Ruschlikon Establishes Group Dedicated to Blueprint Two

UK

On 11th September, a group of London market and Ruschlikon practitioners met virtually to discuss the prospect of collaborating. By the end of the meeting, the Ruschlikon Blueprint Two Group was born.

Substantial development progress has been made by the various central teams responsible for Blueprint Two, and the facilities required for the market wide cutover on July 1st 2024 are nearing completion. These are the services relating to Phase 1 digital, where market organisations will use existing interactions, redirected through a new Gateway into the new central applications.

Attention is now turning to the facilities required for Phase 2 digital, where interactions with those new central applications will predominantly be made using ACORD messaging, and it is this activity that the new group are focussed on.

Purpose of the New Group

The new London market applications will be underpinned by ACORD GRLC standards, which are also used by the Ruschlikon community, making it important for the two communities to collaborate very closely on their implementation and enhancement.

The London market require changes to the ACORD EBOT & ECOT standards to support the subscription nature of their business, and to extend the claims functionality to include all elements of the claim agreement cycle. The Ruschlikon Blueprint Two Group's primary purpose is to be the conduit through which discussion and alignment can be achieved.

Are those London Market standards changes really London Specific?

Although we often think about elements of the London market as being unique, the ACORD standard changes being requested are mainly either equally applicable to Ruschlikon engagements or would enable Ruschlikon to extend their scope.

The ability to report Lloyd's Risk Codes in a Technical Account message is certainly one of those that are very unique to the London market, but the other ACORD standards enhancements identified to date fall into the other categories.

The ability to add placement references to Technical Accounts to link back to the original placement messages and endorsement changes may not be immediately utilised by Ruschlikon but, with Munich Re and Aon already starting to exchange ACORD placing messages on a pilot basis, it won't be long before they are needed.
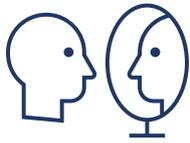
The ability to include Loss Adjuster details and identify whether a contract is on a Claims Made Basis in the Claim Movement message will also be beneficial to both communities. As will the provision of a grouping function across contracts, to support things like banding together proportional treaty statements for multiple years of account.

And even where there is no direct correlation, Ruschlikon will be able to provide a use case for the changes relating to agreement practices for subscription business, and the new function to speed up settlement using a facility provided by Vitesse.

Basis for a Co-Insurance Model?

One of the major differences in the London market process is that carriers often do not need to agree their own transactions. Premiums are reviewed and agreed by central services, and claims adjudication is often delegated to leaders and other agreement parties. To facilitate this process, a new data item known as an Agreement Type is being added to the ACORD standards to advise whether a response is required for each specific message or not.

As premiums are reviewed and agreed by central services, the premium messages that carriers receive will not need a response. On the claims side, those sent to leaders and agreement parties will indicate that a response is required, while those for following markets will indicate that no response is needed.
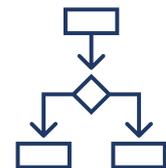
This same process could easily be replicated within Ruschlikon for co-insurance arrangements, where the lead insurer is responsible for agreeing transactions and passing details to co-insurers independently. These transactions are usually advised on a bordereau basis, with reconciliations being made months later. A transition to a co-insurance messaging model would enable transactions to be booked by co-insurers individually, and for their swift advice and reconciliation, leading to a more efficient use of funds.

Input into the Ruschlikon UK Implementation Group (RUKIG)

The cadence of meetings has been set to swiftly disseminate the group's findings to the wider London market. The Ruschlikon Blueprint Two Group will meet monthly on the first Monday of each month, with RUKIG meeting just a week later, allowing time for the chairs to incorporate any updates deemed beneficial to RUKIG members.

Founding Members

Ruschlikon

POWERED BY ACORD

Many thanks to the representatives of the organisations that are participating in this important activity. Founding members of this new group are from:

ACORD; Aon; Axa XL; Corporation of Lloyd's; Gallagher Re; Guy Carpenter; Hannover Re; International Underwriting Association (IUA); Liberty Specialty Markets; Lloyd's Market Association (LMA); London & International Insurance Brokers Association (LIIBA); Mapfre Re; Marsh; Munich Re; Renaissance Re; SCOR; Swiss Re, Velonetic and WTW.

#RuschlikonSupportsBlueprintTwo

Tim Pledger, Swiss Re - Chair of Ruschlikon Blueprint Two Group

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