



Mid-Term Broker Change Implementation Guide

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1. Introduction

This document covers the changes that are being made to the Mid-Term Broker Change Process as a result of the IMR Security Model project

2. Background

The IMR Security Model project enables a number of processes previously excluded from both A&S and ECF to be brought into the scope of IMR operations. The improvements to the IMR have also necessitated related enhancements to other Xchanging applications including CLASS, LIDS, POSH and Tracker.

As a result of the IMR Security Model project, the process for handling Mid-Term Broker Changes (MTBC) has changed. Previously, an Incoming Broker had to revert to paper processes in order to submit subsequent premium and claim transactions after a MTBC. From 7th December 2009, an Incoming Broker is able to instruct Xchanging to administer a MTBC for one or more UMRs. As a consequence:

- The Incoming Broker gains full access to all the premium and claims transactions and associated documents already stored on the IMR by the Outgoing Broker together with access to transaction details held on CLASS, LIDS and POSH;
- The Incoming Broker is able to process new transactions on transferred claims, new transactions on new claims and new premium transactions using existing A&S and ECF applications.
- The Outgoing Broker has view access over all the premium and claims transactions and documents they submitted on the IMR, CLASS, POSH and LIDS and can submit new transactions on retained claims using ECF.
- The Outgoing Broker does not have view access over any subsequent premium or claims transactions processed by the Incoming Broker.

The Mid-Term Broker Changes solution developed by Xchanging and agreed by the Mid-Term Changes Working Group assumes that the UMR determined at inception remains constant throughout the life-cycle of the contract as the single unique market reference for the risk. Subsequent transactions should be processed referencing that UMR to ensure all transactions

and documents pertaining to the risk are maintained in one location. Further information on processing subsequent transactions is included at 3.3 below.

Further details relating to MTBC functionality can be found in the following documentation:

- MTBC Functional Specification (covers IMR functionality)
- MTBC - CLASS Functional Specification
- MTBC - PoSH Functional Specification
- MTBC - LIDS Functional Specification
- MTBC - Tracker Functional Specification

A copy of these documents can be found at the following location:

ECF:

http://www.marketreform.co.uk/index.php?option=com_content&view=category&id=32&Itemid=133&2ced3df0a1c08ee30f41a6e26bbeabd2=3b0d5ffeab8c65a23e51920f3ca42515

A&S:

http://www.marketreform.co.uk/index.php?option=com_content&view=category&id=33&Itemid=134

3. System Overview

3.1 A&S Access

Following the implementation of the IMR Security Model project, the IMR accommodates differential access to a transferred contract for the Incoming and Outgoing Broker.

The Incoming Broker is assigned full access to a transferred contract allowing them to view all documents and premium transaction history associated with the UMR in question, as well as raise new premium transactions via Direct Load or DRI.

The Incoming Broker can also access premium and signing information for these transactions using LIDS Accounts Enquiry and LPC Signings Enquiry as appropriate.

The Outgoing Broker retains read access to those documents on the IMR that they loaded to a transferred contract. They also have access to premium and signing information for the transactions they created using LIDS Accounts Enquiry and LPC Signings Enquiry. They are not permitted to raise any new premium transactions against the transferred contract.

The Outgoing Broker is not able to view any new documents or transactions submitted by the Incoming Broker on the IMR, LIDS Accounts Enquiry or LPC Signings Enquiry.

3.2 ECF Access

The Incoming Broker is assigned full access to the UCR folder on the IMR of a transferred claim to view all documents and claim transaction history associated with the UCR in question.

The Outgoing Broker retains read access to those documents on the IMR that they loaded to a transferred claim. They are also able to view the comparable transactions on CLASS via UMR Enquiry.

Validation has been enhanced on CLASS to ensure that the Outgoing Broker cannot raise transactions on a transferred claim following the MTBC.

The MTBC process allows the Outgoing Broker to retain specific claims by exception. The Outgoing Broker is able to continue to process new transactions and add associated documents on retained claims. By exception, the Incoming Broker can be given read access to retained claims at the time of the MTBC being administered, or can be excluded from seeing the claim completely.

The Incoming Broker only assumes control of a transferred claim in CLASS once they create an initial transaction against the claim in question. This gives the Incoming Broker access to enquire against that claim record in CLASS and process subsequent transactions.

The Outgoing Broker is not able to view any new transactions or documents added by the Incoming Broker to the IMR or CLASS after the MTBC has been administered.

Notes:

- The security loophole in the current implementation of CLASS, which allows any party to raise a transaction on any claim, has been closed (see also the Third Party Implementation Guide).
- If an organisation has taken control of a 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.

3.3 *Processing New Transactions after transfer*

- The Incoming Broker should process all subsequent movements of a transferred claim against the Outgoing Broker's UCR and UMR. This will maintain the full transaction and document history for the claim under one (UCR) reference and ensure a consistent view for Outgoing Broker, Incoming Broker and Carriers in the IMR and CLASS.
- The Incoming Broker should process all subsequent movements for new claims using their own UCR but the Outgoing Broker's UMR. This will ensure the full history of all claims, both transactions and documents, is retained under one (UMR) reference in the IMR and in CLASS.
- The Incoming Broker should process any subsequent premium transaction referencing the Outgoing Broker's UMR wherever possible. This is done by ensuring Box 29 of the corresponding LPAN contains the original UMR.
- If however Incoming Broker systems and/or procedures do not enable re-use of the Outgoing Broker's UMR, then an allowable alternative for these exceptional scenarios is for the Incoming Broker to raise a FDO transaction quoting a 'replacement UMR' before they submit **any** relevant future premium transactions. Note, however, that Brokers can submit the relevant AP/RP submissions in the same Work Package as the FDO. Brokers and Carriers should be warned that this will effectively split the electronic record for the risk. Any new claims arising following creation of the FDO will be expected to attach to the relevant premium and thus the appropriate UMR of the contract. If Brokers are in any doubt as to how they should best process their premiums and claims they should refer to Enquire for clarification.

4. Notifying a MTBC

1. The Incoming Broker is responsible for agreeing a Letter of Authority and a Transfer Agreement with the Outgoing Broker.
2. The Proof of Transfer along with a MTBC Instruction Form should be submitted **via email** to Xchanging at the following address: ServiceCentre@Xchanging.com.
3. The MTBC Instruction Form should contain the details of all UMRs and UCRs to be transferred including any exception access requirements e.g. where the Outgoing Broker retains responsibility for an existing claim. The MTBC Instruction Form should be completed by the Incoming Broker.
4. There are two types of MTBC:
 - Standard – A list of UMRs should be supplied for transfer from the outgoing broker to the incoming broker. Every existing UCR for a listed UMR will be transferred to the Incoming Broker. The Incoming Broker will have Full access to the UCRs and the Outgoing Broker will retain Read Only access
 - Exception - A list of UMRs should be supplied for transfer from the Outgoing Broker to the Incoming Broker together with the UCRs of any claims which need to be retained for processing by the Outgoing Broker. The Incoming Broker may be given Read Only access or (in the case of claims in dispute) No access to retained claims. All other claims under the listed UMRs will by default be transferred to the Incoming Broker in the same manner as a Standard MTBC
5. If 5 UMRs or fewer are being transferred, the MTBC Instruction Form should be in the format prescribed by the Excel spreadsheet attached below. Completion instructions are included as part of the form:



H:\Repository
Security Model\User C

If more than 5 UMRs are being transferred, the MTBC Instruction should be submitted in the form of a .csv file, a template for which is attached below. Completion instructions and an example template are provided at Appendix 1.



CSV Transfer
Template.csv

Note: Xchanging will be unable to process any MTBC that are not instructed in the agreed format and will reject the request back to the Broker.

6. The Incoming Broker should endeavour to submit the documentation **at least 5 days in advance of the MTBC effective date**. Any MTBC notified after the MTBC effective date will be administered by Xchanging within the agreed service level (i.e. 5 days), however, the effective date of the MTBC within Xchanging systems will be the date on which the MTBC is administered and not the business effective date requested in the MTBC Instruction Form

Note: if the MTBC effective date is provided by the Broker in advance and that date falls on a weekend or a Bank Holiday, the effective date will be taken as the next available working day.

5. Administering a MTBC

1. Xchanging Customer and User Support Team will administer the MTBC within 5 days of receipt of the email from the MTBC.
2. Xchanging Customer and User Support Team will refer any queries to the Incoming Broker for resolution.
3. The MTBC will be administered in the IMR and the updated access levels applied in an overnight process to all impacted systems including the IMR and CLASS.
4. A number of reports will be sent to **both** the Incoming and Outgoing Broker notifying them of all transferred UMRs as well as providing details of any A&S, premium or claims Work In Progress at the point of transfer. See Section 8 for details of the reports available and how they will be distributed.
5. Brokers are requested to validate the reports to ensure the transfer has been processed as per their instructions and advise any problems back to Xchanging Customer and User Support Team via the following address:
ServiceCentre@Xchanging.com.



6. Premium and Policy Work in Progress

1. It is recommended that all Premium and Policy Work in Progress is closed down by the Outgoing Broker in advance of the MTBC.
2. Where there is Premium and Policy Work in Progress at the point of transfer, Xchanging will continue to process the work package as per the Outgoing Broker's instructions.
3. If any queries arise on these work packages after the MTBC, Xchanging will reject the work package and direct all queries to the Incoming Broker who will be responsible for investigating the query and resubmitting the work package.
4. Any work package with outstanding queries at the time of the MTBC will be manually rejected. A report will advise both Incoming and the Outgoing Brokers of such queried A&S packages.

7. Claims Work in Progress

The responsibilities for handling claim transactions that are in flight at the MTBC point of transfer will be covered in a new version of the ECF Systems Procedures & Practice document. However, it should be particularly noted that, to prevent difficulties in processing CLASS transactions, queried claims should not be transferred to the Incoming Broker until such time that the query is resolved.

8. Reports

The following reports are generated at the point of the Mid-Term Broker Change:

Report	Description
MTBC Summary Report	Details all UMRs and UCRs transferred in the MTBC.
MTBC Work in Progress Report – Unsigned Premium/Policy	Details all Work Packages submitted to Xchanging that have not been signed by the Mid-Term Broker Change effective date.
MTBC Work in Progress Report – Signed Premium (Lloyd's)	Details all delinked items, deferred future instalments and premium reserve transactions for risks signed by the Lloyd's market at the point of transfer.
MTBC Work in Progress Report – Signed Premium (Company)	Details all delinked items, deferred future installments and premium reserve transactions for risks signed by the Company market at the point of transfer.
MTBC Work in Progress Report (Claims)	Details the status of all 'in-flight' claims transactions at the point of transfer.

Please note:

- All reports will be sent as .csv files.
- The first two reports above will be automatically sent to the email addresses of the Incoming and Outgoing Brokers supplied in the MTBC Instruction Form (see section 4 above).

Note: it is strongly recommended that Brokers supply a group email address on all forms to ensure that the reports are delivered to the broker organisation rather than an individual email address.

- The remaining 3 reports are generated by the mainframe systems and are supplied via Genesys. To register for these reports, please follow the steps detailed below.

8.1 Registration for Genesys Reports

1. To register to receive mainframe reports the organisation must populate the form attached below, specifying the requested reports.



MTBC Report
Request Form

Notes:

- It is recommended that the Broker organisations register to receive these reports immediately. This will ensure reports will be received for any future MTBC. The reports cannot be generated retrospectively.
 - It is also recommended that Brokers provide a group email address is provided for all forms to ensure that the report is delivered to the broker organisation rather than an individual email address.
2. The completed form should be emailed to the Xchanging Service Centre at the following address: servicecentre@xchanging.com.
 3. Xchanging will add the organization to the report distribution list within 5 days.

Once Xchanging has confirmed registration, the requested reports will be automatically sent to the email address supplied in the registration form by the Broker whenever a Mid-Term Broker Change occurs.

Appendix 1

Instructions for completing the MTBC Instruction form in .csv format

- The first row is just a header row. Do not update it while filling out the template.
- The second row gives information about the Incoming and Outgoing Broker contacts:
 - **IncomingBrokerCode**: 'B' + Four digit code of the Incoming Broker. This is a mandatory field.
 - **IncomingBrokerEmail**: Contact email address of the Incoming Broker. This should be a central email address where possible, as reports will be sent to this address. This is a mandatory field.
 - **OutgoingBrokerCode**: 'B' + Four digit code of the Outgoing Broker. This is a mandatory field.
 - **OutgoingBrokerEmail**: Contact email address of the Outgoing Broker of Record. This should be a central email address where possible, as reports will be sent to this address. This is not a mandatory field.
 - **SystemEffectiveDate<ddmmyyyy>**: The effective date of the MTBC. Where the effective date of the MTBC is in the past, this field will be updated to the date on which the MTBC is processed. This is a mandatory field.
- The third row is again just a header row for the fourth and subsequent rows. Do not update it while filling out the template.
- Completion Notes for the fourth and subsequent rows:
 - **UMR**: Unique Market Reference of the contracts being transferred. This is a mandatory field.
 - **UCR**: Unique Claim Reference. Note: Only to be supplied in case of an exception MTBC, otherwise standard access level will be applied for all claims under the UMR.
 - **IncomingBrokerUCRAccess**: Note: Only to be supplied in case of an exception MTBC, otherwise standard MTBC access level (full access for incoming broker) shall be applied for all claims under the UMR. One of:
 - N = No Access - The Incoming Broker has no access at all to the

claim.

F = Full Access - The Incoming Broker has full access to the claim allowing them to view all documents associated with the claim as well as raise transactions in CLASS.

R = Read Only - The Incoming Broker has read access to the claim on the IMR but cannot raise transactions in CLASS.

- **OutgoingBrokerUCRAccess:** Note: Only to be supplied in case of an exception MTBC, otherwise standard MTBC access level (read only access for outgoing broker) shall be applied for all claims under the UMR. One of:

N = No Access - The Outgoing Broker has no access at all to the claim.

F = Full Access - The Outgoing Broker has full access to the claim allowing them to view all documents associated with the claim as well as raise transactions in CLASS.

R = Read Only - The Outgoing Broker has read access to the claim on the IMR but cannot raise transactions in CLASS.

For a standard MTBC on all claims under the UMR, leave the data under the UCR, IncomingBrokerUCRAccess, OutgoingBrokerUCRAccess as blank.

An example is attached below:



CSV Transfer
Template Example.csv