

Reinsurance : CTP Lead / 2nd Lead Responsibility - Checklist

Out of Scope for CTP

- A single syndicate policy

Out of Scope for ECF

- A co-lead binder or multi OSND policy

In Scope Risk Codes and Financial Threshold:

- Risk Codes unrelated to Energy and Property Treaty have a threshold of £250k (Lloyd's share per risk code)
- Risk Codes related to Property Treaty have financial threshold of £500k

Claim Categories & Agreement Parties:

- Upon claim notification and subsequent presentation the Lead (and 2nd lead where applicable) triages every CTP claim to the appropriate category taking into account the financial threshold and any non-financial factors.
- For a Standard category claim - only lead agreement is required.
- For a Complex category claim - lead and 2nd lead agreement is required depending on (when financial threshold, Lloyds share per slip or non financial factors have been considered)
- The lead and 2nd lead to liaise (complex only) on any 'paper' legacy conversion where applicable, taking into account known claim complexities and agree on conversion to ECF & CTP.
- Non financial factors:
 - Claims seeking extra contractual damages or damages in excess of policy limits
 - Criminal proceedings
 - Fraud
 - Potential or actual denial of coverage
 - Notice or complaint from a regulatory body
 - Bad Faith
 - Quantum Issues
 - Class Action or high value lawsuits
 - PPO or advanced / projected settlements
 - Considerations and issues around quantum, UNL, clash cover

NB: When considering the triage of a non-GBP value claim, the prevailing rate of exchange should be used (except where there are provisions within the slip)

Any disagreement between lead and 2nd to be discussed and resolved by liaising (via central MA CTP email addresses OR direct with MA's adjuster). Market meetings with 2nd and followers will need to be called on complex matters, evidence of communication should be available on the relating claim.

What do I need to do?

Lead:

- Select / amend (to correct) claim scheme if the risk code is 'in-scope' for CTP Legacy.
- Triage claim to Standard or Complex and delegate to 2nd lead or XCS as appropriate. Please refer to elective service take up/non take up list (where required).

Second:

- If your MA is signed up to an elective service offering, your 2nd lead adjusting responsibility (on complex only) will be carried out by the delegated service / adjusting team.
- If your MA is not signed up to an elective service offering, your responsibility is to adjust the claim in a lead capacity. The claim will be auto-routed to XCS for technical processing after submission of your response.

Summary of (complex claim) XCS 2nd lead adjusting service:

- 2 day turnaround / Claims Adjusting / Triage / Claim Document Validation / Reserves & TBA management / Claims Settlement / Expert Management / Diary Management / KEPs / Query Handling / Open file review / Claim Related Premiums / Aggregate Management / Market level co-ordination / MA management reports / Monthly RSRB reports

Lead & 2nd Lead (part of the same elective service offering):

- Where a Lead & 2nd lead are both part of a service companies elective service offering. The Lead will adjust appropriately and as per CTP guidelines, although an element of the processing (for example coding, KEPs, SCM narrative) will be carried out by the delegated service company in their role as 2nd lead.

Note that if a Managing Agent is handling their 2nd lead claims, a number of the services provided by Xchanging are to be conducted by the lead and per CTP guidelines. Examples could be: KEPs, Triage, Claim & Reserve Management, Diary Management, Query Handling.

In your Lead or 2nd lead responsibility (outside of delegated elective service offerings) standard checks must take place on UMR and UCR fields against supporting documentation ensuring that data is accurate to enable full review, response and processing of the claim.

UMR

- ✓ Slip is attached, accurate and has relating endorsements, where applicable
- ✓ Certificate / Insured / interest / declaration attaches to policy / sum insured
- ✓ DOL / DCM falls within policy / certificate period
- ✓ Claim falls within available policy / certificate limits
- ✓ Applicable coverage type

UCR

- ✓ **Deductible / excess / franchise correctly applied**
- ✓ Identity of Insured / Coverholder / Cedant / Reinsured
- ✓ Confirm broker has attached correct claim documents
- ✓ **Risk Code (ensuring the claim is 'In Scope' and not a singleton or co-lead binder)**
- ✓ YOA
- ✓ **CAT Code (to be entered by adjuster if not present)**

- ✓ Cause Code (please add within private comments for technical processing)
- ✓ TBA Qualifier code (please add within private comments for technical processing)
- ✓ PCS Code
- ✓ OSND (do not agree claim without a present OSND)
- ✓ Slip Order
- ✓ Claimant, Insured, Loss Name, Loss Details, DOL
- ✓ Vessel / Aircraft / Conveyance
- ✓ O/S Exp, O/S Fee, O/S Loss, O/S Qualifier (lead to split out fees and add reserve where required)
- ✓ PTT Exp, PTT Fee, PTT Loss
- ✓ Settlement CCY, Settlement ROE

What to think about before responding?

- ✓ Consider whether the triage category is correct and appropriate on each sequence. If acting in Lead capacity consult with the 2nd Lead and include narrative within the 'Private Comments'. If you are a second Lead, consult with the Lead and add comments to 'Private Comments' for the next sequence.
- ✓ The reserve advised has been considered; any difference requires the Lead to enter a reserve for Indemnity and / or Fee's and split appropriately if applicable.
- ✓ Triage category accurate and supported by narrative and communication with 2nd lead and followers (where required).
- ✓ Communication with 2nd lead & followers (where required), via email, ECF/2, KEPS, SCM narrative and evidence of communication is available.
- ✓ Narrative within 'Public Comments' shows understanding, review of claim and any requirements give a clear picture and direction to the broker. (lead to include triage category)
- ✓ Narrative within 'Private Comments' provides required processing information, instructions and SCM summary narrative (where applicable).
- ✓ Expert reports / instructions / management
- ✓ Subrogation identified or pursued
- ✓ Appropriately 'diarised' claim for next steps

Non-Financial Considerations

The lead may consider a range of non-financial factors in assigning a triage category. Notwithstanding the non-financial and financial considerations and thresholds, the Leader and 2nd may jointly decide to re-assign the triage category of a claim at any time.

Outstanding / "TBA" Qualifier Codes

Code	Description	Code	Description
A	Await Advice from Cedant	P	Prec Advice on High Layers
C	Closed	R	Recovery
L	Long Tail Advice	S	Subrogation
M	First Advice, Await Report	T	Uber Precautionary
X	Erroneous Entry to be closed		

KEP Template

To engage and liaise with 2nd lead and followers on a reserve movement or settlement when the Incurred to Lloyd's exceeds £5m or currency equivalent.

Highlight the template below, paste into the body of an email and complete as required.

Reinsurance KEP	
UCR:	
Loss Details:	
Reason for circulation:	Reserve movement/payment (see guidance note)
Additional Comments:	
Sign Off:	