



## 1. Overview

Q2 was dominated by the leadership transition to the new CEO and Chair of Lloyd's, together with the announcement of the new executive team. The prevalence of broker facilities continues to dominate underwriting discussions, particularly as we enter the business planning cycle with strategic business discussions (SBDs) taking place between Lloyd's and managing agents. On the operational side, a key milestone was reached with the conclusion of the build phase of Blueprint Two. Other matters of note during the quarter included the FCA simplification consultation, ongoing discussion with Lloyd's Insurance Company (LIC) regarding the regulatory requirement to introduce a funds withheld model; the House of Lords report on regulators' progress against the competitiveness objective and finally commentary on Middle East matters – further details are provided below.

## 2. Primary areas of market focus during Q2 2025

### ***Leadership changes at Lloyd's:***

On 01 May 2025, Sir Charles Roxburgh assumed the role of Chair at Lloyd's and quickly announced the appointment of Patrick Tiernan as CEO, which took effect on 01 June. Patrick announced a refreshed [executive team](#), with notable new appointments including Rachel Turk as Chief of Market Performance and Caroline Sandeman-Allen as Chief of Market Oversight.

### ***LIC (Belgium) – funds withheld:***

The Belgian regulator has been liaising with Lloyd's about the regulator's need to have collateral held in Belgium, given there are approximately €11bn of claims liabilities on the LIC balance sheet. In principle, it has been agreed that the quantum of that collateral should reflect the advised claims reserves for new claims, with effect from 01 January 2026. IBNR is specifically excluded.

The LMA Board and Finance Committee considered the proposed LIC funds withheld model, which involved retaining premiums in a LIC bank account, with claims settled from these retained funds. While this approach was expected to have minimal impact on liquidity, it requires significant additional bank and premium receivable reconciliation processes. The LMA Board and CFOs unanimously preferred an alternative static deposit approach in which premiums flow to syndicates immediately as a continuation of the existing process, with a quarterly static deposit with LIC from each syndicate representing the notified outstanding claims. Next steps are to receive assurance that the chosen approach is acceptable to the regulator and to determine the appropriate legal wording that is needed alongside the LIC reinsurance contract.

### ***Legal and regulatory matters***

The original version of the One Big Beautiful Bill that was before the US Senate and House of Representatives contained a clause (Section 899) that had the potential to apply a high tax on all profits made by managing agents in the US. The Lloyd's team in the US and London lobbied hard against this provision, including up to the Chancellor and UK government. Their lobbying efforts were successful, and the clause was removed. However, its removal is predicated on the UK and other G7 nations repealing some of their taxes (including the UK's digital services tax) in the future.

The House of Lords (HoL) Financial Services Regulatory Committee issued a lengthy report in mid- June about whether regulators were doing enough to meet the secondary competitiveness objective. Essentially its answer was that the regulators aren't doing enough and the LMA's response was quoted in several sections in the report. The key points to note are that the HoL view is that the compliance burden is "disproportionately high"; that the government should stop expecting regulators to regulate for every conceivable outcome; that there needs to be a stronger wholesale versus retail differentiation; that the overlaps between the PRA, FCA and FOS need to stop; and finally that there need to be better metrics to prove that regulators are meeting the competitiveness objective. They also made clear that to change the culture there needed to be protection for regulators from the government in moving from a zero-failure regime. Overall, a helpful report for the London market.

The FCA issued a consultation paper, largely focused on how they could simplify their activities. The key point to note for the Lloyd's marketplace is that the FCA is following through on its commitment to differentiate between wholesale and consumer insurance business. This should have the effect of simplifying some of the market's conduct-exposed business. It is also going to consult on changing the FCA jurisdiction to stop trying to regulate risks or consumers situated abroad. There is some devil in the detail, such as the fact that they have not actually defined a consumer, which we have worked through with the FCA and our various legal and regulatory committees prior to submitting a very detailed response with drafting suggestions last week.

During the quarter and following on from an event we hosted in Q1, the LMA issued advice from Aidan Christie KC about broker remuneration, notably subscription market brokerage (SMB). As this is a privileged document, it has been issued by our legal team to the legal and compliance teams within managing agents. There is a checklist added for underwriters to consider before agreeing a broker payment, drafted by the LMA which Counsel approved. If you have not received a copy, please [contact our legal team](#).

Lastly, in June, we met with the City minister, lobbying on the key points to the LMA of access to international markets; proportionate regulation; differentiation between wholesale and retail business; reform of the apprenticeship levy; and mobility of European talent.

### ***LMA publications and events***

In May, the LMA claims team hosted a claims dinner and awards ceremony, attended by 320 market claims professionals. The awards celebrated claims service excellence, innovation and individual achievements. The individual awards recognised those who have made significant contributions to the market and those emerging as future leaders.

The LMA Academy won the London Market Forum Market People Award for the London Market HR and Learning and Development Supplier of the Year.

At the request of the LMA's CUO Committee, and following on from last year's enhanced underwriting report, we have engaged Oxbow Partners to develop a follow-on report entitled

'Role of the Leader'. In light of continuing evolution of broker facilities, as well as growth in the digital and auto follow models, there have been numerous requests from CUOs to explore how the role of leader should now evolve, recognising that the various new follow models are all predicated on the existence of strong leaders in our market.

The LMA has been called upon to comment by numerous press outlets about the situation in the Middle East during June, following heightened tensions between Iran, Israel and the US.

### ***Blueprint Two, including PPL and Data Council***

A key milestone was achieved at the end of May with completion of the build for Phase One of Blueprint Two. Testing by internal Velonetic processing teams is now underway, with market testing by Vanguard participants due to commence in the next couple of months.

The LMG's Data Council launched a campaign to push for the ACORD standard for specialty and commercial risk known as GRLC (Global Risk and Large Commercial). This standard is already in use by the Rushlikon community. Additional Data Council work includes development of the claims core data record (CDR), together with various market participants.

Finally, during the quarter, the LMA board approved funding for the LMA to develop a digital solution for LMA wordings that would ultimately feed into contract creation tools used across the market.

### ***Cultural matters***

In collaboration with the IUA and LIIBA, we launched a series of sessions to educate senior leaders across the market on the FCA's expectations on non-financial misconduct detection and incident handling. Sessions commenced in April and will finish in September. Additionally, an INED/Board Director session ran in June.

Lloyd's Culture Survey will launch on 01 September and close on 30 October. Firms will receive their own specific link, so that it can be shared within their firm and then receive tailored feedback accordingly.

### ***Significant people changes at Lloyd's and the LMA***

See above for changes to Lloyd's executive team. Additionally, during the quarter, Peter Montanaro, Market Oversight Director, retired from Lloyd's. Lloyd's representative in Ireland, Eamonn Egan, tragically died in a farmyard accident in early June.

Joe Brace joined the LMA in April as Operations Director. Rob Myers has transitioned to a consultant role at the LMA to help progress Blueprint Two, while he transitions to retirement in early 2026.

Three new directors were appointed to the LMA board: Mark Newman, CEO of Canopius UK and Canopius Managing Agents, replacing Kate Roy, Canopius' Group COO; Bethany Greenwood, CEO of Beazley Furlonge Limited and Beazley's Group Head of Specialty Risks, replacing Rob Anarfi, Beazley's Chief Risk Officer; and Emma Woolley, CEO of Talbot Underwriting, replacing Chris Rash (formerly Talbot CEO).

## **3. Looking forward to Q3 2025 areas of focus**

- a. Presentation of LMA Board priorities for new executive to the Council of Lloyd's.
- b. LIC funds withheld implementation.
- c. Role of the leader report.
- d. Review of LMA charging model.
- e. Market implications of US tariffs and possible evolution of sanctions positions.
- f. Continuation of non-financial misconduct workshops.

- g. Various Blueprint Two matters, including closing out Exit Plan agreements and commencing Vanguard testing.
- h. Relaunch of the LMA website.
- i. Substantive progress on the LMA's project to digitise wordings.
- j. Conclusion of Claims CDR workshops, with draft CDR to be produced in Q4.
- k. Launch of Lloyd's Culture Survey in September.
- l. Nine LMA Academy programmes will run during Q3 including Commercial Acumen for Underwriters, Claims Management Programme (formerly Claims Practitioner Programme CPP), Claims Foundation Programme, Foundation for Underwriting Fine Art and Specie, Contract Wordings Foundation, Finance for Non-Finance Managers, Understanding GAAP Reporting, Understanding IFRS17 Reporting and Data Visualisation for Python.

#### 4. Key areas of focus across LMA committees and forums during Q2 2025

Committee	Areas of focus during Q2 2025
Underwriting (Elizabeth Wooliston)	<ul style="list-style-type: none"> <li>• The LMA's Chief Underwriting Officers' Committee (CUOC) met with the CUO of LIC (Brussels) in June to discuss oversight, performance management and regulatory issues. The CUOC also discussed some high-level feedback for the new management team at Lloyd's, focusing on performance management, to be communicated in Q3.</li> <li>• On behalf of the CUOC, the LMA undertook an extensive AI market survey in April-May to collect underwriter views on existing and emerging risks arising from insureds' use of AI. For more information, <a href="#">read the blog by David Powell</a>, Head of Technical Underwriting, with analysis and insights to follow in Q3.</li> <li>• The LMA's Underwriting Director and other colleagues attended RIMS' RISKWORLD conference in Chicago in May, hosting a session with Axio on cyber physical damage and Wilson Elser on litigation funding. The LMA also hosted visits from Excess Lines Association of New York (ELANY), Surplus Lines Association of California (SLA) and Wholesale &amp; Specialty Insurance Association (WSIA) in the spring, as part of the LMA's objective to improve the market's engagement in the US.</li> <li>• Following the recent California wildfires, the LMA issued a bulletin on 28 May for the Specie market, to provide underwriters with some clarification from Lloyd's America regarding the applicability of the regulatory guidelines issued by the California Department of Insurance.</li> <li>• The LMA held an event on 19 June, Navigating a World Where Rules No Longer Apply, featuring conversations with General Sir Patrick</li> </ul>

Sanders KCB CBE DSO ADC Gen (geo-political briefing) and Alex Creswell OBE (on fusion power, AI and quantum computing).

- The pressure to decarbonise marine fuel continues but with no solution at scale. The Joint Hull Committee held an Old Library event recently, with Lloyd's Register speakers giving details on ammonia, methanol and nuclear fuel projects.
- At a Forum on 13 May, the Joint Natural Resources Committee (JNRC) and its sub-committees advanced technical standards with updated model documents, including new guidelines for floating offshore wind and decommissioning, and actively shared "lessons learned" from major losses to enhance risk mitigation. The Forum highlighted evolving challenges such as complex repair logistics for offshore export cables and the critical importance of clear contractual obligations between wind farm operators, offshore transmission owners and insurers.
- The LMA participated in an IUMI webinar on the Gulf crisis and presented at both the IUMI cargo course and the Royal Navy staff course. The LMA also defended the Lloyd's Open Form default clause (LMA5654) at Marine Insurance Athens.

#### **Wordings update**

The LMA published 21 wordings in Q2, with highlights including:

- Full policy redraft of the "KA" Personal Accident form and related documents.
- Updated suite of US service of suit and applicable law clauses.
- Suite of exclusions/endorsements for the contingency market re SRCC risks.
- Various cyber clause updates for financial institutions, contingency, and terrorism and political violence.

There are around 30 wordings projects currently under production, including new full policy model wordings for:

- UK SME Property.
- UK SME Cyber.
- UK SME Contingency Event Cancellation and suite of endorsements.

	<ul style="list-style-type: none"> <li>• Political Risks.</li> <li>• Italian Nat Cat Property.</li> <li>• Terrorism Liability (USA).</li> </ul>
<p>Finance, Risk, Actuarial &amp; Sustainability (Paul Davenport)</p>	<p><b>Finance</b></p> <p>This quarter’s Finance committee discussions with Lloyd’s CFO echoed the new CEO’s stated priorities and reaffirmed the Corporation’s commitment to simplifying reporting and increasing the attractiveness of the market to new capital.</p> <p>The Finance Committee remains closely involved in the Reporting Simplification Project under the following workstreams:</p> <ul style="list-style-type: none"> <li>• Solvency UK implementation: A pilot involving all firms was completed and the LMA issued a full data mapping from Lloyd’s to PRA templates.</li> <li>• QMA delta rationalisation: The benefits are widely acknowledged, but there is an accepted challenge to fully realising benefits by 2025-year end.</li> <li>• Performance Data: An approach with significant market engagement has been agreed with Lloyd’s, beginning in Q3.</li> </ul> <p>The Reporting Simplification Project steering committee is aiming to address pressures from the tagging audits and data requirements for members’ agents.</p> <p>The LMA has initiated a review, with a small group of CFOs, of the LMA’s charging structure to assess how fees are allocated across managing agents based on their different operating models. This will conclude in October.</p> <p>The Finance Next Generation group is focusing on two priorities: first, scoping the ‘talent pathways’ workstream, which is aiming to help with talent attraction and development for finance professionals; and second, gathering data and market practice on the different types of acquisition costs and how they are accounted for.</p> <p><b>Treasury and Investments</b></p> <p>Recent discussions at the newly formed Treasury and Investments Group (TIG) have included a working group focused on defining the funds withheld solution, which has supported the switch to ‘option 2’ or a static deposit approach. The second area of focus for TIG is monitoring Lloyd’s asset infrastructure project to implement Blackrock’s Aladdin.</p>

Phase one involves the funds Lloyd's manages and a market working group is being set up ready for phase two covering syndicate asset reporting in Q3.

The group also received an update on the trust funds managed by Lloyd's, which include the Australian Trust Fund, the South African Trust Fund and the Canadian Trust Fund. The update detailed the review process of the strategic asset allocation for the trust funds, ensuring alignment with underlying liabilities and liquidity requirements.

The group is also receiving expert views on market volatility, focusing on global trade, equity market fluctuations and bond market behaviour.

### **Actuarial**

The LMA, in conjunction with Barnett Waddingham, conducted a survey about artificial intelligence in actuarial and risk. The survey findings reveal a gradual adoption of AI/ML technologies, with challenges around model transparency, governance frameworks and ethical concerns remaining central to discussions. The complete analysis can be found [here](#).

The new RRQ and RRA reserving returns were successfully completed. Feedback following this process was generally positive, with Chief Actuaries noting improved validation discussions due to a consistent segmentation approach. There will be some adjustments to risk code triangles over the next quarter to deal with some data quality issues.

The individual annual attestation requirements for Solvency UK compliance have been published by Lloyd's in the [2025 Internal Model Validation Guidance](#). An attestation needs to be provided by a Senior Management Function (SMF) role as per the PRA's requirement under Solvency UK set out in Supervisory Statement SS1/24.

Lloyd's is enhancing oversight processes using new RRA/RRQ submissions, updating reserving metrics to identify concerns. Where potential concerns exist, letters will be issued to Syndicate Chief Actuaries, with boards expected to be notified. An eight-week response period will be given. For 2025, letters will be issued between July and August, with responses due by October and feedback by November. From 2026 onwards, letters will be issued in July, with responses due in September and feedback from Lloyd's within four weeks.

The Committee of Actuaries in the Lloyd's Market (CALM) working groups have covered the deferred review process for aligned syndicates, modelling climate change risks from a capital perspective, input into the

Lloyd's Capital Return (LCR) instructions and focus area (macroeconomic and geopolitical risks) returns.

### **Exposure management**

The cyber group's [Practical Management of Cyber Exposures and Aggregations](#) paper was published. The Exposure Management Working Group (EMWG) expects to publish guidance on catastrophe model validation in Q3, following review by Lloyd's.

Current working groups include:

- Review of Lloyd's exposure management reporting for streamlining and simplification.
- Catastrophe model upgrades – sharing knowledge and guidance.
- Schedule of values – considering potential for standardisation.
- Cyber RDS – with cyber strategy group to develop new RDSs.
- Working group focusing on casualty in exposure management.

### **Risk**

The CRO Committee and Risk Next Generation Group advanced several strategic workstreams this quarter, including:

- Climate risk and regulation: The CRO Committee is preparing for direct engagement with the PRA on Consultation Paper CP10/25, focusing on the challenges of climate scenario analysis.
- Lloyd's oversight and planning: Managing agents engaged on several regulatory oversight topics, including the interpretation of profit assumptions in business planning, the visibility of criteria changes under Principles-Based Oversight (PBO) and discussions regarding data copy assurance ahead of the Blueprint Two Exit Plan sign-off. Lloyd's is expected to request greater scrutiny of catastrophe peaks and model assumptions and how geopolitical stress testing is embedded in the 2026 planning cycle.

The Risk Next Generation Group has focused on the following:

- AI risk management: A market-wide survey is in development to assess governance and risk frameworks for AI adoption.
- Risk culture: Exploring third-party support to produce guidance.

	<ul style="list-style-type: none"> <li>• Annual risk outlook: The CRO Committee is exploring the launch of a concise, market-specific risk radar consolidating insights across committees and firms.</li> <li>• Geopolitical risk: The committee is scoping a roundtable event to examine the use of geopolitical scenario planning to support decision-making.</li> </ul> <p><b>Sustainability</b></p> <p>The LMA Sustainability Committee focused in Q2 on capability-building, regulatory engagement and aligning efforts across Lloyd’s and market bodies.</p> <ul style="list-style-type: none"> <li>• Sustainability capability proposal: The Committee discussed targeted initiatives to strengthen the capacity of sustainability and climate risk professionals within the market. The initial focus is to support the LMA with the UK Government’s sustainability reporting standards.</li> <li>• Regulatory engagement: Through the Climate Risk Working Group (CRWG), the LMA is leading a coordinated response to the PRA’s consultation paper in respect of enhancing banks’ and insurers’ approaches to managing climate-related risks (CP10/25). The LMA response calls for proportionality and practical clarity in applying long-term climate scenarios to short-term business models.</li> </ul>
<p>Claims (Janine Powell)</p>	<p>In May, the LMA claims team hosted a claims dinner and awards ceremony, attended by 320 market claims professionals – see the main body of the report above for further details.</p> <p>The Q2 Claims Briefing was held in the Old Library, where Rachel Turk presented Lloyd’s claims strategy to the market. The briefing also provided updates on Claims Strategy Customer initiatives, including the conclusion of the yearlong voice of the customer pilot. Gracechurch Consulting presented its analysis of market trends, including movement towards customer service models.</p> <p><b>Promoting claims:</b> The LMA Claims Committee (LMACC) initiated discussions on the potential value and opportunities in collectively promoting Lloyd’s claims service, a request that surfaced through broker forums and engagement. A paper with recommendations will be presented to the LMACC in Q3.</p>

	<p>RITC claims clause: The LMACC assumed responsibility for drafting operational guidance for use of RITC claims clauses, with guidance due Q3 2025.</p> <p><b>Claims Strategy – digital and innovation:</b> The LMA’s collaboration with the Lloyd’s Lab continues to find insurtech solutions to tackle problems and elevate the claims proposition. Q2 initiated work on claims collaboration tools, with Cygnvs selected as the provider to run a proof of concept.</p> <p><b>Claims Strategy – talent:</b> The LMA hosted several workshops with claims, HR and learning and development professionals to develop the first draft of a claims pathway for new entrants, aimed at driving consistency and investment in claims training across the market. The Forage claims job simulations celebrated a significant milestone with over 1,500 enrolments from students exploring their career prospects.</p> <p><b>Claims CAT response:</b> Q2 saw only one new catastrophe coded event (Albert Wildfires – 25B) which didn’t require formal market response. Events such as the Middle East Conflict, Spain &amp; Portugal Power Outages and the Air India Crash have been assigned major loss tracking codes. The annual pre-storm season event was held in May with McKenzie Intelligence Services, and the Complex Claims Group have reviewed the catastrophe response framework to further strengthen the market response ahead of the hurricane season.</p> <p><b>Claims Sector Groups:</b> Notable activities include an inaugural educational trip for general liability claims handlers to Australia. Wotton Kearney hosted the LMA delegates, providing experiences and insights to enhance their understanding of the Australian claims market. The annual LMA Property Insurance Claims Group (PICG) conference celebrated its 10th anniversary with approximately 1,000 property insurance professionals attending lectures and seminars during the week. May also saw the Reinsurance Claims Group host a half-day conference, ReConnect 2025, with 100+ attendees, the first of its kind since 2018.</p>
<p>Legal &amp; Regulatory (Arabella Ramage)</p>	<p><b><u>Legal</u></b></p> <ul style="list-style-type: none"> <li>• Following the SMB event on 29 January, we published Aidan Christie KC’s legal opinion on the disclosure requirements surrounding SMB and whether any obligations fall on underwriters to ensure such disclosure. That opinion was circulated with a list of suggested considerations that underwriters should have when considering broker</li> </ul>

payments. The list is being expanded to deal with broker payments being requested on the claims side.

- The EU retail investment strategy was deferred to the Danish presidency, who have indicated their intention to deal with this early. However, it is not clear how they will be approaching the question of third country branches. We are liaising with Lloyd's and the brokers to monitor the next steps.
- The Legal Committee is continuing work on the legal and regulatory aspects of the enhanced underwriting paper, including considering an amended TOBA and an "obligations of the leader" model wording.
- We held an event in relation to the Blueprint Two Exit Plan explaining what it does. The LMA commissioned advice from Clifford Chance on whether signature of the Exit Plan compelled an exit from the heritage services and cutover to Blueprint Two. We also issued advice from Clyde & Co in relation to the data protection aspects of Blueprint Two to provide a guide designed to help members produce a Data Protection Impact Assessment.
- April saw the formation of the Joint LMA/IUA Data Protection Committee. We are also changing the format of the Environment and Climate Litigation Committee into a forum to address emerging litigation matters.
- Jawdat Kurshid KC and a US law firm presented on the new LMA sanctions documentation model clause. It has now been published together with a detailed guidance note and Q&A. The ambition is that it could be used throughout the market alongside a sanctions clause to ensure that underwriters and brokers have access to documentation from insureds, in order to demonstrate compliance with sanctions and financial crime legislation. For the avoidance of doubt, this is a model clause and can be adapted to suit the needs of a particular client, underwriter or broker during the negotiation process.
- Harry Wright presented on the Russian aviation matter. A recording is available of this excellent 30-minute summary. [Contact our legal team.](#)

### **Regulatory**

- Arabella Ramage and John Levett represented the LMA at the Global Federation of Insurance Associations and Insurance Europe Conferences both held in Brussels. These events were an excellent

	<p>opportunity to build bridges with international lobbying partners. Key topics included ensuring global markets remain open and combating protectionism in insurance markets.</p> <ul style="list-style-type: none"> <li>• We attended promotional events at the Paris and Brussels embassies to support LIC and underwriters in promoting lines of business important in demonstrating Lloyd’s continued relevance to the EU market.</li> <li>• The regulatory team has continued to engage constructively with the FCA on simplifying insurance rules for the wholesale London Market. This work has been led through our Regulatory Committee and associated working group. The LMA’s formal submission on the FCA’s consultation paper, Simplifying Insurance Rules, was made at the end of last week and we attended the FCA’s follow-up event to discuss its plans for simplification across representative associations.</li> </ul> <p><b><u>Consultation Responses</u></b></p> <p>In Q2 2025, the LMA identified and reviewed 55 separate consultations and calls for input by UK and international regulatory bodies. For many, the LMA worked jointly with other stakeholders such as Lloyd’s, LMG and other trade bodies to influence outcomes. The LMA also provided substantive responses to 10 UK regulatory and government consultations, including the following:</p> <ul style="list-style-type: none"> <li>• European Affairs Committee – The UK-EU reset – Committees – UK Parliament.</li> <li>• Home Office – Ransomware: Proposals to increase incident reporting and reduce payments to criminals.</li> <li>• Department for Energy Security and Net Zero – Extending the UK Emissions Trading Scheme cap beyond 2030.</li> <li>• EIOPA – AI Governance and risk management.</li> <li>• FCA – Data Decommissioning.</li> <li>• PoolRe – Market Consultation 2025.</li> <li>• Office for Equality and Opportunity – Equality (Race and Disability) Bill.</li> <li>• European Commission – The EU Cybersecurity Act.</li> <li>• EU nuclear fission consultation.</li> <li>• FCA 25/12 Insurance simplification.</li> </ul>
<p>HR &amp; Academy (Fiona Temple)</p>	<ul style="list-style-type: none"> <li>• In May, we held an event for HR Directors (HRDs) in conjunction with EY where we were also joined by Nathan Adams, Chief People Officer for Lloyd’s. The primary topic for discussion was talent. Only 4% of young people consider a career in the insurance sector to be appealing and with an estimated 25% of the sector due to retire in the</li> </ul>

	<p>next 10 years, our industry continues to face a talent shortage crisis. Coupled with an increase in the attractiveness of flexible working, a decrease in the interest of challenging work and a gender gap that's not closing, we focused on the skills for today and the female leaders of the future. A very lively and through provoking session for all.</p> <ul style="list-style-type: none"> <li>• Our series of video interviews with The Insurer TV continued to spotlight some of the highly influential women on the LMA's board and in the Lloyd's market, as part of our continued commitment to representation and visibility in the market.</li> <li>• 18 LMA Academy events were delivered in Q2, attended by 374 delegates amounting to almost 3,500 market learning hours.</li> <li>• Notable mentions include the launch of our new programme Foundation for Contingency Insurance, an NED alumni event and our annual Syndicate Business Planning (SBP) programme.</li> <li>• We worked closely with LIIBA and the IUA to deliver a series of six market- wide sessions for senior leaders on non-financial misconduct including a specific session for NEDs/board directors.</li> <li>• As part of our strategic priority of focusing on early talent technical development we launched 'Storytelling with Data and Defining AI' for early talent in May.</li> <li>• We opened applications for our first LMA Academy early talent 'Kick-Starter' programme, launching in October. Designed as a technical induction for those new to the market with less than two years' work experience, a few places are still available</li> </ul>
<p>Operations &amp; Delegated Authority (Joe Brace)</p>	<ul style="list-style-type: none"> <li>• <b>Transition to Blueprint Two Phase One and the DPSA contract (Digital Processing Services Agreement)</b> – The Exit Plan (the role of which is to permit Velonetic to copy the data they hold on your behalf to the cloud) was published at the start of April to all managing agents with a request to sign by the end of June. At the end of July, approximately half the Lloyd's market had signed. There were three areas for those who have not yet signed: <ul style="list-style-type: none"> <li>- Timing of boards and internal governance – Some boards met later than the end of June deadline.</li> <li>- Specific and technical enquiries – Velonetic was responding to each one of these and they were usually non-material and very specific to the needs of the individual firms.</li> </ul> </li> </ul>

- Security and governance – The Exit Plan does not commit the managing agent community to the termination of the existing contract or the signing of the new DPSA contract, but it does allow for data copy from the existing environment to the new Amazon Web Services (AWS) environment. Managing agents have sought reassurance and evidence of external penetration tests for the new environment. This is expected to be resolved in line with existing FERN governance structures. The CISO, regulatory and legal communities have also been engaged and Velonetic is leading with the LMA's support.
- **Data-first electronic trading** – The LMA Operations Committee supported the recommendation to proceed with a sourcing exercise through LIMOSS to procure a central market solution enabling connectivity for managing agents to multiple e-trading platforms. An RFP was issued. Initial responses have been mixed, and the key driver of commercial acceptance is still being reviewed.
- **Computable Binding Authority Agreement (CBAA)** – Work continues on the review, revision and reformatting of binding authority wordings. We are targeting the end of the year for completion. The (digital) wording objects library solution has been piloted with positive initial findings. The Lloyd's Wordings Repository (LWR) work is being reviewed in parallel to ensure synergy and technical compatibility.
- **Blueprint Two Phase One testing** – Testing by the Velonetic processing team is underway following the build completion in May. The first few cycles results have been shared via Velonetic's Transformation Management Office (TMO) meetings. These will be monitored throughout the year with significant focus on the market Vanguard 9 and 32 testing, due later this year.
- **Blueprint Two Phase One cutover approach review** – The Lloyd's Council TTC have instigated a detailed review of the risks associated with a full- service cutover, which will be discussed with interested parties across the market over the summer.
- **Lloyd's central settlement: operational resilience** – The LMA supported Lloyd's work to define (and eventually test) a back-up solution for payments in the event of the central settlement service being compromised and not being available.

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|  | <ul style="list-style-type: none"><li>• <b>Streamlined coverholder compliance</b> – We supported Lloyd’s with the finalisation of remaining question sets, which are due to be published in September. We are also preparing for the sourcing of a central technology solution to replace the compliance parts of market-facing Lloyd’s ATLAS.</li></ul> |
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