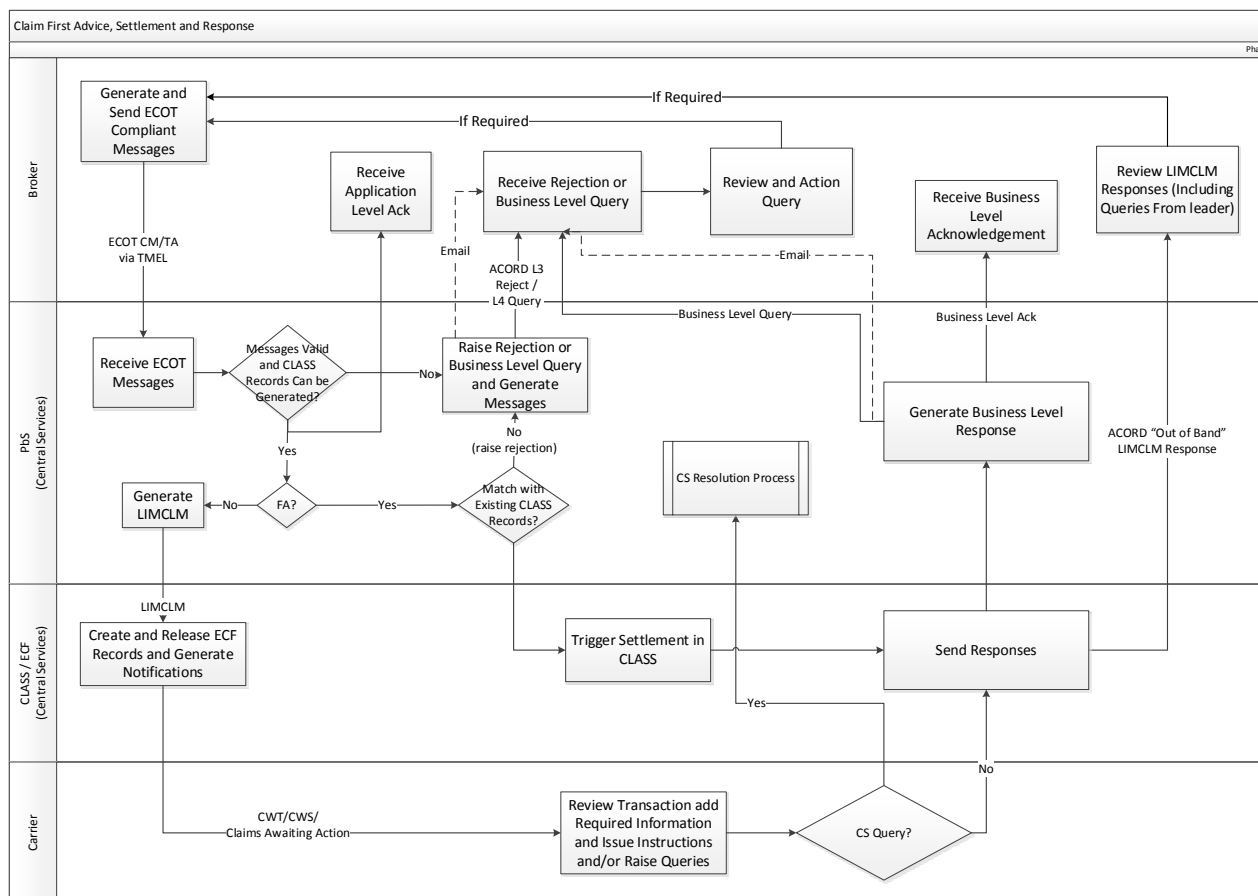
#### 3.1 Premium Process



- Brokers will generate ACORD EBOT messages via their own systems, and may choose to create transaction at either; fundamental level (currency, carrier splits etc) or non-fundamental level (regulatory splits, etc). Brokers will continue to provide the MRC and supporting documents during the Post-bind Submission phase of CSRP.
- A separate Technical Account and Financial Account message **must** be sent for each carrier that participates on the contract. Separate messages **must** also be generated for each carrier when the premium is to be paid in multiple currencies or multiple instalments. Separate messages must also be generated for each Line of Business.
- Upon receipt, Central Services will:
  - Validate each message;
  - Confirm receipt of the messages and/or provide details of any message errors to the broker via ACORD Application level Acknowledgements;
  - Accumulate as appropriate (details regarding the accumulation of messages are included within section 4.6 (Grouping, Accumulation and Synchronised Processing) of this document).

- Data supplied within Technical Account messages will be loaded on to existing Central Services infrastructure (i.e. that used for eAccounts and A&S) and will be supplemented with data that the Broker is no longer required to provide (e.g. Risk Codes).
- Data supplied within Financial Account messages will automatically be validated against the corresponding Technical Account data, and if consistent, the Financial Account will be released for settlement.
- Any queries with the information provided will be directed to the queries and correction process as outlined in section 9 (Specific Considerations – Queries & Corrections) of this User Guide.
- Following successful processing of the transaction within Central Services, responses will be submitted to Brokers and Carriers. Brokers will receive ACORD Business Level Acknowledgements for each message, and may elect to also continue to receive the existing Bureau Signing Messages (BSMs, IPCBSMs and OSND files). Carriers will continue to receive their EDI messaging (e.g. CSMs / USMs).

### 3.2 Claims Process



- Brokers will generate ACORD EBOT / ECOT messages via their own systems, and will continue to provide the appropriate supporting documentation (the Electronic Claims File – Lloyd’s SP&P (section 3.1.2) outlines the type of documents that would normally be expected).
- A separate Claim Movement / Technical Account (where appropriate) message **must** be sent for each carrier that is affected by the claim advice. Separate messages **must** also be generated for each carrier when the claim is advised and/or paid in multiple currencies. This is as required by the ACORD standards.
- Upon receipt, Central Services will:
  - Validate each message;
  - Confirm receipt of the messages and/or provide details of any message errors to the broker via ACORD Application level Acknowledgements;
  - Accumulate as appropriate (details regarding the accumulation of messages are included within section 4.6 (Grouping, Accumulation and Synchronised Processing) of this document).
- PbS will receive the EBOT / ECOT messages and whenever possible automatically generate the required CLASS transactions from the data within the message(s), supplemented by risk history data already within Central Services systems. In certain instances manual intervention will be required to generate the required CLASS transactions – However, this is not expected to occur in

any more cases than the current ECF process and thus no further delay is expected than occurs with broker direct submission to CLASS.

- When it is not possible for PbS to create the CLASS transaction owing to an issue with the broker presentation, a business level query will be raised. This is likely to be similar circumstances (i.e. principally, the ability to identify the correct Market) that prevent the release of a CLASS transaction to carriers in broker direct submission to CLASS.
- PbS will generate a CLASS record and ECF processing will be initiated as today, including generation of notifications and recording of responses.
- In the case of Lloyd's claims the original signing number and date on the ECF record will not be populated from the Broker PbS submission except when the claim was initially advised prior to implementation of PbS. XCS Technical processing will populate the original signing number and date on XCS CLASS for purposes of settlement and SCM advising.
- In the case of company market claims, the signing numbers and dates will be added automatically in the majority of cases. In a small number of cases manual intervention will be required to select the applicable signing number, this will not delay the advice to carrier and will be added as soon as possible after the initial transaction has been released.
- Carriers will review the transaction to add any information required, issue instructions, make responses and/or raise any queries.
- PbS will receive responses from CLASS and generate the relevant ACORD business level response; an acknowledgement or a query. The relevant response message will be received by the broker organisation.
  - The broker organisation will review and action any query response.
  - When the response is a Business Level Acknowledgement this will normally conclude the transaction. However, the Carrier will (as is presently the case) need to convey further information (e.g. notes or instructions which are not queries) to the broker. The ECOT standard does not support this type of further communication. Consequently, for the initial PbS implementation this must be handled out-of-band.<sup>2</sup> Here, the Broker has a choice (which will be determined via service registration):
    - The Broker may elect to use the existing LIMCLM responses to fulfil this "Out of Band" communication. (LIMCLM Responses will continue to be issued; as with the rest of PbS, existing outbound messages are not being removed).
    - The Broker may also elect to receive an out-of-band email to receive a notification and further information from the Carrier. Emails will be automatically generated by the PbS system, Carriers will not be required to send these emails.

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<sup>2</sup> ACORD EBOT and ECOT do not currently support the advice of claim response narrative (except a query) or any continuation of query dialogue after the initial business level query. The current EBOT and ECOT guidelines treat this dialogue as out-of-band. Currently the options available are e-mail triggers supported by on-line access to the detail and for claims e-mail and/or the existing LIMCLM response. We are currently discussing options with ACORD about the introduction of an ACORD compliant and global standard solution to form part of EBOT and ECOT. PbS will transition to the use of this message as soon as it is ratified (and potentially in advance of the formal release) but will continue to support the out-of-band channels described above for those organisations not yet ready to implement the new message.

- In order to initiate settlement, a Financial Account message must be generated<sup>3</sup> and sent by the broker, after a business level acknowledgement has been received in response to a TA.
- For a FA message, PbS will attempt to match it to an existing CLASS transaction, before triggering the settlement process within CLASS. As above, this is not expected to require manual intervention in any more cases than the current ECF process. This means that the settlement will still be triggered on the same settlement day, subject to the FA having been received before the close of the UK business day (precise timings TBA).

**Note:** There are some circumstances under which a claims only FDO is established in order to combine the market of more than one signing into a single signing for claims processing purposes. The removal of the need to use signing numbers and dates in PbS claims advising means that claims FDOs are no longer required for claims advised to PbS as CM messages.

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<sup>3</sup> There is currently an open discussion with ACORD as to whether the standard can be amended to accommodate an instruction to complete settlement processing at the TA stage (this is referred to as a cash TA in eAccounts). It is expected that cash TAs will be available at PbS Go-Live.

## 4 General Business Process Considerations

The details contained within sections 4 to 9 of the User Guide are items where the use of EBOT and /or ECOT standard data requires some clarification over and above the Global Standard Guidelines when handling London Market Bureau business.

Each topic will contain narrative to explain the circumstance together with details of the options available to the sender and the relevant actions that Central Services would take in those circumstances.

Whenever appropriate, **Technical Elements** (predominantly ACORD data dictionary refs and Xpath definitions) will be noted to provide clarity for solution providers as to the specific data items involved.

**Assumptions** that have been made by Central Services may also be documented.

The scenarios identified as being **Standard Practice** are those that are common to existing procedures and/or have been expressed by market participants as the most likely to be used in PbS.

### 4.1 Implementation Permutations

*Related to: Open Market & Individually Accounted Premium, Open Market & Individually Accounted Claim*

This section provides some clarification to assist brokers with assessing the implementation options available when adopting EBOT and ECOT messaging for PbS as outlined in this guide. In line with the details below, it is possible for brokers to elect to migrate a subset of their business at any given time.

1. The use of EBOT and ECOT messaging can be treated separately, i.e. because premium transactions against a risk are submitted using the EBOT messaging channel, there is no requirement to submit claims against the same risk using the EBOT / ECOT messaging channel.
2. Once brokers have migrated to the EBOT messaging channel for premium transaction submissions *against a particular risk*, it will not normally be possible to reverse this migration and submit follow on transactions for that risk via previous methods (eAccounts / A&S). N.B. This does not prevent brokers migrating in a blockwise fashion, for example, migrating different classes of business in stages.
3. If a claim advice has been submitted using the ECOT messaging channel, then this channel must be used throughout the entire remainder of the claim agreement process for that specific claim, i.e. until the claim has been agreed and has been settled.
4. The migration of an existing claim to the new channel is supported and encouraged, but if an individual transaction is in progress it will need to be completed via the previous submission method (LIMCLM) before the claim can be migrated.
5. An exception process will be defined to deal with any unexpected circumstances that would prevent the handling of items that have been migrated to the new method of submission.

Where Brokers have elected to use the new channels for premium submissions while retaining existing processes for claims, they will need to continue supplying the relevant signing numbers and dates for the claims submissions. The details of the signing numbers and dates, to allow the identification of the risk for the existing claims (i.e. non-PbS) processes, will be provided to Brokers in the same form (i.e. OSND files on IMR and by email) as for the current eAccounts service.

## 4.2 Decimal Places for Percentages

*Related to: Open Market & Individually Accounted Premium, Open Market & Individually Accounted Claim*

Percentage data items are typically used to calculate financial sums. Consequently, to safeguard against reconciliation issues occurring between participants, specific treatment will be taken to prevent rounding occurring.

### 4.2.1 Carrier Shares

#### Technical Elements

ACORD Name	Ref.	XPath	London
(Re)InsurerSharePercentage	P037/P046	TA: Subaccount/ContractSection/(Re)InsurerSharePercentage/ Rate  CM: ContractSection/(Re)InsurerSharePercentage/Rate	(M)

The EBOT and ECOT guides allows for Carrier participation to be expressed in up to 8 decimal places. A restriction in messaging such as BSM / USM / CSM limits Central Services to 7 decimals, meaning that there could be circumstances in which a valid EBOT / ECOT submission would not be able to be processed through Central Services.

Although the EBOT and ECOT standard specifies that a maximum of 8 decimal places can be used, there is no ACORD validator validation in place to verify this and messages would reach Central Services irrespective of the number of decimal places used.

The possible scenarios can therefore be split into two categories:

#### Standard Practice

- Submissions containing 7 decimal places or less

The submission would be accepted into Central Services and processed in the normal manner.

- Submissions containing 8 decimal places or more

The submission would be accepted into Central Services as a valid EBOT / ECOT message, and any trailing zeroes would be removed in an attempt to reduce the number of decimal places to 7 or less.

If there are still 8 or more digits after the decimal point, a query would be returned to the sender advising that Central Services are unable to process the entry because of the issue. The sender would be expected to resubmit the submission to amend the number of decimal places. This may result in the end user having to cancel and replace the entry within the Broker's system. Where practicable, other aspects of the submission would be reviewed before generating the query to ensure that there were no other issues.

**Note:** PbS would verify the carrier shares (signed lines) that are included in the EBOT message, against those contained on the MRC or schedule included with the submission.

#### 4.2.2 Other Percentages Data Items

Other percentages such as brokerage; overriding commissions; adjustment rates; location splits (e.g. for tax) would be treated in a similar manner to the Carrier shares, although there would not always be the need to query items with 8 or more decimal places (i.e. if the data item were to be used in a calculation, but not stored centrally, there would be no need to generate a query).

**Note:** A list of data items will be added to identify those that would be accepted and those that will be queried. Further details will be communicated and expanded upon in a subsequent version of this User Guide.



### 4.3 Rate of Exchange (ROE)

*Related to: Open Market & Individually Accounted Premium, Open Market & Individually Accounted Claim*

The EBOT process does not allow for the provision of a rate of exchange. For transactions where the original currency differs from the settlement currency, premium amounts are only specified in both original and settlement currencies at the Financial Account stage.

Central Services will establish a provisional rate of change at the technical account stage, which will be advised to carriers for the delinked settlement advice.

At the Financial Account stage, the relevant rate of exchange will be calculated and compared to the rate held on the Central Service currency tables. For premium transactions, as with current accepted practice, if the calculated rate is within a 10% tolerance of the Central Service rate, the entry will be released for settlement, otherwise the entry will be subject to the intervention by Central Services and may give rise to a query. For claim settlements the control will rest with the leader as to how much tolerance is allowed at the time they agree to settle. When the FA falls outside of that tolerance the item will be routed to the leader to decide whether to accept or query.

## 4.4 Mixture of Business Types

*Related to: Open Market & Individually Accounted Premium, Open Market & Individually Accounted Claim*

### Technical Elements

ACORD Name	Ref.	XPath	London
TreatyOrFacIndicator	C075	TA CM: Contract/TreatyFac	

Central Services have previously been unable to accept an eAccounts message containing multiple business types, and have mandated that the <TreatyFac> indicator must contain a value of 'direct', 'facultative' or 'treaty'. Similarly for A&S, the LPAN cannot be in respect of a mixture of direct, facultative or treaty business. The EBOT standard contains some values that would indicate a mix of business types ('Treaty/Fac' and 'Treaty or Facultative or Direct Contract'), and with the introduction of PbS, these values could be processed via Central Services.

The possible scenarios would include individual Technical Account messages being generated for each business type, with the sender choosing to group them. The resulting actions from that scenario would be identical to those highlighted in section 5.3 (Grouping for Payments), and the scenario has therefore been excluded from this section.

The other possible scenarios can be split into three categories:

#### Standard Practice

- Submission containing individual values of direct or treaty or facultative
 

The submission would be accepted into Central Services and processed in the normal manner.
  
- Submission containing mixed values (i.e. 'Treaty/Fac' or 'Treaty or Facultative or Direct Contract')
 

The submission would be accepted into Central Services as a valid message, and Central Services would then separate within their own processing, but associate the separate items to ensure processing is synchronised. For example, an issue with one part will prevent both being completed. The separation will be invisible to the sender, and responses to the submission (i.e. acknowledgements) would be at the original (unseparated) submission level.
  
- Submission containing individual values of 'Co-insurance' or 'Co-reinsurance')
 

These values are intended to be used in Carrier to Carrier messaging, but it would be possible for them to be incorrectly allocated against Broker to Carrier messages. The submission would be accepted into Central Services as a valid EBOT message, but the action following is yet to be determined. CS could; i) just update records with the correct value, or ii) submit a query advising that an incorrect value had been supplied and either update following advice from Broker or wait for Cancellation & Replacement. The specific treatment against these options will be defined in later versions of this guide (i.e. by the time the guide is finalised).

## 4.5 References

*Related to: Open Market & Individually Accounted Premium, Open Market & Individually Accounted Claim*

This section includes details on how Central Services will treat references that are not provided in a format that can be processed through central systems. It should be noted that where any mention of altering references is made, the intention is to store the data received in its original format and then to create an additional data item that can be used for processing purposes (i.e. Central Services will never modify the data received, just store an alternative value and apply cross referencing between the two values).

Any subsequent correspondence with the sender that includes their reference would contain the original (unaltered) data.

### 4.5.1 Broker Contract Reference (UMR)

#### Technical Elements

ACORD Name	Ref.	XPath	London
BrokerContractReference	R008	TA CM: /ContractBrokerReference	UMR

**Assumption:** The UMR construct will remain in use in the London market for the foreseeable future (at least until after the handling of EDI messages has been changed, or are no longer required).

In the London market, the Broker contract reference must be supplied in a specific format (known as the Unique Market Reference (UMR)). It consists of the Lloyd's Broker Number (i.e. 4 digits prefixed with a B), followed by up to 12 alphanumeric characters, which must be unique within the Brokers system (e.g. B0123ABC15DEFWXYZ).

The Broker Contract Reference within the EBOT / ECOT standard can contain up to 255 characters of any type (i.e. including special characters like '&' or '#'). Future phases of CSRP will remove the reliance on a reference of this precise format, at which point the ACORD standard could be accommodated. Until that time, Central Services will take the following actions for the Broker Contract Reference:

#### Standard Practice

- The Broker reference is supplied in the UMR format.

The submission would be accepted into Central Services and processed in the normal manner. The UMR as provided will be included in the UMR field of the BSM / USM / DSIGNS / CSM / IPCCSM / IPCDSM and the UMR excluding Broker number would be in the Broker Ref 1 field.

- The Broker reference is not supplied in the UMR format.

The submission would be accepted into Central Services as a valid EBOT / ECOT message, but a query would be returned to the sender advising that Central Services are unable to process the entry. The sender would be expected to resubmit the submission to supply the Broker reference in the UMR format. Where practicable, other aspects of the submission would be reviewed before generating the query to ensure that there were no other issues.

## 4.5.2 Transaction Reference

### Technical Elements

ACORD Name	Ref.	XPath	London
TechnicalAccountEntryBrokerReference	R248	TA: Subaccount/TechAccountEntry/BrokerReference	O
ClaimEntryBrokerReference	R167	CM: ClaimEntry/BrokerReference	O

**Note:** ACORD uses the terminology ‘transaction reference’ in a different way to the London Market uses the term. An ACORD transaction reference is specific to a particular message. A London Market transaction reference relates to a higher level transactions which may relate to a number of messages.

The processing of these transaction references will be essentially the same for both TA and CM messages.

The Broker transaction reference can contain up to 12 characters for Central Service submissions, but within the EBOT / ECOT standard, may be up to 255 characters. Additionally, the Central Services mainframe systems and the EDI messages limit the characters used to being from A-Z, 0-9, / and space, while EBOT / ECOT would accept a much wider range of characters (e.g. & or #).

Although the EBOT / ECOT standard specifies that a maximum of 255 characters can be used, there is no validation in place to verify this and messages would reach Central Services irrespective of the number of characters present. The options can therefore be split into two categories:

#### Standard Practice

- The Broker transaction reference is 12 characters or less and contains no unsupported characters  
The submission would be accepted into Central Services and processed in the normal manner, with the reference included in the carrier EDI messages (see below).
  
- The Broker transaction reference is more than 12 characters and/or contains unsupported characters.  
The submission would be accepted into Central Services as a valid EBOT / ECOT message. The Broker registration choice would determine whether i) a query would be returned to the Broker or ii) specific rules would be applied (yet to be determined) which would result in any unsupported characters being removed and the remaining reference being truncated if necessary to reduce the reference to 12 characters.  
  
This standardised 12 character reference would be used in BSM / USM / CSM / DSIGNS / IPCCSM / IPCDSM, and also the SCM / LIMCLM as Broker Reference 2. In addition it will be included as Transaction Reference in the carrier LIMCLM header but in this case it will be prefixed with “B” and the four digit broker number.

### 4.5.3 Carrier References

#### Technical Elements

ACORD Name	Ref.	XPath	London
(Re)InsurerContractReference	R009/ R116	TA CM: Contract/(Re)InsurerReference	

Within the London Bureau market it is mandatory for Carriers to complete their reference(s) on the MRC, and consequently any submissions to Central Services that has a Carrier reference missing from the MRC would be returned to the Broker. For Non Bureau business these Carrier References may not be supplied on the MRC and consequently Brokers may not know the reference when generating messages.

There will also be instances where a Carrier has applied multiple references to an element that the Broker wishes to account as a single entry, this can occur in both Bureau and non Bureau submissions.

The three scenarios that could materialise for the applicable Carrier submission are:

#### Standard Practice

- One Carrier reference is supplied on the MRC.

The submission would be accepted into Central Services as a valid EBOT / ECOT message, and Central Services would then validate the Carrier reference contained in the message against the MRC.

If correct, the response would contain the Carrier reference unaltered.

If incorrect, the response would contain the correct Carrier reference and the Broker should update their records accordingly.

#### Standard Practice

- More than one Carrier reference is supplied on the MRC.

The submission would be accepted into Central Services as a valid EBOT / ECOT message, and Central Services would then validate the Carrier reference contained in the message against the MRC.

If the reference matches one of those supplied on the MRC, the response would contain the same Carrier reference unaltered.

If the reference does not match any of those supplied on the MRC, Central Services would select one to include within the response.

The correct carrier reference that is used in correspondence with the carrier, is not necessarily the same reference supplied to the broker. However, this is pending discussion with carriers. Further details will be communicated and expanded upon in a subsequent version of the User Guide.

- The Carrier stamp on the MRC does not contain any reference (i.e. it has been omitted in error)



The submission would be accepted into Central Services as a valid EBOT / ECOT message, but a carrier query would be generated to establish the reference(s) that should be captured.

If the reference used from the MRC does not conform to the agreed format for bureau processing, a Query will be raised with the carrier. Carrier references can contain up to 12 characters for Lloyd's and up to 15 for IUA. Additionally, the Central Services mainframe systems and the EDI messages limit the characters used to being from A-Z, 0-9, / and space,

**Note:** In order to uphold EBOT / ECOT protocols, receipt of an amended reference should trigger an action for the Broker to update their records and use this in subsequent associated transactions.

## 4.6 Grouping, Accumulation and Synchronised Processing

*Related to: Open Market & Individually Accounted Premium, Open Market & Individually Accounted Claim*

One of the major benefits for Carriers using Central Services is the ability for a process to be run once on behalf of a group of Carriers. To facilitate this, Brokers have historically been required to amalgamate all Carrier shares for a specified Bureau (Lloyd's / ILU / LIRMA) via use of LPANs (A&S or paper) or Service Provider Grouping mechanisms (eAccounts messages).

Brokers adopting EBOT / ECOT messaging for Bureau submissions will no longer amalgamate the Carrier shares, but in order to retain the principle of running a process once for a group of Carriers, Central Services will accumulate the relevant messages and continue to process at a Bureau level, at least in the short-term.

This accumulation of Carrier messages will mean that any issue discovered with an individual Carrier share (e.g. missing reference) will result in all other Carrier shares for the bureau in question being held until the issue is resolved (as is the case for the existing A&S or eAccounts submissions). Where practicable, other aspects of the submission would be reviewed before generating the query to reduce the risk of further queries arising and to minimise the effort required once the issue had been resolved.

Future phases of CSRP will provide a much greater level of automation together with removing the dependence on the existing infrastructure. At this point, Central Services would be able to process Carrier messages independently.

The removal of the grouping requirement could also lead to instances where not all Carrier messages for a transaction are received at the same time. Central Services will instigate processing at the earliest opportunity, and where individual Carrier messages have not been received by the time processing has been completed, a query will be submitted to the Broker.

ACORD provides a number of mechanisms for grouping messages of a single type and also for indicating that related messages of different types (e.g. technical account and claim movement messages) should be processed together. In addition to these groupings, and the accumulation across the carriers on a bureau submission described above, Central Services will adopt a number of other conventions in order to meet market expectations for checking and settlement. These are described in the sections 5.2 (Grouping for Payments), 6.3 (Grouping for Settlement) and 7.2 (Grouping for Claims).

## 4.7 Party Identification

*Related to: Open Market & Individually Accounted Premium, Open Market & Individually Accounted Claim*

### Technical Elements

ACORD Name	Ref.	XPath	London
(Re)InsurerIdentification	C478/ C102	TA FA CM: (Re)Insurer/Party/Id	
(Re)InsurerIdentificationAgency	C479/ C103	TA FA CM: (Re)Insurer/Party/Id/@Agency	
(Re)InsurerName	T230/ T017	TA FA CM: (Re)Insurer/Party/Id/Name	

Party Identification has a material impact on two areas, the ability to i) automatically route the message to the correct recipient and ii) identify the legal entity that is participating on the contract.

#### 4.7.1 Routing of Messages

With EBOT/ECOT messaging being transmitted via The Message Exchange Limited (TMEL) for both Bureau and non Bureau implementations, a means of differentiating between the two is required so that TMEL can direct to the Central Services gateway or Carriers' own gateway as appropriate.

A workshop was held on 17/04/2015 to discuss ways to facilitate messages being routed from brokers to Central Services via TMEL, and five options were recorded. Further consultation has identified that the optimal solution would require significant development and co-ordination across the market, and therefore a temporary solution has been agreed for use in PbS. The optimal solution will be recommended to the appropriate Steering Committees for consideration at a later date (potentially in conjunction with the London Market Operating Model).

The temporary arrangement will require Brokers to populate the agreed Central Services Dun & Bradstreet (DUNS) number in the message header (i.e. in the Ultimate Receiver PartyId of the End Point Addressing aggregate). Consequently, this addressing mechanism should not require changes to brokers messaging gateways to support this mechanism. Details regarding the specific address number to use in the message header will be provided in a subsequent release of this document.



#### 4.7.2 Identifying the Legal Entity

The EBOT / ECOT Guides contain a number of elements to identify the parties associated with the message (including name and address). One of the elements is a coded identification, and ACORD recommend the use of Dun & Bradstreet (DUNs) codes for this element. An alternative option is the Lloyd's Syndicate/Broker number or IUA Carrier stamp. Both of these options will be available for EBOT / ECOT messages submitted for processing in Central Services.

The possible scenarios can therefore be split into two categories:

##### Standard Practice

- Submissions using Lloyd's, ILU or LIRMA codes

The submission would be accepted into Central Services and the carrier stamp details would be automatically recorded in Central Service systems.

- Submissions using Dun & Bradstreet numbers

The submission would be accepted into Central Services and the carrier stamp details would be identified manually by reviewing the MRC and then recorded in Central Service systems. Subsequent transactions will not require manual intervention by XIS Operations, because the previously established cross-reference will be used.

## 4.8 Gaps between EBOT & BSM

*Related to: Open Market & Individually Accounted Premium*

### 4.8.1 Actual Payment Date

**Note:** The EBOT / ECOT process is completed at the Financial Account stage, which merely indicates the intention to settle. It does not include the physical transfer of funds that would equate to Central Settlement in Bureau processes; consequently it does not contain an element to identify the specific date on which funds will be debited from / credited to participant's accounts (known as the Actual Payment Date).

ACORD are currently developing a Central Settlement process in conjunction with NetSett, and once this process has been defined, PbS will seek feedback from workshop participants in respect of the relevant suitability of using this process for their Bureau submissions.

PbS have also initiated discussions with ACORD regarding Query and Status dialogues which may also provide suitable alternative options for advising Actual Payment Dates. Further details will be communicated and expanded upon in a subsequent version of the User Guide.

Brokers may continue to use the current options, being:

- The existing BSMs, which will continue to be generated allowing Brokers and Service Companies to extract the data in the same way that they do today.
- The existing Central Settlement service output that advises pending settlements. These are produced on the day of signing and are delivered as part of an overnight batch process (i.e. when the Broker or Service Company receives the output the following morning, the settlements advised will be due in two working days).
- The existing Central Settlement service output that provides the actual settlement amounts on the day that settlement will occur.

### 4.8.2 Work Package Reference

Work package references will in future have no relevance to the Broker, but when the broker enquires on the IMR they may still see work package references.

### 4.8.3 Signing Numbers & Dates

As part of the PbS implementation and adoption of ACORD EBOT/ECOT messaging, brokers will no longer be required to provide Original Signing Number & Dates (OSND) with PbS submissions.

## 4.9 Document Submission Methods / Version Control

*Related to: Open Market & Individually Accounted Premium, Open Market & Individually Accounted Claim*

**Assumption:** Where messages for more than one Carrier are received for the same transaction, and the document attributes are the same, Central Services will make the assumption that a single document is being referenced (i.e. there will not be a word by word comparison of each document to be absolutely certain that the same document applies to each message).

### Document Submission Methods

Claim Movement and Technical Account messages can include details regarding supporting documents, but Financial Account and Acknowledgements cannot. Where supporting documents are to be supplied, there are four methods identified in EBOT / ECOT, which are:

- Document Repository Interface (DRI) - This is an automatable method for document transfer, and is specified by ACORD. It allows a computer to retrieve supporting documents from the counterparty's document repository using DRI commands. The DRI commands can be associated with an EBOT / ECOT message or can be actioned independently. If actioned independently, the DRI messages must be submitted before the corresponding Claim Movement or Technical Account messages in order for documents to be available on the IMR when Central Service processing commences (if the relevant documents are not available, a query will be required to resolve the issue). The DRI standard to be used is referenced in section 2.1 (ACORD Standards Versions).
- In Stream - The supporting documents are sent together with the EBOT / ECOT message.
- Out of Band – No details are incorporated with the EBOT / ECOT message, but are supplied via another method (e.g. email or Direct Load).
- URL link to a repository - A link in the business message points to the supporting document on the internet. This link could be either i) a link to a relevant area of a document repository requiring a logon and password or ii) a direct link to a document.

The URL option is being phased out by the Ruschlikon community and will therefore not be supported by PbS.

Full details regarding the DRI and In Stream methods are covered within the ACORD Guides identified in section 2.1 (ACORD Messaging Service XML Specification and Document Repository Interface Reference Guide).

Central Services also have a Direct Load facility (a web browser application that allows Brokers to load documents directly onto the structured area of the IMR). This is an "Out of Band" method and this (or a similar facility) will also be available for PbS submissions. Details of how to use the Direct Load can be found within the A&S Repository User Guide (section 5, page 38) at the following location:

<http://www.londonmarketgroup.co.uk/index.php/current-resources/a-a-s/repository>

**Note:** There are no restrictions placed on accepted file formats when supplying supporting documents with EBOT / ECOT. However, there are a restricted number of file formats supported by the IMR, which can be

found within the additional reference documentation identified in section 2.3 (Electronic Claims File – Lloyd’s Systems Processes & Procedures, section 5).

## Version Control

Documents either associated with or referenced within messages will be uploaded to the IMR. The following approach will be taken to managing versions or duplicate documents submitted within individual messages

- When more than one instance of the same document (as identified by the unique referencing in the message) is supplied in the individual messages relating to the different carriers on the same risk, then it will be assumed that the documents are identical and just one instance of the document will be loaded to the applicable folder within the IMR and this will be used to support processing. Note: The documents themselves will not be compared.
- In the event that the document attributes (i.e. reference) are not the same, a technician will intervene and establish the circumstances. When the difference is intentional (e.g. where different documents are associated with different Carrier messages on the same claim advice), the different versions will be stored appropriately (with the relevant access control), otherwise a query will be raised.

Consequently, brokers are strongly advised to use identical document references in messages for identical shared documents in related messages for EBOT/ECOT submissions. This will minimise unintended interventions and, possibly, resulting Queries back to the broker on the submission intent.

## Confidential Documents

The existing Central Service facilities include two options for Brokers when supplying confidential documents:

1. The document is flagged as confidential but no access control list (ACL) is specified by the Broker. The document is loaded to the relevant folder on the IMR dependant on the document type. The document can only be viewed by the Broker and XIS.
2. The document is flagged as confidential and an ACL is specified by the Broker. The document is loaded to the relevant folder on the IMR dependant on the document type. The document can be viewed by the Broker, XIS and any Carriers specified by the Broker on the ACL.

System validation cross-checks the organisations on the supplied ACL against the Carriers on the relevant risk record. If a document is loaded with a supplied ACL that does not match the market held, the Broker receives an exception report detailing the discrepancy. The Broker should submit a correction to resolve the discrepancy. Until the correction is processed only the Broker and XIS will have access to the document.

## 4.10 Identification of Risk

*Related to: Open Market & Individually Accounted Premium, Open Market & Individually Accounted Claim*

### Technical Elements

ACORD Name	Ref.	XPath		London
BrokerContractReference	R008	TA CM: /Contract/BrokerReference	(M)	UMR

**Assumption:** The UMR construct will remain in use in the London Market for the foreseeable future (at least until the dependency on EDI messaging has been removed after the full CSR programme has been implemented)

On submission of an ACORD message (TA / CM), the risk must be identified using standard identifiers. In the London Market, a risk may be identified using a Unique Market Reference (UMR) or a reference that is recognisable as one that was previously used on a premium submission. All submissions will be validated and passed to Central Services.

The possible scenarios can be split into three categories:

#### Standard Practice

- The Risk reference is provided in UMR format
 

The UMR is recognisable as the risk reference and used as provided to then search for existing risk records and to attach to documents in the Insurer's Market Repository (IMR)
  
- The risk reference is provided in a generic format and it is the same reference that was used on a preceding premium submission
 

The reference is used as recorded and to search for existing risk records and to attach documents to in the IMR. This generic reference will be used as a look-up to an UMR that would have previously been ascertained by Central Services.
  
- The risk reference is provided in a generic format but has not been used on a preceding premium submission
 

The submission will be validated and passed to Central Services but as no preceding premium submission will have been found with this reference, manual intervention will be triggered for XIS operations, which may result in a business level query being raised (if necessary).

#### 4.11 Non-Premium Endorsements

##### Technical Elements

ACORD Name	Ref.	XPath	London
SupportingInformationDocumentType	C543	DRI: DocumentList/DocumentItem/Document/DocumentTypeCd = "document_placing_endorsement_agreed"	
Referred Objects		Specific Items to be identified in a future version of the PbS User Guide	

The broker should submit Non Premium Endorsement (NPE) documentation via the methods outlined below:

- Single DRI message (for all carriers on contract) – using the document type (to be determined) to signify that it is an endorsement. Any DRI messages received that do not contain the relevant document type and/or are not associated with a corresponding EBOT/ECOT message will not be identified by PbS and will therefore not be actioned.
- Online (Direct load to IMR portal) – checkbox signifies NPE.

The existing processes within Central Services for an A&S submission of NPEs will be completed. An email response to the Broker confirming that processing of the NPE has been successful will also be available.

NPEs may also be submitted with a premium or claim transaction (using the options outlined in the PbS User Guide section 4.9 – Document Submission methods), in which case the NPE process would be triggered during the processing of the relevant premium and/or claim transaction. In this scenario, an email response would not be generated to identify successful completion of NPE processing, as the business level Acknowledgement message of the corresponding transaction would signify successful completion of both NPE and EBOT/ECOT transaction.

#### 4.12 Policy Checking / Policy Production (Stage 2)

In the event the broker clearly and explicitly states in the supporting documentation associated with an EBOT submission that either a policy check or policy production is required, Central Services will initiate the process during the EBOT processing. Completion of the accounting transaction and its Acknowledgement(s) would not be dependent on completion of the stage 2 activities. Responses and queries to the policy check or production would be handled out of band.

Any request submitted independent of the accounting submission would need to be handled 'out-of-band' and the preferred approach would be DRI.

#### 4.13 Mid Term Broker Change

The existing procedures for amending the Broker of Record for a contract (as detailed within the MTBC Implementation Guide) will remain unaltered for PbS, which for standard submissions results in:

- The Incoming Broker gaining full access to all the premium and claims transactions and associated documents already stored on the IMR to which the Outgoing Broker had access, together with access to transaction details held on CLASS, LIDS and POSH;
- The Incoming Broker is able to process new transactions on transferred claims, new transactions on new claims and new premium transactions using existing applications.

- The Outgoing Broker has view access over all the premium and claims transactions and documents they submitted on the IMR, CLASS, POSH and LIDS and can submit new transactions on retained claims using the relevant channel (ECF / PbS).
- The Outgoing Broker does not have view access over any subsequent premium or claims transactions processed by the Incoming Broker.

An exception process similar to the above exists which identifies the UCRs of claims which are to be retained for processing by the Outgoing Broker, and access rights for the Incoming Broker are allocated appropriately.

The existing procedures include the distribution of a mapping file where there is a difference between the levels of accounting entries for Brokers and Carriers (i.e. for the XIS Accounting Splits Service used in eAccounts). The same (or similar) mapping file will be provided for Brokers inheriting PbS contracts which will include the signing numbers to be used for either fundamental level premium submissions (where the Incoming Broker wishes to use the eAccounts Splits Service) or non fundamental premium submissions and claims (using A&S / ECF).

Although the Incoming Broker may include the relevant MTBC details with an EBOT/ECOT submission, processing of the transaction(s) will be held pending completion of the activities highlighted above. It is therefore recommended that the Proof of Transfer and MTBC Instruction Form(s) continue to be advised to XIS via the Service Centre in advance of any new transactions.

Where the Incoming Broker is reverting to old submission methods such as A&S or ECF, the limitations of those channels will be introduced. For example, if the Incoming Broker wishes to process a claim through ECF that spans multiple signings, they will be subject to the relevant ECF exclusion and would be forced to revert to paper submission.

The standard MTBC procedures should also be used to transfer business from one Broking organisation to another following mergers or acquisitions.

#### 4.14 Mid Term Market Change

The existing procedures for Mid Term Market Changes require Brokers to submit transactions covering all Carriers associated with the impacted Bureau(x). The PbS process will be simplified and will only require transactions in respect of the specific Carriers involved (i.e. those coming on or off risk).

For complex submissions, it is recommended that Brokers notify the XIS Service Desk ahead of the EBOT/ECOT transaction submission.

As per existing MTMC processes, outgoing and incoming Carriers will have access to all premium related documentation loaded to the IMR (i.e. the MRC documents, policy documents and misc/ historical documents folders) both before and after the mid-term market change. The access given to each document or folder (full or read only) will depend on the details contained within the MTMC agreement.

This will ensure that all Carriers have a copy of the full MRC for the claims agreement process and will eliminate any exception scenarios e.g. an endorsement that effects cover from the inception of the risk loaded after the MTMC.

Access to UCR content is driven by the business data sent from CLASS to the IMR, which determines the relevant market based upon the signing number at the claim attachment date and prevents inadvertent disclosure of claims data to carriers not participating in a claim before or after the MTMC.

**Note:** No changes to the Access Control List will be made for confidential documents, the organisations specified will retain access pre- or post-MTMC.



#### 4.15 Differing Commercial Terms (Aviation Verticals)

Where a contract has differing commercial terms for the Carriers on risk (e.g. aviation verticals), Brokers can submit a sanitised MRC and separate documents with panels detailing the specific terms per Carrier or groups of Carriers. The sanitised MRC should be a non-confidential document available for all risk participants to view. The documents showing panels of specific terms would be applicable to a subset of Carriers and will be submitted as confidential documents by the Broker, containing the relevant Access Control details. Please see section 4.9 (Document Submission Methods / Version Control) of this User Guide for information regarding the treatment of confidential documents.

All other aspects of the submission will follow the standard procedures outlined in the section 4 to 9 of this User Guide.

#### 4.16 Service Company Business

Business processed outside of Central Services has to be declared to Lloyd's for tax and regulatory reporting purposes. In order for premium and claim transactions to be advised to Lloyd's, the service company should interact with the PbS system as though they are a broker.

For individually accounted premium and claim transactions, the same mechanisms as outlined in this User Guide should be utilised by the service company. Additionally, for bulk accounted items, the same mechanisms as binding authorities outlined in section 8 (Specific Considerations – Bulk Accounting) of the PbS User Guide v3.1 should be utilised.

Note: Given that the settlement process and the physical transfer of money is often completed outside of Central Services, for service company business, the methods of submission above are reliant on a change to the ACORD standard. This change is to accommodate an instruction to complete settlement processing at the TA stage. As stated in section 3.2 (Claims Process) of this User Guide, this change is currently in discussion with ACORD. Further details will be included in a subsequent version of this User Guide.

Lloyd's direct reporting is currently out of scope for PbS Release 1, however, it may be considered for future PbS releases.

#### 4.17 Consortia

A Consortium is a contractual arrangement under which one or more Managing Agents delegate(s) authority to another Lloyd's Managing Agent (the "Consortium Leader") to enter into contracts of insurance on their behalf. The Consortium agreement number is used to identify the Consortium to the market, under which premium and claim transactions can be processed.

With the implementation of PbS Release 1 the submission scenarios for Consortia on premium and claim transactions can be split into two categories:

##### Standard Practice

- The Broker submits EBOT / ECOT messages addressed to all the constituent Carriers on a risk  
Central Services will process the EBOT / ECOT transactions in line with normal PbS processing as outlined in this User Guide
  
- The Broker submits EBOT / ECOT messages addressed to the consortium (this option is subject to discussion with LIIBA)  
Central Services will process the EBOT / ECOT transactions in line with normal PbS processing as outlined in this User Guide, but will generate the applicable outputs to each constituent Carrier and account between each Carrier and the Broker individually.  
**Note:** ACORD message responses to the Broker will be at the same level as the original submission (i.e. per consortium).

A document identifying the constituent Carriers for all Consortia is available on the Insurance Portal (<https://insuranceportal.xchanging.com/>) within the Knowledgebase – Technical Information - Consortium section.

## 5 Specific Considerations - Payments

The details contained within this section follow the same guidelines as section 4, where the intention is to provide clarification over and above the Global Standard Guidelines. Payments predominantly relate to technical accounting activities and have been separated from Settlements (section 6) which are primarily financial accounting elements.

### 5.1 Settlement (Target) Currencies

*Related to: Open Market & Individually Accounted Premium, Open Market & Individually Accounted Claim*

#### Technical Elements

ACORD Name	Ref.	XPath	London
AccountTargetCurrency	C131	TA/TargetCurrency/Ccy FA/FinancialAccountItem/BalanceAmtItem/Amt [@CcyIndic='target_currency']/@Ccy	M
FinancialAccountBalanceCurrency	C372	FA: SettlementCurrency/Ccy	M

The following settlement currencies are used by Lloyd's and IUA and no others are currently supported; GBP / USD / CAD / EUR / CHF / NOK / SEK / DKK / SGD / JPY / HKD / AUD / NZD / ZAR

The ACORD EBOT standard states that the Settlement currency must be a valid ISO currency code, thereby allowing a much wider range of currencies to be used. Although currencies outside of the 14 specified would constitute a valid EBOT / ECOT message, Central Services would be unable to process the submission. In the event that Lloyd's and IUA extend the range of currencies in the future, Central Services would then support those new currencies.

The three scenarios that could materialise are identified below, together with the actions that Central Services would take.

#### Standard Practice

- The settlement currency provided is one of the 14 nominated Settlement currencies.  
The submission would be accepted into Central Services and processed in the normal manner.
  
- The settlement currency provided is a valid ISO code, but not one of the 14 nominated  
The submission would be accepted into Central Services as a valid EBOT / ECOT message, but a Query would be returned to the sender advising that Central Services are unable to process the entry. The sender would be expected to resubmit the submission with a settlement currency that Central Services would be able to process. This may result in the end user having to cancel and replace the entry within the Broker's system. Where practicable, other aspects of the submission would be reviewed before generating the query to ensure that there were no other issues.

- The currency code is not a valid ISO code

This error is highly unlikely to occur in practice, but if it did materialise, the message would not reach Central Services as it would be rejected by TMEL (with effect from April 2015 it would fail the ACORD validator). Note: Participants using the ACORD validator in their gateway should not be able to issue such incorrect codes.

## 5.2 Grouping for Payments

*Related to: Open Market & Individually Accounted Premium; Open Market & Individually Accounted Claim*

### Technical Elements

ACORD Name	Ref.	XPath		London
AccountTransactionGroupReference	R023	TA: GroupReference	O	
BrokerContractGroupReference	R026	TA CM: Contract/BrokerGroupReference	O	
ClaimMovementGroupReference	R137	CM: GroupReference	O	

### 5.2.1 Description

Technical Account Grouping allows a sender to specifically link a number of messages for an individual Carrier. It is used to indicate to the receiver that there is a business requirement to consider the items together.

There are two types of grouping functions that can be used within EBOT messaging, a <GroupReference> which is used to link messages on a single UMR (e.g. a number of instalments or currencies), and <BrokerGroupReference> which is used to link messages for more than one UMR (e.g. different years of account on proportional treaties). The <BrokerGroupReference> functions do not require specific grouping validation to be applied, and as the predominant use is for proportional treaties, clarification regarding use of this grouping function is included as part of section 8.8 (Proportional Treaty statement Submission).

Where a sender chooses to group a number of messages using <GroupReference>, they must be sent at the same time (i.e. they must be transmitted in such a way that one closely follows another, so that they are all available to be processed by the receiver soon after receipt). Therefore further items sent later may not be added to a previously sent group.

As a result of the requirement to review messages together, the ACORD standards mandate that if all messages within the group are not received (i.e. either the requisite number of messages are not received or one or more of the messages fails validation) within a specified time limit, then all messages within the group must be rejected.

The time limit to be applied is generally agreed between trading partners, and an 8 hour (TBC) maximum has been proposed for use in non Bureau messaging. Consultation to date suggests that for PbS, Brokers would rather have a shorter timescale. Registration options will enable choice between two options; i) 1 hour or ii) 3 hours.

#### 5.2.1.1 Technical Account Scenarios

The EBOT recommendations for grouping of Technical Account messages are where:

- Two or more instalment premium messages are sent at the same time, for the same contract and contract period.
- Two or more adjustment premium messages are sent at the same time, for the same contract and contract period.
- Two or more messages are sent at the same time, related to the same proportional treaty and the same accounting period.
- A claim payment and related reinstatement premium are being sent at the same time, the claim payment Technical Account and reinstatement Technical Account should be grouped (note that the claim payment Technical Account will also be cross referenced to the related Claim Movement message).
- Two or more messages are sent to break out amounts for an account over multiple lines of business.

Additional scenarios where consideration should be given to grouping include:

- Where messages for two or more currencies are sent at the same time, for the same contract and contract period. This is of particular value where those messages are in respect of amounts being due to the sender in one currency and from the sender in another (e.g. premium adjustments or reapportionments).

## 5.3 Tax Handling

*Related to: Open Market & Individually Accounted Premium*

### Technical Elements

#### TA – Premiums:

- C574 Subaccount/ContractSection/TaxApplications/@Type (must contain one of the values shown against A462 to A 552 below (tax added to gross premium etc)
- C575 Subaccount/ContractSection/TaxApplications/TaxApplication/TaxProvision/TaxClass
- C576 Subaccount/ContractSection/TaxApplications/TaxApplication/TaxProvision/TaxType
- C578 Subaccount/ContractSection/TaxApplications/TaxApplication/TaxProvision/TaxAuthorityLocation/Location/Country
- C579 Subaccount/ContractSection/TaxApplications/TaxApplication/TaxProvision/TaxAuthorityLocation/Location/Subentity
- C582 Subaccount/ContractSection/TaxApplications/TaxApplication/TaxCalculation/RiskTaxBoundLocation/ Location/Country
- C583 Subaccount/ContractSection/TaxApplications/TaxApplication/TaxCalculation/RiskTaxBoundLocation/ Location/Subentity
- T311 Subaccount/ContractSection/TaxApplications/TaxApplication/TaxProvision/TaxTypeDescription
- C580 Subaccount/ContractSection/TaxApplications/TaxApplication/TaxProvision/TaxRateBasis
- A457 Subaccount/ContractSection/TaxApplications/TaxApplication/TaxCalculation/TaxBaseAmount
- P041 Subaccount/ContractSection/TaxApplications/TaxApplication/TaxCalculation/Taxpercentage/Rate
- Q035 Subaccount/ContractSection/TaxApplications/TaxApplication/TaxCalculation/ NumberOfUnits/Dec
- A456 Subaccount/ContractSection/TaxApplications/TaxApplication/TaxAmount
- A462 Subaccount/TaxAmtItem[@Type='tax\_added\_to\_gross\_premium']/Amt[@Share='receiver\_share' or 'hundred\_percent' and @CcyIndic='reference\_currency']
- A463 Subaccount/TaxAmtItem[@Type='tax\_deducted\_from\_gross\_premium']/Amt[@Share='receiver\_share' or 'hundred\_percent' and @CcyIndic='reference\_currency']
- A550 Subaccount/TaxAmtItem[@Type='tax\_deducted\_from\_commission']/Amt[@Share='receiver\_share' or 'hundred\_percent' and @CcyIndic='reference\_currency']
- A551 Subaccount/TaxAmtItem[@Type='tax\_deducted\_from\_brokerage']/Amt[@Share='receiver\_share' or 'hundred\_percent' and @CcyIndic='reference\_currency']
- A552 Subaccount/TaxAmtItem[@Type='tax\_deducted\_from\_profit\_commission']/Amt[@Share='receiver\_share' or 'hundred\_percent' and @CcyIndic='reference\_currency']
- A553 Subaccount/TaxAmtItem[@Type='tax\_deducted\_from\_loss\_costs']/Amt[@Share='receiver\_share' or 'hundred\_percent' and @CcyIndic='reference\_currency']

The existing Central Service functions offer limited tax handling capabilities, where taxes are supplied as UK IPT or non UK IPT. EBOT messaging facilitates the use of tax aggregates, where tax data items and the applicable authority are identified individually.

The longer term aim for Central Services would be to use the individual tax data items, but until the dependency on certain parts of the existing infrastructure is removed, the data will be aggregated by Central Services from TA submissions and recorded as either UK IPT or non UK IPT. UK IPT and non UK IPT are recorded in APIX, with “Overseas Added Tax” in a CSM being equivalent to non UK IPT.

Where tax information is included on existing EDI messages, in particular those advised to carriers, the information will appear exactly as it does today.

## Swiss Tax

The existing Swiss tax arrangements for Lloyd's (where Brokers hold the relevant tax amounts until a periodic statement is issued by Lloyd's) will be reviewed. CSRP will initiate dialogue with the Lloyd's Taxation department to ascertain whether this burden can be removed from Brokers. Further details will be added to a subsequent version of this User Guide.

## 5.4 Zero Balance TAs

*Related to: Open Market & Individually Accounted Premium, Open Market & Individually Accounted Claim*

### Technical Elements

ACORD Name	Ref.	XPath	London
AccountPaymentMeans	C148	TA: PaymentMeans	M

There are a couple of scenarios where details of an accounting entry need to be advised even if the transaction contains a zero balance (i.e. nil adjustments and proportional treaty statements).

EBOT doesn't require Financial Accounts to be processed for zero balance transactions, but offers no further guidance on completion of the Payment Means element which determines whether a Financial Account should be expected or not.

The existing usage of Technical Accounts within Central Service (via eAccounts) mandates that Technical Accounts with zero balance must contain a Payment Means of 'in\_cash'. For PbS, the Payment Means for transactions containing a zero balance will be recorded as 'in\_cash' irrespective of the value supplied.

## 5.5 Premium Instalments

*Related to: Open Market & Individually Accounted Premium*

### Technical Elements

ACORD Name	Ref.	XPath	London
PremiumInstalmentNumber	R014	TA: Subaccount/TechAccountAmtItem [@Type='instalment_premium']/ InstalmentNbr/Count	O

Where a premium is to be split into a number of instalments, it may not be possible from the EBOT submission for Central Services to determine the sequence of instalments intended by the Broker, as the use of instalment numbers is optional.

If Brokers elect not to supply the instalment number and the dates and amounts for more than one instalment are the same, Central Services will allocate a number based on the timestamp within each message.

Using this approach, there is the possibility that the instalment number allocated by Central Services will not be the same as that intended by the Broker. If correct sequence is important to the Broker, it is recommended that the instalment number is used.



## 6 Specific Considerations - Settlements

The details contained within this section follow the same guidelines as section 4, where the intention is to provide clarification over and above the Global Standard Guidelines. Settlements are primarily financial accounting elements and have been separated from Payments (section 5) which predominantly relate to technical accounting activities.

### 6.1 Enforced Use of Delinking

*Related to: Open Market & Individually Accounted Premium*

#### Technical Elements

ACORD Name	Ref.	XPath	London
SubaccountBalanceDue(By To)SenderTargetCurrencyAmount	A400/ A401	TA: Subaccount/BalanceAmtItem [@CcyIndic='target_currency']	
BalanceDue(By To)SenderInTargetCurrencyAmount	A389/ A390	TA: BalanceAmtItem [@CcyIndic='target_currency']	

Delinking is the term used in the London market to describe the separation of the processes for i) the submission of technical accounting and ii) the instruction to settle the transaction. In EBOT terms, it represents the separation of Technical Account and Financial Account processes. The vast majority of premium business processed via Central Services and non bureau EBOT messaging is submitted on a delinked basis. The notable exceptions to this are claims; return premium and bordereau submissions, which may be delinked, but are more likely to be submitted for immediate settlement.

The April 2015<sup>4</sup> version of the EBOT standard restricts the ability to use alternatives to delinking, some of which are currently used in Central Services. Alternatives to delinking revolve around the use of a <PaymentMeans> field contained within the Technical Account, which identifies how the settlement process for the transaction will subsequently be triggered. The ACORD standards include a number of options for Payment Means, but until the requirement for Financial Accounts is lifted, the Payment Means must always be 'as\_per\_financial\_account'.

<sup>4</sup> The ACORD standards for 2015 have been confirmed and will require the completion of the FA process (effectively enforcing delinking). Market participants have identified that this would not always be compatible with London market requirements (particularly in respect of claims), so dialogue has been instigated with ACORD and the Ruschlikon UK Group to develop a suitable global solution. See also previous footnote in the Business Process section.

## 6.2 Settlement Process

*Related to: Open Market & Individually Accounted Premium, Open Market & Individually Accounted Claim*

Based on the 2015 standard, the process to be followed for settlement requires a Financial Account instruction to be submitted to initiate the settlement process.

**Note:** There is currently an open discussion with ACORD as to whether the standard can be amended to accommodate an instruction to complete settlement processing with a CM/TA message. This is also referred to as a cash TA. It is expected that cash TA's will be available at PbS Go-Live.

### 6.2.1 Scenario Process Flow

For details see process diagrams in sections 3.1 and 3.2 of this User Guide document.

### 6.2.2 Description

With the enforced use of delinking, the instructions for settlement with a Financial Account message will be separated from the Claim Movement and Technical Account messages.

The expected, standard process is as follows:

#### Standard Practice

- A Financial Account is submitted for the applicable settlement(s) for which a business level validation has been received to the corresponding Technical Account.  
The message(s) will be validated and passed to Central Services for processing.  
Central Services process the Financial Account message which passes validation, when no further intervention is required.
- Central Services process the Financial Account message which passes validation, but when there is a discrepancy in the message (such as ROE outside of tolerance), the message would be routed for manual intervention by XIS operations.
- A Financial Account is submitted for the applicable settlement(s) for which a business level acknowledgement has not been received to the corresponding Technical Account.  
The message(s) will be rejected by Central Services.

## 6.3 Grouping for Settlement

*Related to: Open Market & Individually Accounted Premium, Open Market & Individually Accounted Claim*

### Technical Elements

ACORD Name	Ref.	XPath	London
AccountTransactionGroupReference	R023	TA: GroupReference	
AccountItemsInGroupTotal	Q011	TA: ItemsInGroupTotal/Count	
ClaimMovementGroupReference	R137	CM: GroupReference	
ClaimMovementItemsInGroupTotal	Q015	CM: ItemsInGroupTotal/Count	
BrokerContractGroupReference	R026	CM TA: Contract/BrokerGroupReference	

A Settlement message (also known as a Financial Account or FA message) must contain at least one Financial Account Item (FA item) but may contain a number of Financial Account Items. Where multiple items are included, these may be for related transactions or simply be all the items that are ready in time for a periodic (perhaps daily) message to be sent.

Each Settlement message relates to a single settlement currency and EBOT no longer permits the use of <GroupReference> elements equivalent to those used in TA and CM messages to be used in Settlement. Hence it does not provide direct support for the linking multi-currency settlements (e.g. some premium reapportionment or simultaneous claims and reinstatement premium transactions).

When all of the FA items included in a single settlement are matched and successfully validated upon receipt they will all settle together.

Where one or more FA in the same settlement message is not successfully validated and;

- 1) Their corresponding TA messages have been grouped by the broker the grouped settlements will be held until all can be completed (please see the simultaneous settlement section below for further details)
- 2) Their related CM messages have an implied grouping based on UCR and ClaimEntryBrokerReference (i.e. they relate to the same CLASS transaction), even if not explicitly grouped by the broker.
- 3) They relate to the carrier shares of a single bureau transaction (this will cease to be an issue in a future release)

Then business level acceptance response will normally be sent for the other FA items. However none of these items will actually be settled until the issue is resolved and the actual payment date (APD) will be advised later.

Note: In EBOT, an acceptance response to a FA item implies it is ready for settlement but does not in itself trigger the movement of money.

*The mechanism for notifying the APD is not supported by EBOT currently and will be advised using "Out of Band" solutions including the BSM*

### 6.3.1 Simultaneous Settlements

Where Brokers have a requirement for specific transactions to be settled simultaneously (e.g. proportional treaty years of account; simultaneous reinstatements or reapportionments (multiple currency premium adjustments)), the EBOT / ECOT grouping functions can be used to ensure that Central Services meet this requirement.

The primary grouping function at the TA stage (GroupReference) should be used to ensure that related transactions are considered together for business purposes (i.e. they are processed at the same time) and settled together. The secondary function (BrokerContractGroupReference) would be used to provide the instruction to Central Services for items that cannot be associated with GroupReference alone.

How these grouping fields will be treated in PbS:

- Where GroupReference and ItemsInGroupTotal are applied to the relevant TAs, Central Service technicians will review the items together and ensure that they are settled simultaneously (the one exception to simultaneous settlement will be for items containing a TechAccountAmtItem of type 'instalment\_premium' which may have different due dates).
  - For reinstatements, Brokers should provide a single group containing both claim and reinstatement premium TAs where they require simultaneous settlement. If transactions can settle independently of each other Brokers can use one group for claim TAs and another for reinstatement premium TAs: the relationship between claim and reinstatement premium will still be recognised via the CM and TA cross referencing.
 

For reinstatements, where the Broker has not indicated that simultaneous settlement is required but the Lead Carrier sets the Simultaneous Settlement Indicator in CLASS to 'yes', then Central Services will still ensure that the related transactions are settled simultaneously (this may result in a query being directed to the Broker requesting revised messages containing the requisite grouping details).
- Where an explicit relationship cannot be made for all items that require simultaneous settlement (e.g. proportional treaty accounts across different years, or sections of a contract that may have been written by different Carriers), the BrokerContractGroupReference should be applied to all items that must be settled together. Brokers can use this grouping function to indicate simultaneous settlement at either bureau or whole market level.
- When the FAs that relate to simultaneous items are received, they will be processed and acknowledged or rejected individually, but the respective items will not be submitted for settlement until all of the related FAs have been successfully processed (i.e. Central Services will not settle any of the components until the whole group are ready for settlement).

Subsequent versions of this document may provide further guidance details relating to any further specific business scenarios, highlighting the impact of simultaneous settlement for each party involved.

## 6.4 Financial Account Line Amounts

*Related to: Open Market & Individually Accounted Premium, Open Market & Individually Accounted Claim*

The EBOT standard notes that a Financial Account message can contain many financial amount items (each relating to a previously sent Technical Account), and that the Financial Account must contain at least one financial amount item.

The Non Bureau community generally use the many items in a single Financial Account option as they run a periodic settlement cycle (generally weekly and aligned with their previous paper statement processes), where a single Financial Account is transmitted with all the individual line amounts that have become due for settlement within the periodic cycle.

The existing use of Financial Account messages within Central Services applies a rule where a single financial amount item is contained in each Financial Account, which is then released into the daily settlement cycle.

Brokers may adopt either of these methods for PbS. Further details will be communicated and expanded in a subsequent version of the User Guide, regarding the use of the multiple items in a single Financial Account option for Bureau submissions.

## 7 Specific Considerations - Claims

The details contained within this section follow the same guidelines as section 4, where the intention is to provide clarification over and above the Global Standard Guidelines. The reason for separating these topics from the general business process considerations is to distinguish that these relate to Claim Advise and Payment, using ECOT messaging as a supplement to EBOT messaging.

### 7.1 References for Claims

*Related to: Open Market & Individually Accounted Claim*

This section includes details on how Central Services will treat references that are not provided in a format that can be processed through central systems. It should be noted that where any mention of altering references is made, the intention is to store the data received in its original format and then to create an additional data item that can be used for processing purposes (i.e. Central Services will never modify the data received, just store an alternative value and apply internal cross referencing between the two values). Any subsequent correspondence with the sender that includes their reference would contain the original (unaltered) data.

#### 7.1.1 Broker Claim Reference

##### Technical Elements

ACORD Name	Ref.	XPath		London
BrokerClaimReference	R031	CM: Claim/BrokerReference TA: Subaccount/IndividualClaimAmtItem/ Claim/BrokerReference	(M)  CM	UCR

**Assumption:** The UCR construct will remain in use in the London market for the foreseeable future (at least until the dependency on EDI messaging has been removed after the full CSR programme has been implemented)

In the London market, the Broker Claim reference must be supplied in a specific format (known as the Unique Claim Reference (UCR)). It consists of the Lloyd's Broker Number (i.e. 4 digits prefixed with a B), followed by up to 12 alphanumeric characters, which must be unique within the Brokers system (e.g. B0123ABC15DEFWXYZ).

The Broker Claim Reference within the ECOT standard can contain up to 255 characters of any type (i.e. include special characters like '&' or '#').

Central Services will take the following actions for the Broker Claim Reference:

##### Standard Practice

- The Broker Claim Reference is supplied in the UCR format.  
The submission would be accepted into Central Services and processed in the normal manner

- The Broker Claim Reference is not supplied in the UCR format and is of 12 characters or less in length

The submission would be accepted into Central Services as a valid message. An attempt to create a valid UCR would be completed by appending the broker claim reference to the broker number. The broker number would be determined by either; extracting from the UMR, looking it up using the DUNS code or reviewing the MRC. Should the broker reference be unable to be derived from these codes, a query will be raised. Where practicable, other aspects of the submission would be reviewed before generating the query to ensure that there were no other issues.

Currently there is an open discussion regarding how the UCR is to be replayed back to the sender, as it cannot be sent via EBOT / ECOT messaging. Further details will be communicated and expanded upon in a subsequent version of the User Guide.

The sender may continue to submit messages not in the UCR format and as such the process above will be repeated for subsequent messages.

- The Broker Claim Reference is not supplied in the UCR format and is more than 12 characters in length

The submission would be accepted into Central Services as a valid message but a query would be returned to the sender advising that Central Services are unable to process the entry. The sender would be expected to resubmit the submission to supply the Broker Claim Reference in the UCR format. Where practicable, other aspects of the submission would be reviewed before generating the query to ensure that there were no other issues.

## 7.2 Grouping for Claims

*Related to: Open Market & Individually Accounted Claim*

### Technical Elements

ACORD Name	Ref.	XPath		London
ClaimMovementGroupReference	R137	CM: GroupReference	O	
BrokerClaimReference	R031	CM: Claim/BrokerReference TA: Subaccount/IndividualClaimAmtItem/ Claim/BrokerReference	(M)	UCR
ClaimEntryBrokerReference	R167	CM: ClaimEntry/BrokerReference	O	

With the ACORD ECOT standard, each Claim Movement (CM) message is from a single sender to a single recipient. The sender may also group a set of messages as they wish the receiver to consider the messages together and receive a common response in the same way as for EBOT messages.

A claim movement message which includes a payment will be accompanied by a technical account message which will follow the EBOT process. The TA must contain a cross-reference to the CM (or multiple CMs) and the CM should contain a reference to the TA: a common application level response must be given to the TA and CM(s) and, by implication, grouped TA and CM messages. Hence if one of the messages is not received within the time-out period, or if one message fails application level validation, then the whole set of related TA and CM messages will be rejected.

In the event of a business level query all the messages (CMs and, where appropriate, TAs) will be checked for further issues before queries are sent and the business level responses for the messages will be held back until such time as the queries have been resolved in case further issues become apparent during the resolution process.

Central Settlement will also process ECOT transactions together if they have the same UCR and ClaimEntryBrokerReference implying they should be part of a single item on CLASS (e.g. a multi-currency claim). In the event that a carrier or currency appears to be missing then the CLASS transaction(s) will still be created but they will not be released until the query is resolved.

### 7.3 **Note: As per section 5.2 (Grouping for Payment) the time-out period is determined by the Broker during service registration, which will enable a choice between two options; i) 1 hours, or ii) 3 hours.**



## Identification of Settlement Currencies

Related to: Open Market & Individually Accounted Claim

### Technical Elements

ACORD Name	Ref.	XPath		London
ReinsuranceContractReferenceCurrency	C284	CM: ContractReferenceCurrency/Ccy	CM	
AccountReferenceCurrency	C130	TA: ReferenceCurrency/Ccy FA: FinancialAccountItem/BalanceAmtItem/ Amt [@CcyIndic='reference_currency']/@Ccy	M M	
AccountTargetCurrency	C131	TA/TargetCurrency/Ccy FA/FinancialAccountItem/BalanceAmtItem/Amt [@CcyIndic='target_currency']/@Ccy	R M	
FinancialAccountBalanceCurrency	C372	FA: SettlementCurrency/Ccy	M	

Within an ECOT CM message the settlement currency cannot be specified and neither can the settlement amount. This is consistent with CLASS in that it does not advise a settlement currency or amount until the claim is due for settlement.

The settlement currency must be supplied in the TA if it is different from the original currency (reference currency) specified in the CM. If it is not specified in the TA, the settlement currency is assumed to be the same as the original currency (reference currency) in the CM. The settlement currency and settlement amount must be specified in the FA.

On the Financial Account being raised, the settlement currency becomes definitive and if the settlement amount is confirmed as being expected (within a tolerance agreed by the leader) processing is completed. If it is not as expected, a query would be generated to the leader for consideration.

## 7.4 Multiple Settlement Currencies

*Related to: Open Market & Individually Accounted Claim*

### Technical Elements

ACORD Name	Ref.	XPath	London
ClaimMovementGroupReference	R137	CM: GroupReference	O
BrokerClaimReference	R031	CM: Claim/BrokerReference TA: Subaccount/IndividualClaimAmtItem/ Claim/BrokerReference	(M)

#### 7.4.1 Description

This relates to those circumstances where the claim (and in particular the limits and deductibles) are apportioned across more than one currency and thus it is important that the advices and settlement currencies for the component currencies are processed together.

The ACORD ECOT guide states that a CM message can only have one reference currency, so a separate CM message must be sent for each of the currencies in the claim notification. Therefore, the sender must use the appropriate Group Reference to link these notifications together.

The submission of the group of messages are dealt with based on the number of original/settlement currencies sent due to a limitation of the CLASS system only being able to handle three active currency combinations per advice.

All currency elements of the advice will be handled concurrently, if the broker has used the appropriate Group Reference according to the details outlined in sections 4.6 (Grouping, Accumulation and Synchronised Processing), 5.3 (Grouping for Payments), 6.3 (Grouping for Settlement) & 7.2 (Grouping for Claims) of this User Guide document. Additionally, if the broker has not grouped the messages but the data content shows that they are a multi-currency group, Central Service will still handle all currency elements concurrently.

The possible scenarios can be split into three categories:

#### Standard Practice

- Submissions for a single currency and not grouped, each with a different UCR:  
The message would be deemed as valid and separate CLASS records created for each claim. The responses and settlement are handled separately.
- A submission group with up to three different currency messages sent for the same UCR:  
The messages would be deemed as valid and a single CLASS record created for all currencies. For claims with more than three different currencies, brokers may continue to convert the lesser used currencies and amounts into one of the three chosen currencies for submission and those values aggregated for the transaction.
- A submission group with more than three different currency message sent for the same UCR:

The messages would be deemed as valid but CLASS is unable to hold four or more currencies against a single claim record. As such, a business level query would be raised against the broker.

## 7.5 Missing Carrier Lines

*Related to: Open Market & Individually Accounted Claim*

### Technical Elements

ACORD Name	Ref.	XPath		London
BrokerClaimReference	R031	CM: Claim/BrokerReference	(M)	UCR
ClaimEntryBrokerReference	R167	CM: ClaimEntry/BrokerReference	O	

The ACORD ECOT guide requires that a separate CM message is sent for each carrier. However, there may be instances where fewer CM messages are received by Central Services than expected, based on the information in the placing slip. This can be deemed as correct in conjunction with the appropriate supporting documentation included with the CM message.

When it is identified that there are fewer CM messages received by Central Services than expected, the messages will be routed to manual intervention by XIS operations. The manual intervention process is detailed in section 9 (Specific Considerations – Queries & Corrections).

The possible scenarios can be split into two categories:

#### Standard Practice

- The broker submits either a full set of Claim Movement messages for a submission or if there is a requirement to advise only a subset of the market, supporting documentation should be used to explain the reason for only a subset of carrier lines being used.

The carrier lines received will be submitted for the bureau(x) and will be processed as normal.

- The broker submits an incomplete set of Claim Movement message for a submission, without any supporting documentation to explain the reason only a subset of carrier lines are being used.

Central Services will raise a query with the broker. The mechanism for this is explained in section 9 (Specific Considerations – Queries & Corrections), noting here that this is not a normal ACORD Business Level query as it does not relate to a received message but one that is suspected of not being received (i.e. the mechanism must be out-of-band).

## 7.6 First Advice Claim Movement with Technical Account

*Related to: Open Market & Individually Accounted Claim*

When a settlement request is ready to be included with a first advice, as with the current LIMCLM / CLASS solution, Brokers can either adopt a single or double phased approach.

The single phased approach is to submit both a CM and TA together. In this scenario, if the leader or other agreement party requests changes to the submission, the Broker would be required to submit a cancelling and replacing TA message and a re-issued CM.

The double phased approach is where a CM containing claim amounts is submitted on its own to establish the claim amount, and then a CM and TA are submitted once leader and agreement parties have authorised the amounts. In this scenario, any request to change the amounts would be accomplished by just re-issuing a CM and then raising a subsequent CM and TA.

## 7.7 Claim Movement before Premium

*Related to: Open Market & Individually Accounted Claim*

It is expected that when a CM message is received by Central Services before a premium, it will be routed for manual intervention by XIS operations. The manual intervention process is detailed in section 9 (Specific Considerations – Queries & Corrections).

## 7.8 ECF Exclusions

*Related to: Open Market & Individually Accounted Claim*

- There are a number of Business or Claim Types that are not supported through ECF.
  - The types of claims that are not supported on ECF but will be supported in PbS are:
    - Claims spanning more than one signing number and date. With the ECOT referencing described in this guide this is no longer an issue and will be supported.
    - Claim notification submitted ahead of a risk being submitted for premium technical processing<sup>5</sup> (i.e. in PbS an ECOT CM received before a premium TA). With PbS this will result in a query being raised.
    - Proportional Treaties (Treaty Scheme) – the submission and processing of proportional treaty statements is supported by PbS through EBOT with the submission of an agreed treaty statement. Agreement of the proportional treaty statement (when required) is not undertaken through Central Services (i.e. this occurs directly between broker and carrier prior to submission).

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<sup>5</sup> Historically Lloyd's carriers have elected to exclude submissions against unsigned risks from ECF. It is currently under discussion with carriers whether this is still the case once signing number and date is removed from first notification process.

- The claim types that are not supported on Lloyd's ECF and will remain unsupported on PbS are:
  - Claims Payable Abroad (CPA) – these are not submitted by brokers but are handled on behalf of carriers by XCS. These will not be supported for Release 1 but it's likely this submission type will be migrated to PbS in the future.
  - General Average (GA) and marine salvage (where a guarantee is issued and administered by XCS) - these are not submitted by brokers but are handled on behalf of carriers by XCS. These will not be supported for Release 1 but it's likely this submission type will be migrated to PbS in the future.
- The following claim types are being reviewed as part of the other submission types in PbS Release 1:
  - Other Submission Types: Letters of Credit, Loss Reserves, Outstanding Cash Advance (OCAs) and Scheme Canada.
  - There are a small number of particular circumstances in London where claims revert to paper handling (e.g. some carriers taking a different course of action on the same claim). These are under review and will be included in a future version of the user guide.

The above 'Other Submission Types' will be documented in the next version of the User Guide (v4.0).

## 8 Specific Considerations – Bulk Accounting

The details contained within this section follow the same guidelines as section 4 (General Business Process Considerations), where the intention is to provide clarification over and above the Global Standard Guidelines. The handling of these items are sufficiently distinct from standard guidelines to warrant a separate description.

Broker submissions of EBOT / ECOT transaction(s) for bulk accounting will be handled as specified in earlier sections of this User Guide, unless otherwise outlined in this section.

### 8.1 Bordereau Contracts – Background

This section relates to contracts on which underwriting and/or claims handling is delegated and the accounting of the premiums and/or claims are handled primarily via bordereau. PbS release 1 will allow brokers to submit new contracts, upload premium and claims bordereaux and process treaty statements through Central Services. Central Services will process all applicable transaction types consisting of premium and claim bordereau, treaty statements, loss fund requests, individual claim advices and cash loss advances.

#### Claims Considerations

In release 1, PbS will not, in common with the current bulk accounting submissions, support bordereau line-level message submission and like existing bureau(x) processing, will continue to handle all bordereau received on an aggregated basis. This means that there are information requirements of this process that are not satisfied by the EBOT/ECOT standard. The supply of this information would not be candidates for ACORD change owing to the interim nature of the requirements.

During the interim period pending submission of bordereau line-level ACORD messages, the classification of a bordereau, loss fund or individual claim dictates the way in which the monetary amounts on ECF are handled

- It is preferred practice for the broker to use the EBOT message to classify the type of claim on the TA message (e.g. 'Bordereau') If the broker does not classify the type of advice, Central Services will attempt to use automated rules to do so with a view to avoiding manual intervention. If the type of claim cannot be reliably inferred a Query will be raised with the broker.
- In either of the above circumstances of classification, if the leader detects a misclassification they will also raise a Query. This may require a correction by the broker to the way in which the submission has been classified
- When there is a classification change at any stage in the life of the UCR the PbS system will determine how and when to modify the ECF record.

This User Guide assumes that changes currently being implemented by the ECF User Group and sponsored by the AAC in respect of binder claims handling will have been implemented. This will introduce an on-line solution that enables the broker to optionally classify, for the first time, the type of claim (bordereau, loss fund or individual) and to cross reference the individual or loss fund records to the

bordereau. It will also allow the submission of co-lead outside authority claims and handles outside authority claims in a more effective way.

These changes mean that the following submission options will exist with the implementation of PbS:

- 1) Continue to submit using pre PbS methods (LIMCLM, ECF on-Line and including the new on-line ECF submission methods described above)
  - Where brokers wish to make use of the new on-line ECF submission features being introduced to specifically improve support of loss fund, co-lead, cash loss or individual outside authority claims, they should do so because the EBOT/ECOT protocol does not provide the equivalent level of detail, clarity and cross-referencing.
- 2) Submit all advices via EBOT/ECOT message with classification using AccountTransactionType and Central Services will supplement with additional data required for ECF submission. BrokerGroupReference can be used on an individual claim even if the bordereau UCR has been set up previously. However, ACORD solution is not as comprehensive as ECF on-line.

This document describes the handing of items submitted via EBOT/ECOT message. All other submission methods are defined by existing procedures and guides.

### **Claim Bordereau via ECOT Messages**

In the majority of cases a claim bordereau will include a settlement at the same time and consequently the advice would consist of a CM and a TA for each carrier and these will be associated to supporting information and followed by an FA. The TA accommodates a transaction type that signifies the item to be a bordereau and brokers are strongly encouraged to use the appropriate transaction type. The CM does not include such classification currently but discussions are planned with ACORD with a view to this being added to the standard.

## 8.2 Binding Authority and Proportional Treaty Contract Submission

### Technical Elements

ACORD Name	Ref.	XPath	London
SupportingInformationDocumentType	C543	DRI: DocumentList/DocumentItem/Document/DocumentTypeCd = "document_placing_slip_agreed" (or "document_placing_endorsement_agreed")	

The broker should submit Binding Authority and Proportional Treaty contract documentation via the methods outlined below:

- **PbS recommended** – Contract submission is made in advance of the first premium or claim transaction (i.e. as soon as possible post-bind):
  - a. Single DRI message (for all carriers on contract) – using the document type to signify that it is a contract submission
  - b. Online (Direct load to IMR portal) – checkbox signifies contract submission
  
- Submission with the first premium or claim transaction (see note):
  - c. DRI – as per details in section 4.9 (Document Submission Methods / Version Control)
  - d. In Stream – as per details in section 4.9 (Document Submission Methods / Version Control)

Binding Authority and Proportional Treaty contract submission can still be made via the existing A&S DRI channel until further notice. A simpler DRI and online submission option will be made available in the future.

Once the contract submission has been fully processed by Central Services, both the Broker and Carrier will receive the relevant confirmation notification (current EDI messages).

PbS could alternatively accept the contract submission from the carrier.

Changes to these contracts should be submitted by the same route with a document type of "document\_placing\_endorsement\_agreed".

**Note:** Brokers electing to send the contract details with the first submission should be aware of the risk of delay to the transaction being processed. In particular if the first transaction is a claim advice (e.g. outside authority), it will be necessary for the contract records to be created before the claim can be circulated to the leader for a response. This could result in a delay of several days before the claim can be advised.

It is stated within the ECF – Lloyd’s Systems Processes & Procedures (SP&P) documentation under section 4.11.1 (Advice of the bordereaux) that it is best practice for a broker to submit a bordereaux UCR before the first individual claim. In PbS the Broker would be required to submit a CM to Central Services and indicate that the UCR represents an UCR that will be used for bordereaux submissions, once the periodic bordereaux are submitted.



### 8.3 Level of Submission for Bulk Accounting

The ACORD EBOT / ECOT guides specify that separate messages must be submitted for;

- Each Carrier
- Each Contract (Broker Contract Reference – UMR)
- Each Claim (Broker Claim Reference – UCR)
- Each Currency
- Each Line of Business

Otherwise it is at the broker's discretion to decide the level of submission in relation to 'accounting splits' for the bulk submission. With regards to premium and claim bordereau, the following overall submission scenarios are identified, together with the actions Central Service would take:

- No accounting split in the contract:
  - i. Broker submits a single TA (premium) or single CM/TA (claim).
  - ii. Central Services process as normal, as specified in the relevant sections of this User Guide.
- Accounting split available (e.g. between two different US states):
  - Although no obligation to do so, broker elects to perform splitting without grouping:
    - i. Broker submits multiple separate (i.e. not grouped) TAs (premium) or CMs/TAs (claim).
    - ii. Central Services process as normal, as specified in the relevant sections of this User Guide.
  - Although no obligation to do so, broker elects to perform splitting with grouping:
    - i. Broker submits multiple grouped TAs (premium) or multiple grouped CMs/TAs (claim).
    - ii. Central Services process as normal, as specified in the relevant sections of this User Guide. If there is an issue with one message in the group then the remainder will be held pending resolution.
  - Broker elects not to split submission:
    - i. Broker submits a TA(s) (premium) or CM/TA(s) (claim).
    - ii. Central Services perform the necessary splitting.

Where the broker sends multiple messages, each may refer to either the same bordereau document or to a document which contains just the information specific to the message.

The specific circumstances across the scenarios above applicable to premium and claim bordereau transactions are elaborated in the following sections.

The amalgamation of carrier lines into a single message is not recommended best practice.

## 8.4 Premium Bordereau Submission

### Technical Elements

ACORD Name	Ref.	XPath	London
AccountTransactionType	C076	TA: AccountTransactionType = "account_statement"	M
SupportingInformationDocumentType	C543	TA: Subaccount/ac:SupportingDocument/ ac:DocumentTypeCd = "bordereau" (recommended), "bordereau_premium" or "bordereau_premium_and_loss"	
AccountTransactionGroupReference	R023	TA: GroupReference	

Brokers will be required to submit TA message(s) to Central Services for each premium bordereau. The TA message(s) must include: the aggregated transaction amount, the bordereau documentation and sufficient supporting information. Where required, evidence of leading underwriter agreement should be contained in the supporting information. The TA should be followed by an FA once an acknowledgement has been received to the respective TA.

## 8.5 Claim Bordereau Submission

### Technical Elements

ACORD Name	Ref.	XPath		London
AccountTransactionType	C076	TA: AccountTransactionType = "account_statement"	M	
LossPeriodStart / EndDate	D066/D124	CM: Claim/LossPeriod/(Start End)Date = contract inception to current date (recommended)	M	
BrokerClaimReference	R031	CM: Claim/BrokerReference  TA: Subaccount/IndividualClaimAmtItem/ Claim/BrokerReference	M M	UCR
ClaimMovementGroupReference	R137	CM: GroupReference	CM	
SupportingInformationDocumentType	C543	CM: ac:SupportingDocument/ac:DocumentTypeCd = "bordereau..." (preferably one of the types mentioning "loss")		

Brokers will be required to submit CM message(s) to Central Service for each claim bordereau and it must be associated with a TA whenever the bordereau includes settlement this time. If the claim bordereau does not include a paid this time, then a TA would not be allowed. The message(s) must include the bordereau documentation and sufficient supporting information.

The same UCR(s) that are setup specifically, for bordereaux should be used for all future reporting periods for that same bordereau.

The Loss Start and End Dates are mandatory in the CM message and consequently will need to be supplied even for a bordereau submission, otherwise the message will not pass validation. Best practice would be for this to be included as the "inception date" until the "current date" The alternative of using the full period during which claims could arise on the contract is not recommended as some market systems may not support future loss dates (the EBOT guide identifies the Loss Period as optional on the TA).

## 8.5.1 Loss Fund Request

### Technical Elements

ACORD Name	Ref.	XPath	London
ClaimMessageExplanation (Explanation)	T087	CM: Explanation	R
BrokerClaimReference	R031	CM: Claim/BrokerReference TA: Subaccount/IndividualClaimAmtItem/ Claim/BrokerReference	M UCR
AccountTransactionType	C076	TA: AccountTransactionType = "claim_transaction"	M
AccountTransactionExplanation	T052	TA: Explanation	R
DepositRetainedLossReserveFund	A511	Subaccount/TechAccountAmtItem[@Type='deposit_retained_loss_reserve_fund']/Amt	
DepositReleasedLossReserveFund	A512	Subaccount/TechAccountAmtItem[@Type='deposit_released_loss_reserve_fund']/Amt	

The process for establishing a loss fund is the same as for the processing of bordereaux as outlined in section 8.5 (Claim Bordereau Submission). The ECF process requires a distinction to be made between bordereau, loss funds and individual claims, ClaimMessageExplanation should contain the phrase "loss fund" and the TA should contain at least one of the amount types (TechAccountAmtItem) outlined in the technical elements table above, i.e. "deposit\_retained\_loss\_reserve\_fund" or "deposit\_released\_loss\_reserve\_fund".

For a loss fund request, preferred practice is that a UCR dedicated to loss fund collections is used, i.e. not the UCR used for bordereaux. However, if the bordereau UCR is used, Central Services will be able to support the submission.

## 8.5.2 Claim Outside Authority

### Technical Elements

ACORD Name	Ref.	XPath	London
LossPeriodStart / EndDate	D066/D124	CM: Claim/LossPeriod/(Start End)Date = period of claim	
ClaimMovementAmountsIndicator	C499	CM: ClaimAmountsIndicator = 'claim_amounts'	
BrokerClaimReference	R031	CM: Claim/BrokerReference	UCR

For an outside of authority claim, preferred practice is that a separate UCR is used, i.e. not the UCR used for bordereaux.

The two submission scenarios that could materialise are identified below, together with the actions that Central Service would take:

- The broker is requesting authorisation for the cover holder to make a claim payment on a claim outside their authority, but is not requesting settlement in advance of the bordereau.

ECOT messaging does not currently provide the facility for *specific amounts* to be authorised for payment by the coverholder. Consequently, the only available option to specify the amounts is to use the ECF On-line claims submission channel. Otherwise the method (normally used today) of identifying the amounts to be authorised within supporting documentation can be used in an ECOT submission.

Central Services would undertake processing as normal and the claim would be cross-referenced to the applicable bordereau UCR using the BrokerGroupReference mechanism.

- The broker is requesting authorisation for the cover holder to make a claim payment on a claim outside their authority, and is requesting settlement in advance of the bordereau.

See section 8.5.3 below (Cash Losses).

### 8.5.3 Cash Losses

#### Technical Elements

ACORD Name	Ref.	XPath	London
LossPeriodStart / EndDate	D066/D124	CM: Claim/LossPeriod/(Start End)Date = period of claim	M
ClaimMovementAmountsIndicator	C499	CM: ClaimAmountsIndicator = 'claim_payment'	M
BrokerClaimReference	R031	CM: Claim/BrokerReference TA: Subaccount/IndividualClaimAmtItem/Claim/BrokerReference	M UCR M
AccountTransactionType	C076	TA: AccountTransactionType = "cash_loss"	M
CashLossAdvanceAmount	A054	TA: Subaccount/IndividualClaimAmtItem[@Type='cash_loss_advance']/Amt (on request)	
CashLossRefundAmount	A053	TA: Subaccount/IndividualClaimAmtItem[@Type='cash_loss_refund']/Amt (on treaty TA or correction)	

For cash losses, preferred practice is that a separate UCR is used, i.e. not the UCR used for bordereaux.

- The broker submits a CM/TA for claim settlement, with AccountTransactionType indicating it is a cash\_loss and relevant supporting information. After a business level acknowledgement has been received, the broker would submit an FA.

The next bordereau would either include the item as an amount previously paid or an amount paid this time in which case the amount must be deducted from the applicable bordereau TA.

## 8.6 Balanced Binders

When the Broker wishes to achieve net settlement of premium and claim bordereaux, there are two options available;

### Standard Practice

1. Group the claim and premium TA messages so they are all settled on the same accounting day. The applicable grouping mechanism as detailed in section 4.6 (Grouping, Accumulation and Synchronised Processing) of this User Guide documentation should be utilised.

2. It is also possible, though not recommended, to include both the premium amount (as a TechAccountAmtItem) and the claim amount (as an IndividualClaimAmtItem) in a single TA message. The IndividualClaimAmtItem must be supported by a Claim Movement message.

Participants should note that rather than simplifying the accounting and reconciliation process, using this option increases the complexity of processing and reconciliation for all parties. This is because the net balanced binder has to be broken down into the corresponding premium and claim transactions for the submission into the financial accounting processes and these then have to be reconciled individually and then collectively back to the netted balanced binder.

Submissions may also be made using individual TAs for Premium and Claim without grouping, but this scenario may not lead to the entries being settled simultaneously.

## 8.7 Net Settlement of Premium / Claim Bordereau

When the Broker wishes to achieve net settlement of premium and claim bordereaux, there are two options available;

### Standard Practice

- Group the applicable TA messages so they are all settled on the same accounting day. The applicable grouping mechanism as detailed from section 4.6 (Grouping, Accumulation and Synchronised Processing) of this User Guide documentation should be utilised.

- Include both the premium amount (as a TechAccountAmtItem) and the claim amount (as an IndividualClaimAmtItem) in a single TA message. The IndividualClaimAmtItem must be supported by a Claim Movement message.

## 8.8 Proportional Treaty Statement Submission

### Technical Elements

ACORD Name	Ref.	XPath	London
TreatyOrFacIndicator	C075	TA: Contract/TreatyFac = "treaty"	M
ContractNature	C074	TA: Contract/ContractNature = "proportional" (or "excess_cession_treaty")	M
AccountTransactionType	C076	TA: AccountTransactionType = "account_statement" (or "cash_loss")	M

When the broker uses a proportional treaty EBOT message it must contain the standard EBOT treaty information, in which case a separate treaty statement is unnecessary. Sufficient supporting information will still be required to enable Central Services to derive the necessary regulatory information that is not necessarily included within the EBOT message.

Where required, evidence of leading underwriter agreement should be contained in the supporting information. In the case of a cash loss (see 8.5.3 Cash Losses) on a proportional treaty, the "proportional treaty TA" should be presented as though it is an interim treaty statement, other than the fact that it is signified as cash loss (AccountTransactionType = "cash\_loss"). The next treaty statement would adjust the position appropriately.

The TAs of successive years may be grouped to ensure they are processed together using the BrokerContractGroupReference function, see section 8.9 (Grouping for Proportional Treaty & Co-Lead Binders).

The submission scenario that could materialise is identified below, together with the actions that Central Service would take:

- The broker submits a 'proportional treaty' TA message containing premium, claim and other amounts along with a net balance. After receipt of the TA acknowledgement, the net settlement amount will be submitted in the FA message. A supporting treaty statement is not required.

Central Service would undertake accounting / claim processing and generate business level acknowledgements once both components are complete. Settlements will be held in a pending state until receipt of the FA message is received.

The alternative scenario of a broker submitting a TA representing net payment amount (not a proportional treaty EBOT message), has been identified as not being supported by the EBOT standard and therefore Central Service will not accept it as a valid submission.



## 8.9 Grouping for Proportional Treaty & Co-Lead Binders

### Technical Elements

ACORD Name	Ref.	XPath	London
BrokerContractGroupReference	R026	CM TA: Contract/BrokerGroupReference	
AccountTransactionGroupReference	R023	TA: GroupReference	
ClaimMovementGroupReference	R137	CM: GroupReference	

### Proportional Treaty

It is common for the brokers and/or carriers to have a requirement to synchronise the settlement of proportional treaty statements from contiguous years as there is often a balancing effect between the claim payments on older years and premium payments on later years.

### Co-Lead Binders

It is also a requirement to synchronise the claims agreement process across multiple carriers for co-lead binder claims. In these cases the carriers do not have to be consistent across the separate UMRs.

### Grouping Mechanism

The methods available for a broker to signify this intent are AccountTransactionGroupReference to group the messages relevant to each carrier in the normal manner or BrokerContractGroupReference for use when the carriers involved in the grouped transactions are not in common.

The BrokerContractGroupReference does not signify the number of items in the group and consequently if one or more items were to fail to arrive they will not be included in the group. For this reason brokers should, whenever possible use AccountTransactionGroupReference to minimise the risk of failed items not being detected. If AccountTransactionGroupReference cannot be used, brokers should pay particular attention to all of the applicable acknowledgements before releasing the FA.

In respect of proportional treaty statements, Central Services will monitor trends on contracts and where a subsequent group of treaty statements does not comprise the same years as a previous group, confirmation from the broker will be requested. This will operate as a further mitigation against an item being inadvertently excluded from the group.

## 8.10 Premium Transfers

The premium transfer process is a specific Lloyd's requirement which enables the transfer of premiums between underwriting year of accounts. The Broker is required to generate transactions debiting one year of account for Lloyd's Syndicates and crediting the next (with an overall balance of zero). Workshop participants have requested a review by the relevant market associations with a view to changing market practise to instigate a specific Central Service activity for this function, thereby removing the burden from the Broker.

In the meantime, premium transfers can be submitted in the same way as any other premium submission providing that the UMR on the second and subsequent years remains unaltered from that allocated on the initial year. Details of the calculation for the premium transfer and, where applicable, evidence of agreement to the transfer should be provided as supporting documents.

## 8.11 Portfolio Transfers

Portfolio transfers relate to Binding Authorities or Proportional Treaties, where the unexpired liabilities and associated premiums are transferred to a specified year of account on a given date, which enables the earlier years to be closed out with certainty.

Proportional Treaty portfolio transfers are catered for within standard treaty statements, and consequently there is no impact on the general treaty processing functions outlined in this PbS User Guide.

Binding Authority portfolio transfers are expected to be accomplished via additional / return premium transactions and a pair of CM and TAs for the transfer of a claim, utilising the relevant grouping function (i.e. BrokerGroupReference which provides grouping across UMRs).

To avoid delays in processing complex arrangements, it is recommended that participants contact the XIS Service Desk in advance of the EBOT/ECOT transaction submission.

**Note:** Submission of additional / return premiums across multiple channels (i.e. return premium for old year via A&S and additional premium for the new year via PbS) would not allow grouping mechanisms to be used and is therefore not recommended.

## 8.12 Master Cover

Master covers provide additional delegated authority, where the Coverholder is empowered to issue binding authorities to other Coverholders, resulting in binding authorities being declared against the master. The main consideration is about how the broker will elect to reference the items. The Broker may elect to use a single UMR encompassing the master and all of its covers, or to use a different UMR for the master and each of the covers.

All aspects of processing for master covers would follow the procedures set out in the relevant sections of the User Guide, including:

- Section 8.2 – Binding Authority and Proportional Treaty Contract Submission)
- Section 8.4 – Premium Bordereau Submission
- Section 8.5 – Claim Bordereau Submission (section 8.5)
- Section 4.6 – Grouping, Accumulation and Synchronised Processing

- Section 5.2 – Grouping for Payments
- Section 6.3 – Grouping for Settlement
- Section 7.2 – Grouping for Claims

### 8.13 Scheme Canada

In general, Scheme Canada submissions would be out of scope for PbS Release 1 as the initial contract set up is achieved via the Lineage system operated by Lloyd's Canada and the relevant bordereau are submitted directly to CLASS and LIDS by Lloyd's Canada (i.e. there is no Broker involvement).

The exception to this is in respect of the advising of claims outside authority, where an ECOT submission would be available and the standard procedures for a claim advice identified in section 8.5.2 of this User Guide should be followed.

**Note:** ECOT messaging does not currently provide the facility for *specific amounts* to be authorised for payment by the coverholder, but the method of identifying the amounts to be authorised within supporting documentation (normally used today) can be used in an ECOT submission.

### 8.14 Bulk Accounting Exclusions – PbS Release 1

As part of PbS release 1 the following are out of scope / not supported:

1. Direct submission of binder transactions through EBOT / ECOT messages by the coverholder / MGA – Managing General Agent / TPA – Third Party Administrator.
2. Direct submission of proportional treaty transactions by the re-insured / intermediary.
3. Submission of the ACORD XML bordereau message.

## 9 Specific Considerations – Queries & Corrections

Queries and corrections processing are an intrinsic part of the EBOT and ECOT processes. However, beyond the initial notification of an ACORD Business Level Query and the final Business Level Acknowledgement of the message submission the communication between Broker and Carrier to resolve the query is handled ‘out-of-band’<sup>6</sup> without the support of ACORD messages. This section describes how this out-of-band communication to resolve queries will be supported within the over-arching ACORD EBOT/ECOT messaging process.

The out-of-band notification process will, with the introduction of PbS, be supported by a new ‘Query Portal’ that will provide a repository of submission related queries and this will be integrated where appropriate (predominantly for Claims) with processes and systems (e.g. Claims ECF on-line / CAS). This will provide a capability for recipients of notifications (whether a Query or email) being able to access additional information or to progress query resolutions through this portal. Notifications which contain the substance of the query are also able to direct the recipient to that portal to help resolve the query.<sup>7</sup>

PbS also introduces a new business model for managing queries and corrections. This new process places Central Services behind the Carrier in the interaction with Brokers:

- Carriers will receive those Central Service queries that they are better placed to resolve, removing the burden from Brokers for dealing with a significant proportion of queries. For example, Brokers will continue to receive those queries that relate directly to the message (e.g. where there is a conflict between message and MRC data content), but the Carrier will receive queries when information is missing or requires clarification (e.g. incorrect risk codes being applied for the Class of Business, or missing regulatory data).
- Within Central Services itself, intervention or ‘Triage’ will take place when a submission anomaly has been identified. This is aimed at reducing the number of queries raised and when a query is raised with a participant, ensuring it is logical, appropriately described and classified and consequently routed to the most appropriate party.

There may be occasions that the same submission requires the raising of more than one query, with more than one party, for example one query is for the Carrier to resolve and the other for the Broker. In most circumstances it is likely to be beneficial to generate these queries at the same time to avoid unnecessary delay. Here, the triage process will be used to identify any possible contention, for example where the resolution of one query may have an impact upon the other, or where waiting for other aspects of the submission to be reviewed would result in unnecessary delays.

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<sup>6</sup> It has been established that there is demand from the global community to handle dialogue on queries and responses ‘in band’ and consequently discussions are taking place with a view to adapting EBOT / ECOT to support multi-directional messaging and thus offer Brokers mechanisms for query handling that can be fully integrated with their ACORD based systems.

<sup>7</sup> As and when multi-directional ACORD messaging for queries is introduced, this Portal and Query repository capability will be integrated with that messaging process. This anticipated future direction should be noted when reading the process diagrams on the following pages in this section.

Brokers will receive a notification via the same channel and presented in the same way regardless of whether it is raised by a Carrier or by Central Services, whilst making it clear from which source it came. The following methods are available to Brokers to notify them of a query requiring their action:

- Business Level Query to the ACORD message they have sent.
- An additional email trigger, addressed to the broker's nominated mailbox.

There are some circumstances for which an EBOT / ECOT Business Level Query cannot be used, and the only notification method currently available is out-of-band (i.e. an email). Examples of these circumstances are as follows:

- The item subject to query has already been fully processed and an EBOT / ECOT Business Level Acknowledgement has already been made.
- The query relates to the absence of a message and consequently there is no message to query against.

When a query is raised, other affected parties will be notified. For example when the query is raised with the carrier, the broker will receive a notification to make them aware of a potential processing delay.

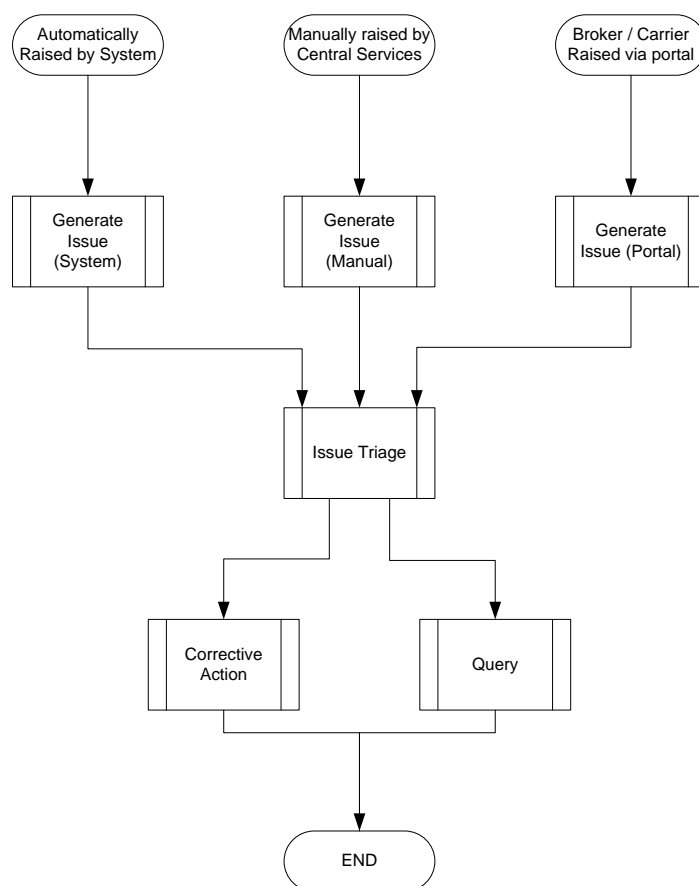
At the present time (again subject to the introduction of multi-directional Query messaging), the only option available for generating Carrier queries would be an email trigger addressed to the Carrier's nominated mailbox or in the case of claims, by Claim Workflow Triggers (CWT) and/or Claims Workflow Services (CWS).

## 9.1 High Level Process Overview

The queries and corrections processes provide the functionality to support the raising of a query by a Broker, Carrier or Central Services, the distribution of it to the relevant party for resolution, the access to the required information to enable the query to be considered and resolved and/or responded to.

An error or warning that has been identified by automated processes will be identified to Central Services for manual intervention to either perform a corrective action to fix the error/warning or to raise an issue as a query to the broker or carrier.

The diagram below is an illustration of the relationship between issues being identified (by whichever party), and i) corrective action being taken within Central Services or ii) queries being raised with either Carrier or Broker.

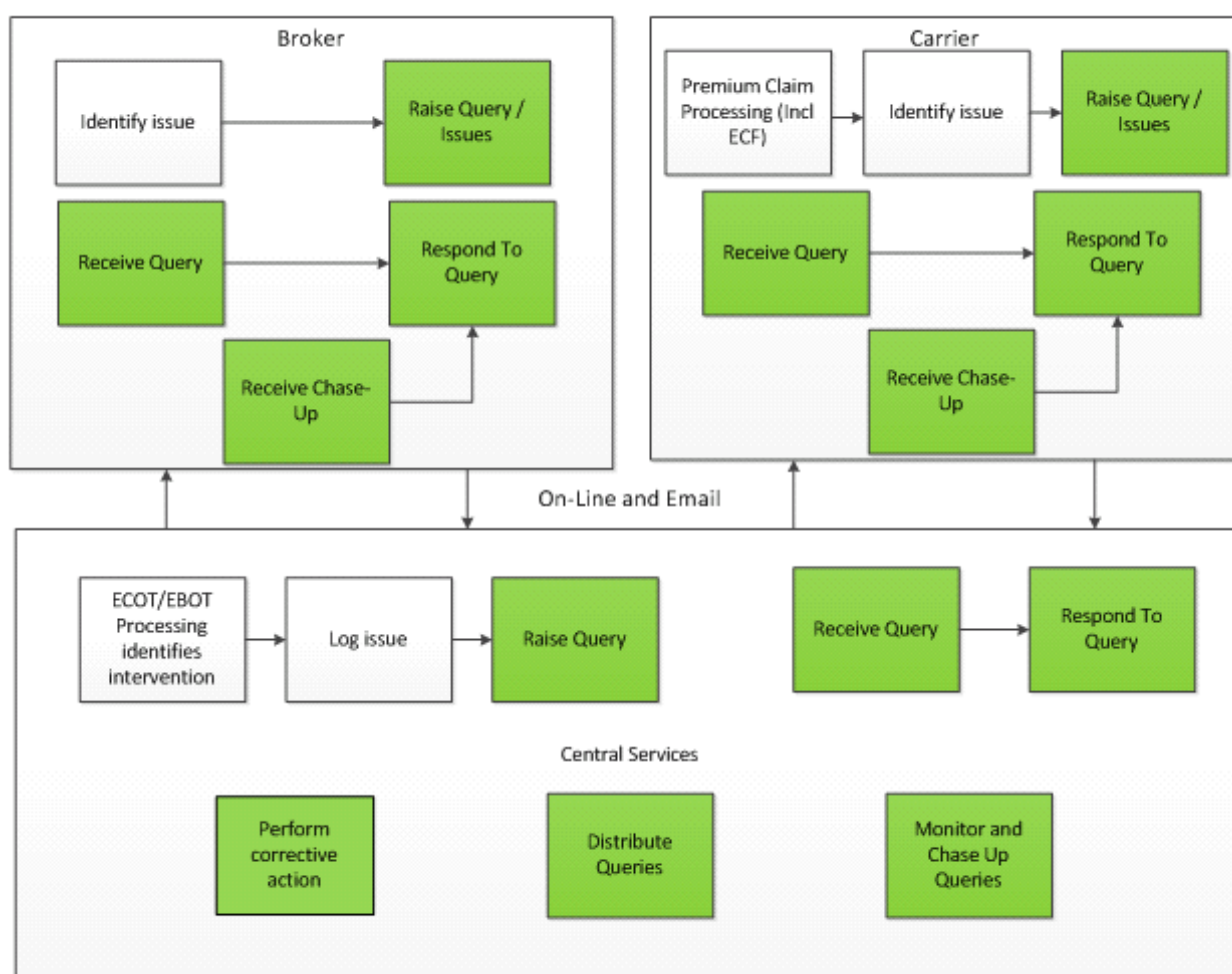


- The items automatically raised by systems would be where business rules are applied against the incoming EBOT / ECOT messages.
- The manually raised by Central Services items would be the issues discovered by technicians while completing the technical checking procedures.
- The Broker / Carrier raised issues would be those identified after the transaction has been released to them or fully processed. It may also be a follow on from an earlier query that needs to be passed to

another party for resolution (i.e. Central Services submit a query to the Carrier, which leads to the Carrier raising an issue for Broker action, and consequently a query is submitted to the Broker).

- The issue triage process would collate the items that need to be resolved, and then instigate (internal) corrective action and/or the (external) query process as required.

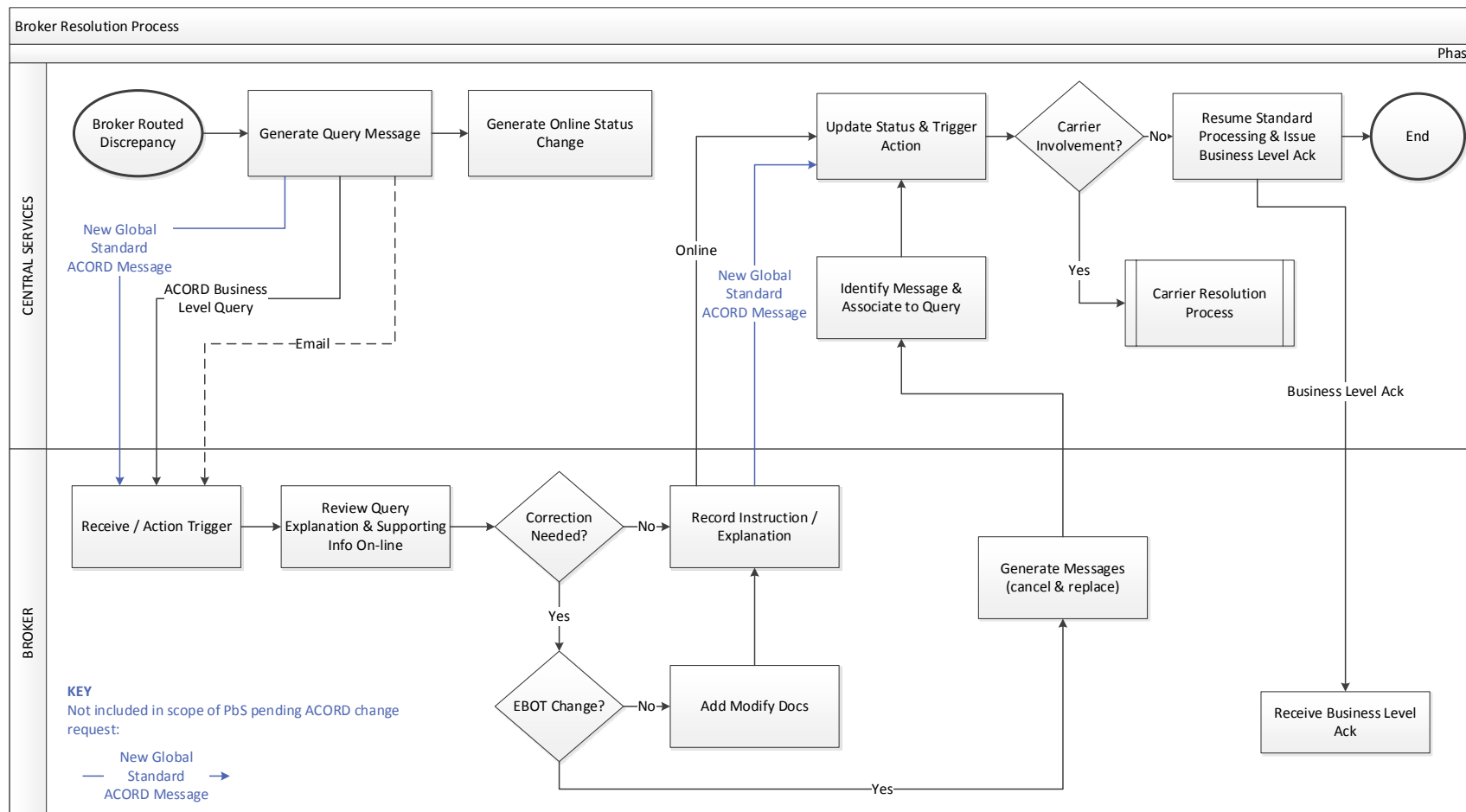
To further illustrate this relationship, the following diagram focusses on the different viewpoints of Brokers and Carriers in relation to the way they would each receive queries, respond to queries, receive status updates and receive feedback to the queries they have raised.



The following pages contain a detailed illustration and narrative of the processes for:

- A query routed from Central Services to the Broker (premium or claim)
- A premium accounting query routed from Central Services to the Carrier
- A query routed to Central Services (Post Processing)

## 9.2 Query Routed from Central Services to Broker (premium or claim)

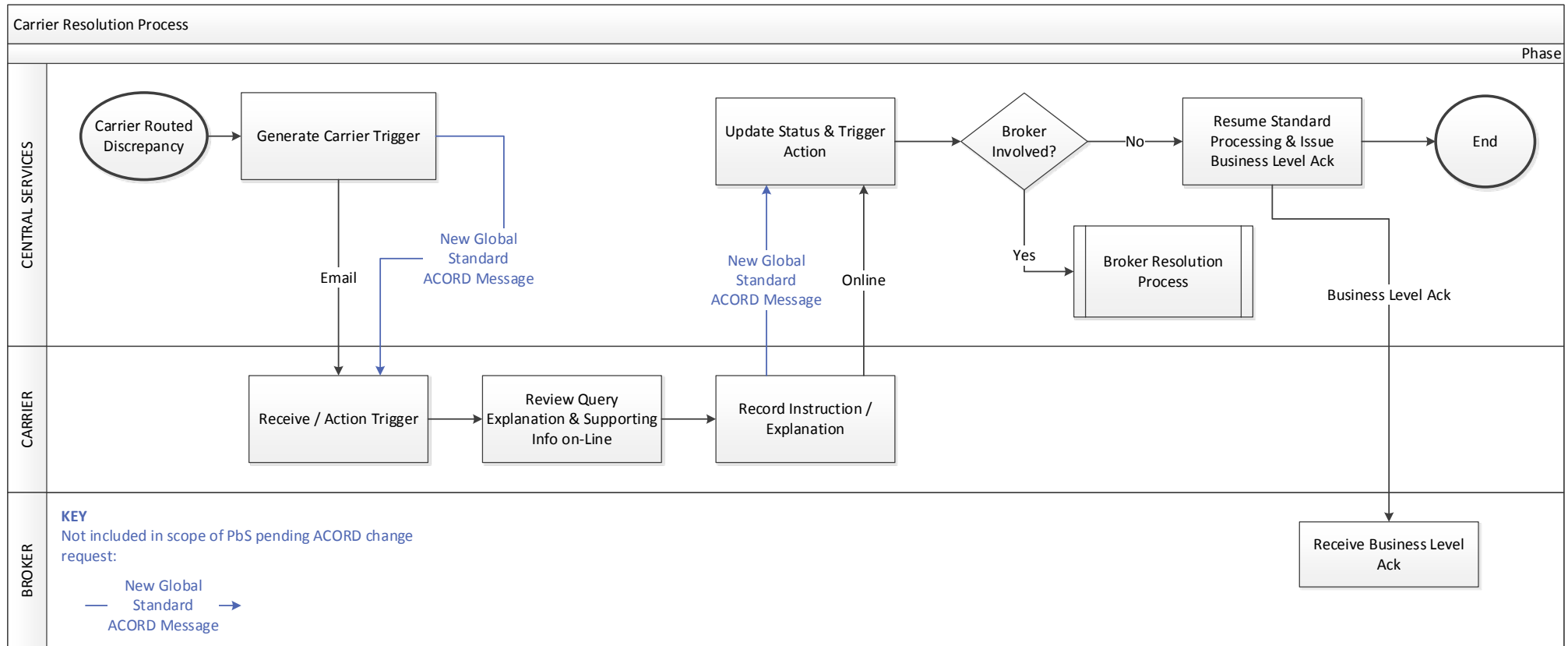




## Broker Resolution Process

- The Broker resolution process would be triggered either as a result of a query being raised by Central Services or by a Carrier instigating a query via an online portal or CLASS / ECF.
- In either case, the relevant EBOT / ECOT query message would be generated and the status on the online portal updated accordingly. In addition an email notification may also be supplied if the Broker has elected this approach.
- Receipt of the EBOT / ECOT query message and/or email would be the trigger for Broker action. The message and email would contain a link to the specific query on the online portal, where the Broker could review the explanation and supporting information.
- If the Broker identifies that a correction is not required, an explanation or specific instructions would be recorded against the record on the online portal (EBOT / ECOT does not currently allow a query response via messaging, other organisations using EBOT/ECOT today make responses via other methods such as email or phone conversations).
- Where the Broker needs to make a correction, they would determine whether an amendment to the original EBOT / ECOT message is required.
  - If there is no impact on the original messages (e.g. the correction was to forward a supporting document that had not previously been supplied), the Broker would add / modify documentation and then record an explanation or provide instructions against the record on the online portal.
  - If the original messages themselves need to be amended, the Broker would generate and transmit cancelling and replacing messages. Data contained within the cancelling and replacing messages would allow Central Services to associate the new messages with the existing query.
- The Broker response would generate status updates for both Carrier and Central Services, avoiding the need for the Broker to communicate with two parties.
- Central Services would then review the information provided and ascertain whether any Carrier involvement is required. If it is, the Carrier resolution process would be triggered, but if not, processing would continue and a Business level Acknowledgement would be issued upon successful completion of the premium or claim transaction.
- At no point in the above process is the Broker required to undertake all communication to other parties through the portal alone. If the Broker needs to talk or correspond with their Carrier counterparties they may of course do so by other means (e.g. by phone, email, face-to-face etc). The portal (or in future, two-way messaging) allows the final outcome of the resolution to be captured or actioned as described above.

### 9.3 Premium Accounting Query Routed from Central Services to Carrier

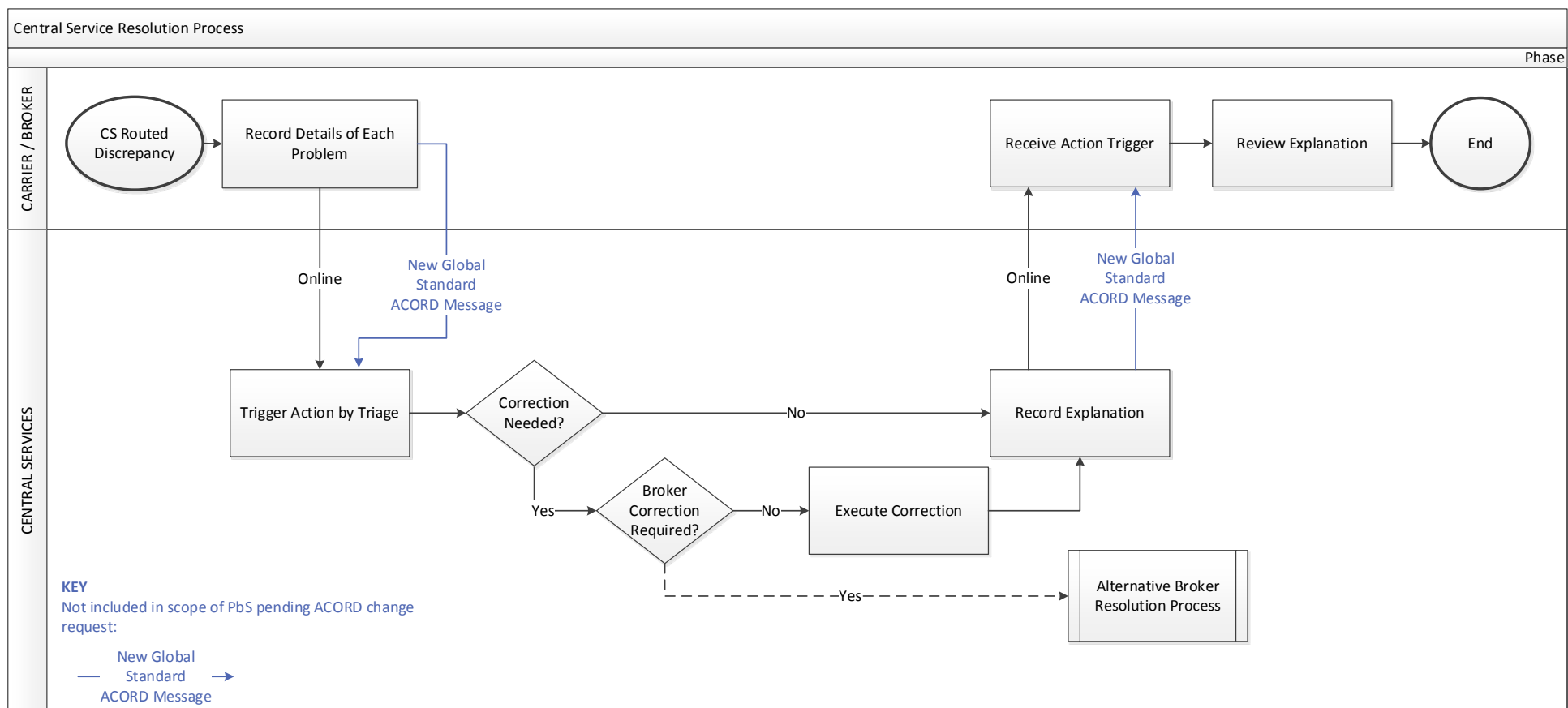


### **Premium Accounting Carrier Resolution Process**

- The Carrier resolution process would be triggered as a result of a query being raised by Central Services.
- An email will be generated to the nominated mailbox of the carrier containing a link to the transaction details. Details of the query would be recorded and presented via the online portal.
- Receipt of the email would be the trigger for Carrier action. The email would contain a link to the specific query on the online portal, where the Carrier could review the explanation and supporting information.
- Where the Carrier is able to resolve the query, an explanation and/or specific instructions would be recorded against the query on the online portal.
- Where Broker intervention is required, the Carrier may elect to communicate with the Broker by phone or face-to-face and would be able to access Broker references and other information about the Broker submission via the online portal. Alternatively, the Carrier could include the requirement for Broker intervention when recording details against the query via the online portal, which would automatically trigger the standard Broker resolution process.
- Once the Carrier and/or Broker resolution processes are complete, processing of the transaction would be resumed and a Business level Acknowledgement would be issued to the Broker upon successful completion of the transaction.
- At no point in the above process is the Carrier required to undertake all communication to other parties through the portal alone. If the Carrier needs to talk or correspond with their Broker counterparties they may of course do so by other means (e.g. by phone, email, face-to-face etc). The portal (or in future, two-way messaging) allows the final outcome of the resolution to be captured or actioned as described above.

Similarly, the query process for Carriers on claims would be fully integrated with ECF such that a response a carrier would make via ECF today, would continue. Central Services will then combine this with the relevant query handling mechanisms to ensure the broker is advised in the standard way and that the status of the query is properly managed. The Broker may elect to continue to receive the LIMCLM message as an “Out of Band” option if it is preferable, pending the implementation of multidirectional ACORD messaging.

## 9.4 Query Routed to Central Services – Post Processing



### Query routed to Central Services Post Processing

- Where issues are identified after a transaction has been processed (i.e. Business Level Acknowledgement has been issued), Brokers and Carriers will be able to record details via the online portal.
- This would trigger the triage process where Central Services would ascertain whether a correction is required, and if it is determined that no correction was necessary, an explanation would be provided via the online portal.
- Where a correction is needed that requires Broker intervention, the Broker resolution process would be triggered. In this case, the resolution process could not utilise EBOT / ECOT query messaging as the ACORD process does not allow query messages to be generated once the transaction is complete.
- If a Broker correction is not needed, Central Services would execute the correction and record an explanation against the issue via the online portal.

### 9.5 Query Monitoring

All queries initiated via Central Services will be monitored and where appropriate chased for action. This includes items raised by the carrier with the broker and vice versa. Rules will be agreed about the frequency of follow up and it is anticipated that initial chase up will be automated but as the query ages intervention will be involved and ultimately escalated to the leader.

When participants have, in the course of resolving a query, raised questions with each other outside the portal and not achieved a quick resolution, the person initiating that conversation is encouraged to record it via the portal in order for it to benefit from reporting and monitoring.

A complete audit history will be captured and used to generate the relevant Management Information and Business Intelligence reports.

### 9.6 Online Portal Design

The detailed design of the online portal has not yet commenced, and therefore an indication of the content and user experience cannot be provided at this stage. The PbS team will liaise with market participants to ensure the design is based upon their requirements.

The functions of the online portal identified to date include the following:

- View the query description, classification and information about who raised it and when it was raised.
- Classification of query drives the decision about to whom the query is routed.
- View information about the risk and/or transaction in question and the submission details in question.
- The capture of a new query, the categorisation and confirmation of to whom the query will be routed.
- Link to Document File Viewer or Insurers' Market Repository.
- Ability to search for queries, risks and claims online and availability of status information.
- Provision of clear audit trail of actions and action owners.

It should be noted that the new query portal is only likely to support the PbS EBOT/ECOT submission channel and will not be extended to existing channels (i.e. those which will be replaced by this new channel).

## 9.7 Email Subject and Content

Similar to the above, the precise make-up of the various email notifications has yet to be determined. The email subject and content are likely to be similar to that used when raising existing Tracker emails for premium accounting queries, and the subject field may contain the elements listed below, each of which are likely to be separated by a forward slash:

- The status being notified – e.g. Query
- The UMR or UCR (or PbS generated equivalent)
- The processing requested – e.g. premium
- The line of business (ACORD Codeset)

Additional / alternative elements could include:

- Carrier Reference
- Transaction Reference
- Status of the Transaction

The email subject headings are likely to be generic across transaction types, with specific query content in the main body of the email.

## 10 Specific Considerations – Carriers

The implementation of PbS Release 1 will not impact current Central Services processing activity through eAccounts, A&S, ECF and CLASS. As such, Carrier interaction with existing infrastructure (e.g. ECF / CLASS) will remain unchanged and all current outbound EDI messages to Carriers will continue to be issued.

As described in section 1.1 (Background) of this User Guide, PbS Release 1 allows Brokers to submit ACORD messages for processing of accounting and claims transactions addressed to Carriers for handling by London Market Bureaux.

The use of ACORD messaging removes the need for Brokers to submit London specific information, which as a result means submissions by the Broker are at a different level to that reviewed by Carriers. The purpose of this section is to provide clarification for Carriers to assist interaction with Brokers (especially claims handling) following the implementation of PbS Release 1.

### 10.1 Business Process Overview

Details describing the overall business process flow for Premium and Claim transaction processing by PbS are described in sections; 3.1 (Premium Process) and 3.2 (Claims Process) of this User Guide respectively. Carrier involvement with these processes is outlined in the sections below.

#### 10.1.1 Premium Process

- Following successful processing of ACORD EBOT messages submitted by Brokers to Central Services through existing infrastructure (eAccounts / A&S), responses/notifications will continue to be distributed to Carriers in the form of existing EDI messages (i.e. CSM / USM / DSIGN / IPCCSM / IPCDSM).

#### 10.1.2 Claims Process

- As stated above, the claims agreement and settlement process through existing Central Services infrastructure (ECF / CLASS) will remain substantially unchanged, but carriers will experience some differences as a consequence of the Original Signing Number and Date no longer being a submission requirement.
- The following points provide clarification as to how EBOT / ECOT submissions from Brokers will interact with existing processes, which are documented as identified in section 2.3 (Additional Reference Documentation) of this User Guide:
  - The PbS system will receive the data within Claim Movement (CM) / Technical Account (TA) messages from the Broker, combine this with the Central services risk history and construct CLASS transactions triggering existing claim agreement and settlement processes.
  - Notifications will be distributed to Carriers using existing channels such as Claims Workflow Services (CWS) and Claims Workflow triggers (CWT) who review the claim transaction via ECF / CLASS to; add any information required, issue instructions, make responses and/or raise queries. Existing EDI messaging (SCM / LIMCLM) to Carriers will continue as currently.
  - The primary differences carriers will experience is the removal of the dependence upon signing number and date to associate the claim to the risk. In the case of new Lloyd's claims first created after the implementation of PbS the ECF record will no longer display an original signing number and date. ILU and LIRMA claims will not always have a signing

number and date applied when first released, but the signing number will always be applied soon after the initial advice and will always be present on subsequent advices.

- Currently the carrier underwriting reference provided is the one associated to the OSND that the broker has supplied. ECOT submission enables the broker to supply the carrier underwriting reference, which is validated against the existing risk record before being applied to the ECF record. In the event the broker supplies a reference for the incorrect section, but the correct risk, this may not be detected initially, but carriers will have the opportunity to make correct via ECF and this corrected reference will be applied to all future advices.
  - The PbS system will monitor existing responses from ECF to determine the relevant response to issue to the Broker, in the form of ACORD messaging (business level acknowledgement or query) or out of band communications when ACORD messaging does not support.
  - The different claims agreement schemes (Lloyd's, IUA, LIRMA) have a range of response types that can be provided against a claim advice. It is subject to detailed design exactly which response type constitutes an ACORD business level acknowledgement or query. Further details will be included in a subsequent version of this User Guide.
  - In the case of a claim settlement request, following receipt of an acknowledgement to the TA, Brokers will submit EBOT FA messages to release claims settlement. Carriers and Brokers will be advised of settlement authorisation through existing EDI messaging (USM / BSM).
- When there is a requirement for the Carrier to communicate directly with the Broker (i.e. via phone / face-to-face), the online portal will provide a cross-reference between the Broker Claim Reference (UCR) and the OSND against which the claim has been raised. This is to facilitate the interaction given the different level of submission from the Broker, to the level at which the Carrier will review claim information. If the query then requires a formal record, the details should be recorded on the online portal and/or ECF.

### 10.1.3 Queries & Corrections Process

Details describing the overall process for Queries & Corrections are outlined in section 9 (Specific Considerations – Queries & Corrections) of this User Guide.

- Where query resolution requires Carrier interaction with Central Services, full details of this process are outlined in section 9.3 (Premium Accounting Query Routed from Central Services to Carrier) of this User Guide.

### 10.1.4 Carrier References

Details regarding the submission of carrier references by the Broker with EBOT / ECOT messages are provided in section 4.5.3 (Carrier References) of this user Guide, outlining the rules Central Services will apply to validate the reference provided by the Broker against the reference(s) supplied on the MRC.

In the unlikely event that the Carrier stamp on the MRC does not contain any references, a query would be raised with the Carrier to establish the reference(s) that should be captured.

In the event that more than one Carrier reference is supplied on the MRC to an element that the Broker wishes to account a single entry, then the correct section references will be provided to the Carrier, even if this is not the one used in correspondence with the Broker. The online portal as outlined in section 9.6 (Online Portal Design) of this User Guide, will provide a cross-reference between the Broker submission and the Carrier references to facilitate any out-of-band interaction.



## 11 Future Considerations

The details contained within this section follow the same guidelines as section 4, where the intention is to provide clarification over and above the Global Standard Guidelines. The reason for separating these topics is to distinguish that they will be included within a subsequent version of the User Guide.

### 11.1 Management Information

Further details will be communicated and expanded upon in a subsequent version of the User Guide.

### 11.2 Annual Resigning

A request was made during the Premium workshops for CSRP to review the existing Annual Resigning process, and to advise whether an alternative process could be developed for PbS where Carriers would be able to complete their own annual resigning's (i.e. remove the need for Broker intervention).

This item will be discussed with the relevant Associations about the prospect of a change to market process. It is expected that PbS would be able to support any change in process.

In the meantime, it is anticipated that Brokers will follow the existing procedure where TAs are submitted on the anniversary of a contract (i.e. when the relevant year of account is open). In this scenario, transactions will be processed in accordance with the standard procedures outlined in this User Guide.

It would also be possible (though not recommended) for Brokers to submit TAs for all years at inception of the contract as annual instalments. Central Services would be able to complete processing of the initial year, but would need to hold the remaining years until the appropriate year of account is opened. As this would lead to significant delays, a query could be raised (subject to dialogue with Brokers) to indicate that the subsequent years cannot be processed at this time.

### 11.3 Payment Blocks

The resolution of payment blocks within PbS is subject to further detail design. Relevant details will be communicated and expanded upon in a subsequent version of the User Guide.

### 11.4 Legacy Risks

When a legacy risk is to be handled and the risk history cannot automatically be located, manual intervention will be triggered for XIS operations, which may result in a business level query being raised (if necessary). Thus, PbS will be able to support the on-going submission against these long-standing risks.

## 11.5 ECOT Messaging for CSRP PbS and ECF Write Back

The adoption of ACORD ECOT messaging is being used by two programmes of London market modernisation work; CSRP PbS and ECF Write Back (Phase 2).

For the purposes of clarification, PbS uses fully ACORD EBOT/ECOT compliant messaging to enable brokers to submit claims advice and accounting transactions to carriers via Central Services for processing, as described in this User Guide documentation. ECF Write Back plans to move to using ACORD messaging to allow claims agreement parties to operate entirely from within their own systems to review and respond to claims, without direct interaction with the Central Services ECF system.

For the avoidance of doubt, the submission of EBOT/ECOT messages through PbS is not directly linked to the use of ACORD messages for ECF Write Back.

## 11.6 Proposed ACORD Enhancements

The initial implementation of PbS Release 1 in Q1 2016 may support specific extensions to the ACORD April 2015 standard, to incorporate additional functions currently under discussion with ACORD and Ruschlikon. PbS are currently discussing options which can form part of the ACORD global standard of EBOT and ECOT messaging, which will be of benefit to both company and bureau communities. The functions under discussion are;

- Two way query messaging – An amendment to the standard to support a claim response narrative and continuation of query dialogue after the initial business level query. This change would be utilised in the following areas of the PbS system:
  - Claims Agreement – Removing need for out-of-band email triggers and existing LIMCLM response messaging
  - Queries & Corrections – Supporting continuation of query dialogue
  - Carrier Queries – Enabling carriers to raise a query without having a message to respond against
- Removing reliance on Financial Accounts – An amendment to the standard to accommodate an instruction to complete processing at the TA stage. This change would be utilised in the following areas of the PbS system:
  - Settlement of Claims - Removing the need for Brokers to provide a FA to release settlement, in line with London market requirements.
  - Direct Settlement of Claims - Where the Broker wishes to provide details of the claim via CM/TA but settlement is made directly with the policyholder.
  - Financial Instruments (LOC/OCA/Loss Reserve/Premium Reserve) – Where the Broker wishes to trigger actions relating to the financial instruments (e.g. agree the amount of an Outstanding Claims Advance), but is not involved in the transfer of funds.

## 12 Operational Considerations

### 12.1 Service Availability

The monitoring of service levels will be based upon the following definition for service availability;

#### Core Service Hours:

- Monday to Friday 07:00 – 19:00 GMT (excluding public and bank holidays)

#### Non-Core Service Hours:

- Monday to Thursday 03.00 – 07.00 GMT and 19.00 – 22.00 GMT
- Friday 03.00 – 07.00 GMT and 19.00 – 20.00 GMT
- Saturday 07.00 – 19.00 GMT (excluding public and bank holidays)

During core service hours;

- The PbS system will be available to accept EBOT / ECOT messages
- The PbS system will be available to process EBOT / ECOT messages
- The clock against any applicable SLA's will be running
- XIS PbS Operational/XIS technical support will be available

During non-core service hours;

- The PbS system should be available to accept EBOT / ECOT messages, but cannot be guaranteed
- The PbS system should be available to process EBOT / ECOT messages, but cannot be guaranteed
- The clock against any applicable SLA's will be stopped?
- No XIS PbS Operational/XIS technical support will be available
- Actions for XIS PbS Operational support will be held in a queue until the next core service hour window opens

Outside core / non-core service hours;

- The PbS system should be available to accept EBOT / ECOT messages, but cannot be guaranteed
- The PbS system will not be available to process EBOT / ECOT messages
- The clock against any applicable SLA's will be stopped
- No XIS PbS Operational/XIS technical support will be available

Actions for XIS PbS Operational support will be held in a queue until the next core service hour window opens

## 12.2 Presentation Date

Presentation Date will be established as follows:

- Where an ACORD message is received by XIS by 5pm and that message subsequently proves to be valid, as confirmed by return of a positive Application Level Acknowledgement, a Presentation Date of the day of receipt will be allocated.
- Where an ACORD message is received by XIS after 5pm and that message subsequently proves to be valid, as confirmed by return of a positive Application Level Acknowledgement, a Presentation Date of the next working day will be allocated.

## 12.3 Business Service Levels

Further details will be communicated and expanded upon in a subsequent version of the User Guide.

## 12.4 Data Integrity

Further details will be communicated and expanded upon in a subsequent version of the User Guide.

## 12.5 Loading Documents to IMR

It is also common for documents to be uploaded directly to the IMR using the existing broker online service. This will remain available and unchanged.

## 12.6 Service Registration

Brokers wishing register to use PbS services should contact the Xchanging PbS help desk.

If Brokers wish to amend details of an existing registration, for example; details of elected mailboxes for out-of-band email notifications, then they should also contact the Xchanging PbS help desk.

Contact details for the Xchanging PbS help desk will be provided in a subsequent version of this User Guide.

## 13 Glossary

Term	Definition
<b>A&amp;S</b>	<p><b>Accounting and Settlement</b></p> <p>A generic term covering the processing of technical accounts (closings) and financial accounts (settlements) between Broker and Carrier (or between Broker and XIS where the Carrier elects to use XIS to perform this and other functions on its behalf).</p> <p>For many years business processed via XIS was based on paper documents (LPANs). The process is now predominantly based on document images loaded to the IMR – sometimes the term A&amp;S is taken to mean submissions specifically via the IMR (as opposed to eAccounts).</p> <p>From 2011, Accounting and Settlement has been increasingly based on the exchange of ACORD standard electronic data messages (eAccounts).</p>
<b>Accumulation</b>	<p><b>Accumulation – Within Central Services</b></p> <p>This term relates to how submissions covering multiple carriers (i.e. subscription market) are treated in the internal processing of EBOT/ECOT messages within Central Services. See section 3.6.</p>
<b>ACL</b>	<p><b>Access Control List</b></p> <p>A list of the parties able to access a document and the rights each party has relating to the document.</p>
<b>ACORD</b>	<p><b>Association for Cooperative Operations Research and Development</b></p> <p>A global, non-profit standards development organisation serving the insurance industry and related financial services industries. ACORD standards are the successor to the LIMNET EDI standards adopted by the market in the late 1980s.</p> <p><a href="https://www.acord.org/Pages/default.aspx">https://www.acord.org/Pages/default.aspx</a></p>
<b>ACORD Messages</b>	<p>There are four XML messages that support accounting, settlement and claims:</p> <ul style="list-style-type: none"> <li>➤ TechAccount – A Technical Account message is used to advise details of an account that will require settlement at a future stage. It can include a breakdown of amounts which make up the balance of the account as well as reporting amounts that are informational (e.g. premium or loss reserves). It supports DRI for supporting documentation included with the message.</li> <li>➤ Settlement – The Settlement (Financial Account) Message is used by the sender to advise or request settlement, and includes a listing of entries (previously reported in Technical Accounts) that go to make up the settlement balance amount. It supports DRI for supporting documentation included with the message.</li> <li>➤ ClaimMovement – The Claim Movement Message is used by the sender for initial notification of claims, advice of subsequent claim movements, and to request payment for a claim (supported in this case by the TechAccount). It supports DRI for supporting documentation included with the message.</li> <li>➤ Acknowledgement – The Acknowledgement Message is sent as a response to another message. It can be a confirmation or rejection, and can also be used to raise queries.</li> </ul>
<b>BIG</b>	<p>The Business Implementation Group (BIG) forms part of the Ruschlikon governance structure. The group report directly to the Ruschlikon Steering Committee and coordinate changes across Ruschlikon communities to facilitate uniform adoption of best practices and standards.</p>

<b>BSM</b>	<p><b>Bureau Signing Message</b></p> <p>An EDI message used to advise premium and claims accounting information transmitted to Brokers.</p>
<b>Bureau(x)</b>	<p>The colloquial name for the three back-office policy and claims processing operations, each with slightly different methods of operation and performed by Xchanging Ins-sure Services and Xchanging Claims Services for the London Carrier Market (consisting of Lloyd's, ILU and LIRMA and predominantly comprising the Lloyd's Syndicates and IUA Company Carriers).</p>
<b>CAS</b>	<p><b>Claims Agreement Screen</b></p> <p>This is a user interface used in conjunction with other parts of ECF2 to enable the carrier to review the electronic clam file and respond to claim advices.</p>
<b>Central Services</b>	<p>The range of services provided centrally to the London Market operating the procedures of the three Bureaux.</p>
<b>CLASS</b>	<p><b>Claims Loss Advice and Settlement System</b></p> <p>CLASS enables Brokers to load claim data transactions and some supporting information so that Carriers can manage the claims agreement process and trigger the advising and settlement of claims using EDIFACT messages e.g. LIMCLM. Combined with the IMR, CLASS underpins ECF.</p>
<b>CM</b>	<p><b>Claim Movement message</b></p> <p>The Claim Movement message is used by the sender for notification of first and subsequent advices of a claim (including requests for agreement to settle when it will be accompanied by a TechAccount).</p>
<b>CSM</b>	<p><b>Carrier Signing Message</b></p> <p>An EDI message used to advise premium and claims accounting transactions transmitted to IUA Carriers.</p>
<b>CSRP</b>	<p><b>Central Services Refresh Programme</b></p> <p>The Central Services Refresh Programme is part of the overall London Market Modernisation agenda and is part of the LMG's plans for helping to secure London's competitive position.</p> <p>CSRP is a collaborative cross-market Programme involving the International Underwriting Association (IUA), the Lloyd's Market Association (LMA), LIIBA (London &amp; International Insurance Brokers Association) and Lloyd's. The Programme also works very closely with XIS as delivery partner and with the Associations Administrations Committee (AAC) to ensure clear definition of boundaries for projects sponsored by AAC and CSRP.</p> <p>CSRP aims to create and deliver change in line with a vision that bridges the gap between current and future Central Services, with a customer benefits perspective.</p> <p>CSRP is an opportunity to fulfil an agreed strategy, owned by the market, on what the future of Central Services looks like for the benefit of the London Market. It has the potential to make the London Market more attractive in order to retain and help generate more business. The aspiration is the removal of process inefficiencies and unique London market processes and practices where they add no value or indeed create additional burdens to placing business into the London Market. This will ensure that Brokers have the ability to interact in line with internationally accepted standard processes and messaging.</p>
<b>DRI</b>	<p><b>Document Repository Interface</b></p>

	An ACORD technical standard that supports the electronic interchange of free-format documents between repositories including the IMR.
<b>DSIGNS</b>	The Daily Signings EDI message sent to LIRMA companies.
<b>eAccounts</b>	An initiative to replace paper and / or IMR-based premium submissions by Brokers to XIS with submissions using ACORD structured data messages. This will ultimately enable XIS to deliver the detailed accounting information required by Lloyd's and some other Carriers (non-fundamental premium accounting data), relieving Brokers of that role and realising efficiencies through straight through data processing. The combination of the two initiatives is referred to as Electronic Accounts. The difference between eAccounts and EBOT submission is confined to the need for eAccounts to comply with certain London specific submission protocols using a different definition of the ACORD standard.
<b>EBOT</b>	<p><b>Electronic Back Office Transaction</b></p> <p>EBOT and ECOT are ACORD standard specifications. They document the business data and rules required for conducting electronic business conversations from system-to-system.</p> <p>EBOT stands for Electronic Back Office Transactions; it deals with the usage of ACORD Technical Account and Financial Account messaging.</p>
<b>ECOT</b>	<p><b>Electronic Claims Office Transaction</b></p> <p>EBOT and ECOT are ACORD standard specifications. They document the business data and rules required for conducting electronic business conversations from system-to-system.</p> <p>ECOT stands for Electronic Claims Office Transactions; it deals with the usage of the ACORD Claims Movement message and links with EBOT for completing claims-related payments.</p>
<b>EBOT / ECOT Quick Reference Guides</b>	The EBOT & ECOT Quick Reference Guides are documents produced based on views and input from all current implementers of EBOT / ECOT messaging. They are intended to give a snapshot view from the implementation community of the data and processes being implemented for GRLC accounting, settlement and claims messages, thereby giving a method for new implementers to quickly understand and source the information they need to get implementations in place with their business partners.
<b>ECF</b>	<p><b>Electronic Claims File</b></p> <p>An integrated service for claims handling and processing delivered through a combination of the Insurers Market Repository (IMR) and the Claims Loss Advice and Settlement System (CLASS). ECF2 provides additional functionality to enhance the underwriter use of the ECF platform. While some user functionality only exists in ECF2, the terms ECF and ECF2 are inter-changeable in the context of the market's ability to process claims electronically.</p>
<b>EDI</b>	<b>Electronic Data Interchange</b>
<b>EDIFACT</b>	<p><b>Electronic Data Interchange for Commerce, Account and Trade</b></p> <p>A standard for the exchange of data between organizations by electronic means. It is used to transfer information electronically from one computer system to another i.e. from one trading partner to another. The London market adopted EDIFACT as its EDI standard in the late 1980s. ACORD GRLC XML is the latest messaging standard that will be rolled out over a period of time and will gradually replace EDIFACT.</p>
<b>FA</b>	<b>Financial Account</b>

	The concept, developed under delinking, of separating the premium accounting data (TA – Technical Account) from the settlement transaction (FA – Financial Account). Also see ACORD Messages.
<b>Fundamental Accounting Splits</b>	Fundamental accounting entries are so called as they relate to the fundamental structure of the risk as determined by the requirements of the broker's client or as dictated by the conditions imposed by carriers and/or the EBOT and ECOT message structure.
<b>GRLC</b>	<b>Global Reinsurance &amp; Large Commercial</b>  Global Reinsurance & Large Commercial is one of the standards developed and maintained by ACORD. GRLC is designed to provide seamless transfer of information between Insureds; Brokers; Insurers and Reinsurers for non-life reinsurance and Large Commercial Insurance lines of business.
<b>IMR</b>	<b>Insurers' Market Repository</b>  The Insurers' Market Repository is the document storage and processing used for the London Market.
<b>IPCCSM</b>	A variant on the ILUCSM EDI message sent to ILU companies containing only delinked signings for the day.
<b>IPCDSM</b>	A variant on the DSIGNS EDI message sent to LIRMA companies containing only delinked signings for the day.
<b>LIMCLM</b>	The London Market EDI claims message used to send information from brokers to Xchanging and from Xchanging.
<b>LPAN</b>	<b>London Premium Advice Note</b>  The standard format document that is used by the broker to give instructions about how to structure and process a premium accounting record.
<b>MRC</b>	<b>Market Reform Contract</b>  The introduction of a placing standard - initially LMP and now MRC - has delivered value to the London Market by providing a standard form of submissions. It offers a clear structure and means that brokers present contracts in a consistent manner. This in turn adds clarity to the broker/underwriter discussion and thus enhances the efficiency of the placing process. The MRC has also delivered other advantages – most notably ensuring the content was aligned with the needs of contract certainty.
<b>Non-Fundamental Accounting Splits</b>	The breakdown of a premium payment into smaller amounts to achieve a level of transaction that meets Lloyd's Tax and Regulatory requirements.
<b>PbS</b>	<b>Post-bind Submission</b>  In 2013 the London Broker community drew up a list of high level requirements which would help align London and the rest of the world and remove many of the so called 'Londonisms' (London process differences).  In addition, the Carrier community developed a Future Service Register, a comprehensive list of required features across the different business types.  Having analysed the root causes of these 'Londonisms' and assessed the service drivers the Central Services Refresh Programme launched 'Post-bind Submission' to simplify and standardise processes and remove the inefficiencies in the way that Brokers provide information post-bind and how the central processing could be made



	<p>more efficient. PbS, the first change delivery within CSRP, focuses on removing 15 of the 30 'Londonisms' (and 7 of the Top 10 in the 15 identified).</p> <p>The PbS delivery will follow the overarching principle in LMG Future Process Review: "Any insurer / service provider combination (including a bureau) will interact with Brokers in the same way as other insurers i.e not involving unique processes, data or query types."</p>
<b>Ruschlikon</b>	<p>Faster cash, higher efficiency, better information, enhanced client service – the Ruschlikon Initiative enables leading players of the (re)insurance industry to improve their back office processes for technical accounting, claims and settlement by using the ACORD Global Reinsurance and Large Commercial (GRLC) Standards.</p> <p>Ruschlikon is a small town outside Zürich, Switzerland. It was here that a group of pioneering (re)insurers and brokers agreed to a common vision for reducing back office frictional costs and streamlining processes for the (re)insurance sector by implementing global ACORD data standards together with an agreed set of business processes and rules. This initiative was named Ruschlikon in honour of its beginning.</p> <p>ACORD facilitates the Ruschlikon meetings and provides the standards that Ruschlikon uses, which are part of its Global Reinsurance Large Commercial standards. Ruschlikon has its own Steering Committee, which provides the guidance and strategy for the entire Ruschlikon family and its implementation communities.</p>
<b>Ruschlikon Best Practice Guide</b>	<p>The purpose of the Global (Re)insurance Best Practices is to provide overall direction on implementation of the ACORD Global Reinsurance and Large Commercial messages on a "global" basis. The intent of the Global (Re)insurance Best Practices are to address electronic message exchange between a message sender and receiver and provide direction on how to implement a set of ACORD messages to be fully compliant with best practices.</p> <p>It provides the context in which a set of Global Reinsurance and Large Commercial messages are to be exchanged to be compliant with best practices. In addition, the Best Practices are meant to be used in conjunction with the electronic Back-office (EBOT) and electronic Claim (ECOT) Quick Reference Guides, which provide the detailed-level implementation principles.</p>
<b>SCM</b>	The EDI claims message sent to Lloyd's syndicates.
<b>TA</b>	<p><b>Technical Account</b></p> <p>The concept, developed under delinking, of separating the premium accounting data (TA – Technical Account) from the settlement transaction (FA – Financial Account). Also see ACORD Messages.</p>
<b>TMEL</b>	<p><b>The Message Exchange limited</b></p> <p>The Exchange is a messaging service that enables Brokers, Carriers, Service Providers, and IT Suppliers to send and receive information securely between multiple parties, to one common standard through a single connection. Initiated by Lloyd's, The Exchange has been migrated to a mutualised market utility, The Message Exchange Limited (TMEL)</p>
<b>UCR</b>	<p><b>Unique Claims Reference</b></p> <p>An agreed reference format that enables each broker to issue a unique reference to identify a claim without the risk of them duplicating a reference issued by another broker. Once issued this reference is intended to remain with the claim for its life.</p> <p>It consists of the Lloyd's Broker Number (i.e. 4 digits prefixed with a B), followed by up to 12 alphanumeric characters, which must be unique within the Brokers system (e.g. B0123ABC15DEFWXYZ).</p>

<b>UMR</b>	<p><b>Unique Market Reference</b></p> <p>The primary reference created by Brokers and used by the Market to identify a contract.</p> <p>It consists of the Lloyd's Broker Number (i.e. 4 digits prefixed with a B), followed by up to 12 alphanumeric characters, which must be unique within the Brokers system (e.g. B0123ABC15DEFWXYZ).</p>
<b>USM</b>	<p><b>Underwriter Signing Message</b></p> <p>An EDI message used to advise premium and claims accounting transactions transmitted to Lloyd's Carriers.</p>
<b>XML</b>	<p><b>Extensible Mark-up Language</b></p> <p>XML provides a basic syntax that can be used to share information between different kinds of computers, different applications and different organisations without needing to pass through many layers of conversion. Its purpose is to aid information systems in sharing structured data, especially via the Internet.</p>