Electronic Claims File

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PREFACE

This document does not give guidance on how and when claims should be managed: that is a matter for individual insurers and reinsurers. This document conveys technical information for a new information management system that is a work in progress. Adjustments and changes are being made regularly to promote efficiency and information flow. The document serves only this limited purpose. It does not address or give guidance on the merits or substance of any claim or class of claims, and it is not relevant to how or when claims are handled or otherwise managed. All such matters are for the insurers and/or reinsurers underwriting a placement to which a claim is made. This document and the information it contains are entirely without prejudice to those underwriters and to any claim.

The technical information in this document addresses processing via the Electronic Claims File (ECF) system. The document is currently owned by the Associations Administration Committee and the ECF User Group and is subject to continuous review and publication that will be managed by a change control process. It will be updated as appropriate to coincide with releases and upgrades of the Electronic Claims File.

This current version is for Brokers, Lloyd's Managing Agents, Third Parties and XCS using Electronic Claims File (ECF) in support of Lloyd's Claims Schemes. The ECF presents the IMR and CLASS@Lloyd's as a single integrated service for Lloyd's Managing Agents and XCS. It remains two separate services for brokers.

This document aims to be used by the London subscription market.

Care should be taken to ensure that the latest version is being used; any previous versions are superseded by this version. The document is available through the ECF website: www.ecfinfo.com

Any comments or suggested changes should be directed to the ECFUG via the following email address: ecffocusgroup@lmalloyds.com

• It is important to note that claims created prior to 8th May 2007 will continue to be processed using the previous (Phase 5) ECF functionality. Therefore, in some circumstances it may be appropriate to continue to refer to Version 2.0 (web) of this document. This remains to be available from the LMG website as above.

THIS VERSION OF SP&P IS APPLICABLE FOR USERS OF ECF2 BUT AT AN OVERVIEW LEVEL. USER GUIDES FOR ECF2 CAN BE FOUND ON THE ECF WEBSITE AND BE ACCESSED FROM THE XCHANGING DOCUMENT STORE https://ecfdocs.xchanging.com, A LOG IN IS REQUIRED FROM XCHANGING TO ACCESS THIS SITE, WHICH IS YOUR SSO / ECF2 LOGIN AND PASSWORD .

Write Back functionality was implemented in October 2015 that allows the IT systems of managing agents to interact fully with the market's central claims systems, including ECF2 and the IMR. This functionality is available to any MA who wishes to adopt it through a service provider or an internally built solution and this allows the claims agreement party to operate entirely from within their own systems to review and respond to claims without direct recourse to the market’s central systems. The processes and procedures for claims remain the same, regardless of what system is being used, the way in which the actions are carried out may differ slightly depending on the software and functions you decide to implement. More information is available within; http://www.ecfinfo.eu/technical/write-back/
LMA LMCG High Level Framework Principles
The following are a set of strategic generic principles on which the ECF project and this document was based. These rules have been approved by the ECF User Group (ECFUG).

- It is the Insurers’ file
- Claims Agreement Parties must be defined on the placing slip (per LMP slip requirements) or will default to applicable version of the Lloyd’s Claims Scheme.
- Claims Agreement Parties and the following market must be captured electronically at the earliest opportunity (e.g. when recording the original signing number and date or FDO or delinked entry).
- Placing information must be recorded in the repository with the appropriate referencing as the Unique Claims Reference (UCR) links to the placing Unique Market Reference (UMR).
- Placing information encompasses all information required by a claims adjuster to agree a claim including but not limited to information referenced on the slip.
- Brokers (and potentially Trusted Third Parties) will continue to deliver claims to Insurers but this will be electronically via ECF (CLASS and Repository)
- A Broker will not be required to visit the insurer (but may choose to do so if either party deem it necessary)
- Notification will routinely be via CLASS alerting the insurers to a new claim or movement by the way of the “Awaiting Action Lists” (split between Claims Agreement Parties and Followers) or by use of CWT (Claims Workflow Triggers) or CWS (Claims Workflow Services)
- All insurers on a risk/claim will have concurrent access to the claims file information.
- Control of access rights to the documents and their layout in the file (via classifications – see below) will pass to the first Bureau Lead Agreement Party once both financial and supporting data has been successfully loaded to the system and passed validation criteria.
- Documents may be “classified” by the Lead Agreement Party alone to facilitate easy sorting/filtering via a “tab” button. See next bullet point.
- Brokers will be unable to view documents classified as “Coverage” that have been classified as coverage by Lead Agreement Party. However, if the document is loaded by the broker, they will always retain access to that document regardless of the classification.
- It is “best practice” that Brokers should supply a “date of document origination” (as normally appearing on the face of any report / correspondence).
- Individual reports must each be loaded independently.
- CLASS messages will also be employed in addition to existing methods of raising issues/concerns about a claim between insurers and/or Broker during the agreement process. i.e. Email/Phone/Fax/Face to Face.
- Brokers must read public comments attached to each response made by an Agreement Party.
## 1. DOCUMENT CONTROL

<table>
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<tr>
<th>Date Published</th>
<th>SP&amp;P Version Number</th>
<th>Summary of Changes From Previous Version</th>
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<th>Applicable Repository Rules Version</th>
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<td>1.6</td>
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<tr>
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<td>Phase 6b (August 2007)</td>
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<td>4.4</td>
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<td>Phase 6b (August 2007)</td>
<td>1st November 2006</td>
<td>1.7</td>
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<tr>
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<td>4.5</td>
<td>Updated with Phase 7b functionality, plus additions to ECF Scope</td>
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<td>Brokers: 1.8 Carriers:</td>
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</table>
1.1 **ECF Scope**

There are certain circumstances that ECF has not been required to support and some other instances where system change or further definition of market processes is required to enable full support. The claims and business types that are not currently supported by ECF can be split into two categories as detailed below:

1.2 **Business or Claim Types that ECF has Never Been Required to Support**

- Claims on unsigned risks (see section 2.3.7 for further details)
- Claims Payable Abroad (CPA)
- General Average (GA) and marine salvage (where a guarantee is issued and administered by XCS)
- Letters of Credit, Loss Reserves and Outstanding Cash Advance (OCAs)
- Proportional Treaties (Treaty Scheme)
- Scheme Canada (except for Above Authority claims, see section 2.20.7)
- Bulk Settlements
1.3 Business or Claim Types Excluded from the Current Implementation of ECF

The classes of business and types of claims or situations detailed in the list below are excluded from the current implementation of ECF and require further analysis before a solution can be developed.

- Co-Lead Binding Authorities (see section 2.20.6)
- Certain Multiple OSND claims (see section 2.15)

There are issues with CLASS that require that certain scenarios must remain out of the scope of ECF or process workarounds followed. Additionally, there are occasions when the presentation by the Broker is sufficient for the Agreement Parties to action but not for Xchanging to perform back office processing. The latter issues are detailed in the table below:

<table>
<thead>
<tr>
<th>Issue/Scenario</th>
<th>Description</th>
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<tbody>
<tr>
<td>Multiple OSNDs</td>
<td>A ramifications of a claim which has multiple OSNDs is that other “pseudo leaders” are forced to participate as an Agreement Party when in reality they are not (e.g. licensed/unlicensed signing schedules). For this reason, certain claims requiring these functions are out of scope for ECF, please see section 2.15 for further details.</td>
</tr>
<tr>
<td>Multiple Agreement Parties</td>
<td>Where the Lead Agreement Party has specified further Agreement Parties on a transaction and responded, XCS can subsequently modify the number of Agreement Parties. If XCS remove the parties added by the Lead Agreement Party this deletes all record of those additional parties ever having agreed the claim and means that XCS can continue with the XCS CLASS process. If the Lead Agreement Party and XCS have both agreed a transaction (but XCS has not yet processed the XCS CLASS record to release the SCM) the Lead Agreement Party can enter the transaction and modify Agreement Parties. In this instance the system should recognise that the transaction requires a new response from XCS before the claim can be processed in XCS CLASS to produce the SCM and USM (where applicable).</td>
</tr>
</tbody>
</table>

During the life of an electronic claim situations may arise where a claim has to revert to paper. These are detailed within the body of this document.

Where parties involved in ECF early implementations (prior to Phase 5 delivery of ECF) have successfully implemented any of the above classes of business and are not in contravention of the Repository Rules, those parties may continue to process these claims electronically.

1.4 Escalation Procedure

Each managing agent and broker should have an ECF Project Manager and Business Sponsor. It is strongly recommended that users know who these individuals are within their own organisations. Where questions arise as to whether a particular claim or class of business is either in or out of scope, these questions should be raised via users’ appropriate Project Manager or Business Sponsor. In this way, agreed discussion may take place between appropriate parties within the managing agent, broker, LMG and XCS organisations. It is hoped that these discussions will result in more claims being able to be handled via ECF.

Organisations’ Business Sponsors or Project Managers may raise issues with the LMG, for discussion at either the Electronic Claims File User Group (ECFUG) or the Brokers’ Electronic Claims Committee (BECC) if necessary.
2. LLOYD’S GENERIC SYSTEMS PROCESSES AND PROCEDURES

With respect to the Lloyd’s business process model for electronic claims, the process can be divided into five key areas:

1. Create or update claim file
2. Establish Agreement Parties
3. Consider claim
4. Add response inc queries, reserving and delegation
5. Create Syndicate records, process settlements and create advice to market

These have been described and expanded upon in the following sections of this document. The ECF process maps in section 7 have been reviewed and signed off by the Electronic Claims File User Group (ECFUG).

Any variation not detailed in the process map is dealt with from section 2.11.2.1 onwards.

2.1 Points to Note When Using the Electronic Claims File

- The contents belong to insurers
- All comments, once posted, cannot be deleted from the ECF.
- Documents, once loaded, cannot be deleted from the ECF; however if a document has been loaded in error, Xchanging system administrators do have the necessary functionality to limit access to documents when they have been given appropriate authority.
- Agreement parties should maintain confidentiality and confer where appropriate prior to placing comments on the system.
- Any documentation relating to the claim that is actioned outside of ECF (e.g. by email, fax, etc) should be stored on the repository in the relevant part of the UCR.

2.2 ECF Roles, Responsibilities & Data Requirements

The following tables provide a quick reference as to the roles and responsibilities of specific parties when using the electronic claims file under the 2006 Claims Scheme. Please note that the roles & responsibilities of both XCS and the Lead Lloyd’s Underwriter may vary for claims being handled under the 2010 Claims Scheme (i.e. CTP). They are reproduced from the Xchanging owned document: XCS technical processing schedule v7.0.

2.3 Create or Update Claim File

Broker creates the claims entry (note there are three types of claims submissions and the process is the same for all: initial advice of a loss, advice of additional information and a settlement request). It is essential that all CLASS entries are either completed via CLASS or deleted entirely.

2.3.1 Broker Retrieves Placing File, Slip and Matches Coverage

On receipt of an initial advice of loss, the Broker will retrieve the corresponding policy, signed slip, and wording or contract as appropriate, and match coverage.

2.3.2 Broker Advises Managing Agencies

The Broker will create a CLASS entry and load appropriate documents into the IMR either manually, via direct load or the broker portal and where possible, comply with the document naming conventions detailed in section 2.3.11, including (but not limited to):
• Placing documents (including slip and contract wording etc)
• Copy of the claims advice or the collection notice as received from the insured or other advising party
• Claims calculations
• Reinstatement Premium calculations and/or any other loss generated premiums
• Any claims reports

The supply of a valid UMR, UCR TR is critical and consequently mandatory. The broker must ensure that each individual slip has a unique UMR.

Brokers should also ensure that the “Slip Lead” field is correctly populated. This is a mandatory field and the transaction should be queried by the Lead Agreement Party if this field is not completed.

The ability for claims practitioners to initiate communication with the Broker who is recorded as the contact on a claim transaction is available within ECF by using the broker email functionality (delivered as CR126). Brokers have been provided with access to the security administration menu on CLASS, a new screen to allow them to enter and modify contact names and email addresses against each Broker code for their organisation. These new screens will be located in the Security Administration section which is accessed from the main menu. Only users with the appropriate user privileges will be able select this option. (A symbol next to the option signifies that the user has access). It is important that the user name is entered exactly how that person is named as the Broker contact on claim transactions for the email address to be displayed to Carriers. The system will then display the stored email address and Broker Numbers for that individual. The user will have the ability to overtype and enter a new email address or select / de-select Broker Numbers where appropriate.

Please refer to the link below for specification and user guide documents.

https://ecfdocs.xchanging.com/Home/Index/e61b1f85-36f1-4126-9c7f-82af78547d48

The broker portal and document management service (DMS) is designed to improve the quality of claim submission by introducing stricter validation around data fields and documentation, enhancing the presentation of the claim file. It is a web-based application that can be accessed seamlessly via the Claim Data Entry module in CLASS (Lloyd’s and Company).

The data validation via broker portal is for first advices only, however the DMS element of the broker portal can be used whenever an advice is submitted via CLASS.

Please refer to the link below for specification and user guide documents.

https://ecfdocs.xchanging.com/Home/Index/edc1149a-9e5d-4a4e-aa8d-fb4cd9dc8186

Note: If the slip leader organisation is not an ECF user, Brokers must enter the code for the first bureau lead that is an ECF user in this field.

Additionally, due to restrictions in the LIMCLM message. Only the following characters may be used in the narrative screen: A-Z, a-z, 0123456789, ,,\"{}+=?:!*&<>@. The International Standards Organisation (ISO) currency code convention should be used in these fields e.g. USD, GBP

Where supporting documentation exists that cannot be handled electronically, the Broker will present this to the slip leader who will agree as to how this will be made available to all insurers.

Note: When the situation arises that a broker loads documents under a UCR with a transaction that is subsequently deleted (and replaced with a transaction with a different UCR), the documents will be left on the IMR under a redundant UCR. The broker should liaise with the Lead Agreement Party to decide the best course of action for those documents, i.e. whether the Lead Agreement Party should request XIS system administrators to limit access to documents.

Note: When the situation arises that a broker mistakenly loads incorrect documents under a UCR, the broker should in all circumstances liaise with the Lead Agreement Party to decide the best course of
action for those documents, i.e. whether the Lead Agreement Party should request XIS system administrators to limit access to documents.

**Note:** Brokers do not need to supply the Year of Account, this is derived from the risk record created by Xchanging when the claim is submitted and before it reaches the Lead Agreement Party.

**Note:** If a Broker submits a UCR based on a UMR, the UMR reference must not be changed midway through the lifetime of the UCR. Changing the UMR associated to a UCR midway causes a new IMR workspace to be created and transactions are therefore displayed across more than one workspace. In addition, the item in the Awaiting Action List may not be accessible to carriers – the item is displayed in red with a strikethrough and requires Xchanging Services Desk intervention to make this accessible. Therefore, if the Broker needs to change the UMR during the lifecycle of a claim, the broker must close down the original UCR and restart the entire claim on a new UCR with the new UMR.

### 2.3.3 First Advice With Settlement

- Brokers may issue a First Advice with Settlement as one transaction, for action by the lead and subsequent Agreement Parties. Agreement Parties should review the transaction and enter a response as appropriate. If Agreement Parties do not wish to enter a response of “Agree Pay” to agree the settlement, they should instead enter a response of “Query/Return” and enter public comments detailing the reason for the query. Consideration should be given to the query and communication between parties should occur in an attempt to resolve prior to the carriers response of “Query/Return”.

- Once the transaction has been actioned by all Agreement Parties, XCS will review the claim. XCS will split the transaction to generate an initial SCM establishing the claim and the outstanding. XCS will then determine whether the settlement can be agreed. If the settlement can be agreed, XCS will generate a USM, BSM and a second SCM to process the settlement and will then enter a response to the transaction; otherwise XCS will enter a “Query/Return” response to the transaction for the broker to handle accordingly.

### 2.3.4 Settlement Currency

Claims submitted under ECF can have up to a maximum of 3 settlement currencies specified within a single UCR. ECF will support situations where either the same OSND applies to the different currencies, or separate OSNDs apply to the currencies, provided that these are submitted within the same UCR.

Brokers should advise the expected settlement currency in the first advice as the SCM requires the settlement currency. If the currency selected by the XCS adjuster differs from the actual settlement currency, an error is created in XCS CLASS.

All subsequent transactions must contain that settlement currency even if the financial position of that currency is now Nil. E.g. If the settlement currency is initially advised in USD on the first transaction, but subsequently changes to say GBP on a later transaction, the later transactions must carry a nil position for the USD currency and the correct amount for the GBP currency. Once a currency is advised on a UCR the SCM generated will hold the currencies advised until closed. Closure of the claim will not close all currencies advised on the UCR, only the currencies updated with financials and qualifier codes will be part of processing which will in turn be part of the SCM generated for each MA.

If the number of active currencies to be advised is greater than 3, the ECF record should be closed and the claim should revert to the paper process detailed in section 2.12. However, if the maximum number of currencies on the UCR has been reached because the currencies have been replaced, it is acceptable to cancel and replace the UCR with a new UCR. i.e. if the number of active currencies is no greater than 3 (allowing for cancelled and replaced currencies) a replacement UCR can be established.

Additionally, although batch-loading allows for a broker to only supply one OSND for multiple currencies, brokers **must not** do so (i.e. for every currency an OSND must be specified, even if it is
the same OSND). This creates an error in XCS CLASS and the transaction cannot be processed further.

Note: Validation rules exist to prevent brokers from entering two different amounts interactively in the “Order Settlement” & “Settle Cash” fields on the Signing Details screen of a CLASS@Lloyd’s transaction, however this validation does not exist for batch loading by the broker. Brokers should therefore ensure that these amounts are correct before loading transactions to CLASS@Lloyd’s via batch load.

2.3.5 Fee Bills

It is strongly recommended that brokers submit Fee Bills as an individual transaction. This avoids the situation in which a Lead Agreement Party may wish to make two responses to the same transaction (which is not possible within ECF), for example in such cases where the Lead Agreement Party may wish to pay an expert’s bill but “Query/Return” a claim. Otherwise this will breach the rule that a settlement can only be processed with an “Agree Pay” response.

However, in situations where fee bills are not submitted under separate transactions, the Lead Agreement Party may “Query/Return” the transaction and the broker must therefore endeavour to resolve the queries as soon as possible. This may involve the broker withdrawing the original transaction and splitting it into two.

Many fee bills are now processed by a third party or fee collection agent on a parallel UCR. Please refer to section 5.1.4

2.3.6 Slip Orders

With the advent of Phase 6a and the flexibility that it affords XCS, the general principle remains that broker supplied data will flow through the claims process to the subscribing Lloyd’s syndicates via the SCM. The flexibility gives XCS the ability to advise the subscribing Lloyd’s syndicates of the accurate position of a claim via the SCM, pending any correcting action by brokers.

However purely in respect of Slip Orders; where the broker uses a percentage in the Order field corresponding to the market signed line, Agreement Parties are asked not to Query/Return these transactions nor request any correcting action for that reason. XCS will ensure that the appropriate order percentage is supplied in the SCM. This could result in the ECF percentage differing to that provided in the SCM; however the monetary amount will not differ.

Brokers should be aware that transactions may be query/returned if the CLASS transaction and documents in the IMR do not include enough information for any Agreement Party (including XCS) to determine the appropriate order percentage. A consistent market solution would be available through the adoption of ACORD standard messages.

2.3.7 Claims on Unsigned Risks

In circumstances where a claim is advised to a broker on an unsigned risk the following process could be followed to allow the claim to be handled via ECF:

Firstly the broker should sign the risk as an urgent submission using, if necessary the delinking process which allows the signing of the risk without simultaneous payment of the premium. Please refer to the following document: Delinking User Guide for further details of this process. Once the risk is signed the broker can then present the claim via ECF in the normal course. In the event instructions are required to deal with the claim while the signing process is pending, the broker should use other means (phone, e-mail fax etc.) to obtain authority from the claims agreement parties (including XCS) in order to take action on the claim. Once the risk is signed, and the claim is submitted via ECF, all documents that evidence notification of the claim and agreed actions should be loaded to the repository along with the first advice.

In circumstances where it has been necessary for XCS to issue an SCM on the claim in advance of the broker receiving the signing information an ECF submission will not be possible and the claim will need to be treated as a legacy claim.
2.3.8 Notification of Claims

For the Lead Agreement Party to be in a position to respond to a claim, the Lead Agreement Party will require that the complete claims package is received. Specifically this means that:

- The data has been received and validated by CLASS to generate an entry in the CLASS Awaiting Action List which in turn triggers an event within CWT and CWS.
- All appropriate and relevant documentation is loaded to the IMR and linked to the corresponding CLASS TR (this may include the response and comments made by the IUA lead if appropriate).

2.3.9 Document Management by the Broker

2.3.9.1 Document Lodging

In order for a claims adjuster to be able to review a claim, there is certain placing information that is mandatory. This is to include a full copy of the signed placing slip and/or any schedules as appropriate (inclusive of any special terms and conditions), subsequent endorsements, policies, wordings and all certificates of insurance where applicable.

This list is not definitive but is illustrative of the key placing information that would be required and should have been lodged in the relevant UMR section of the electronic file.

Where multiple risks are declared under one UMR, the certificate or declaration must be loaded to the UCR folder.

- **When loading documents interactively** brokers must associate documents to a Transaction Reference (TR). To achieve this, brokers must ensure that the CLASS message is sent first. If the broker loads the documents first, they will not be able to associate to the TR until the CLASS message is sent and available within the IMR.

- **When loading documents via DRI** brokers must ensure that all of the documents associated with a particular transaction are loaded simultaneously. Brokers must also ensure that the CLASS message and any associated documents are submitted together as one transaction (TR).

Brokers sending documents via DRI may send messages with the following references UMR/TR, UMR/UCR, UMR/UCR/TR. Premium related documents can therefore be loaded at UMR level and have a Transaction Reference (TR) link. Claims items that link to a CLASS@Lloyd’s message must have UMR/UCR and a Transaction Reference (TR) as well.

- When loading documents via the broker portal and document management service (DMS) please ensure that your UCR / TR within CLASS has been raised without exception to any data fields and that your documents are associated to the TR raised.

- In either case, brokers must not load documents and assign them to a TR on which the Lead Agreement Party has already added a response. All documents loaded after a Lead Agreement Party has added a response must be assigned to a new or replacement TR unless responding to a "Query/Return" response made by the Lead Agreement Party (see 2.6).

- Where possible, documents loaded to the IMR should follow the document naming conventions detailed in section 2.3.11.

2.3.9.2 Document Rules

Brokers should load documents to the IMR in the same way that they were originally received by the broker and the file should electronically represent the paper file. For guidance, practical examples of this may include:

- Individual reports/documents received by the broker without a covering letter should be scanned and loaded to the IMR individually. The originating date (see above) will be the date appearing on the face of that document.

- Individual reports/documents received by the broker with a covering letter (or email) should follow the same rules as above, however the covering letter should also be scanned and supplied with
the report/document together as one document. The **originating date** (see above) will be the
date appearing on the face of the covering letter.

- If multiple reports/documents are received by the broker in a single package (i.e. as multiple
  attachments to a single email, or bundled together in one envelope), the broker may scan these
documents and load them as one file. The **originating date** (see above) will be the date
appearing on the face of the covering letter.

### 2.3.9.3 Document Types

It is possible to load documents on to the IMR with varying file types. However **for the recipient to
open the document they must have the corresponding software on their PC**. For example, a
user will not be able to open an MS Project file if they do not have MS Project installed on their PC.

Below is a list of recommended file extensions that may be commonly loaded onto the IMR. This list is
not exhaustive, however, users should consider whether the recipient is likely to be able to open the
document in its original format, before loading to the IMR: (Please see Appendix H for full list)

<table>
<thead>
<tr>
<th>Acrobat Reader (.pdf)</th>
<th>AVI Movie File (.avi)</th>
<th>Bitmap Image (.bmp)</th>
</tr>
</thead>
<tbody>
<tr>
<td>GIF Image (.gif)</td>
<td>HTML (.htm)</td>
<td>JPEG image (.jpg)</td>
</tr>
<tr>
<td>MP3 Audio file</td>
<td>MS Excel (.xls)</td>
<td>MS Word (.doc)</td>
</tr>
<tr>
<td>Portable Network Graphics (.png)</td>
<td>MS Power Point (.ppt)</td>
<td>Text file (.txt)</td>
</tr>
<tr>
<td>TIFF (.tif)</td>
<td>Rich Text Format (.rtf)</td>
<td>WAV file (.wav)</td>
</tr>
<tr>
<td>Mail (.msg)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

In the event that a document cannot be converted to electronic format (for example an x-ray
negative), then a reference on the ECF to these documents and where they are stored must be made.

**Users should be aware that if they attempt to open a document for which they do not have the
appropriate software installed on their PC, the audit trail will still show that the user has opened that
document on ECF.**

**There is a strong recommendation in place for the size of documents which can be loaded to the IMR.
The maximum limit is 20MB for any one document.**

### 2.3.9.4 Document Order Within Claim File

Documents are listed on the repository in alpha-numeric order. However, the “Date Created” is shown
for each document and documents can be sorted by this date by: (1) entering the “All” documents tab,
then; (2) clicking the “Claim Related Documents” tab to display all documents together in one list; then
(3) clicking the column heading once (ascending date order) or twice (descending date order).

### 2.3.10 Document Origin Information

Documents can only be loaded onto the IMR with a corresponding CLASS transaction. Each
document must be linked to the corresponding transaction. There are minimum data elements that
must be recorded:
• Date of the document – this is the date appearing on the face of the document.
  - This should, where possible, be contained in the document name

• Originator – the author/creator of the document.
  - (This should, where possible, be contained in the document name

• Version** – the version of the document being loaded

• Version originator** – the individual that loaded the document to the IMR.

Some of these will be automatically generated by the system; they are denoted ** accordingly.

It is evident that there may be multiple versions of the documents as they will be passing through many parties before being loaded on to the ECF. For example, the claimant will be passing details to the Broker and the Broker will be passing these details to the insurer. All of these may have cover letters accompanying the documents.

Brokers are responsible for ensuring that they can access documents loaded onto the IMR by other parties. This may either be via two-way DRI functionality, or by obtaining licences to allow interactive use of ECF. Brokers that are unable to access documents in one of these ways should continue to process claims on paper.

### 2.3.11 Document Guidelines

It is proposed, as a guide, that the naming convention constructed within the name field of the IMR when documents are being loaded should:

• Be clear and concise to the document loader and the recipient
• Relate to the document that is being loaded

For example: Mendes & Mount report received after a claims review, supported by a cedant billing and broker schedule:

• Broker X…….Settlement Back Up………Cedant Name
• M&M….April Review

The above are only basic examples of a document name relating to the document being loaded whilst being clear, concise and meaningful. The originating date of the document must always be entered within the relating date fields within the IMR.

**Note:** Documents loaded via DRI are named according to the original document and the brokers internal repositories or document management systems. It is accepted that brokers may already have in place systems, processes and procedures that dictate naming conventions. However, where possible or when facing difficulty naming conventions should be clear, concise, relative and meaningful.

### 2.3.12 Endorsements

Brokers must ensure that all documents loaded to the UMR tab are appropriately named and give some indication as to the information which they contain. For example “Signed Slip”, “Endorsement 1 – addition of location (state address) or vessel (state name of vessel)”. This will allow all parties viewing the UMR to quickly ascertain the contents of each document.

Where there are multiple endorsements attaching to a UMR, the broker should use the claim narrative within the UCR to make reference to the specific endorsement(s) that may be applicable to that claim.

### 2.4 Establish Agreement Parties

Referring back to the ECF Business Process Model – Grouped by Process (see section 7), this section describes Stage 2 (Establishing Agreement Parties) within the Claims process.
2.4.1 Generic Process

Steps:

1. Broker supplies the identity of the Lead Agreement Party, by creating the applicable CLASS entry under the applicable Original Signing Number & Date.
2. Agreement parties are established by the lead. The claim will always route to XCS TP for processing.

2.4.2 Variations

There are a number of variations to the above process. These variations should be managed by the Lead Agreement Party who may add subsequent Agreement Parties as appropriate. XCS will ensure that this procedure has been undertaken once the CLASS transaction has been routed to them. These variations include:

1. Where the Lloyd’s Claim Scheme requires two Agreement Parties plus XCS. For example, a Complex claim under the 2010 Claims Scheme requiring Lead and 2\textsuperscript{nd} Lead agreement (where XCS perform a Technical Processing role only but are still required to respond to the transaction in ECF).
2. Where the Lloyd’s Claim Scheme requires all Managing Agencies to be Agreement Parties, for example ex gratia claims.
3. Where a claim delegated to XCS has been sent to the Lead Agreement Party. See section 2.8.

XCS may subsequently amend the list of Agreement Parties, for example deferment to a 2\textsuperscript{nd} lead agreement party.

2.4.3 Process When a Second Agreement Party (other than XCS) is involved

When a transaction contains multiple agreement parties (either selected by the Lead, or inherited by the Lead’s selection on a previous transaction), once the lead agreement party has added their response, it is routed to the second agreement party. Once the second agreement party has actioned the transaction, it is routed to XCS TP. Note that if any Agreement Party enters a response of "Query/Return", the next Agreement Parties must only discuss this with the previous agreement parties (which may result in the previous agreement party altering their response) or enter a "Query/Return" response. See section 2.6 for further information.

2.4.3.1 Appoint Additional Agreement Parties

These steps cover the addition of Agreement Parties if required. Appointment of additional agreement parties will remain for subsequent transactions unless specifically reversed, however if a broker submits an amended transaction, any additional agreement parties originally added to that transaction will be lost and will need to be re-entered.

If the lead agreement party removes a second agreement party from a transaction on a claim, this will enable subsequent transactions to be processed without that syndicate acting as an Agreement Party. It should be noted that the party may also have added comments (in CLASS or in a document on the IMR) unnecessarily.

2.4.3.2 Disagreement Between Lead and Following Agreement Parties

If other agreement parties disagree with the actions or instructions of the lead agreement Party, they should first contact the lead agreement party to discuss as per 2010 Claim scheme rules. If they are ultimately unable to reach a consensus, they will have to contact the broker and request that the file be removed from ECF and be handled as a paper file.

Where there are claim handling issues XCS responses in matters where it has an issue with the claims handling (e.g. requires further information) will follow the below processes:
• XCS will enter a response of “Seen/Action” and will add narrative to the Public comments field with its queries. Depending on the nature of these queries, XCS adjusters must make best endeavours to contact the Lead Agreement Party before actioning the claim. When the Lead Agreement Party cannot be contacted, XCS will use their discretion as to whether to action the claim.

2.4.4 Claims Transformation Programme indicators

These indicators were originally introduced in 2010 when the roll-out of the 2010 Claims Scheme (i.e. CTP) commenced. Two indicators are displayed on the Market Response Details screen:

• “Claims Scheme” – to denote whether a claim falls under the 2010 Claims Scheme
• “Triage Category” – to denote into which category the claim falls, and therefore which agreement parties are applicable

However, from 31 December 2014 all subscription market claims are subject to the 2010 Claims Scheme. For full details of the 2010 Claims Scheme and the ‘CTP Process Guidelines’ please refer to the Lloyd’s website: www.lloyds.com/claimsscheme.

2.4.5 Claims Scheme Indicator

There are two options available for this indicator: “2010” and “2006 & prior”. Since 31 December 2014, for all new first advices on ECF this drop-down will default to “2010”. This should only be amended to “2006 & prior” if the claim is a Singleton (i.e. only one managing agent on risk).

For all first advices where “2010” has been set a warning message will be displayed upon Lead response to alert the user that Singletons are out of scope.

For subsequent transactions the value set on the previous transaction will be displayed as the default.

Please note that only the Lead may set this indicator and it cannot be amended on that transaction if the Lead has responded to the transaction with “Seen / Action” or “Agree Pay” response.

2.4.6 Triage Category Indicator

The values available within this indicator are dependent on the value set in the “Claims Scheme” indicator above.

If “2010” is set in the “Claims Scheme” indicator, the options available in the “Triage Category” are:

• {Blank}
• CTP-Standard
• CTP-Complex
• VCS XCS
• VCS Crawford

There is no default value on a first advice (the field will display as blank) and the completion of this field for “2010” claims is mandatory (users will receive an error message if they try to enter their response via the “Submit” button with the field still displaying as blank).

If the “CTP-Complex” option is selected the user must tick a Second Agreement Party from the “Agreement Parties” section of the Lloyd’s Response screen. If they do not, a warning message will be displayed on the first advice alerting them to do so.

For Singleton claims where “2006 and prior” is set in the “Claims Scheme” indicator, the options are:

• Not Specified
• Standard
• Complex
• VCS XCS
• VCS Crawford
The default value on a first advice will be “Not Specified”. Carriers may elect to specify a Segmentation value if they wish (e.g. to assist internal work allocation).

For both “2010” and “2006 & prior” the two VCS options should only be used where that Lead managing agent has a contract in place with the relevant VCS Service Provider (either XCS or Crawford & Co). Please see section 2.8.2 for further detail on routing claims to a VCS Service Provider.

For all subsequent transactions the value set on the previous transaction will be displayed as the default, however the Lead may amend the Triage Category on each new transaction.

Please note that the warning around adding a Second Lead will only be displayed on a first advice – if the claim is reassigned from Standard to Complex on a subsequent transaction, it will not be displayed but the user must again set the Second Lead.

Similarly, if a CTP claim is down-graded from Complex to Standard then the Second Lead must be de-selected, with supporting evidence from the Second that they have also agreed to re-assign (see the CTP Guidelines for details www.lloyds.com/claimsscheme).

Please note that only the Lead may set this Triage Category indicator and it cannot be amended on that transaction if the Lead has responded to the transaction with a “Seen / Action” or “Agree Pay” response.

2.4.7 Market Response Screen (adding additional Agreement Parties)
2.5 Managing Agencies to Consider Claim

This section describes Stage 3 (Managing Agencies to Consider Claim) within the claims process. Section 7 below shows the principle screen flows of the ECF when being used to support the insurers (operating the Processes and Procedures described herein) to review, agree and settle claims.

Managing Agents’ Workflow will use the following methods within ECF or ECF2 to manage and view transactions that require a response / action or remain incomplete;

- Awaiting action list within the IMR or CLASS
- Daily CSV file
- Claims Workflow Trigger (CWT) file – can be fed into an internal workflow
- Claims Workflow Services (CWS) – workflow service available within ECF2

2.5.1 ECF2 Components

2.5.1.1 Claims Workflow Triggers & daily CSV

The new CWT service will consist of:

Claims Workflow Triggers File – available for MAs and companies, at various intervals between 1 hour and daily, to feed existing or planned carrier workflow systems.

A new improved version of the ‘Daily CSV File’ that is currently available will improve the basic record of the claims ahead of the standard message output (LIMCLM/SCM).

CWT output is based upon events that occur on each transaction held in Lloyd’s, ILU, LIRMA versions of CLASS. Each time an action is taken by brokers, carriers or a 3rd party on a transaction a new event will be generated and included in the next output of the CWT file.

The new Daily CSV file generates output for every transaction that a broker has created or modified during the previous day – it does not reflect responses by carriers or XCS. Anyone requiring additional information or wishing to register for these services please contact the Xchanging Implementation and Rollout Team at service.centre@xchanging.com

2.5.1.2 ECF2 – Claims Workflow Services

CWS (Claims Workflow Services) is a workflow system to be used in conjunction with ECF2 Review/Respond functionality. It is an application that enables the allocation of work to teams and individual adjusters, and allows effective management of workflow with transaction lists and target dates. The application also allows users to take actions on a claim, including navigation to the Review/Respond section of ECF to register a response to a claim and declaring a conflict of interest. CWS operates under a single sign on with ECF2.

To access CWS you select 1 Allocate Claims (Workflow). The user is then presented with a Claims Awaiting Action tab, a Claims Responded To tab, a My Group tab (if a manager), a Non-Agreement Party tab and a Work Allocation tab.

NB: You must liaise with Xchanging for effective set up of user roles, teams, work baskets and access rights. The CWS Admin function will allow some subsequent updates of user roles, work baskets and routing rules. However the initial set up will require additional liaison to determine where work items route to.

The CWT & CWS functional specification and user guide documentation is available within; https://ecfdocs.xchanging.com/Home/Index/c1d9818b-5d91-44fc-a30c-73f8d84016d0
2.5.1.3 ECF2 - SSO – ‘Single Sign On’

Single sign on allows LIRMA, ILU and Lloyds users to access CWS (Claims Workflow Services), CAS (Claims Agreement Screens), DFV (Document File Viewer) and the IMR, all under one sign on.

Should a user wish to go direct to the IMR or CLASS, they will need to use their respective username and password as these are different from ECF2. Current CLASS and IMR usernames and passwords will remain. (It should also be noted that the log out time for the IMR is one hour)

Registration forms for new users or to amend an existing IMR profile are available from the Xchanging Service Centre at Service.Centre@xchanging.com.

2.5.1.4 ECF2 - CAA – ‘Claims Awaiting Action Screen’

The Claims Awaiting Action (CAA) functionality is available by registration only by completing a user request form.

1. For new users: IMR / ECF2 Request form 1- New User with claim response access or IMR / ECF2 Request form 1a New User (CAS read only)
2. For individuals who have an existing ECF2 user account: Request form 2 Amend User or Request form 2a Amend User (CAS read only) depending on their access

will be required to be completed and returned to Xchanging Service Centre.

The Claims Awaiting Action link will be available on the ECF Options page after logging in if the user has registered for this functionality.

The Claims Awaiting Action screen enables a user to search for all claims that the user has access to which are incomplete and to navigate at UCR level to the appropriate claim summary screen.

The CAA (delivered as part of ECF gap analysis) functional specification and user guide documentation is available within; https://ecfdocs.xchanging.com/Home/Index/e61b1f85-36f1-4126-9c7f-82af78547d48

2.5.1.5 ECF2 - CAS – ‘Claims Agreement Screens’

The Claims Agreement Screens (CAS) within ECF2 is split into 2 panes, one is for “Review” and one for “Respond”

CAS provides the same user interface for all carriers from each bureau, and ALL claims are accessible on CAS for LIRMA and ILU, including paper claims.

There is a transaction summary screen for Lloyd’s users (previously only available to LIRMA and ILU users). This functionality amongst other things provides a financial history of the claim broken down by each transaction and all transactions are accessible from this screen.

The CAS functional specification and user guide documentation is available within; https://ecfdocs.xchanging.com/Home/Index/23cbe377-5ef1-499b-92ef-775f336696fb

2.5.1.6 ECF 2 - DFV – ‘Document File Viewer’

Document File Viewer provides document access to claim and policy related documents linked to the UCR and UMR within the IMR. DFV enables a tailored view of these documents and stitches them into a single PDF file. This allows documents to be presented in a fast and flexible way, enabling a user to quickly and easily move between the different documents on the same claim without the need to open each separate document, including a full text search within selected documents.

There is no modifying access to documents through the DFV.
Email documents are currently loaded into the IMR (although strictly speaking they are not a valid file type). These emails often contain attached / embedded documents. A conversion process is in place within the IMR so that the associated attachments / embedded files are stripped out of the email and created as separate pdf's in their own right within the IMR and displayed within DFV.

NB: DFV is only available to carriers using CAS as part of ECF2 and is not available to brokers or users of ECF1.

Please note:-

1. There is a strong recommendation in place for the size of documents which can be loaded to the IMR. The maximum limit is 20MB for any one document.
2. Users should also note that any Excel spreadsheets greater than 5MB will not be converted to PDF and held within the DFV but users will be able to access the original Excel document by clicking on the IMR link held in DFV.
3. To assist with the correct loading of an Excel spreadsheet, please format the workbook by setting the print area before loading the document on to the IMR. This will reduce the time it takes to convert the spreadsheet as a result of the parameters being set for conversion.
4. Please do not password protect your documents unless absolutely necessary. Where you do DFV will not be able to retrieve the document automatically, and it will have to be accessed by clicking on the link held in DFV.

The DFV functional specification and user guide documentation for these components is available within https://ecfdocs.xchanging.com/Home/Index/9c80c26f-b213-41d4-9c71-33884ee4fc58

A link to the document store is provided below. Within the store, user guide and functional specification documents are available for both CWT and CWS. These documents allow an organisation to determine the best method for handling daily ECF transactions.

To access the document store please use your SSO/ECF2 user id and password. Please contact the Xchanging Service Centre if you require assistance in obtaining a logon. Brokers, your SSO profile for the purposes of accessing the document store can be requested from Xchanging. https://ecfdocs.xchanging.com

On any transaction, Agreement Parties have the ability to enter references in the “Claims Reference 1” and “Claims Reference 2” fields within the response screen. These are free-text fields and Managing Agents may enter any references that they would find useful to filter their claims internally. The references entered will automatically be included on any subsequent transaction for that particular claim. The fields are also displayed on the Awaiting Actions screen and users are able to sort the list of Awaiting Actions accordingly. The fields are included in the Insurers’ CSV daily notification message, Claim Workflow Trigger file and Claim Workflow Service screens. Users can update their references on every transaction, prior to submitting a response, if they wish. Note that these fields will be blank until a user enters any references; therefore the first transaction on a claim will never contain these references.

2.5.2 Classification of documents - Agreement Parties

When an agreement party is adding and associating documents to a UCR or TR a classification of those documents can be made. The classification allows certain parties to be excluded from reviewing the document loaded. Only the “Coverage” classification completely restricts a brokers view of or access to the document, although brokers will retain access to any document that they have loaded, regardless of the classification.
2.5.3 Confidential Reports

Confidential reports (i.e. those that must not be shared with the broker) are usually received from a third-party by the Lead Agreement Party. In order that these reports can be circulated among carriers and go through the appropriate agreement process; upon receipt of a confidential report Lead agreement Parties should agree the basis of the circulation in accordance with the Lloyd's Claims Scheme. Lead Agreement Parties should also be aware of circumstances when followers may need to be involved in related market meetings and will therefore need to be made aware of the correspondence (the “send link” function in IMR & ECF2 is one way of achieving this). Lead agreement parties should consider how other markets will be advised of the report; if the other markets do not use the IMR, then existing paper methods for circulation will need to be employed.

Lead agreement parties should pass the confidential report to agreement parties and load to the coverage tab within the IMR (see screen shot below)

2.5.4 ‘Warnings’ Section

The warnings section is only displayed if there are warnings relating to the current UCR/TR combination (e.g. where date of loss is outside of the range of the original UMR).

2.5.5 Consult with other Parties

Where consultation has occurred with agreement parties, conducted via email, telephone or face-to-face. A relevant record of the consultation should be loaded to the IMR in order to maintain a proper file and audit trail if appropriate.

2.6 Claims Process Involving a “Query/Return” Response

There will only be notification to the Lead Agreement Party if the transaction is re-released triggering an event within CWT. If the broker decides not to re-release the queried TR the broker must advise the Lead Agreement Party of the new documents via means outside of ECF (e.g. telephone, email, etc.). The Lead Agreement Party may then amend their response if it is appropriate to do so after reviewing the response to the query.

- When a Lead Agreement Party enters a response of Query/Return and the broker wishes to deal with that query by providing the Lead Agreement Party with additional documentation; the broker may load the additional documents to the IMR under the same transaction.
When a Lead Agreement Party enters a response of Query/Return but the query cannot be dealt with by simply providing additional documentation, the broker must act upon that query, and/or supply all new documentation, under an amended or replacement transaction. The Lead Agreement Party may then select a new response on the amended or replaced transaction.

Brokers should also be aware of the additional steps required if the nature of the query or correction requires the UCR to change (for example, a change to the UMR, OSND and market will necessitate a new UCR), these are detailed in section 2.24; or when a correction is required on a claim created prior to the date of this document (i.e. during Phase 5 of ECF).

It should be noted that a lead cannot respond to a TR that has been loaded subsequent to a TR that remains in a queried status.

Note: Here and elsewhere in this document and on the system, “Date of Loss” does not reflect any determination and is used only for identification. The broker should not enter a future date as the “Date of Loss”. Where an incorrect “Date of Loss” has been entered on the CLASS transaction, the Leader in the first instance will contact and liaise with the broker who will amend and re-submit the correction within an acceptable timeframe to all parties, if this amendment is not made the lead will “Query/Return” the transaction and request amendment by the broker. If the error is identified by the 2nd agreement party or XCS any liaison should occur with the lead and broker prior to a “Query/Return” submission.

2.6.1 Query Reason Indicator in ECF2:

For ECF2 users, the Claims Agreement Screens (CAS), displays a Query Reason indicator whenever a response of “Query/Return” is entered. The following steps must be followed:

- Full details of the query must be entered into the Public Comments, as per the steps above.
- Click on the “Add/Amend Query Reasons” link (an error message will be displayed if “Submit” is clicked without entering any Query Reasons).
- Within the pop-up window select the Query Reason(s) applicable to the query raised on the transaction. Please note that multiple reasons may be entered, up to a maximum of ten.
- Click on “Confirm” when all relevant reasons have been selected. An error message will be displayed if “Confirm” is selected without any Query Reasons being selected. Once confirmed, the Query Reasons will be displayed on the “Lloyd's Response” screen
- Click on “Submit”
- “Other” as a query reason should be selected as a last resort where no other query reasons are applicable. When “Other” is selected please add supporting narrative within public and private comment fields.

2.6.1.1 Query Reasons:

Below are the 12 query reasons available within this indicator.

<table>
<thead>
<tr>
<th>Query Reason</th>
<th>Scenarios</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Missing/Unreadable policy or contract documents</td>
<td>When any policy-related document has not been loaded (allowing up to 24 hours for documents to be received from brokers), or cannot be read. This would include endorsements.</td>
</tr>
<tr>
<td>2. Missing/Unreadable claim related documents</td>
<td>When any claim-related document has not been loaded, or cannot be read.</td>
</tr>
<tr>
<td>3. Missing policy data/unsigned premium</td>
<td>When any policy data (i.e. data held within the ECF record, not the documentation) is missing – <em>including the Original Signing Number &amp; Date</em></td>
</tr>
</tbody>
</table>
4. Incorrect broker loaded claim details | When any broker-loaded claim details are incorrect
---|---
5. Claim out of scope for ECF | When the claim has been defined out scope according to the current version of the SP&P
6. Inconsistent financials | When there is an issue with the financial figures reconciling with those within documentation that cannot be resolved by a request for further information on the next submission
7. Incorrect agreement parties noted | Where the Lead has been incorrectly identified by the broker, or a further agreement party has been incorrectly identified by the Lead
8. Inadequate/incorrect data for XCS processing | To be used by XCS only where there is insufficient or missing information to process the transaction
9. Query raised with settlement | To be used for Settlement transactions only where the agreement party cannot authorise the payment – may be used in conjunction with any other Query Reason
10. Pending market discussion | Primarily for CTP claims, where a market meeting has been called of which the outcome will determine the response of the transaction
11. Duplicate advice/claims created in error | Where the broker has created the transaction in error
12. Other: Non-fundamental query | For all other queries where the query reason prevents the user from processing the TR

2.7 Reserving as a Lead Agreement

It is the leader’s role to clearly instruct XCS of what indemnity and fee reserve it wishes to hold on each claim. In order to achieve clarity the leader should enter the required indemnity and fee reserves in the ECF Lead Reserve fields unless the reserve advised by the broker is an indemnity reserve only and the leader wishes to hold the same amount as an indemnity reserve and no fee reserve. The leader should clearly state the indemnity and fee reserves to be held and for which currencies (where there are multiple), within the private comments.

Note, therefore, that:

i) if the leader only completes one of either of the ECF Leader’s indemnity or fee reserve fields and does not clearly state the indemnity and fee reserves to be held in the private comments, this will result in ambiguity as to the Lead’s requirements for the reserve to be held in the other field which may, therefore, lead to incorrect reserves being held;

ii) If there is no entry in either of the leader’s indemnity or fee reserve fields and it has not clearly been stated what indemnity and fee reserves need to be held in the private comments, XCS will enter the amount in the broker reserve field into the INDEMNITY reserve field on XCS CLASS, regardless of any indication in the documents as to whether that amount contains any fee reserve. Please note that this is not the case for bordereau submissions as Xchanging provide a TA service whereby they will split the indemnity and fee as per the bordereau.
For clarity, the following additional guidance applies:

1. The reserve entered by the lead in the Lead Reserve field and/or private comments should be subject to any slip order percentage so the lead will need to carry out the relevant calculation before entering the sum in this field/comments.

2. Where necessary, leaders should **always** add comments in the “private comments” field in ECF to support the leader’s reserve amounts, for example to explain the rationale and calculation of the reserve.

3. If a leader wants to positively instruct XCS to carry a NIL reserve, they should carry a “1” in the relevant Lead Reserve field in ECF and support with narrative within private comments.

4. When a leader chooses to use the Lead Reserve fields, it is recommended that they complete both fields, adding a “1” where there is no reserve for that element of reserve, for total clarity.

5. As the amounts in the leader’s indemnity and fee reserve fields are automatically carried forward from one transaction to the next, it is important that the lead check that they remain accurate on every transaction. This will include, for example, ensuring a reduced reserve is entered, where appropriate, after a settlement is agreed or fee invoice is paid. If the reserves carried forward into the Lead Reserve fields from a previous transaction are no longer required, and the lead wishes to hold the reserve advised by the broker instead, the lead should delete the reserve amounts in the Lead Reserve fields and XCS will take their instructions from the broker’s figures, as per principle ii) above.

6. All reserves, including a “1” in the Lead Reserve fields should be entered in the Original Currency. However, only the amount should be entered, not the currency and without commas (i.e. 10000 should be entered, not US$10,000 or GBP10,000 or 10,000).

7. Leaders’ reserves are visible to the other subscribing insurers on that claim (including XCS and experts who have been granted read only access to the UCR), **but not by the broker**, even if a “Query/Return” response is entered.

8. Parallel UCRs - Where insurers receive an advice from an expert, via a ‘parallel UCR’, the lead should take care when using the Lead Reserve fields. Under most circumstances both the ‘parallel UCR’ and the ‘broker indemnity UCR’ share the same XCS CLASS record(s). Any reserves added on a parallel UCR will supersede the existing reserves currently held in XCS CLASS. This may be a reserve that was not a result of any broker advice, e.g. claims under direct reporting. If the Lead wishes to carry a specific fee or indemnity reserve then these can be notified to XCS using these Lead Reserve fields and/or private comments. But remember that any financial value supplied will supersede the reserve currently held for the claim. Supplying “1” in either field will result in a zero reserve being applied for that element of the reserve. Where a Lead Reserve field is left blank, XCS will maintain the current reserve on the XCS CLASS entry. NB. This current reserve must be ascertained by referring to the most recent SCM received (most likely via the lead’s internal claims system).

9. Where insurers are receiving private and confidential advice from an expert not via a parallel UCR, it is the Lead’s responsibility to ensure that the rationale for the reserve is available to the followers on the main UCR. For example by loading the expert’s report onto the IMR, asking XCS to issue an SCM with appropriate narrative and/or sending an email to followers to alert them to the additional documents. Also, as above, the up to date reserves should be entered by the Lead in the Lead Reserve fields on the main UCR next time the broker loads a transaction, with reference to the advice supporting the reserve in the private comments field.

10. Where another agreement party disagrees with the leaders reserve(s), the agreement party should contact the lead prior to responding on ECF and together they should use best endeavours to agree the reserve/s to be carried in XCS CLASS. If they jointly decide that XCS CLASS should hold a reserve that is different from the leaders reserve/s already entered in the Lead’s reserve fields, the Lead should change the relevant Lead Reserve/s and re-respond to the ECF transaction.
11. Expenses - Whenever the Lead requires a fee reserve to be held that relates to fees/expenses that are payable under the policy, they should enter this amount in the Leaders Fee Reserve field and NOT in the Indemnity Reserve Field (together with any other fee reserves to be held) and instruct XCS in the private comments field, how this should be broken down on XCS CLASS, between expenses or fees. It is the lead's responsibility to instruct XCS to set up an expert(s) on XCS CLASS. This should be done via the use of Public or Private Comments as appropriate. Multiple experts can be advised to XCS within ECF 'Private Comments' to enable their accurate processing and recording, but only one lawyer and one adjuster can be advised via the SCM message (with financials for all experts combined).

2.7.1 Outstanding Qualifier Codes

This is the code set the brokers need to use:

<table>
<thead>
<tr>
<th>Code</th>
<th>Description</th>
<th>Code</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>C</td>
<td>Closed</td>
<td>P</td>
<td>Precautionary</td>
</tr>
<tr>
<td>D</td>
<td>See loss details</td>
<td>R</td>
<td>Recovery Expected</td>
</tr>
<tr>
<td>F</td>
<td>Fee's expected</td>
<td>S</td>
<td>Subrogation</td>
</tr>
<tr>
<td>L</td>
<td>Part of block claim</td>
<td>T</td>
<td>To be advised</td>
</tr>
<tr>
<td>N</td>
<td>Nil</td>
<td>V</td>
<td>Salvage</td>
</tr>
</tbody>
</table>

It is important to note that these codes must be reviewed on every transaction by the lead as they differ from the codes available to a managing agent.

This is the code set that managing agents need to use when there is a Nil reserve and it must be applied at currency level. The lead cannot update this code (other than 'U' – Uber Precautionary) and must provide their instructions to XCS in the private comments:

<table>
<thead>
<tr>
<th>Code</th>
<th>Description</th>
<th>Code</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>M</td>
<td>First Advice, Await Adjuster's Report</td>
<td>A</td>
<td>Await Advice from Cedant / Insured / Coverholder</td>
</tr>
<tr>
<td>L</td>
<td>Long Tail Advice</td>
<td>R</td>
<td>Recovery</td>
</tr>
<tr>
<td>P</td>
<td>Precautionary Advice on High Layers</td>
<td>S</td>
<td>Subrogation</td>
</tr>
<tr>
<td>C</td>
<td>Closed</td>
<td>X</td>
<td>Erroneous Entry to be Closed</td>
</tr>
<tr>
<td>U</td>
<td>Uber Precautionary*</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*The lead is able to enter the ‘U’ within the outstanding qualifier ECF field when certain criteria has been met*

The “Uber” Precautionary code was implemented in September 2015 and is to be applied when a notification of a claim or incident (or similar) to Insurers/Reinsurers via ECF or a paper file, which, in the opinion of the lead Claim Agreement Party, and based on the information known, is highly unlikely to impact or result in a payment or reserve to the insurance/reinsurance contract to which it is being notified.

A claim identified as "Uber" Precautionary will be included on a weekly report produced for, and available to the loading broker, which will allow the broker to review and only consider loading subsequent transactions to the claim when there is a material change to the loss.
The lead can enter the ‘U’ within the outstanding qualifier ECF field when the following criteria has been met:

- the broker has used one of the following loss qualifiers to notify Lloyd’s carriers:
  - P – Precautionary
  - D – See loss details
  - L – Block
  - N – Nil
  - T – TBA
  - F – Fees expected
- there can be no financial values advised on the transaction (by broker or carrier) for any currency, if a lead attempts to enter and submit a response with a ‘U’ an error message will be received
- the claim / UCR cannot hold the value of ‘U’ within the outstanding qualifier ECF field if the claim is triaged as ‘Complex’

2.7.2 Record Response and Comments on the ECF Transaction

Once the claim and all relevant documentation have been reviewed and any exceptions dealt with, each Agreement Party must respond to the transaction in progress and record any comments and instructions relating to the claim (note that public comments are mandatory).

- The Lead Agreement Party must ensure their telephone number in the “Lead Contact Phone No.” field. Your phone number will auto populate with the number held against your login credentials. If your phone number is not displaying or is displaying incorrectly speak to your internal CLASS administrator to amend.

- If it is the Second Lead that is responding, then a contact name must be entered in the “Second Lead Contact Name” field and ensure their phone number is populated within the “Second Lead Contact Phone No.” field.

  Note: Your phone number will auto populate with the number held against your login credentials. If your phone number is not displaying or is displaying incorrectly speak to your internal CLASS administrator to amend.

- If it’s a service provider that is responding in a delegated role, a contact name must be entered in the “Contact Name” and “Contact Phone No.” field.

- Each Agreement Party can view their share of the financials by clicking on the “Your Share” radio button. To revert back to 100% of order, click the corresponding radio button. It is important to note that this function will only display one Syndicate share at a time (i.e. the 1st Syndicate to which your user ID relates). It will not, for example, combine all of a Syndicate’s separate lines/separate Syndicates, to display the total share, but rather the share represented by the first Syndicate reference as recorded on the system.

- Lead Agreement Parties may enter alternative reserves to those advised by the broker. See section 2.7

2.7.3 ‘Comments’ Section

The Comments section allows public and private information to be entered by individual agreement parties authorising the transaction.

- Note that all comments entered by the authorising participants are stored and displayed in the same block of text. For this reason, it is essential that the Agreement Party records the date and their name and organisation preceding the comment so that others are aware of who made the last update.

- For second and subsequent agreement parties, the comments of previous agreement parties are displayed as protected and cannot be edited but they may append their own comments.

- The data entered in the Public Comments field will be available for Brokers and insurers to view.
The data entered in the Private Comments field will not be available for Brokers to view – they will only be available to Insurers and XCS (note that if the Private Comments field is full and a document is lodged on the repository, the document should be classified under “Coverage” or the access restricted in order to limit access by brokers). Note also that brokers see a flag in CLASS to alert them to the existence of Private Comments entered in CLASS.

Note that certain symbols cannot be used in these fields due to restrictions in the LIMCLM message. Only the following characters may be used: A-Z, a-z, 0123456789, .,-()=@. The International Standards Organisation (ISO) currency code convention should be used in these fields e.g. USD, GBP.

XCS must ensure that following their response to a claim on the ECF, that there is a corresponding record on XCS CLASS.

Comments are mandatory for all agreement parties. Due to the restrictions on the length of this field, Agreement Parties should abide by the following guidelines: Lead Agreement Parties should only use up to 8 lines for their comments, leaving 7 lines for subsequent Agreement Parties, including XCS. All agreement parties must ensure that there is at least enough space left in the comments field for a subsequent agreement party to adequately reference a document on the IMR. Where there is insufficient space for further comments, the agreement party must create a document within the repository for all public comments and reference that document in the comments field.

Within ECF2 a line count and warning message will assist a user when adding substantial narrative within the comment fields, alerting a user when the 15 line narrative limit has been breached and tracking the line of narrative via a counter.

Following the delivery of Phase 7b in November 2008, all CLASS comments from bureau markets are additionally stored on the IMR in the order in which they were posted on CLASS. This functionality removes the previous need to upload comments to a document on the IMR when entering a “Query/Return” response. Note however, that the length of the comments fields remains unchanged, so it may still be necessary to upload a document containing comments when the CLASS field is full (as per the above workaround). Note also that an automated date/time stamp is NOT yet available. Insurers should note that when viewing comments via the IMR, the transaction status code shown next to each comment is mapped to the statuses available to brokers (as per the LIMCLM). These are shown in the table below.

If there are no comments associated with a UCR and TR, a message to that effect is displayed.

- Once the information displayed has been reviewed and the agreement party is ready to enter a response, click on the radio button that reflects the appropriate response. See the table below and section 2.7.4 for the available responses and when they should be used.

- Not all responses will be made available to the broker, only Lloyd’s Syndicates, XCS and universal (system admin) users would be able to see the response types in the ECF response and market response screens. Brokers will see traditional Broker responses (i.e. those advised in the LIMCLM message), and must always therefore refer to the comments added by the Agreement Party.

2.7.4 Cause Codes

The Cause Code field became mandatory in June 2015, which now requires a cause code from the latest list (below) to be entered on the first TR that has been received since the 21st June 2016 implementation. Once entered you do not have to re-supply the cause code on every subsequent TR, the cause code field is available on each TR to allow the code to be changed at any point during the claims lifecycle.

![CTP_Cause_of_code_list_Jan16.docx](attachment://CTP_Cause_of_code_list_Jan16.docx)
ECF2 has a cause code field which enables you to directly enter the cause code on a TR when received. Additionally ECF2 has searchable fields to allow you to search for a cause of loss by; code, cause description or class:

1. the search functionality allows you to refine cause codes by class of business
2. the type ahead function; once you are familiar with cause codes and/or descriptions you can type the cause code / description in part or full, the list will be refined from what you have typed.
3. down arrow or enter on cause descriptions populates the full set of cause descriptions.
   Refining the cause descriptions can be achieved by typing within the box or by selecting a class of business

Note - as per previous business process you can select ANY cause description or code for your claim, the class of business is merely available to help refine results. The only data recorded within XCS CLASS and CRS is the cause code.

2.7.5 Actions & Submissions in ECF

A transaction with a response of **seen/action or agree pay** by all Agreement Parties will be made available to XCS for subsequent processing, creation of SCM records (including reserves) and settlement. Any other response from any Agreement Party will prevent the advice of the claim in SCM and prevent the further processing of a settlement request.

- If an Agreement Party enters a response of **query/return**, the transaction will be in a queried state. But that party **must** only discuss with the Lead Agreement Party (which may result in the Lead Agreement Party altering their response) or enter a **query/return** response. Subsequent agreement parties will also have the ability to monitor queried UCRs that remain incomplete within the ECF004 report.

- If the response of **query/return** has been entered by the Lead Agreement Party it will have a transaction status of ‘AAQ’.

- If the Lead Agreement Party has entered a response other than **query/return**, but a response of **query/return** has been entered by a subsequent Agreement Party; it will have a transaction status of ‘PAR’.

- Transactions with a status of ‘PAR’ will remain with this transaction status until all Agreement Parties have entered a response of **seen/action or agree pay**, at which time it will have a transaction status of ‘AUT’.

Separate to a response submission is the status of each transaction. This confirms the TR status within the UCR summary. The status codes available are described in the following table:

<table>
<thead>
<tr>
<th>Status Code</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>AAQ</td>
<td>Awaiting Action or Queried by the lead</td>
</tr>
<tr>
<td>PAR</td>
<td>Partially authorised</td>
</tr>
<tr>
<td>AUT</td>
<td>Fully Authorised</td>
</tr>
<tr>
<td>DEL</td>
<td>Deleted</td>
</tr>
</tbody>
</table>
2.7.6 Response Codes & Description

The responses available in ECF (and corresponding broker equivalent) are detailed below. They are context sensitive and are displayed conditionally:

<table>
<thead>
<tr>
<th>Response Code</th>
<th>Description</th>
<th>Response received by broker</th>
</tr>
</thead>
<tbody>
<tr>
<td>S/A</td>
<td>Seen/Action</td>
<td>AUT</td>
</tr>
<tr>
<td>PAY</td>
<td>Agree Pay</td>
<td>AUT</td>
</tr>
<tr>
<td>QUE</td>
<td>Query/Return</td>
<td>QUE</td>
</tr>
<tr>
<td>NAK</td>
<td>No Response</td>
<td>-</td>
</tr>
<tr>
<td>Not Applicable</td>
<td>Service Action (VCS)</td>
<td>-</td>
</tr>
</tbody>
</table>

All responses must comprise comments in the Public Comments field in addition to the selection of a response button.

- **Seen/Action** – This button is only displayed when an advice does not contain any request for collection and payment. By selecting this option, the Agreement Party confirms receipt of the advice and, if any action is proposed, the party has noted in comments those action(s) it does and does not authorize. The advice will thereafter be sent to the next Agreement Party and, if all Agreement Parties respond in this way, an SCM will be produced.

- **Agree Pay** – This button is only displayed when an advice, by itself or with other proposed action(s), seeks a collection and payment to be authorized. By selecting this option, the Agreement Party confirms receipt and agreement to pay. If the advice includes other proposed action(s), the party must also address in comments the other action(s) it does and does not authorize. The advice will thereafter be sent to the next Agreement Party and, if all Agreement Parties respond in this way, an SCM will be produced.

- **Query/Return** – This button is displayed for all advices. By selecting this option, the Agreement Party is not accepting the advice and returning it to the broker for the reason(s) stated in comments. The reason should be technical in nature relating to errors in regards to data and data accuracy in the submission. The advice will be sent at that time to the next Agreement Party, however that next Agreement Party must only discuss with the previous Agreement Party (which may result in the previous Agreement Party altering their response) or enter a Query/Return response. Subsequent Agreement Parties will also receive a notification of Queried transactions as per section.

- **Service/Action** – This button displays for all transactions. This option must only be selected by (a) MAs who have entered into a contractual agreement with a VCS service provider. The triage values and their impacts on the claim routing are described below:
  - **VCS Crawford**: This will route a claim to Crawford.
  - **VCS XCS**: This will route the claim to XCS.
  - **Blank**: This will route a claim back from the service provider (only if a claim has previously been triaged into VCS).

2.8 Delegation of claim / role

A number of processes exist for the delegation of claims catering for: The delegation of all claims and the delegation of only certain claims. This delegation can be arranged with 3rd parties and service providers as part of the volume claim service offered or outside of this service by engaging with 3rd parties and service providers on an organisational basis with relevant contracts in place. Further information on each delegation option is listed below.
2.8.1 Delegation of claims to a 3rd party

The 3rd party or service provider should be given logon details from the carrier enabling access to ECF, performing an adjusting role as a carrier for whom they are acting. This will give the 3rd party / service provider access to claims for that carrier. The parties involved must ensure that they have in place internal procedures to provide workflow / triggers for the 3rd party or service provider’s action and a monitoring process to ensure claims are being dealt with appropriately.

2.8.2 Volume Claim Service

The Volume Claims Service (VCS) is a delegated claims adjusting service for high volume low value claims which is currently offered by two suppliers, Crawford & Xchanging. The service action button displayed within ECF must only be selected by MAs who have entered into a contractual agreement with a VCS service provider AND wish for a VCS service provider to commence work on the referenced claim having validated that the parameters of the claim meet those specified in their contractual agreement. The button can also be used by a VCS Service provider when transferring ownership of the claim back to the MA and exiting the claim from VCS. This field must be used in conjunction with the triage category to ensure the claim is routed to the appropriate organisation.

2.8.3 Partial Delegation of Claims to XCS

When a risk is identified on which some or all claims will be delegated to XCS for agreement, Xchanging can record information against a copy of that risk record in CLASS so that all new claims created thereafter are routed to XCS rather than the original Lead Agreement Party. The following process will be initiated by Xchanging where a delegation of lead agreement on claims has been made to Xchanging:

1. Xchanging will identify the rules to apply to CLASS
2. Xchanging will manage internally the upload of the routing rules to CLASS

It is possible for Xchanging to “bulk load” risk routing rules to CLASS

2.8.3.1 Delegate Button

In addition to Xchanging having the ability to update the risk record in CLASS to manage partial or full delegation of claims to XCS, the Lead Agreement Party will be able to select the “Delegate” option from within an individual ECF entry. This will route the particular transaction together with any further transactions on that UCR to XCS.

2.8.3.2 Undelegate

Where a claim that has previously been delegated to XCS becomes outside of the terms of the delegation, e.g. where the monetary amount exceeds a pre-defined threshold, or where a Managing Agent chooses to withdraw the delegation, the XCS user may select an “Undelegate” response accessible in CLASS. This feature does require the claim to have an incomplete transaction on the UCR to which Xchanging can apply this response. If there is no incomplete transaction in ECF, the broker will be requested by the XCS adjuster to submit a transaction so that the “Undelegate” instruction can be executed. Thereafter, all subsequent transactions will be routed to the original Lead Agreement Party, unless they subsequently choose to re-delegate to XCS.

2.9 Disagreement Between XCS and Lead Agreement Party

XCS will adopt a different process depending on the nature of the disagreement.

The table below shows examples of how each response may be used. These are for illustration only:
<table>
<thead>
<tr>
<th>Scenario</th>
<th>Response</th>
<th>Additional instructions</th>
</tr>
</thead>
</table>
| Accept transaction and broker provided reserve                          | Seen / Action  | Add appropriate Agreement Party comments  
N.B. Where additional clarification is required, but the Agreement Parties wish to establish the reserve in underwriters records, use the Seen/Action response and add the request for clarification into the Agreement Party comments |
| Accept transaction, broker provided reserve, and payment submitted      | Agree pay      | Add appropriate Agreement Party comments                                                                                                                                                                                                                                                                                                                   |
| Transaction including payment submitted - Accept outstanding claim reserve, but do not agree to make payment at this time | Query / Return | Add agreement to reserve in Agreement Party comments together with query to the broker.                                                                                                                                                                                                                                                                   |
| Broker advises the reported claim reserve only, but Lead Agreement Party wishes to carry a reserve that differs to the reported claim reserve | Seen / Action  | Lead Agreement Party may discuss with other Agreement Parties and XCS to endeavour to agree upon the reserve that should be carried (Refer to Lloyd’s Claims Scheme and Minimum Standards). The Lead Agreement Party may then enter different reserves for indemnity and fees (per currency), see section 2.28.1. |
| Broker advises the reported claim reserve only, but XCS or another Agreement Party wish to carry a reserve that differs to the reported claim reserve | Seen / Action  | XCS or other Agreement Parties should discuss with the Lead Agreement Party to endeavour to agree upon the reserve that should be carried (Refer Lloyd’s Claims Scheme and Minimum Standards). The decision should be recorded in the Agreement Party’s comments. |                                                                                                                                                                                                 |
| Incorrect data in CLASS@Lloyd’s which can be edited by XCS in XCS CLASS – e.g. Date of Loss, broker reserve incorrectly stated, etc | Query/Return    | Enter a response of Query/Return and ask the broker to amend the Date of Loss or reserve, etc, by processing a replacement or amended transaction. These instructions should be added to the Agreement Party comments. XCS will still produce the appropriate SCM where possible.                                                                                     |
| Advice sent to wrong Managing agency                                   | Query / Return | Add reason for query to Agreement Party comments                                                                                                                                                                                                                                                                                                          |
| Dispute coverage but not yet decided whether to deny claim              | Seen / Action  | Update Agreement Party comments under a caveat e.g. “on a WP basis” and/or under a “Reservation of rights”                                                                                                                                                                                                                                                                                                             |
| Lead Agreement Party wishes to deny claim                               | Use response as appropriate. | Add intention to deny claim to Agreement Party comments                                                                                                                                                                                                                                                                                                       |
| Lead Agreement Party wishes to delegate a claim to a VCS service provider | Service / Action | Add appropriate service provider to the Triage Category by selecting either VCS Crawford or VCS XCS  
NB – Carriers must not use any other Response Codes when triaging a claim into VCS                                                                                     |
2.9.1.1 When there are Data Errors by the Broker and/or Lead Agreement Party:

Data Errors in non-editable fields:
XCS will automatically "Query/Return" claims which have data errors which fall into non editable fields. These fields include:

<table>
<thead>
<tr>
<th>Field</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>UCR</td>
<td>Settlement currency</td>
</tr>
<tr>
<td>TR</td>
<td>Settlement amount</td>
</tr>
<tr>
<td>Advice / Settle</td>
<td>Original broker</td>
</tr>
<tr>
<td>UMR</td>
<td>Payee Broker No and Pseudonym</td>
</tr>
<tr>
<td>Syndicates on risk</td>
<td>OSND</td>
</tr>
<tr>
<td>Slip order</td>
<td>Settlement exchange rate</td>
</tr>
<tr>
<td>Original currency</td>
<td>Broker claim reference 1 &amp; 2</td>
</tr>
<tr>
<td>O/s amount</td>
<td>Interest</td>
</tr>
<tr>
<td>O/s qualifier</td>
<td>VAT amount</td>
</tr>
</tbody>
</table>

Data Errors in editable fields:
XCS will enter a "Seen/Action" response on the CLASS entry as submitted and will annotate the public comments with requirements for change (e.g. Insured name needs to be corrected to xyz) when the error occurs in one of the following fields:

<table>
<thead>
<tr>
<th>Field</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Insured</td>
<td></td>
</tr>
<tr>
<td>Policy period from – to</td>
<td></td>
</tr>
<tr>
<td>Cert period from – to</td>
<td></td>
</tr>
<tr>
<td>DOL from – to</td>
<td></td>
</tr>
<tr>
<td>Reinsured</td>
<td></td>
</tr>
<tr>
<td>Original Insured</td>
<td></td>
</tr>
<tr>
<td>SI Limits</td>
<td></td>
</tr>
<tr>
<td>SI Currency</td>
<td></td>
</tr>
<tr>
<td>Excess</td>
<td></td>
</tr>
</tbody>
</table>

For all other data errors, XCS would view subsequent sequences which have not been amended on a discretionary basis and would generally enter a response of "Seen/Action" on subsequent advices but would continue to annotate the Public comments with a request that the broker amend at next sequence.

The fields which, if not corrected on subsequent sequences, would most likely lead to being "Queried" are: Loss Name, Narrative, Location, Vessel/Aircraft, Lawyer, and Adjuster.

2.9.1.2 Direct Reporting

In this instance, a direct report is defined as any document supplied by a third-party that is NOT confidential, i.e. access to the document may be shared with the broker.

The Lead Agreement Party must ensure that any documents, including direct reports, supplied by a third party are made available to all appropriate carriers and XCS; this may be done, for example, by loading the documents to the IMR and classifying them appropriately. In order for a corresponding CLASS message to accompany the document, the Lead Agreement Party must pass the document to the broker to load accordingly. If however, the direct report is confidential; it should follow the confidential reports process defined in section 2.5.3 Note that if the broker is unwilling to load the direct report and corresponding CLASS transaction, or there is no requirement for the broker to do so; the confidential reports process may be used to alert carriers and XCS instead.
2.10 Overrides and Exceptions

2.10.1 Conflict of Interests

It is the Managing Agent's or the individual's responsibility to manage their own conflict of interest.

The handling of conflicts of interest within ECF is supported to differing degrees depending upon who is declaring the conflict. Conflicts can be declared by organisations or individuals, Lead Agreement Parties, other Agreement Parties, XCS and followers. A conflict of interest can be declared or removed at any time. Any party may declare a conflict of interest, but it can only be ended by the organisation’s authorised system administrator for individual conflicts or by contacting Xchanging for organisation level conflicts.

CAS – Declare a conflict of Interest within Claim Summary

CWS – Declare a Conflict of Interest
The following table shows which of the below procedures different parties should choose in order to declare a conflict of interest (note that an audit trail of authorisation and actions must be maintained):

<table>
<thead>
<tr>
<th>ROLE OF PARTY</th>
<th>LEVEL AT WHICH CONFLICT DECLARED</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Syndicate / XCS department</td>
</tr>
<tr>
<td>Lead Agreement Party</td>
<td>Repeat Procedure 1 for all syndicates within the Managing agency</td>
</tr>
<tr>
<td>Other Agreement Party</td>
<td>Repeat Procedure 2 for all syndicates within the Managing agency</td>
</tr>
<tr>
<td>Following underwriter</td>
<td>Repeat Procedure 3 for all syndicates within the Managing agency</td>
</tr>
<tr>
<td>XCS</td>
<td>Procedure 5</td>
</tr>
</tbody>
</table>

Procedure 1
If the Lead Agreement Party wishes to declare a conflict of interest on a claim for a specific syndicate that they are authorised to act for, they should select the “Declare Organisation Conflict of Interest” button within CLASS at Lloyds and they should contact the broker by email and alert them to this fact. The Broker should approach the next underwriter who has not declared a conflict and request that underwriter to take over the lead of the claim. This process should continue down the list of subscribing insurers until an underwriter that has not declared a conflict is found. Any Agreement Party may choose to delegate their agreement role to XCS as per the current claims scheme. In all instances where the agreement role has been delegated to XCS a short form delegation agreement will need to be completed.

Note: Once the conflict is created the Syndicate cannot respond to, nor see any of the claim details or any documents associated with the claim. Any Home Page search will return no results for that UCR. No warning message is displayed indicating that access has been restricted due to conflict. The Syndicate will still receive the resulting SCM.

Procedure 2
If a following Agreement Party wishes to declare a conflict of interest on a claim for a specific syndicate that they are authorised to act for, they should select the “Declare Organisation Conflict of Interest” button within CLASS at Lloyds and contact both the broker (for information only), and the Lead Agreement Party by email and alert them to this fact. The following Agreement Party should request the Lead Agreement Party to open the transaction and add the next appropriate syndicate as an Agreement Party. This process should continue down the list of subscribing insurers until an underwriter that has not declared a conflict is found. Any Agreement Party may choose to delegate their agreement role to XCS as per the current claims scheme. In all instances where the agreement role has been delegated to XCS a short form delegation agreement will need to be completed.

Note: Once the conflict is created the Syndicate cannot respond to, nor see any of the claim details or any documents associated with the claim. Any Home Page search will return no results for that UCR.
No warning message is displayed indicating that access has been restricted due to conflict. The Syndicate will still receive the resulting SCM.

**Procedure 3**

If a following underwriter who is not an Agreement Party wishes to declare a conflict of interest on a claim for a specific syndicate that they are authorised to act for, they should select the “Declare Organisation Conflict of Interest” button within CLASS at Lloyds and contact the broker by email and alert them to this fact.

**Note:** Once the conflict is created the Syndicate cannot respond to, nor see any of the claim details or any documents associated with the claim. Any Home Page search will return no results for that UCR.

No warning message is displayed indicating that access has been restricted due to conflict. The Syndicate will still receive the resulting SCM.

**Procedure 4**

Individual adjusters wishing to declare a conflict of interest at an individual level should select the ‘Declare Individual Conflict of Interest’ button within the Claims Summary Screen. The adjuster in conflict should then arrange for an alternative adjuster with no conflict to review the claim. If there are no alternative adjusters with no conflict of interest, the procedures described above should be followed dependant on the adjuster’s role.

**Procedure 5**

XCS will manage conflicts of interest internally as appropriate.

**2.10.1.1 Conflict Of Interest: Users with multiple bureau logons**

A user who has declared a conflict of interest on a claim will have their access to that claim removed. A user with a multiple bureau logon (i.e. a logon that grants access as a Lloyd’s syndicate, LIRMA carrier and/or ILU carrier) should be aware that declaring a conflict for any one bureau will have the result of removing access to the claim for ALL bureaux. For example; if a user declares a conflict as a LIRMA carrier, they cannot then gain access to the claim as an ILU carrier.

**2.10.1.2 Removal of a Conflict**

The conflict can be removed by the Managing Agent’s system administrator by emailing the XIS system administrator requesting that the conflict be removed. Individual conflicts can be removed by the Managing Agent’s system administrator without reference to XIS. Further details on this can be found in the ECF On-line Guidelines for Carriers. XIS must be in possession of a list of all of the Managing Agents’ and Syndicates’ administrator e-mail addresses to be able to confirm with confidence that the person requesting the removal of the conflict has the necessary authority to do so. Requests from other parties within a Managing Agency will be forwarded to the Managing Agency’s system administrator with a request for confirmation that the conflict should be removed.

Following the removal of a conflict, the Syndicate will be able to access the CLASS data and all documents related to that particular UCR, even if added to the claim before the conflict was removed.

**2.10.2 Original Signing Number and Date**

Original Signing Number and Date is required to enable a claim to be processed via ECF. This may be a FDO together with the applicable Additional Premium signing number and date supplied by the broker.

**2.10.3 Premium Signing Information**

Premium signing information must be available to demonstrate that the premium has been paid and received by insurers or reinsurers. This is to include original premiums and/or any subsequent additional or return premiums and premium adjustments where applicable; such as on excess of loss reinsurance contracts. This is essential to enable a claims adjuster to make a decision with regard to any claim. With regard to reinsurance, a reinstatement premium may be payable and full details are required to enable calculations to be checked and confirmed.
2.10.4 Exceptions

2.10.4.1 Reinstatement Premium

If a Reinstatement Premium is due, then the Lead Agreement Party must set the Simultaneous Reinstatement Premium indicator on the Market Response screen. Click on the RIP Required “Yes” radio button. This field is mandatory and the default is set to “No” (note also that brokers are required to indicate that a reinstatement premium is due). This indicates to the XCS adjuster that a simultaneous reinstatement premium is due. LPANs for RIPS should reside in the TR folder of the UCR not in the UMR (although it is ok if they are there as well). XCS are responsible for ensuring that the claim and the reinstatement premium are processed simultaneously. Note that followers can only access the Market Response screen in enquiry mode and are therefore unable to alter the RIP button.

2.10.4.2 Face to Face Broker Discussion

While the aim of the ECF is to process claims electronically, there will still be times that the carrier may need to request a Broker visit. Agreement Parties should arrange a meeting with brokers outside of ECF, e.g. by telephone, email etc. However, if the broker fails to attend the meeting or does not respond to the carrier’s requests within a reasonable time (being mindful of Claims Minimum Standards); Agreement Parties may enter a response of “query/return” on ECF (please refer to section 2.6). Followers may request a broker visit at any time.

2.10.4.3 Claims on Singleton Risks

Singleton risks are those where there is only one insurer i.e. no follower. In the event of claims against singleton risks, the insurer will agree to the claim which will authorise XCS to process the entry. The ECF automatically adds XCS to the Agreement Party list for all claims so that the claim goes to XCS for processing. XCS must mirror the response of the Lead Agreement Party on the ECF in order for the transaction to flow through to XCS CLASS so that XCS can process the claim, unless there is a technical error in which case XCS will discuss with the Lead Agreement Party and will likely enter a “query/return” response.

2.11 Create Syndicate Records, Process Settlements and Create Advice to Market

Following XCS responding to a claim and updating the record on XCS CLASS as appropriate, XCS are to:

1. Check that all necessary authorisations have been given and any instructions from the Agreement Parties.
2. Create records and advices to meet Syndicates’ statistical and reporting requirements, add any additional statistical codes, and allocate outstanding and payment amounts to appropriate statistical breakdowns.
3. If payment has been authorised, create the accounting records and trigger payment (including reinstatements where applicable).
4. Create and transmit a SCM, USM and BSM (where applicable), and any successor message for each Syndicate in the market for a claim. (See XCS for operating procedures). References supplied by the Broker on the LIMCLM or CLASS entry that triggers a payment will be those that are advised on the BSM. References are critical to the ultimate allocation of cash specified by the BSM.

2.11.1 SCM Generation

Following delivery of Phase 6a of ECF, XCS can effectively manage the generation of SCMs as per previous paper processes. This means that XCS are able to generate an SCM even if their response to the transaction is Query/Return; e.g. if there is sufficient information to create an accurate reserve but the broker submission is clearly incorrect (this does not necessarily mean that Managing Agents will receive an SCM for all Queried transactions). However, when XCS enter a response of Seen/Action or Agree Pay; an SCM will always be generated, even for those claims that in a paper environment would have been seen by XCS but not advised in an SCM (e.g. precautionary advice).
2.11.2 Settlement Processing

XCS may have to enter a response of “Query/Return on the ECF transaction, however; XCS must not process a settlement unless they are able to enter a response of “Agree Pay” on the ECF transaction, even if the query is peripheral to the settlement. In extreme circumstances, XCS may be able to process the settlement while querying the ECF transaction, although such circumstances will be rare and Brokers should contact XCS to discuss the settlement in such circumstances.

2.11.2.1 Variations

This section details variations to the generic claims process.

2.12 Reverting to Paper Process

Certain circumstances may require a claim initially being processed via ECF, to revert to the current paper-based processing. The process below can be initiated at the insistence of any one Agreement Party but only as a last resort, unless the specific circumstances that have caused the reversion to paper are due to a problem which means that the claim cannot continue to be handled under ECF. E.g. Split market due to syndicate opt out, commutations of the claim, ex gratia not agreed by all, etc.

In order to do this, the agreement parties should contact the broker and advise them of the reason for the issue giving rise to the need to revert to paper. The following process should then be followed:

1. The broker should create a CLASS transaction removing the financials and closing the CLASS record. An Explanatory Note should be loaded to the IMR, attached to the transaction. The broker should then create a paper file, using the original paper copies where they exist or printing all of the existing documents on the IMR and then following the normal paper file process.

2. The Lead Agreement Party (and subsequent Agreement Parties where appropriate) should respond to the transaction as appropriate.

3. XCS will then process the CLASS transaction in XCS CLASS, cancelling and replacing XCRs and CORs where necessary and generating the appropriate SCMs. XCS will then respond to the original broker UCR transaction. Note that the “paid to date” will not normally be reversed out as the whole market will have settled to this point.

The transaction will, therefore, return to the paper process from that point onward and the existing documents on the IMR should be printed and circulated accordingly by the broker. It then becomes the Agreement Parties’ responsibility to ensure that all relevant documents and comments are included in the file.

In the event that the broker does not close down the CLASS record, XCS will take over this function; however the result of this is that the broker will not be able to use the UCR again, removing the opportunity for the claim to become electronic again in the future.

2.13 Priorities / Claim Urgencies

There is currently no functionality for brokers to notify claim priorities within ECF. However, it remains the responsibility of the broker to “broke” claims to a carrier and as such a broker should alert Managing Agencies to higher priority claims via telephone, email or face to face as normal.

2.14 Multi Layer and/or Cross Market Claims

Where Agreement Party comments on an underlying layer are pertinent to the handling of an excess layer claim, the leader of the excess layer(s) should request the broker to obtain and add the comments of the underlying layer leader to the excess layer claim, providing that the underlying layer leader approves the release of the comments, as per today's paper process.

Agreement Parties may ‘query/return’ any transaction when they require further information, including slip lead comments in cross-market claims where the slip lead is not an ECF User. Brokers may respond to the queried transaction where appropriate.
2.15 Multiple OSNDs

Claims arising on risks where the slip contains multiple Original Signing Numbers and Dates, but the components of the claim are submitted as part of a single UCR can be handled under ECF. e.g. multiple OSNDs purely to support different settlement currencies presented within a single UCR.

Similarly, claims on which the slip contains multiple Original Signing Numbers and Dates where the claim only affects one of the OSNDs can also be presented under ECF.

However, claims arising on risks where the slip contains more than one Original Signing Number and Date and the component parts of the claim, which must be handled together, are presented under separate UCRs, should not be presented under ECF until further notice. The reason that these claims are excluded from ECF is because where the separate components are advised under separate UCRs, there is a substantial risk that the different components will be not be handled together, particularly if they are not released to other Agreement Parties simultaneously.

In practical terms, this means that any claims, for which a broker may currently present an individual paper file requiring individual adjustment, may be processed via ECF.

Whereas claims for which a broker currently presents multiple paper files requiring a single group adjustment, should be handled outside of ECF.

2.16 FDO Best Practice Guidance

In any situation, the following must be consistent on each relevant premium signing in order to process an FDO:

- UMR
- Risk Code
- Year of Account.

A single FDO should be used per risk code. Please note that if there are underwriters on separate years of account for the same risk then it is not possible to put the claim on ECF.

Multi-jurisdiction Policies

Can be signed under one FDO provided:
- the list at point 1 is consistent (NB, different FIL code for each jurisdiction)
- the market is the same (with the same signed lines) for each jurisdiction
- there will be a separate premium number(s) for each jurisdiction

or, under a separate FDO for each jurisdiction if:
- the list at point 1 is consistent
- the market differs across jurisdictions.

Multiple Reinsureds

Can be signed under an FDO provided:
- the list at point 1 is consistent
- each reinsured is domiciled in the same country
- the market is consistent across all reinsureds.

Exceptional Circumstances

Combined Open Market and Lineslip

It is possible to sign an FDO on these accounts, however, they are so varied in nature they should be dealt with on a case–by-case basis. Leaders, brokers and Xchanging should liaise in these cases.

Split Inception Dates

Whereas it is technically possible to sign FDOs for these accounts, it is highly complex. It is not possible to sign a single FDO for the entire policy period. A separate FDO will be required, at each point the market changes (for which there is a claim).
Cases where a single FDO cannot be assigned:

- direct and reinsurance on one slip where the market differs
- insurers on one risk using varying SIRs.

N.B. If separate OSN&D have been allocated for FIL purposes only (in other words, the market, risk code, UMR and year of account are consistent on each OSN&D) an FDO is not required and it would be down to the broker to allocate each claim under the correct OSN&D. For example, if separate OSN&D are allocated to French, German, and Spanish registered aircraft, the total loss of a German registered aircraft would be collected against the OSN&D under which premium for German registered aircraft was paid, whilst damage to a French aircraft would be collected separately against the OS&D under which premium for French registered aircraft was paid. The claims cannot be combined because separate FIL apply.

2.17 Political Risks

Claims arising from Political Risks can be processed via ECF. Where appropriate, the Confidential Reports process (see section 2.5.3) and the Leaders’ Reserves process (see section 2.7) should be used. Additionally, where the sensitivity of certain exceptional documents is such that insurers would not want the document stored on any computer system, the document content should be shared with the relevant insurers in an appropriate manner and should not be stored on the IMR.

2.18 Kidnap & Ransom

Reporting on Kidnap & Ransom (K&R) claims has traditionally been direct to the Lead Agreement Party with no other parties privileged to the verbal and/or written reports. The broker is advised of the codename of the claim and any reserves or payments which need to be made. Due to the sensitive nature of the information involved in these claims any written reports will not be lodged on the Insurers’ Market Repository but instead will be retained by the Lead Agreement Party, as per today’s paper process.

Although limited information will be available to the broker, this documentation, together with any reserves and payments, should be presented electronically as per the standard process. If information is received by the Lead Agreement Party which will result in a change to the incurred position, and if this change can be notified via the broker, the Lead Agreement Party will arrange for a new CLASS@Lloyd’s transaction to be raised via the broker. If this change cannot be notified via the broker the confidential reporting process detailed in 2.5.3 will apply.

It is not anticipated that any block entries should be submitted as K&R claims are normally advised on an individual basis. However, if a block entry is required please refer to the relevant section of this document for the process and procedures.

It should be noted that the above method does not provide brokers and/or followers with any more information than they would receive via the legacy (paper based) process.

2.19 Space

Reporting on Space claims has traditionally been direct to all Agreement Parties with no other parties privileged to the verbal and/or written reports. The broker will be advised of the claims and may be the recipient of documentation relating to that claim. Most, though not all, of the documentation will be subject to the International Traffic in Arms Regulations (ITAR).

(Due to ITAR restrictions it might not be possible to lodge some documents on the Insurers Market Repository. In these cases the documents will be retained by the agreement parties in accordance with the existing paper process and the broker will prepare and load a CLASS@Lloyd’s transaction together with any reserves and payments information and present it in accordance with the standard process. Notwithstanding Repository Rule 6.1 users must ensure that Repository Rule 2 is complied with.)
If information is received by the Agreement Parties which will result in a change to the incurred position, and if this change can be notified via the broker, the Agreement Parties will arrange for a new CLASS@Lloyd’s transaction to be raised via the broker. If this change cannot be notified via the broker the confidential reporting process detailed in 2.5.3 will apply. This may include the loading of non-ITAR regulated documents such as the fee invoices of underwriters’ experts.

It is not anticipated that any block entries should be submitted as Space claims are normally advised on an individual basis. However, if a block entry is required please refer to the relevant section of this document for the process and procedures. It should be noted that the above method does not provide brokers and/or followers with any more information than they would receive via the legacy (paper based) process.

2.20 Bloodstock

All mortality claims where they are in scope are to be entered on to ECF / IMR with reserves to be carried on CLASS as indicated by the leading underwriter. The broker will liaise with the leading underwriter to determine whether any other notifications of any injury, illness or disease as further defined in the policy wording are required to be entered on to ECF and will determine whether a precautionary reserve is to be entered on CLASS.

2.21 Binding Authorities

Binding authorities (with the exception of “co-lead binders” as described below, which cannot currently be supported) can be processed via ECF in the following manner (note that certificates should be loaded to the UCR folder for binders):

2.21.1 Advice of the bordereaux

It is best practice for a broker to submit a bordereaux UCR before the first individual claim.

1. The broker must create a CLASS transaction for the “paid” and “outstanding” and load a copy of the bordereaux to the IMR, attached to the transaction. This may include a settlement.

2. Lead Agreement Parties (and subsequent Agreement Parties where appropriate) should respond to this transaction in the usual way.

3. XCS will then process the CLASS transaction and will generate an initial SCM to establish the outstanding/incurred. XCS will then process the settlement, generating USM, BSM holding and producing the settlement and relating reserve within one SCM. XCS will then respond to the original broker-created UCR transaction.

4. Subsequent advices should follow the above process.

2.21.2 Advice of loss funds

These should be processed on a UCR set up specifically for the loss fund and should be separate to the bordereaux UCR. The process for establishing the loss fund is the same as the process for the processing of bordereaux (see above).

2.21.3 First Advice of Above Authority (Individual) Claim

1. The broker must create a new UCR with an incurred of zero and attach the relevant documents to the IMR. The broker should state the current outstanding and any settlement request in the broker narrative. If the broker has not already submitted a bordereaux UCR (see above), they should do so at this point. It is recommended as best practice that the relevant claim specific activity described above is conducted as part of the binder set up, following placement.

2. Subscription binders - The Lead Agreement Party should review the transaction and respond to the transaction in the usual manner, entering any public comments as appropriate. The transaction will then be routed to XCS who will review and respond in the usual manner. If the loss is above the individual reporting threshold XCS will produce an SCM.
3. **Singleton Binders** - The Lead Agreement Party should review the transaction and determine whether the claim requires individual advice via an SCM. If it does, the Lead Agreement Party should respond to the transaction in the usual manner, allowing the transaction to be routed to XCS.

If, however, the claim does NOT require an individual advice, the Lead Agreement Party should remove XCS as an Agreement Party before responding to the transaction in the normal manner.

If XCS are included as an Agreement Party, they will perform a processing role only. This means that if XCS find cause to Query/Return the transaction, it will be due to their inability to process it accurately, rather than due to a claims handling decision. XCS will respond to the claim and generate the appropriate SCM.

Note that the UCR advised in the SCM will be that of the bordereaux and NOT the UCR of the individual claim.

### 2.21.4 Subsequent Advice of Above Authority (Individual) Claim

1. The broker **must** create a new transaction on the existing UCR, again with an incurred of zero, attaching the relevant documents. The broker should state the current outstanding and any settlement request in the broker narrative.

2. **Subscription Binders** - The Lead Agreement Party should review the transaction and respond to the transaction in the usual manner, entering public comments as appropriate. The transaction will then be routed to XCS who will review and respond in the usual manner. If the loss is above the individual reporting threshold XCS will produce an SCM.

3. **Singleton Binders** – The Lead Agreement Party should review the transaction and determine whether the claim requires individual advice via an SCM. If it does **not**, the Lead Agreement Party should respond to the transaction in the usual manner. The default position (having removed XCS as an Agreement Party on the previous transaction) will be that XCS are **not** included as an Agreement Party, but this should be confirmed before responding to the transaction. If however the claim does require an individual advice, the Lead Agreement Party should add XCS as an Agreement Party.

   If XCS have been added as an Agreement Party, they will perform a processing role only. This means that if XCS find cause to Query/Return the transaction, it will be due to their inability to process it accurately, rather than due to a claims handling decision. XCS will respond to the claim and generate the appropriate SCM.

### 2.21.5 Cash Loss on Individual Claim

This process is to be used for the presentation of a subsequent advice of an individual claim (see above) when that claim requires a cash loss payment.

1. The broker **must** create a CLASS transaction on the individual UCR with an incurred of zero and attaching documents as appropriate. The broker must make reference to the request for settlement in the broker narrative.

2. The broker **must** then create a CLASS transaction on the bordereaux UCR, using the same outstanding as previous and entering the amount of the cash loss as the settled. The broker **must** make reference to the applicable individual UCR either in the broker narrative or on a document loaded to the repository and attached to the transaction. Both this bordereaux settlement transaction and the individual loss transaction (with zero financials) should be submitted together, without a delay between submitting each transaction.

3. Lead Agreement Parties (and subsequent Agreement Parties where appropriate) should review both transactions and respond to each. Note that if the request is made on a singleton binder, the Lead Agreement Party can remove XCS from the individual UCR but should include XCS as an Agreement Party on the bordereaux UCR. If above the threshold then XCS should see the individual UCR also.
4. XCS will then process the CLASS transactions in XCS CLASS. XCS will first respond to the individual UCR, if appropriate without generating an SCM. XCS will then generate an SCM, USM and BSM and trigger the settlement from the bordereaux entry. XCS will then respond to the original broker-created bordereaux UCR transaction.

2.21.6 Co-Lead Binding Authorities

A workaround has been devised to cater for Co-Lead Claims to be processed via ECF, however these will still remain out of scope. A system solution will be required to cater for a full ECF solution that can group and un-group entries (Electronic Rubber Band) for outside authority Co-Lead claims.

This situation exists in instances where one insured is issued one certificate of insurance that is split in percentages (as defined in the certificate) over more than one London Market placed, binding authority. Each binding authority has its own lead (and very often involves XCS agreeing the claim on behalf of the subscribing insurers) under their own OSND. This in turn leads to individual UMRs and UCRs for the placement and the associated claims, even though there is usually (but not exclusively) one London broker and only ever one cover holder and original insured.

A variation on the above is where more than one certificate is issued to the original insured, with limits expressed as a percentage of the overall sum insured. In this instance (more akin to where there are separate London brokers involved); the certificate may not detail the other binding authorities to which the risk attaches.

A project led by the LMA with support from Lloyd’s and LIIBA, was initiated in November 2010 to increase the volumes of new claims being processed via ECF, to verify Co-Lead claims volumes and to improve efficiency and turnaround times.

A solution was suggested early in 2011 which utilises the current ECF bordereaux submission process and includes both within and outside authority claims and will take on a phased approach. (See diagram below)

A pilot was initiated in May 2011, which includes 5 major Co-Lead binder brokers and 22 managing agents with a further 3 brokers joined on 01 January 2012.

For the first phase of the pilot, the outside authority claims agreement process is out of scope. As a result the broker will still be required to present the paper file to each Co-Lead. The individual Co-Lead will add their comments and syndicate stamp, but instead of the broker submitting the paper file to XCS for agreement and processing, each comment made by the Co-Lead will be scanned and stored by the broker within their internal systems as evidence of the claim being seen by the relevant market.

Upon creation of the bordereaux to be submitted via ECF, the broker will then attach the outside authority evidences to the respective bordereaux which will now include both within and outside authority claims. When a managing agent and XCS is checking the bordereaux submission via ECF, an additional check is required to ensure the evidence of agreement for the outside authority claims is present.

Co-Lead claims that are within authority should already be processed via ECF, however due to the potential market “misunderstanding” any bordereaux inclusive of co-Lead claims, regardless of being within or outside authority were incorrectly deemed out of scope. This pilot clears these grey areas surrounding this notion by including both within and outside authority claims in the ECF bordereaux submission.

All new and renewed binders as at 01 April 2011 inclusive of co-Lead claims are in scope.
2.21.7 Above Authority Claims on Scheme Canada business

The processing of financials and within authority claims for Scheme Canada business should continue to be handled via the Lineage system. However, ECF can be used for the agreement process for Above Authority claims. The procedure for Above Authority claims as described in sections 2.20.3 and 2.20.4 should be followed with the exception of stating the financial amounts in the broker narrative. Instead, the broker should cross refer to the Lineage claim number so that the Agreement Parties are able to locate the claim on the Lineage system.

2.21.8 Multiple OSNDs Inclusive of Aviation Verticals

This process was introduced specifically to accommodate vertical placing in the Aviation market where the placing broker has negotiated different terms for each underwriter. Under these circumstances a single slip cannot be loaded to the UMR. Each underwriter will have their own slip (containing the rates that have been negotiated) and their own individual signing.

This process can be used in other classes of business where differing rates have been negotiated with the various underwriters, for example to ensure compliance with BIPAR principles. All of the rules explained previously for Aviation vertical placing must be followed if this process is to be adopted for non-Aviation risks.

If using this process for non-Aviation risks, it is recommended that the relevant business team in XCS is contacted to advise that this procedure is being adopted.

The handling of certain multiple OSND claims and Aviation vertical placements involving Lloyd’s business can be supported via a workaround involving the use of a FDO (For Declaration Only) signing specifically for claims handling. This will enable the component signings of a vertical placement to be merged for the purpose of claims handling.

Following the implementation of the IMR Security Model enhancements on the 7th December 2009, new functionality will allow a broker to restrict the access rights to the appropriate carriers for documents containing confidential terms.

Below is a list of conditions that are a pre-requisite of using this process for handling aviation verticals in ECF and a step by step guide for each party involved in the submission of premium and claims transactions. **Risks must comply with all of the conditions before claims may be submitted on ECF:**

2.21.9 Conditions

- This process only applies to new placed risks or renewals of existing risks
- All component parts of the vertical placement must be signed under the same UMR
- Everything on the component slips with the exception of Rates, Brokerage and Commissions must be the same across all components. E.g. Limits, Orders, Interest and Year of Account
- A separate claims FDO “Sanitised slip” (A complete copy of the slip. Where confidentiality of the Rates, Brokerage and Commissions needs to be protected, the sanitised slip should exclude these but include all syndicate lines and references of all component parts of the slip) must be provided by the broker to XIS for signing. This slip should include all lines of all components.
- Where confidentiality of the commercial terms of the component signings e.g. rates, commissions, brokerage etc. needs to be protected, these should be excluded from the sanitised slip.
- The broker must provide XIS with written confirmation that the Claims FDO is a complete and accurate reflection of the vertical signing components with the exception of the commercial terms
- The broker must provide confirmation in the UMR on the Insurers’ Market Repository (IMR) that the premium for the individual component vertical signings have been paid in accordance with the terms of trade agreed on the component signings
2.22 Premium submission and claims process

- Broker Premium Department Process
  1. Broker to confirm that vertical placement meets all of the conditions in the section “Conditions” above.
  2. Broker to create an electronic “Sanitised slip” and load this to the UMR folder in the IMR in an area of the UMR that is visible to XCS and Managing Agency claims staff.
  3. Broker to load all components of the vertical placement slip to the UMR folder on the IMR in the secure area (XIS Processing Only), which will prevent carriers and XCS from seeing the individual components.
  4. Broker to load all relevant electronic documents e.g. ePANs etc. to support the work-package.
  5. Broker to include written confirmation that the Claims FDO is a complete and accurate reflection of the vertical signing components, with the exception of the commercial terms.
  6. Broker to indicate on the work-package that this submission includes a Claims FDO.
  7. Broker to submit the work-package to XIS for processing.

- XIS premium department
  8. XIS to recognise the vertical placement as one that requires an additional FDO signing.
  9. XIS to process the work-package as normal, but additionally allocate an OSND (Original Signing Number and Date) for the Claims FDO.
  10. XIS to add details of the vertical placement signings to the UMR on the Insurers’ Market Repository, as per current practice.

- Broker claims department process
  11. Once the vertical placement has been signed by XIS, the Broker to obtain details of the sanitised Claims FDO signing and use this signing to load any claims relating to the vertical placement to ECF. (A single UCR should be created per claim, and these should only contain the FDO signing number and date). Note that no UCRs should be created using the signing numbers and dates of the component placements.
  12. Broker to load a statement relating to the status of the premium signing on the IMR within the UMR folder. This will need to be in an area of the UMR that is visible to XCS and Managing Agency claims staff.
  13. Broker to submit the ECF claim to the Lead Agreement Party

- Lead Agreement Party process
  14. Lead Agreement Party to handle the claims in ECF as normal, noting that the UCR is lodged against the Claims FDO signing and that the slip to be used for claims handling is the sanitised FDO version on the IMR.

- XCS Claims adjusters
  15. XCS to handle the claims in ECF as normal, noting that the UCR is lodged against the Claims FDO signing and that the slip to be used for claims handling is the sanitised FDO version on the IMR.
  16. XCS to review the broker loaded document in the IMR relating to the premium position in accordance with current XCS instructions.

Note: Where placements are subject to on-going endorsement activity that might affect any claims, any premium or coverage endorsements submitted to XIS for processing on the component signings will also have to be updated on the “Sanitised Claims FDO” slip

2.22.1 Process for Paper Premium Submissions

The process for paper premium submissions presented to XIS is essentially the same as the A&S process described above, except that the broker should submit paper documents supporting the different components of the vertical placement as a complete set to XIS for premium processing.
These should include a paper copy of the sanitised Claims FDO slip, to which XIS will append the Claims FDO OSND. The broker should load this to the UMR of any ECF claims submissions. It should also be noted that all components and the Claims FDOs should either be submitted all under A&S or all by paper. XIS will not accept a mixture of paper and A&S submissions - the broker should not try to submit the individual components in paper and the Claims FDO via A&S.

2.22.1.1 Original Documentation
It is the responsibility of any party lodging an electronic copy of a document to ensure that original documents are maintained where necessary.

2.22.2 Claims where Subsequent Premium is Due
If an additional premium becomes due on a risk due to the incidence of a claim, users need to be aware that there is currently no way to link the current claim agreement to the additional premium. These types of claim may be handled appropriately on ECF, with appropriate responses being raised to the claim.

2.23 Simultaneous Reinstatements
Where the policy provides for reinstatement and subject that the reinstatements have not been exhausted, when presenting the claim in the electronic claims file, in addition to the standard process, the following procedure should be followed (Note: all documents added to the IMR should follow the document naming conventions detailed in section 2.3.11 where possible):

2.23.1 Broker Submission
- The broker must load an image of the LPAN simultaneously with the claim documents and additionally load a document showing the relevant references (UMR, UCR & TRs) and stating the basis of the reinstatement calculation e.g. Currency of loss, Final Earned Premium, Pro Rata to time and amount, as set out in the slip, and detailing the calculation of the amount due, to the Insurers’ Market Repository (IMR). These documents must be placed in the TR folder of the UCR but can also be stored under the UMR. Although these documents relate to the premium transaction, storing them in the TR folder of the UCR will prompt Claims Adjusters to trigger its collection.
  - If appropriate a separate document showing the relevant references (UMR, UCR & TRs) and applicable premium adjustment calculations and consequent adjustment to reinstatement premiums should be included.
- The broker is required to state in the 1st lines of the claim narrative of the settlement request that this claim is subject to a simultaneous reinstatement and that the LPAN has been submitted electronically
- The broker must indicate that the LPAN requires simultaneous processing with the corresponding claim.
- The RIP documents must contain a cross reference to the UCR(s) and TR(s) to which they correspond in order to ensure the RIP is processed simultaneously with the intended claim payment.
- A separate LPAN must be submitted for the Lloyd’s and Companies shares.
- The submission of the Lloyd’s LPAN does not trigger action as no action can be taken until the claim has been agreed by the Lead Agreement Party. This means that neither the XIS tracker nor the XCS tracker must be updated with the submission at this point.

2.23.2 Lead Agreement Party Handling
In conjunction with the response to the claim the Lead Agreement Party must indicate that simultaneous settlement is required and ensure that the RIP Indicator is 'set on'. Agreement to the Claim is also agreement to the Simultaneous Reinstatement Premium unless specifically stated otherwise in the Agreement Party comments.
2.23.3 ECF XCS Handling

- The claim will be added to tracker using the same process as a claim that does not involve a simultaneous reinstatement.
- The XCS adjuster is triggered to review the claim by XCS workflow. The LPAN and supporting calculations will be available to review via the TR folder under the UCR.
- XCS will coordinate the completion of the claim settlement and the premium transaction to ensure they are completed on the same day. Agreement to the Claim is also agreement to the Simultaneous Reinstatement Premium unless specifically stated otherwise in the Agreement Party comments. A new document should be added detailing the relative SNDs for each currency applicable to the reinstatement premium.

2.24 Reinsurance

Under ECF the standard process should be followed applying the following additional points where appropriate:

- See list of excluded transactions from ECF e.g. proportional treaty, LOC etc.
- Any transaction that requires a ‘partial market’ signing, as described in section 2.28, must revert to the paper process.
- Aggregate claims – see section 2.27. In particular note splitting out of major losses.
- Cedant’s collecting note and supporting ‘Proof of Loss’ documentation are to be included in the UCR folder coupled to claims endorsements showing the application of limits and retentions (taking account of currency apportionment) to the losses involved.
- Related premium entries to be included in premium folder – see section 2.21 on Reinstatement premiums.
- Where multiple contracts are involved via ‘Interlocking Clause’, clear reference to corresponding UMR & UCR is to be included in the narrative entered by the broker and copies of the calculations included in all claims transactions. Reinsurers should ensure they respond to all claims transactions together with a consistent approach.
- Any special terms governing marshalling of losses, indexation and warranties will be outlined in the placing slip & stored in the relevant UMR folder. These must be taken into account when preparing schedules and/or spreadsheets for inclusion in the claims file by the broker and clearly referenced showing UMR/UCR and version numbers as appropriate.
- The Broker must alert the reinsurer of any key information pertinent to the loss via the claim narrative.

2.25 Corrections

A change to material risk data will require the UCR to be cancelled and replaced. Examples of when this might occur include; when there is a change to the UMR, a change to the OSND, a change to the market, or when a change to the currency is required and there are not enough “spare” currencies on the UCR to enable the change.

Therefore, following a Query/Return response to a transaction, or where a broker has been advised of the need to correct a transaction by XCS; and a change to the UCR is necessary (brokers should liaise with Agreement Parties, including XCS, if they are unsure), the following process should be followed:

1. The broker **must** cancel the original UCR and create a replacement, copying all documentation to the new UCR. The broker **must** also cross-refer the new UCR to the old UCR; if this is not done there is a risk that XCS will be unaware that the new UCR is a resubmission and the reserve may be duplicated.
2. If the UCR is cancelled and replaced, previous Agreement Party comments will not be available unless they are copied to documents under the new UCR. Brokers and Agreement Parties (including XCS) should liaise and agree who will do this.

3. The Lead Agreement Party must wait for both the cancellation and replacement transactions to become available for a response. They must also ensure that the copy of the file is complete and accurate (including any “underwriter only” documents). The Lead Agreement Party should ensure that both the cancellation and replacement transactions can have the same response.

4. Subsequent Agreement Parties should repeat (3) above,

5. XCS will then process the CLASS transaction in XCS CLASS creating new or amended XCRs as appropriate. When the XCRs are completed, SCMs (and USMs where appropriate) will be produced and distributed to the market on the claim.

2.25.1 Pre – “Phase 6” Claims

Claims created prior to 8th May 2007 (i.e. during Phase 5 of ECF) continue to experience issues when a correction is required. A broker may be required to create a new CLASS transaction to correct an aspect of a previous transaction, which may include a correction of data that is of no relevance to the broker. It is anticipated that this will be a rare occurrence and due to the fact that the issue only applies to Phase 5 claims, it will disappear in time.

The issue arises when a broker is informed of the need to correct the CLASS data on a transaction for a Phase 5 claim, but that correction does NOT require a change to the UCR. If it is NOT the Settlement Amount that requires correcting, XCS may need to cancel and replace the Xchanging Claim Record (if it IS the Settlement Amount that requires correction, brokers should submit a new or replacement transaction as normal). In these circumstances, the following steps should be taken:

1. The broker must contact XCS and determine whether XCS need to cancel and replace the XCR. If the XCR does not need to be cancelled and replaced, then brokers should process a new or replacement transaction as normal.

2. However if the XCR does need to change, brokers must create a CLASS transaction (on the existing UCR) taking the incurred to zero (including reversal of settlements).

3. Brokers must then create a new CLASS transaction (on the existing UCR) with a “paid” this time reflecting the “paid to date” and the current “outstanding”. Brokers must also create an explanatory note and load it to the repository.

4. The Lead Agreement Party must wait for both transactions to become available and should review these in conjunction with the explanatory note. Both transactions must be responded to at the same time and the same response entered on each.

5. Subsequent Agreement Parties should repeat (4) above.

6. XCS will then process the closing transaction and necessary breakdowns, establish a new decoupled XCR and respond to the replacement transactions all within the same accounting day.

2.26 Loss Funds

When a Loss Fund arises the parties involved will agree how to handle that Loss Fund.

2.27 Direct Settlement of Indemnity

Direct settlement of indemnity may also follow the processes detailed above.
2.28 Aggregates

The term ‘aggregate’ is used from time to time to describe a limit of indemnity and/or excess or deductible provided in a policy of (re)insurance that are to be applied literally and irrespective of the underlying number & value of individual losses (which may in turn be subject of their own individual per loss excess and limit) included for reserving &/or settlement under the cover. This description and the following examples are included for illustrative purposes in the transition of systems and are not meant to be exhaustive, preclusive of other uses of the term, or otherwise determining rights or meaning:

To determine the point at which an aggregate deductible or excess is eroded and/or when the limit of indemnity is exhausted, the underlying losses often are presented using an aggregate summary schedule. This enables the various losses to be gathered together and presented in a standard format for ease of reference. The amount to be reserved or settled under the ‘aggregate’ policy can then be easily calculated for (re)insurers taking account of the circumstances and any specific policy rules such as marshalling of losses in date of loss or date of settlement order.

Under ECF there is no need to change this mode of operation. The standard ECF process should be followed with the implications of the following carefully considered:

2.28.1 Aggregates

Before any claims are presented by the broker, it must be agreed between the broker and all Agreement Parties how to handle the claims:

1. When there is only one claim and it is possible that there will be no other claims, the claim can be presented as an individual under one block file. This can then be reassessed if further claims arise.
2. Alternatively it may be more appropriate for brokers to present one Aggregate file supported by a number of individual claims files. See section below for further details.

Note that in either case, the provision of an up to date Aggregate Summary Schedule by brokers is mandatory.

In all cases, brokers must not enter a future date of loss in the CLASS transaction. Where appropriate, brokers should enter the inception date in the “from” field and leave the “to” field blank.

2.28.2 Splitting of Losses

It is critical that all parties – Lead Agreement Party, XCS and broker - agree any movement of losses between the block claim and an individual entry.

1. Brokers must first create an aggregate UCR to establish the outstanding and attach a copy of the up to date Aggregate Summary Schedule to the IMR and the relevant TR.
2. Brokers can then create individual UCRs for each claim, ensuring that the incurred is set to zero on each and attaching relevant documents to the IMR and TRs as appropriate.
3. Agreement Parties should refer to the UMR view, which lists all claims under that UMR, to ensure that they are aware of all claims that require their review. Lead Agreement Parties may enter alternative reserves on the Aggregate UCR if they wish to do so. Agreement Parties should enter a response for each UCR. Note that if Agreement Parties wish to Query/Return the Aggregate UCR, it may be necessary to enter a Query/Return response to all UCRs.
4. Once all previous Agreement Parties have responded to all of the UCRs, XCS will create an XCR cross-referring to the Aggregate UCR. The XCR will generate the necessary SCM.
5. XCS will then signify their response to all of the individual UCRs. No additional SCMs will be generated.
2.28.3 Non Cash Settlements

Non-cash settlements can be handled through ECF. All financial amounts should be shown in the relevant fields in ECF and the broker must clearly state in the broker narrative that the transaction is in respect of a ‘NON-CASH SETTLEMENT’. The leads agreement to this TR is the approval required by XCS which enables the relevant flag on the XCS CLASS system to be set, to ensure that the transaction is not passed on for central settlement.

NB Non-cash settlements resulting in split-market scenarios (eg commutations) remain out-of-scope on ECF.

2.29 Partial Markets

ECF is not able to cater for claims in which the market varies from that associated with the OSND; or where a subset of the subscribing market require the claim to be handled differently to the rest of the market. In these circumstances the file must revert to paper as per the process. Examples of this situation include:

- One or More Syndicates Taking Different Action to the Remainder
- Commutation of the claim
- Syndicate Opt Out
- Disagreement about action to be taken
- Part of the market granting a letter of credit whilst others do not.

2.29.1 Coupled Claims - Lead Agreement Party Reserves (Claims Created Prior to May 2007)

The functionality for Lead Agreement Parties to enter alternative reserves to those advised by the broker, for advising in the SCM, does not apply to claims that were created prior to ECF Phase 6a (8th May 2007, i.e. during Phase 5 of ECF). For these claims, Lead Agreement Parties are able to record the alternative reserve, but they cannot be advised in the SCM. In such circumstances, the previous Phase 5 functionality still applies. The following table shows scenarios in which Lead Agreement Parties may wish to enter a reserve and the applicable Phase 5 functionality:

<table>
<thead>
<tr>
<th>Scenario</th>
<th>Broker Activity</th>
<th>Lead Agreement Party Activity</th>
<th>XCS Activity</th>
<th>Follower Activity</th>
<th>Potential Outcome</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Reserve Advised By the Broker</td>
<td>Considers that the broker advised reserve is incorrect and records (what they consider as) the correct reserve on the repository (not on CLASS)*</td>
<td>Concurs with lead Agreement Party’s assessment of the revised reserve</td>
<td>Guided by the Lloyd’s Claims Scheme</td>
<td>CLASS TR needs to be Queried, then deleted by the broker and re-entered at revised reserve level (see also 1.a)</td>
</tr>
<tr>
<td>1.a</td>
<td>Broker refuses to re-enter reserve at “agreed” level</td>
<td>Follow the Revert to Paper process</td>
<td>Follow the Revert to Paper process</td>
<td>Guided by the Lloyd’s Claims Scheme</td>
<td>Follow the Revert to Paper process</td>
</tr>
<tr>
<td>2.</td>
<td>Reserve Advised By the Broker</td>
<td>Considers that the broker advised reserve is incorrect and records (what they consider as) the correct reserve on the repository (not on CLASS)*</td>
<td>Disagrees with the Lead Agreement Party’s assessment of the revised reserve</td>
<td>Guided by the Lloyd’s Claims Scheme</td>
<td>Either: Lead Agreement Party and XCS agree on the reserve (which may result in the outcome at 1. or 1.a above) – or- revert to the paper process</td>
</tr>
<tr>
<td>3.</td>
<td>Reserve Advised</td>
<td>Agrees with the reserve entered by the broker</td>
<td>Considers that the broker advised reserve is incorrect and records (what</td>
<td>Guided by the Lloyd’s Claims</td>
<td>Either: Lead Agreement Party and XCS agree on the reserve (which may result in the outcome at 1. or 1.a above) –</td>
</tr>
</tbody>
</table>
**2.30 Blocks**

Blocks are those circumstances where multiple losses are advised under a single UCR. These continue to be supported by ECF.

**2.31 Claims Seen But Not Entered By XCS**

The following applies to existing paper files or notifications that have NOT previously been entered by XCS (i.e. there is no associated Xchanging CLASS record). These are not legacy claims and can be entered onto ECF, subject to the terms detailed below.

Scenarios include but are not limited to:

- Claims advised on unsigned risks that have subsequently been signed.
- Precautionary advices which have been seen by the Leader, but NOT entered, by XCS.
- Urgent first advices or initial notifications that have been seen by the Leader, and possibly had an expert appointed, but yet to be entered by XCS.

In these and similar cases, the following Terms of Engagement apply:

1. Confirmation from the Broker that the claim has not previously been entered onto XCS CLASS.
2. Confirmation from the Leader, and 2nd Leader if applicable, that is appropriate to transfer to ECF, and therefore any potential duplicate entry is managed.
3. When transferring to ECF, **all** documents are required, including all underwriter and XCS scratches, to be scanned onto the repository under the relevant UMR/UCR.
4. In most circumstances the XCS scratch would display the words N/E (not entered), if in doubt seek clarification from XCS.
5. In the broker narrative of CLASS please enter the words ‘Previously advised via paper and not entered by XCS’. In addition to appropriate narrative to support the notification.
6. The ECF advice should be created as soon as possible.
7. Issues which relate to these types of claims are dealt with by the ECF User Group.

Where the broker is unable to positively confirm that no CLASS entry exists:

- The file must contain a full copy of the slip with UMR and signing numbers and dates clearly displayed.
- If the risk has been signed via A & S, the broker must print off the UMR screen from the repository showing the applicable signings.
- The Broker must indicate the signing that they believe is applicable to the claim being presented.
3. Legacy claims & scanning process

In May 2008 as part of the ECF Release 7A, the ECF system was amended to include a new value in the ECF indicator field to allow brokers to flag new ECF claims that related to existing paper files (see Xchanging bulletin dated 20 May 2008 reference 2008/065). It was not possible to implement the use of this indicator for the Lloyd's market until guidelines had been agreed for the introduction of legacy claims onto ECF and changes had been made to the XCS internal workflow system.

In May 2014 as part of the CTP Legacy project and Paper to ECF Scanning Service was introduced which is free to use and will convert paper claim files to ECF in a user-friendly format involving contracted 3rd parties in a scanning or delegated role and can be used by the MA or Broker.

The main differences to the process are that the Managing Agent and XCS identify the suitability of the claim for Legacy and ensure that the Legacy transition is not carried out on live post.

To use the service and understand the process and key contacts, please refer to the attached Lloyd's scanning guide, quick reference and Paper to ECF pro-forma:

[Scanning Service Guide v1.1 FINAL[1].pdf]
[MA quick reference guide FINAL[1].pdf]
[Paper to ECF Pro Forma FINAL[1].pdf]

3.1.1 Paper to ECF Legacy process for singletons


Please refer to the above legacy scanning process and service for all other paper to ECF conversions. Please consider the following prior to conversion:

- Any current ‘Out of Scope’ ECF items
- Claims that are likely to close imminently
- Claims where final fees are being collected
- Current or imminent commutation discussions
- Individual files that form part of a block/aggregate

3.1.1.1 Legacy claims submitted with a ‘Y’ indicator

If a broker accidentally submits a Legacy claim in ECF, with a ‘Y’ ECF indicator instead of a ‘T’, there is a high risk that duplicate claims records could be created in the XCS CLASS system, which will cause over-reserving and in the worst case possible duplication of payments. These situations should ideally be spotted and the ECF entries rejected by the leader. However, if they get as far as XCS, and XCS detect that a file in the regular ECF Inbox is actually a Legacy claim, they will reject the ECF transaction back to the Broker, who will need to delete the erroneous transaction and create a new one. The same UMR & UCR can be used going forwards but the transaction reference for this new first sequence must be different from that initially used. The scanned claim file will also need to be attached to the new transaction.

3.1.1.2 Non-Legacy claims submitted with a ‘T’ indicator

Where a new ECF UCR TR is submitted by a broker containing a ‘T’ indicator by mistake, the claim will be treated as a Legacy claim and will be routed into the XCS Legacy in basket. Such claims would not be reviewed by XCS pursuant to the usual 5 day Service Level Agreement, therefore the onus is on the broker to implement controls in their own process to ensure that such instances are avoided wherever possible. If such a transaction is released by the Leader in error and it is spotted by XCS, the Broker will need to delete the erroneous transaction and create a new one. The same UMR & UCR can be used going forwards but the transaction reference for this new first sequence must be different from that initially used. The scanned claim file will also need to be attached to the new transaction.
4. OTHER EXCEPTIONS

4.1 Lloyd’s Consortium Syndicates

Where the Lloyds bureau lead is a consortium market syndicate, particular action is required in respect to the class transaction.

The lead Lloyds syndicate, as entered into the class message, is the lead syndicate at the true risk bearer level, not the consortium syndicate number. The correct lead syndicate and signing number will allow the correct creation of Lloyd’s market security.

Where a syndicate is part of a consortium the relating consortium number will be listed within ECF2 claims agreement screens. When a consortium is present it will affect the agreement party roles and the decision of the lead. The consortium number will allow the correct party to be selected by ticking the relating syndicate upon claim adjustment.

4.2 IMR Security Model enhancements

Access to documents within the IMR is permitted or restricted through the application of a security policy in the form of an Access Control List (ACL). The original Security Model on the IMR accommodated the access control requirements for standard premium and claim submissions (ie, Original broker and Original carriers access rights).

With effect from 7th December 2009, the Security Model has been enhanced to accommodate ‘exception’ scenarios where access control to folder and document content has more complexity. The ‘exception scenarios are:-

- Mid-Term Broker Changes
- Mid-Term Market Changes
- Third Party Access
- Conflict of Interest
- Confidential Terms

Other impacted London Market systems have also been enhanced to support the end-to-end business processes for the ‘exception’ scenarios.

4.3 Mid-Term Broker Changes (MTBC)

Mid-Term Broker Changes (MTBC) occur where the Broker of Record is replaced midway through the term of a contract and replaced by another broker. The types of MTBC are:-

- Transfer of individual contract(s)
- Broker in run-off
- Mergers and Acquisitions
- Internal broker number transfers

The enhancements include:-

- A security model in the IMR to define the access users within a broker organisation have to premium, policy and claim documents before and after the MTBC
- A reporting solution to show participant history on a given contract
- A User Administration tool to facilitate the administration of a MTBC

The term Incoming Broker describes the broker organisation that is taking over the business and the term Outgoing broker will be used to describe the broker organisation that is handing over the business to another party.
In principle the default access will be:–

- The Outgoing Broker will have read access to all content loaded to the UMR and associated UCRs before the MTBC but no access to content loaded to the UMR and associated UCRs after the MTBC
- The Incoming Broker will have full access to the UMR and UCR folders for both existing and future content.

Full details of the MTBC procedures can be found in the MTBC Implementation Guide which is available on the London Market Group website (http://www.londonmarketgroup.co.uk).

4.3.1 Variations

4.3.2 Ongoing responsibility for Existing Claims

If the transfer agreement provides for the outgoing broker to retain responsibility for certain existing claims, the outgoing broker will have full access rights to these claims in both CLASS and the IMR. The outgoing broker will have no access rights to UCRs created after the MTBC. Where claims are transferred to the incoming broker, full access will be available in the IMR to the incoming broker, however, full access to the CLASS transactions will only be available once a new transaction has been processed by the incoming broker.

4.3.3 MTBC prior to 7th December 2009

If an organisation has taken control of an UCR in a previous MTBC prior to 7th December 2009, they will have no access to the UCR unless they have created a transaction against it. The organisation should therefore submit a MTBC instruction form against the affected UCR(s) in order to gain access.

4.3.4 Retention of UMR

The functionality for MTBC works on the assumption that the same UMR is retained for the life-cycle of a contract. Subsequent transactions should be processed referencing that UMR to ensure all transactions and documents pertaining to the risk are maintained in one location. The procedures to be followed if broker systems and/or procedures do not enable the UMR to be retained are detailed in the MTBC Implementation Guide.

4.4 Mid-Term Market Changes (MTMC)

Mid-Term Market Changes (MTMC) occur when a carrier comes off risk mid-way through the term of a contract and may be replaced by another carrier.

The enhancement will cancel and replace the existing market enabling differential access to premium and claims content to be driven from the original signing number and date (OSND), in accordance with the Xchanging market communication 2009/180 and 2009/181 dated 17th November 2009. Full details on how to cancel and replace the market following a MTMC are contained in the A&S Repository User Guide which is available on the London Market Group website (http://www.londonmarketgroup.co.uk).

In principle the default access will be:-

- Outgoing participants on the market will have read only access to the documentation loaded on the IMR
- New and existing participants will have full access to documentation
-
5. THIRD PARTY ACCESS

New functionality will allow the management of access control to market documentation for all ‘Third Parties’. Third Parties will be specifically identified as Third Parties within Xchanging systems and classified by role (ie, Third Party Experts (Lawyers, Loss Adjusters, Auditors, etc), Fee Collection Agencies, and Third Party Service Providers). The Third Party Service Provider role includes:-

- Third Party Service Provider for Brokers
- Third Party Service Providers for Carriers ECF
- Third Party Service Providers Carriers A&S
- Companies providing run off services for active brokers
- Companies providing run off services for insolvent brokers
- Broker run off insolvent brokers
- Companies providing run off services for Carriers
- Companies providing RITC (Reinsurance to Close) services for Lloyd’s Carriers

Full details on the Third Party Access functionality can be found in the ‘Third Party Access Implementation Guide’ which is available on the ECF website [http://www.ecfinfo.eu/how-to/third-party-access/](http://www.ecfinfo.eu/how-to/third-party-access/)

Where a Third Party organisation performs a number of roles, they will be required to have a separate Third Party Number for each of the functions they perform. They will be allocated a single Account code, under which separate Central Settlement Numbers (CSNs) can be assigned. Users can then be associated to one or more CSNs depending upon the tasks they need to carry out. At least one administrator will be created with the Third Party, who will be able to create and manage the individual users within their organisation.

The new functionality will:-

- Include facilities for security administrators within market organisations to provide access for Third Parties to specific documentation held on the IMR.
- Allow Third Parties to raise transactions and load documents on a parallel UCR rather than on the broker’s UCR. Hyperlinks will exist between the brokers UCR and any parallel UCRs, to allow carriers to move easily from the broker’s UCR to a fee UCR, or any other parallel UCR.
- Allow Third Party Experts to access other organisations’ documents once authorised to do so by the organisations’ security administrator.
- Restrict Fee Collection Agencies to the loading and viewing of their own documents within the IMR.
- Ensure that a broker UCR exists to allow a parallel UCR to be created.

5.1.1 Run-off organisations

Run-off organisations who already act in the capacity of brokers are not impacted by this functionality and should refer to the MTBC Implementation Guide.

5.1.2 Deletion of Broker UCR

A broker will not be able to delete a UCR if a parallel UCR has been associated to it. The broker should contact the Xchanging Services Desk in this instance.
5.1.3 Parallel UCRs – Fee reserving & Direct Reporting
Where the Fee Collection Agent needs to advise reserves relating to any outstanding fees, they should include these in the parallel ECF transaction. The Fee Collection Agent parallel UCR should not include any indemnity reserves or payments. Carriers or their service providers will identify whether any reserve amounts loaded to a parallel UCR duplicate reserves already held on the broker UCR.

5.1.4 Parallel UCRs and Multiple CORs
Where a Fee Collection Agency creates a parallel UCR, XCS will feed both sets of figures into a single COR for output on the SCM. Where multiple CORs have previously been created from a single UCR, for example, due to county splits, XCS will adjust the CORs accordingly if a parallel UCR is also submitted.

5.1.5 Comments
Agreement party comments relating to the parallel UCR will be visible to the Third Party, who should monitor these and action accordingly. Carriers should take care when adding comments to UCRs where there is a parallel UCR in place, to ensure that the comments are added to the correct UCR, particularly in the case of Confidential reporting situations.

5.1.6 Creation of parallel UCRs
Only one parallel UCR should be created per organisation. The Third Party should not create separate parallel UCRs, for example, for confidential material, non-confidential material and fees.

5.1.7 Conflict of Interest – Parallel UCRs
Carriers will be able to declare the same conflicts on a parallel UCR that they are able to do on a broker’s UCR, but there is no functionality to ensure that the two are consistent, eg, a carrier could declare a conflict on a broker UCR but not on a parallel UCR.

5.1.8 Conflict of Interest
The enhancements implement functionality to allow conflicts of interest to be managed in a number of different scenarios. This includes:

- Enabling organisations to define access to a claim file in the IMR at individual level
- Allowing individuals to conflict themselves from a claim
- Allowing one or more Conflicts Security Administrator within an organisation to grant access to claims for some individuals and revoke it from others
- All users, regardless of how they access a UCR, will always be initially directed to the Claims Summary Screen. This will hold sufficient information for an organisation to identify whether they have a conflict on that claim.

6. VARIATIONS

6.1 Duplicate UCRs
It is possible in the IMR for duplicate UCRs to be attached to different UMRs. In the event that a Carrier declares a conflict of interest against a duplicate UCR and subsequently discovers that the conflict has been declared against the wrong UCR, the Conflicts Security Administrator will need to remove the conflict and declare it against the correct UCR.
6.2 Confidential Terms

The enhancements include a full ACL-based solution for managing confidential placing documents on the IMR. Brokers and other users loading documents will be able to optionally specify a document level ACL. Further details on this functionality can be found in the A&S Repository User Guide which is available on the London Market Group website (http://www.londonmarketgroup.co.uk).

6.3 ECF Transaction Deletion (The Parent / Child Issue)

In the current version of ECF the sequence of actions when deleting a transaction for one bureau can cause a problem when that transaction is subsequently viewed by a member of another bureau. The reason for this is that the IMR view of the claim data is a consolidated view for all bureaux on the same claim. Certain information such as the status of the transaction is taken from the CLASS record of the bureau on which the most recent action took place. This means that when a transaction is created for more than one and then the transaction for one of the bureaux is deleted, the IMR view gives the appearance that the transaction has been deleted in its entirety. It is a particular issue for Lloyd’s syndicates who would respond to the transaction via the IMR view.

It is expected that in most cases, when a transaction for only one bureau is deleted that the action has been taken pending subsequent replacement with the same transaction reference because of an error. It seems that in some cases the cancellation takes place and there is a delay before the replacement is raised. Were there to be no such delay the issue would not arise.

Pending resolution of the issue the following process should be observed;

1) When cancellation and replacement of one of CLASS transactions of one of the bureau is required, whenever possible the cancelation and replacement should be carried out at the same time.

2) When no replacement is required (e.g. the transaction for that bureau is not required at all) or in the cases where it is not possible to delay cancellation until the replacement is ready to be raised, the transactions for the other bureau that have not been agreed should be re-released by the broker, resulting in the status of those transactions becoming the most recent and remedying the problem.

3) As a last resort, when none of the action outlined above are feasible, the broker should contact the Xchanging Services desk and request a status change to the transaction of the bureau that remain valid.

6.4 Outbound DRI Notifications: Receipt of notifications for replacement lead

Carriers may register to receive outbound DRI notifications for claims documents on claims for which they act as lead, agreement party and/or follower. Carriers should be aware that the notification of previously loaded documents is not supported.

Additionally, carriers will only receive a DRI notification for documents that have been loaded, in accordance with their DRI registration choices. There are a number of instances in which this will affect a carrier’s DRI notification as their role may change throughout the life of a claim. The following is provided by way of an example:

1. Managing Agent (A) and Managing Agent (B) have both registered for DRI notifications on claims where they are a Lead Agreement Party.

2. On a particular claim, (A) is the Lead Agreement Party and (B) is a follower. (B) will therefore receive no DRI notifications.

3. Part way through the life of the claim, (A) declares a conflict of interest, (B) then takes over the Lead Agreement Party role.
4. (B) will begin to receive DRI notifications from the point at which it became the Lead Agreement Party, but will NOT receive notifications retrospectively, i.e. for documents loaded while (A) was still the lead.

Similarly, if a second agreement party is added to a transaction by a leader, the second agreement party will only receive documents that have been loaded from that point onwards, unless they have registered to receive documents in a follower capacity.

All documents will still be available in the IMR to all of the carriers that are on risk, as usual.

NB. Any carrier selecting to receive documents only on claims where they are a lead will only receive the documents if they are shown on ECF as the slip lead. If documents are required in a bureau lead position, the carrier should register as an ‘agreement party’.

Further details on Outbound DRI notifications and functionality are available on the London Market Group website in the document ‘Implementation Guide for Outbound DRI notifications’.
7. APPENDIX B – CLAIMS PROCESS MAPS

7.1 ECF Business Process Model

[Image of the ECF Business Process Model diagram]
7.2 ECF Business Process Model – Grouped by Process
## APPENDIX C – GLOSSARY

<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
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<tr>
<td>ACL</td>
<td>Access Control List</td>
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<tr>
<td>ACORD</td>
<td>Association for Cooperative Operations Research and Development</td>
</tr>
<tr>
<td>BSM</td>
<td>Broker’s Signing Message</td>
</tr>
<tr>
<td>BECC</td>
<td>Brokers’ Electronic Claims Committee (LIIBA sub-committee)</td>
</tr>
<tr>
<td>Carrier</td>
<td>Generic term for underwriters in the London Insurance Market</td>
</tr>
<tr>
<td>CLASS</td>
<td>Claims Loss Advice and Settlement System</td>
</tr>
<tr>
<td>CLASS@Lloyd’s</td>
<td>CLASS system specific to the Lloyd’s market</td>
</tr>
<tr>
<td>CAF</td>
<td>Claims Agreement for Followers</td>
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<tr>
<td>CAS</td>
<td>Claims Agreement Screens (ECF2)</td>
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<td>Cat Code</td>
<td>This is the Lloyd’s Catastrophe Code</td>
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<td>COR</td>
<td>Claims Office Reference</td>
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<tr>
<td>CTP</td>
<td>Claims Transformation Programme (2010 claims scheme)</td>
</tr>
<tr>
<td>CWS</td>
<td>Claim Workflow Services</td>
</tr>
<tr>
<td>CWT</td>
<td>Claim Workflow Triggers</td>
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<td>DFV</td>
<td>Document File Viewer</td>
</tr>
<tr>
<td>DRI</td>
<td>Document Repository Interoperability</td>
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<td>ECF</td>
<td>Electronic Claims File. This is the amalgamation of CLASS@Lloyd’s and the Insurer’s Market Repository.</td>
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<td>ECF2</td>
<td>Enhancement of ECF</td>
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<td>ECPG</td>
<td>Electronic Claims Practitioners Group (LMA sub-committee of LMCG)</td>
</tr>
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<td>EDI</td>
<td>Electronic Data Interchange</td>
</tr>
<tr>
<td>FIL</td>
<td>Foreign Insurance Legislation</td>
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<td>GUI</td>
<td>Graphical User Interface</td>
</tr>
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<td>ILU</td>
<td>Institute of London Underwriters</td>
</tr>
<tr>
<td>IMR</td>
<td>Insurer’s Market Repository</td>
</tr>
<tr>
<td>IUA</td>
<td>International Underwriting Association</td>
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<td>LIMCLM</td>
<td>London Insurance Market Claims Message</td>
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<td>LMA</td>
<td>Lloyd’s Market Association</td>
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<tr>
<td>LIIBA</td>
<td>London and International Insurance Brokers Association (formerly LMBC)</td>
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<td>LMCG</td>
<td>Lloyd’s Market Claims Group (LMA committee)</td>
</tr>
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<td>LMP</td>
<td>London Market Principles</td>
</tr>
<tr>
<td>LOC</td>
<td>Letter of Credit</td>
</tr>
<tr>
<td>LPAN</td>
<td>London Premium Advice Note</td>
</tr>
<tr>
<td>MGA</td>
<td>Managing General Agent</td>
</tr>
<tr>
<td>LMG</td>
<td>London Market Group (formerly Market Reform Office)</td>
</tr>
<tr>
<td>OCA</td>
<td>Outstanding Claims Advance</td>
</tr>
<tr>
<td>OSND</td>
<td>Original Signing Number &amp; Date</td>
</tr>
<tr>
<td>PCS</td>
<td>Property Catastrophe Services</td>
</tr>
<tr>
<td>RIP</td>
<td>Reinstatement Premium</td>
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<tr>
<td>SCM</td>
<td>Syndicate Claims Message</td>
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<tr>
<td>Syndicate</td>
<td>Lloyd’s Underwriters</td>
</tr>
<tr>
<td>TR</td>
<td>Transaction Reference</td>
</tr>
<tr>
<td>UCR</td>
<td>Unique Claims Reference</td>
</tr>
<tr>
<td>UMR</td>
<td>Unique Market Reference</td>
</tr>
<tr>
<td>User</td>
<td>A user is a broker, carrier, Agreement Party or anyone else who has access to the system</td>
</tr>
<tr>
<td>USM</td>
<td>Underwriter’s Signing Message</td>
</tr>
<tr>
<td>VCS</td>
<td>Volume Claim Service: A shared outsourced claims management service for Lloyd’s managing agents</td>
</tr>
<tr>
<td>Write Back</td>
<td>Allows IT systems of MA’s to fully interact with the market’s central claims systems, including ECF2</td>
</tr>
</tbody>
</table>
9. **APPENDIX F – MINIMUM REQUIREMENTS FOR XCS BINDER LEGACY CLAIMS**

Below is the Xchanging list of minimum requirements for handling Binders as ECF Legacy.

- When converting the Binder, all open individual files to be converted as well (no need for closed). Suggest mid Bordereaux cycle for transition.
- Only Binders incepting post 01/01/2010, any older and the Binder may be too large and unwieldy to convert.
- If XCS have used Bulks on the Binder to group payments on paper claims are excluded.
- XCS will capture the information regarding the individual entries on XCS CLASS for the Broker to load UCR's for those also. If a CAF binder, if the broker has not loaded all the UCR's required (above threshold / below block limit) XCS will reject.

10. **APPENDIX G – XCS LEGACY CO-ORDINATORS**

<table>
<thead>
<tr>
<th>TEAM</th>
<th>CONTACT</th>
</tr>
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<tbody>
<tr>
<td>TP &amp; TA ECF (Binders only)</td>
<td>Paula Storey &amp; Claire Musson</td>
</tr>
<tr>
<td>TP &amp; TA Paper (Binders only)</td>
<td>Daniel Timms</td>
</tr>
<tr>
<td>TP Paper (Non- Binder)</td>
<td>Luke Tomkins</td>
</tr>
<tr>
<td>TP ECF (Non-Binders)</td>
<td>Matthew Routledge</td>
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# APPENDIX H – FULL LIST OF SUPPORTED FILE TYPES (IMR & DFV)

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<th>DRI Acord Code</th>
<th>DESCRIPTION</th>
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<td></td>
<td>Adobe Font Metrics</td>
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<td>ai</td>
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<td>Adobe Illustrator Document</td>
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<tr>
<td>aifc</td>
<td></td>
<td>AIFC Audio</td>
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<tr>
<td>ans</td>
<td></td>
<td>Text with Layout</td>
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<td>AU Audio</td>
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<td>video/avi</td>
<td>AVI movie file</td>
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<td>X</td>
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<td>AVI movie file</td>
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<td>image/x-ms-bmp</td>
<td>Bitmap image</td>
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<td>book</td>
<td></td>
<td>Adobe FrameMaker Book</td>
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<td>C file</td>
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<td>COREL Draw (.cdt)</td>
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<td>cgm</td>
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<td>Computer Graphics Metafile</td>
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<td>MicroStation Drawing</td>
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