

Key messages for Third Party Administrators & Coverholders

TPA Approval / Due Diligence



Any migration from the LME database to Chorus will be communicated in good time.

No change is required as of yet.

Background information

Lloyd's consultation on TPA oversight concluded on 15 April 2019, and formal output is awaited.

There is a proposed change to bring TPAs in to Lloyd's oversight scope, with all TPAs to be approved by Lloyd's, initially via a grandfathering exercise.

Due diligence is likely to move from the Charles Taylor LME database in to Chorus platform owned by Lloyd's in 2020.

The grandfathering process is still to be agreed, but likely to be a one year migration from mid 2020 to mid 2021.

Further resources

[Lloyd's Consultation on TP Oversight](#)

Delegated Claims Administrator (DCA) Agreement



Delivery to MAs scheduled for summer 2019, so expect to see new contract requests thereafter.

Background information

This will be delivered as part of the DA programme of work following the Lloyd's Thematic Review of DA Claims Management in 2017.

A new Delegated Claims Administrator (DCA) Agreement is being created to replace the LMA Model TPA agreement (LMA9008B).

This will include standard terms that reflect business objectives, risks, quality and level of service to customers, authority levels, loss fund arrangements, and reporting requirements.

Further resources

[LMA - Delegated Authority Programme of Work](#)

Core SLAs



Delivery is scheduled for summer 2019.

Background information

This will be delivered as part of the DA programme of work following the Lloyd's Thematic Review of DA Claims Management in 2017.

A standard approach to performance monitoring, with 23 proposed SLA measures (13 of which are mandatory, and 10 of which are conditional, based on territory, & COB), where each MA can continue to set their tolerance for delivery.

DA SATS to be used to extract performance metrics contained within V5.1 bordereau. SLA's will be included in the schedules attaching to the DCA.

Further resources

[LMA - Delegated Authority Programme of Work](#)

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TPA Audit



Delivery is scheduled for summer 2019, but some MAs have already started to instruct auditors to use the new audit scope.

Background information

This will be delivered as part of the DA programme of work following the Lloyd's Thematic Review of DA Claims Management in 2017.

The TPA audit scope closely aligns to the 2018 coverholder audit scope, but with enhanced claims control guidance and claims testing (technical file audit question set).

This will allow MAs to move away from their individual audit scopes, and use the market standard approach, which should help facilitate shared and coordinated audits.

Further resources

[LMA - Delegated Authority Programme of Work](#)

Co-Lead Claims Agreement (CLCA)



The CLCA is starting to be included at placement stage in contracts, so should begin to reduce the burden on TPAs in dealing with multiple agreement parties

Background information

The Co-Lead Claims Agreement (LMA9187) was published as LMA Bulletin LMA18-046-TH on 19 October 2018, and looks to reduce the burden placed on TPAs in having to deal with multiple agreement parties on a co-lead binder placement.

Work is ongoing to promote the inclusion of the CLCA at placing stage, but can also be deployed during an event to reduce the number of agreement parties.

Further resources

[LMA18-046-TH Co Lead Claims Agreement](#)

Loss Fund Management



Any inadequacy in funding or delay in topping up funds needs to be flagged to the lead MA, and follow market if appropriate.

Background information

The correct level of funding and speed in topping up depleted funds is hugely important. If it is not managed correctly this can lead to unavailability of funds for a coverholder/TPA to pay our customers.

The LMA published a best practice document on 27 September 2018, per the attached.

Following a successful pilot in 2017, Vitesse offer a technological solution and service that streamlines the provision and oversight of loss funds by holding them in an electronic ledger that the MA has full control over.

Further resources

[LMA Claims Quarterly Article on Loss Fund Management](#)

[LMA Loss Fund Management Guide](#)

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CAT Response



LMA will circulate new oversight measures when agreed, and collection approach resolved.

Background information

Oversight of performance during and after a CAT event is hugely important to the Lloyd's carriers.

Oversight metrics were deployed via "Airtable" to 22 key US TPAs from 1st January 2019, and continue to provide intelligence to the market.

A refined set of metrics have been developed, as reference below. The binder claims community are considering how best to deploy and collect these measures ahead of any future CAT exposure and future reporting requirements, so watch this space.

Further resources

[Claims worksheet](#)

Agile Service Model (ASM)



Consider the solutions you have access to, and approach MAs to seek authority to deploy on suitable cases. BASCG approved benchmarking measures will follow.

Background information

The Agile Service Model outlines the need for TPAs to embrace technology to reduce the huge dependency in IA resource in the US to adjust claims. Whether this is the use of drones, satellite imagery, apps that allow images to be captured by the coverholder using their mobile devices, or the sending of a wider network operative to attend and capture image/data. If this can be mastered in business as usual, this will assist greatly too during a CAT event.

The binder claims community have developed key benchmarking metrics TPAs should be using to support delivery of the ASM.

Further resources

[Agile Service Model \(ASM\)](#)

DA SATS



If you wish explore building an Application Programming Interface (API) to enable straight through processing of claims bordereaux, contact tim.bowling@lmalloyds.com

Background information

DA SATS was launched in 2018 to assist the market to manage bordereaux information and data gathered under binding authorities. The platform enables any stakeholder in that process to take on a number of roles within the process, while also allowing coverholders, brokers or MAs to upload, map or review that bordereaux data. Each MA will have their own preference on who uploads claims bordereau on the platform.

Functionality will be delivered in 2020 that allows straight through processing between TPA/Coverholder systems, which will negate the need for bordereau submissions, and provide near real time data via the DA SATS platform.

Further resources

[LM TOM - DA SATS](#)