

## ELECTRONIC POLICIES BY XCHANGING

### AN OVERVIEW

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<b>Author</b>	Frances Hunwick / Jon Faulkner
<b>Owner</b>	Rob Myers

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## 1. INTRODUCTION

Branded paper policy documentation has long been a feature of the commercial insurance market in London. During 2006, considerable effort was expended to understand the timing, details and necessity of policy checks conducted prior to the issuance of a formal policy. The focal point on Lloyd's, was the former contract documentation pilot for which Lloyd's published guidelines to the Compliance Officers of Managing Agents on 12<sup>th</sup> July 2006. In addition to this pilot, market branded policy documentation is currently produced on paper by the bureau on behalf of the Lloyd's and Companies markets. As London moves to full electronic processing, the continuing production of paper policies through this process needs to be examined.

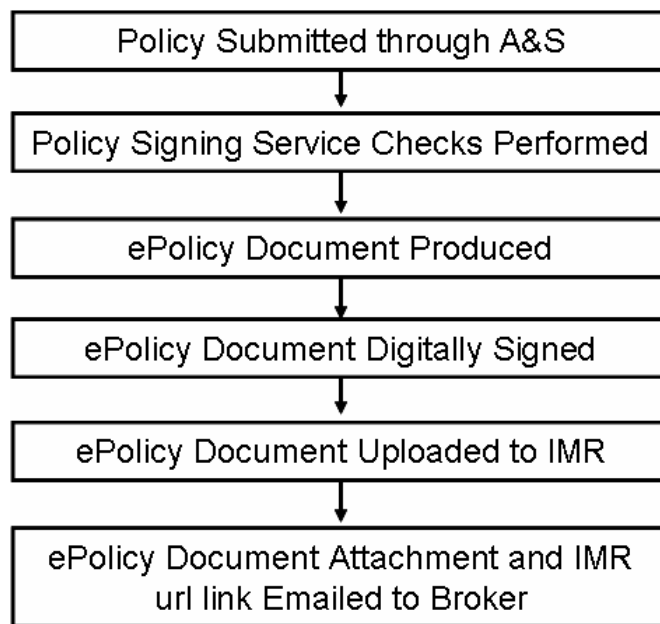
The Insurers Market Repository (IMR) implemented in September 2006 allows electronic premium and policy documentation to be submitted to and processed by the bureau. In the case of premiums, the process is fully electronic but at present, the policy solution is a mixture of digitally signed polices and polices physically printed for signing and binding by Xchanging prior to dispatching back to brokers. In a world of contract certainty, this need to print and move paper adds delay to overall time to provide evidence of cover to the end client. Paper also forces broker and bureau operations to incur costs that could be avoided in a fully electronic process. The MRG roadmap for 2008 targets 80% of all polices to be electronic by the end of 2008.

Xchanging's solution which is described below, allows the elimination of paper from the current paper policy signing process. The purpose of this document is to introduce the broker to the ePolicies concept, and to provide guidance on the assumptions, business rules and practical aspects of using the solution.

## 2. OVERVIEW OF SOLUTION

The paper policy process for items submitted via A&S the broker loads the policy/wording to the IMR and requests 1 or more copies of the policy to be printed by Xchanging. Once a policy has successfully passed the policy signing checks as defined by Lloyd's/ IUA, the brokers documentation is printed, a policy jacket is added along with the schedule pages showing the market for the risk and the entire package is physically embossed, sealed and returned to the broker.

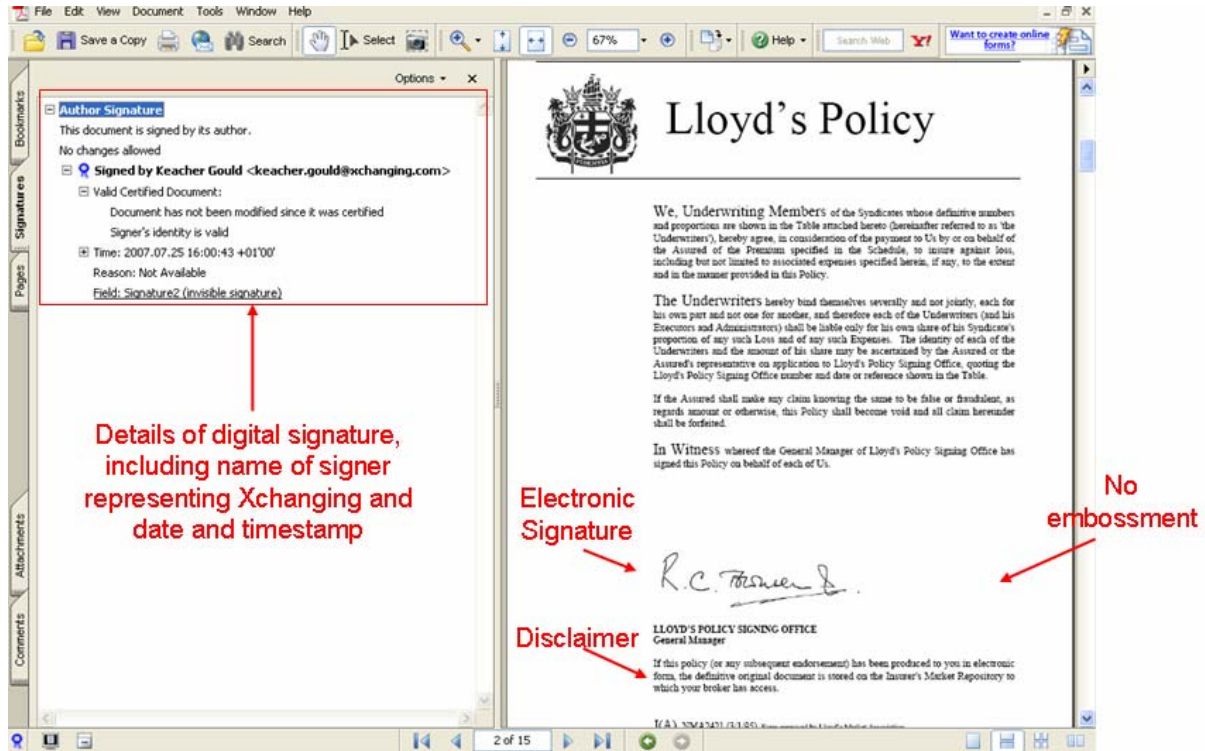
As a simple solution to eliminate the paper from the policy signing process, Xchanging has implemented the following process for the production of electronic policy documentation:



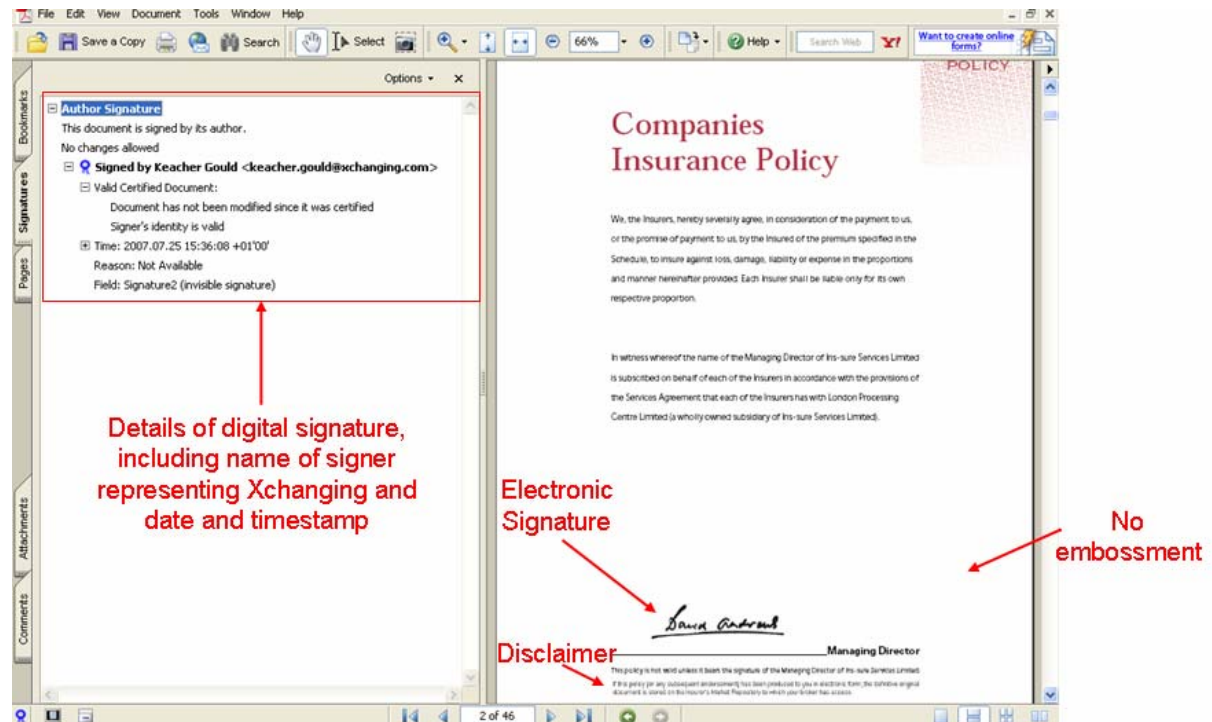
- Brokers submit policy documents to XIS in either word or PDF format as per the methods defined in the A&S Repository User Guide.
- Xchanging performs the checks as defined by either Lloyd's or IUA for stage 2.
- On successful completion, a PDF document is created with **the same structure, content and format** as the current paper policy package described above adding information relating to the market, the electronic equivalent of the policy jacket, and the XIS signing number and date.
- A digital signature is applied to the electronic PDF policy document to verify its integrity and that it has been through the Xchanging policy signing/checking process. The digital signature will effectively 'lock-down' the policy document and any tampering with the document will invalidate the digital signature.
- The read only PDF policy is then returned to the submitting broker using the identified Generic email account, referenced by UMR and work package reference of the submission.
- An undeletable, read-only electronic copy is also placed in the policy folder of the IMR as the authoritative version of the policy (brokers may also wish to add their own broker insurance documents to the IMR for completeness).
- Brokers can then either forward the signed and sealed policy to the end client as an electronic PDF document, or as a paper policy document after printing it themselves. In the case of a Lloyd's paper policy printed from the IMR it will not bear the physical embossing that the current Xchanging produced paper policy does.
- Policy endorsements are handled in a similar manner – i.e. PDF versions of the current endorsements created, returned to brokers via email and added to the IMR.
- Once a broker has registered for e-policies all policy requests submitted via A&S will be returned to them electronically unless they have specifically requested a paper policy by completing the Special Instructions box of the Policy Control Form (PCF) accompanying the electronic submission. The broker should only request a paper policy where the policy-holder/cedant specifically requires a signed and embossed paper policy to be issued by Xchanging. On those occasions where the broker requests a paper signed policy, Xchanging will not load an electronic version to the IMR.

Example Policies

Lloyd's signed ePolicy



Companies signed ePolicy



- Disclaimer

The following disclaimer has been added to all ePolicy jackets, (shown at the bottom of the right hand side in the examples above), to ensure that all parties are clear on where the original document is kept and maintained. Current paper jackets will not contain this disclaimer:

"If this policy (or any subsequent endorsement) has been produced to you in electronic form, the original document is stored on the Insurer's Market Repository to which your broker has access."

A similar disclaimer will be added to any endorsement signed to an epolicy:

"This endorsement has been digitally signed by Lloyd's Policy Signing Office, the original document is stored on the Insurer's Market Repository to which your broker has access."

Or

"This endorsement has been digitally signed by Ins-sure Services Limited, the original document is stored on the Insurer's Market Repository to which your broker has access."

### **3. BENEFITS**

The implementation of electronic policy documentation has a number of advantages:

- Elimination of the time taken to return the paper policy to the broker saving up to 2 days as compared with the paper process
- Provision of simultaneous access to the final policy document via the IMR to market and broker
- Provision of a PDF protected electronic policy document to the broker for immediate onward transmission to the client with no additional scanning, and minimal handling required
- Delivers a significant step towards end to end electronic policy handling in the London market

### **4. COVERAGE AND SCOPE**

- Applies to A&S e-submissions only – Direct Load or DRI, not paper or email.
- A submission could have started life as a paper "stage 1" premium but may still be eligible for an e-policy.
- Company "stage 2", Lloyd's Policy Signing Service (PSS) & Lloyd's Policy Production Service (PPS).
- Policy wordings and related endorsements.
- Slip policy

### **5. EXCLUSIONS**

- Binding Authority Wordings
- Policy endorsements where the original policy was prepared on paper. Any such policy endorsements will be returned to the broker as paper regardless of the submission method.
- Where a policy request is a renewal receipt attached to an expiring policy these must continue to be signed on paper.

## 6. EXCEPTIONS

- Policies which have been produced and signed on paper are not eligible for ePolicy processing as well, unless the original paper copy has been destroyed or lost and the appropriate letter of indemnity is submitted.

## 7. ADDITIONAL INFORMATION

- All policy documents submitted via A&S will be processed as an ePolicy unless specifically requested by exception. This information should be clearly noted within the initial Policy Control Form.
- Copies of signed ePolicies will be returned to a single generic mailbox (please see below for prerequisites).
- Original signed ePolicies will be uploaded to the Insurer's Market Repository.
- Epolicies will be 'returned' to the Broker as PDF documents.
- All submissions to A&S should have clear instructions contained therein on which documents to process and whether there are any exceptions which need to be taken into consideration. These details should be captured on the original Policy Control Form.
- All signed and sealed ePolicies will be uploaded to the IMR and will be the 'original' version of the document.
- All signed and sealed ePolicies will be returned via an email, which will carry an attached copy of the electronic policy and also a hyperlink to the location of the policy on the IMR.
- Brokers should not submit blank signing schedule pages as the signing schedules will be provided by Xchanging.
- Brokers should not submit policy wording files containing a policy jacket, in the situations where jackets have been amended and agreed by insurers these should be loaded to the IMR as a separate file and Xchanging will produce an e-version of the amended jacket
- Any amendments to signed ePolicies should be submitted as endorsements and will be processed as such.
- Any endorsements required on an ePolicy should be submitted through A&S. An ePolicy will result in a signed eEndorsement being returned to the Broker. A paper policy will result in a paper endorsement being returned to the Broker, as is the current process.
- Illinois E-policies will be digitally signed by Xchanging and subsequently digitally countersigned by Lloyd's Illinois upon successful completion of the compliance review. Brokers will receive an email informing them that the document has been sent to Illinois. Once returned to Xchanging, the countersigned document will be loaded to the IMR record by Xchanging and returned to the Lloyd's broker's generic email box. Xchanging expects the intervention of the Lloyd's Illinois office to add no more than five days to the overall cycle time of an e-policy for return to the broker. This represents a significant improvement to the equivalent cycle time for paper policy documentation.
- Lloyd's Illinois will contact the brokers directly in the event of any compliance issue with the policy document. Xchanging will not intervene in the resolution of queries raised by Lloyd's Illinois.

## 8. PRE-REQUISITIES

- In order to receive ePolicies, Brokers must use Direct Load or DRI in order to enter A&S submissions onto the IMR, however, a full access licence for the IMR is not required.
- Acrobat Reader, (at least version 5) is required on a Broker user desktop to be able to view ePolicies.

- A single mailbox is required in order for all signed and sealed ePolicies to be returned to the Broker. Each ePolicy email will be clearly labelled in the subject field of the email for easy identification.
- All Brokers will need to undertake the steps outlined in the 'Customer User Guide' section, in order to view the ePolicy and then subsequently accept or 'trust' the Xchanging digital signature.
- Although there are few technical requirements, it is advised that the ideal settings for viewing and printing ePolicies are as follows:
  - Default printer setting – Paper size A4
  - Screen size - at least 15 inches set at resolution of 1024 \* 768 pixels or greater
  - Operating System (O/S) – Window XP Sp1 or later

## 9. EPOLICIES ROLLOUT

ePolicies was first piloted with a small number of brokers already using the A&S Repository before being rolled out further to all brokers submitting policy documentation to Xchanging electronically.

Currently there are in excess of 40 brokers registered to receive E-policies, with 29% of all policies being digitally signed. The MRG roadmap for 2008 targets 80% of all policies to be electronic by the end of 2008.

## 10. SERVICE & SUPPORT

Technical Support for the ePolicies process is provided by the Xchanging Service Desk as it is for all A&S technical related matters, (Contact 0870 380 0830 or [servicedesk@xchanging.com](mailto:servicedesk@xchanging.com)).

Business Support for any issues the business may have need to be directed to Enquire, (Contact 01634 887899 or [enquire@xchanging.com](mailto:enquire@xchanging.com)).

## 11. FREQUENTLY ASKED QUESTIONS

What if I cannot view an ePolicy document easily and cannot see it sufficiently to be able to accept the digital signature as my screen size is too small?

- Ensure that the screen resolution is as large as it can be, i.e. 1024 \* 768 at least.
- Follow step 5 onwards within the Customer User Guide Section 1 "Accepting digital signatures"

What if I have to print out the document and the printed output is incorrect / enlarged?

- Ensure that the printer settings are set to be paper size A4 and in portrait view.
- Follow the 4 steps within the Customer User Guide Section 2 "Dealing with printing issues"

What if the document is wrong – Broker error?

- If a correction is required to a Signed Policy document due to broker error, then the Signed Policy should be returned to Xchanging via A&S using the appropriate correction request form along with an endorsement to correct the document which will be processed as such.





What if the document is wrong – Xchanging error?

- A “returns” process needs initiating, by contacting the correction team at Xchanging either [corrections@xchanging.com](mailto:corrections@xchanging.com) (for Company work) or [premium.correctionslloyd'sd&f@xchanging.com](mailto:premium.correctionslloyd'sd&f@xchanging.com) (for Lloyd's work) these mail boxes are monitored by premium technicians consequently clear details are required by the broker to enable them to forward to the correct team.

## 12. CUSTOMER USER GUIDE

### Section 1 – Viewing the ePolicy / Accepting digital signatures

The first time an electronic policy or endorsement is issued by an Xchanging technician and returned to the broker / customer their digital signature will not be 'trusted' on the broker's/ customer's computer. Once this process is complete, all future documents sent by that technician will be trusted by default. This following screenshots outline how a recipient of an electronic policy may access and view the document using the IMR hyperlink and then how to accept the digital signature, (whether the document is retrieved from the IMR or the email attachment is used).

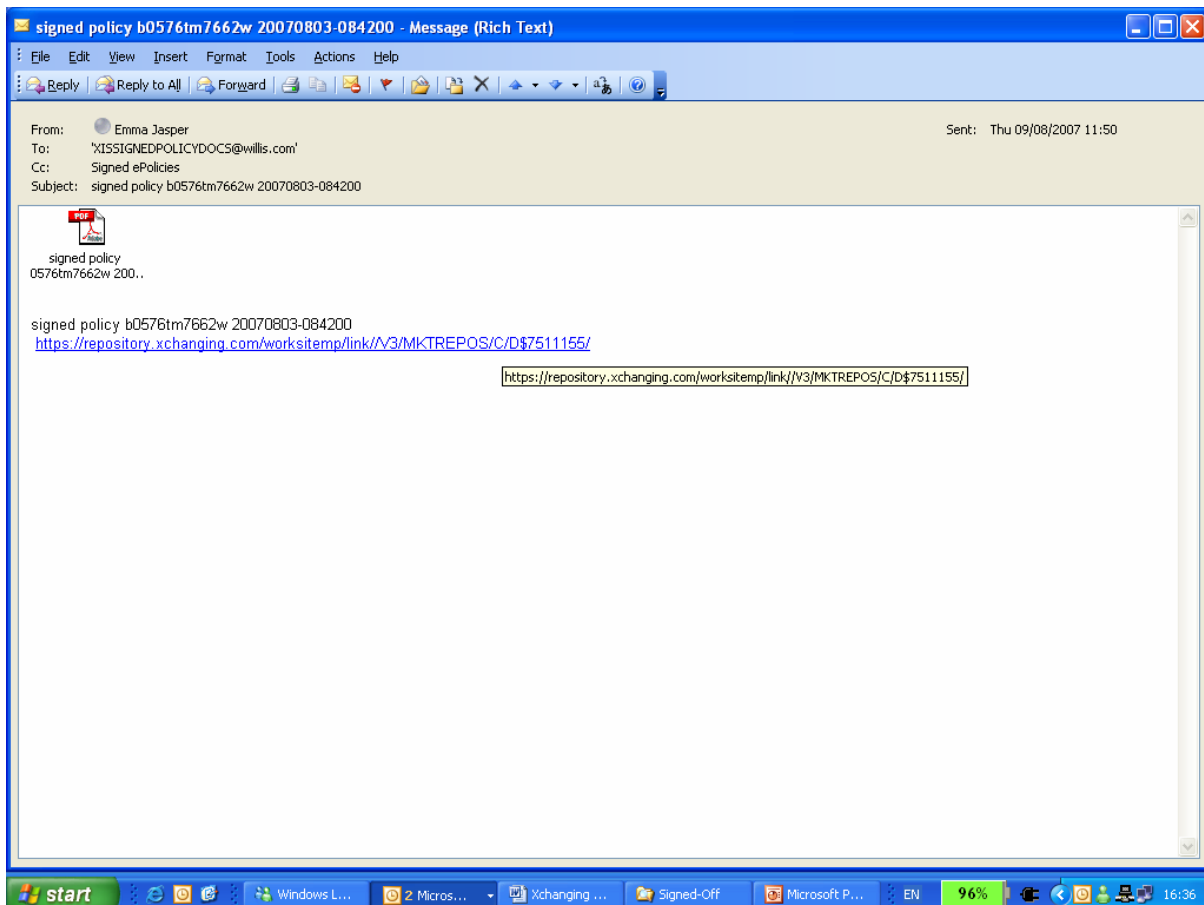
In order to accept or 'trust' the digital signature that Xchanging will be signing and sealing every policy with, each broker must undertake a series of steps. These 15 steps are laid out below. If you experience any problems with any of these steps, please contact the Xchanging Service Desk, (Contact 0870 380 0830 or [servicedesk@xchanging.com](mailto:servicedesk@xchanging.com)).

**Step 1) – Move cursor over blue hyperlink in the email & click to access document in repository**

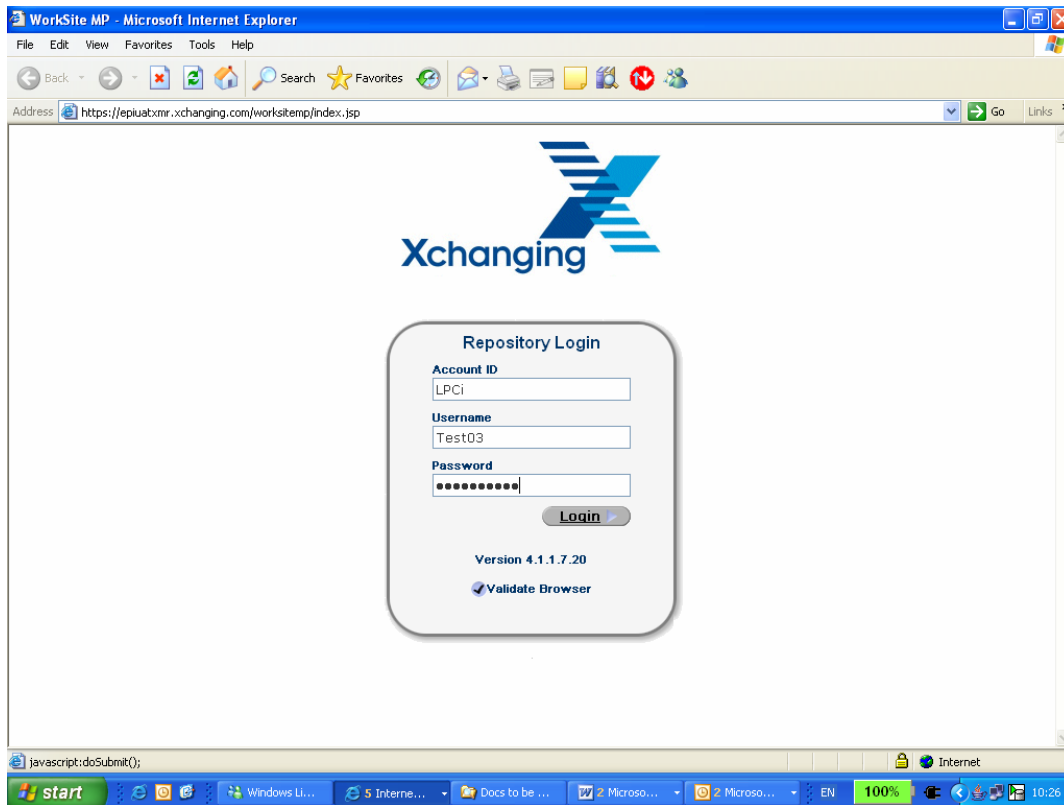
**Please note:**

In the subject line of the email it shows the Unique Market Reference from the IMR repository and also the Work Package Reference so each returned ePolicy may easily be identified.

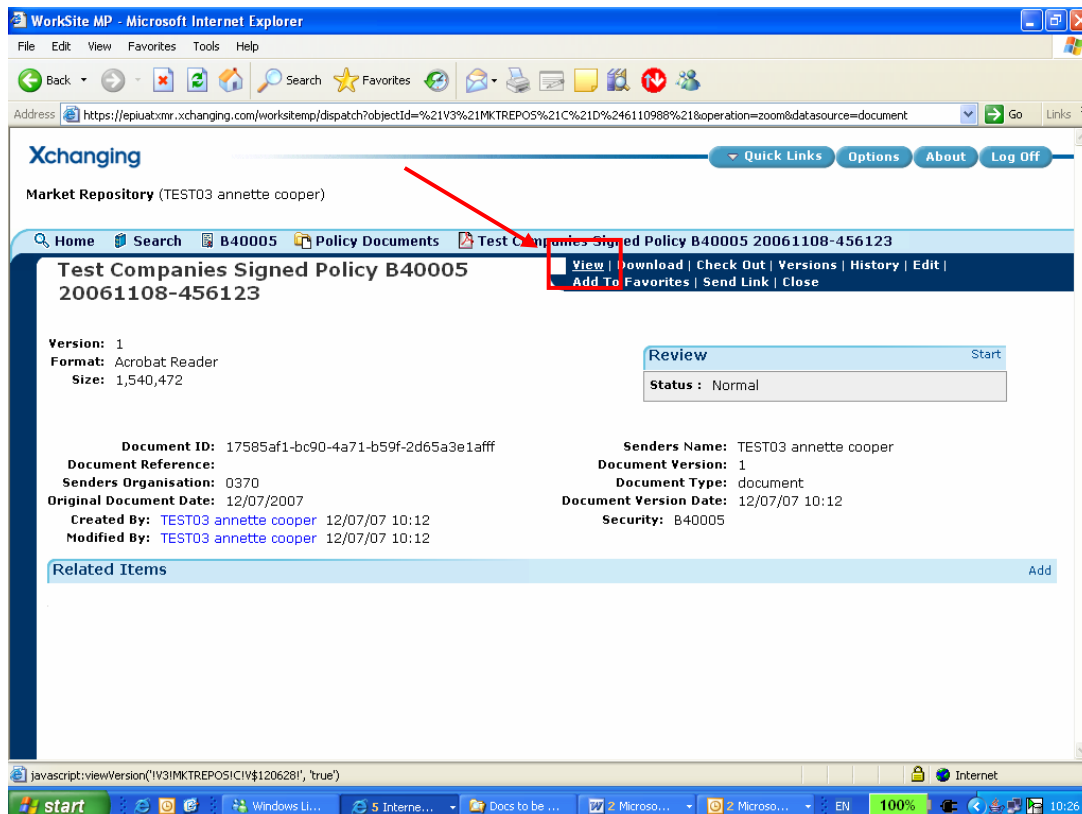
Also, each email sent out to you will be cc'ed to our "Signed ePolicies" internal mailbox.



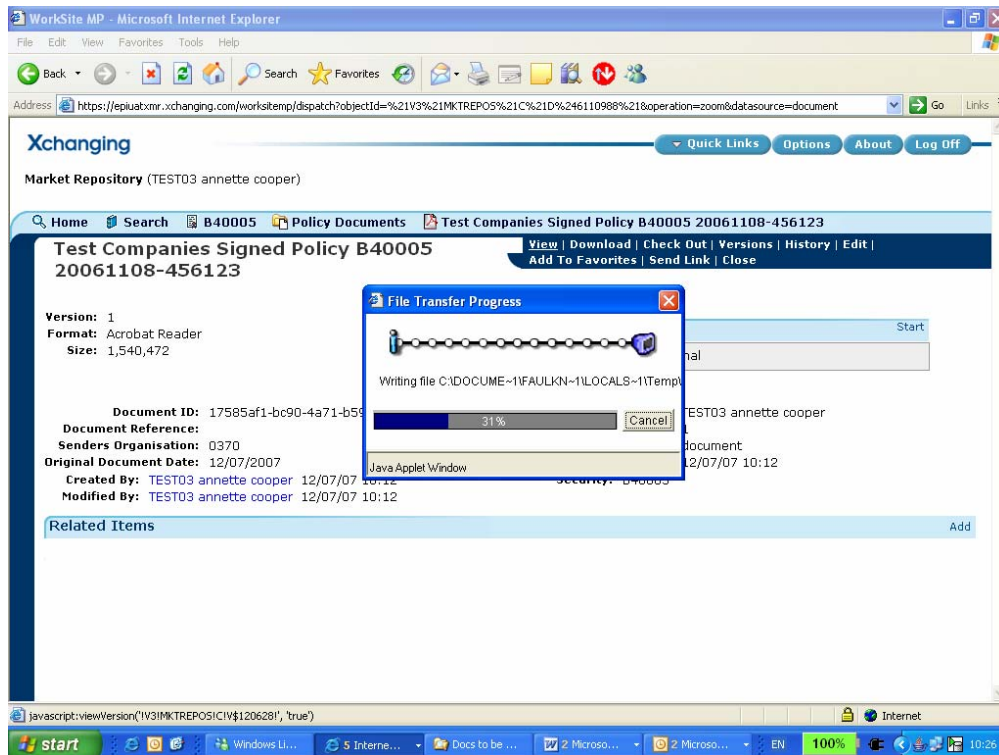
## Step 2) – Log into repository



## Step 3) – Click to view document



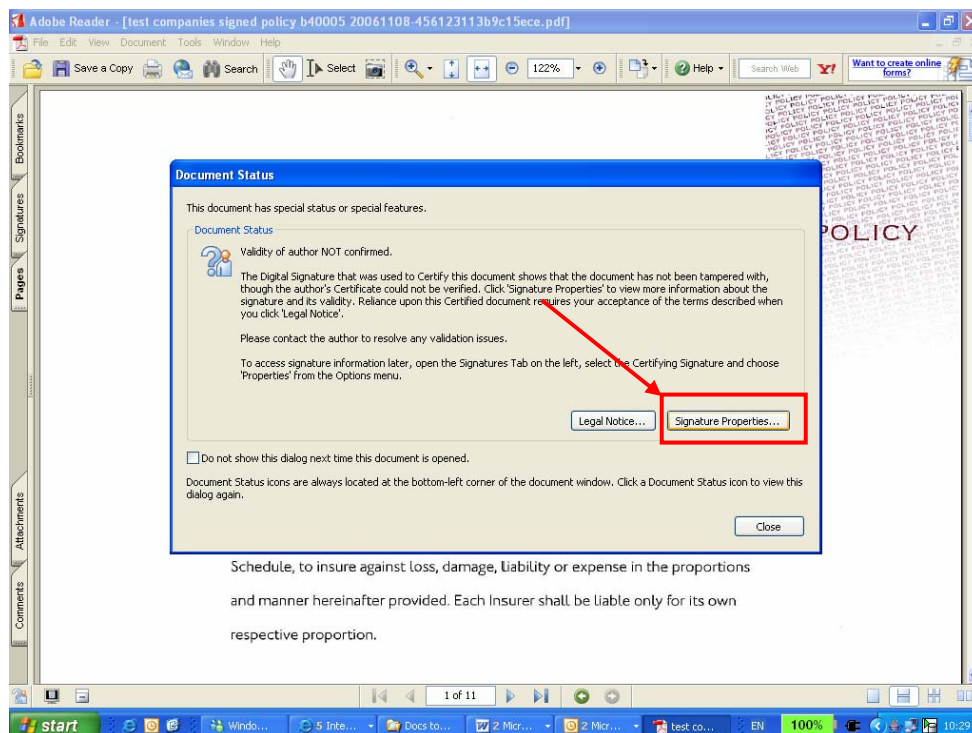
## Step 4) – Document loads



## Step 5) – Document opens in Adobe - Click on “Signature Properties” button

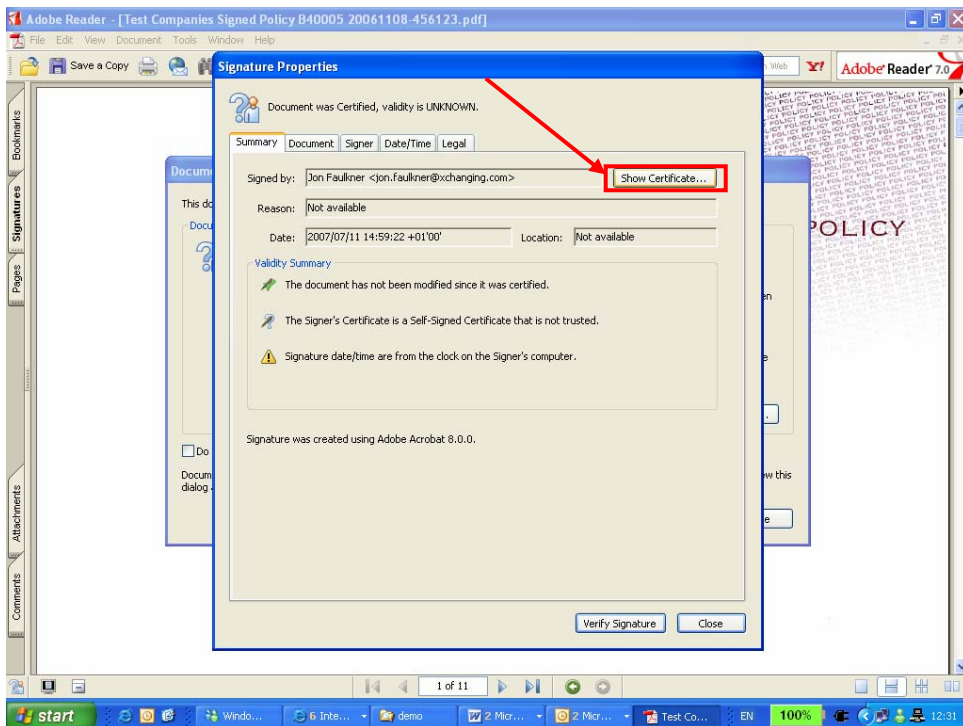
(Alternatively, press “Tab” once to get to the “Signature Properties” button, then press return)

Note: Different Adobe versions may look a little different, but the process should be the same.



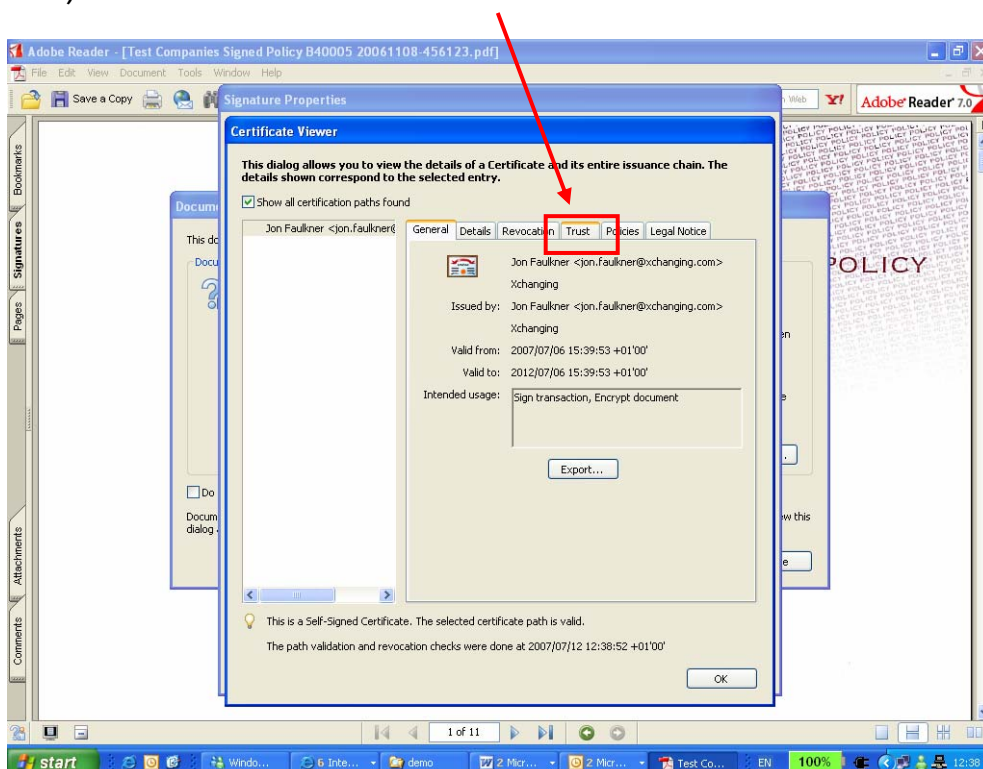
Step 6) – Signature Properties opens - Click on “Show Certificate ...” button

(Alternatively, press “Tab” twice to get to the “Show Certificate ...” button, then press return)



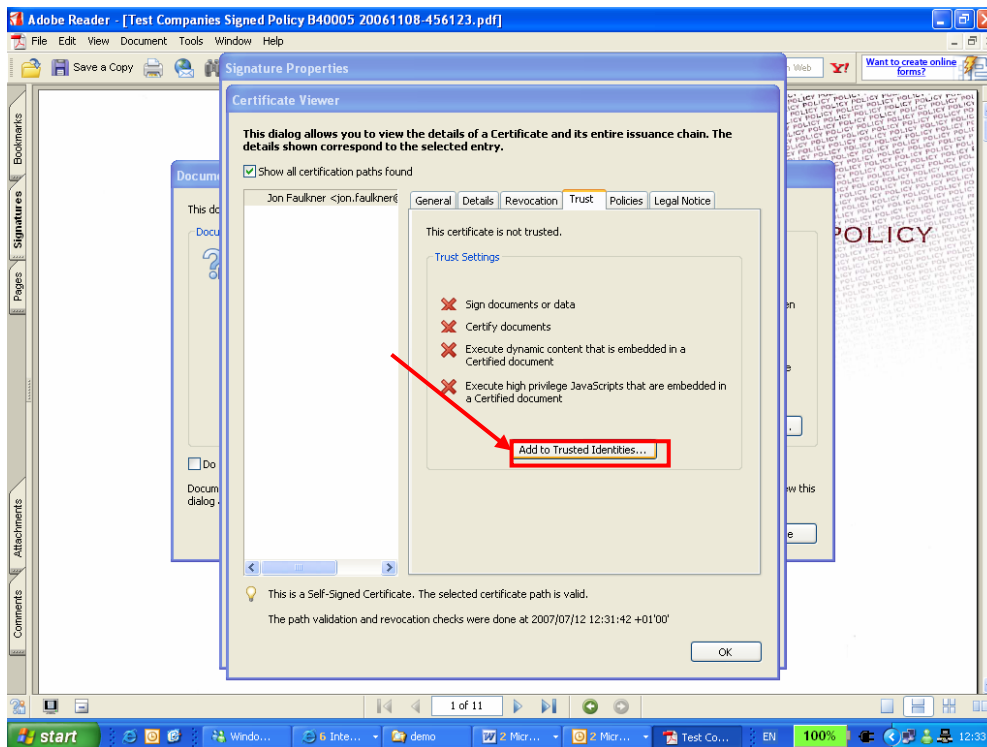
Step 7) – Certificate Viewer opens - Click on “Trust” tab

(Alternatively, press “Tab” twice to get to the “General” tab, then press the right cursor 3 times to get to the “Trust” tab)



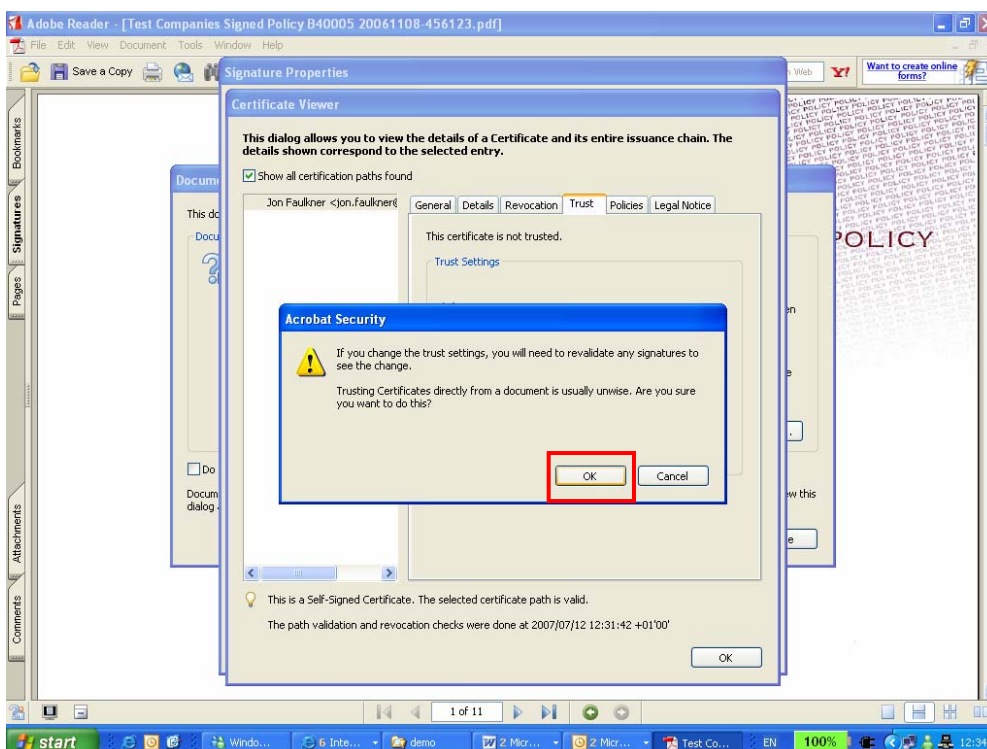
Step 8) – View Trust tab - Click on “Add to Trusted Identities ...” button

(Alternatively, press “Tab” once to get to the “Add to Trusted Identities ...” button, then press return)



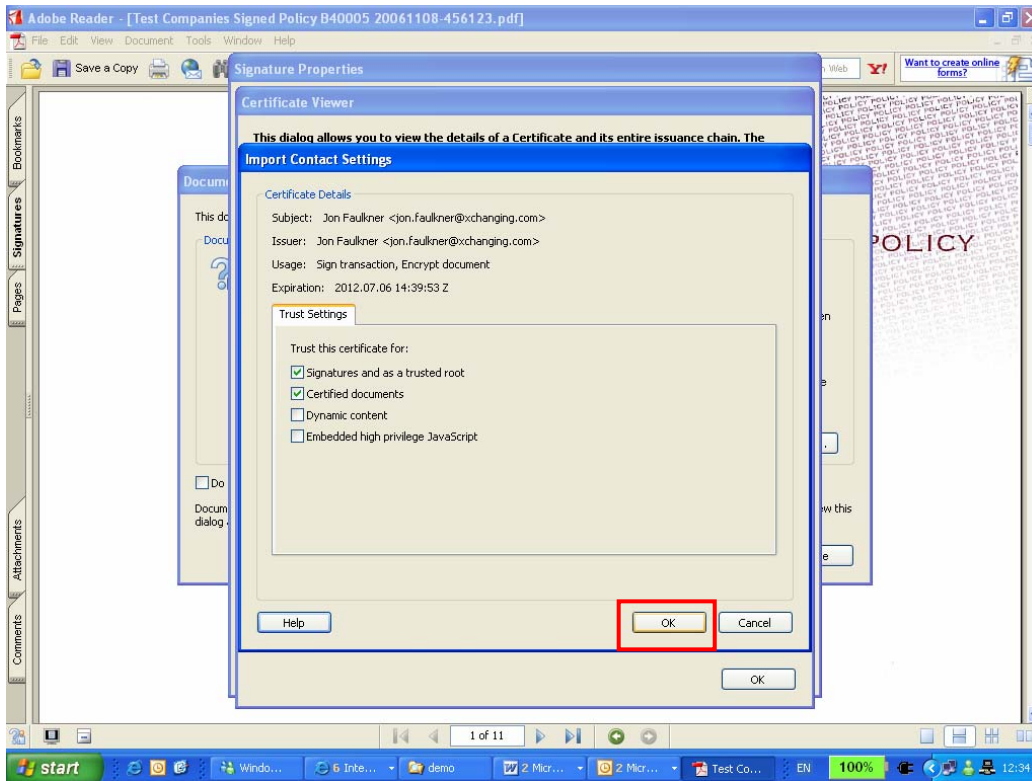
Step 9) – View Acrobat Security pop up - Click on “OK” button

(Alternatively, just press return)



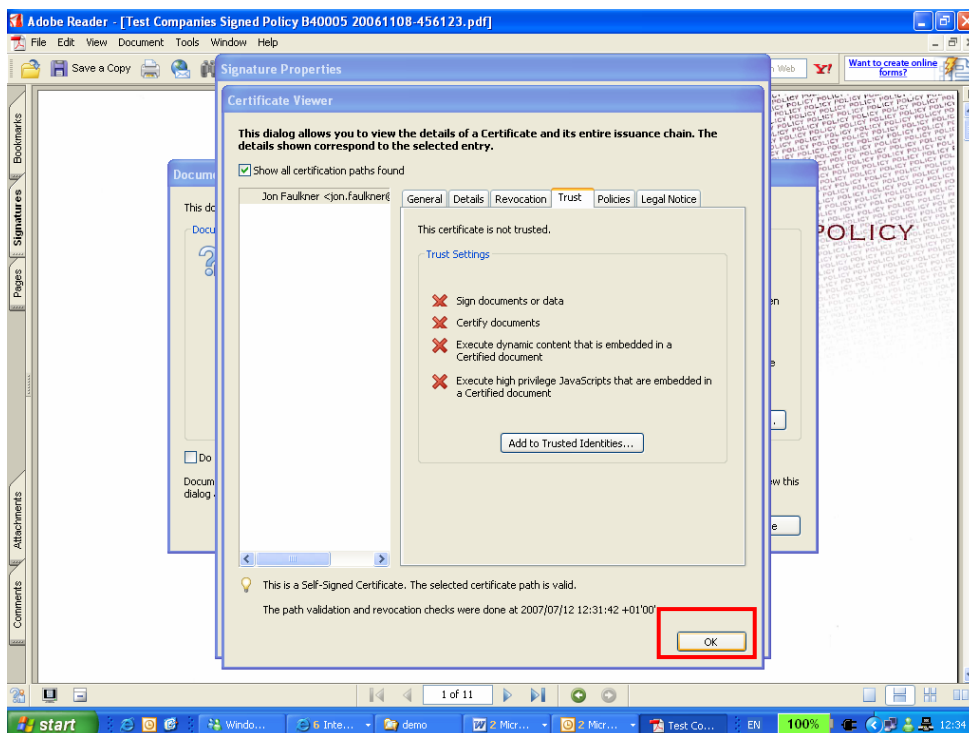
Step 10) – Import Contact Settings opens - Click on “OK” button

(Alternatively, just press return)

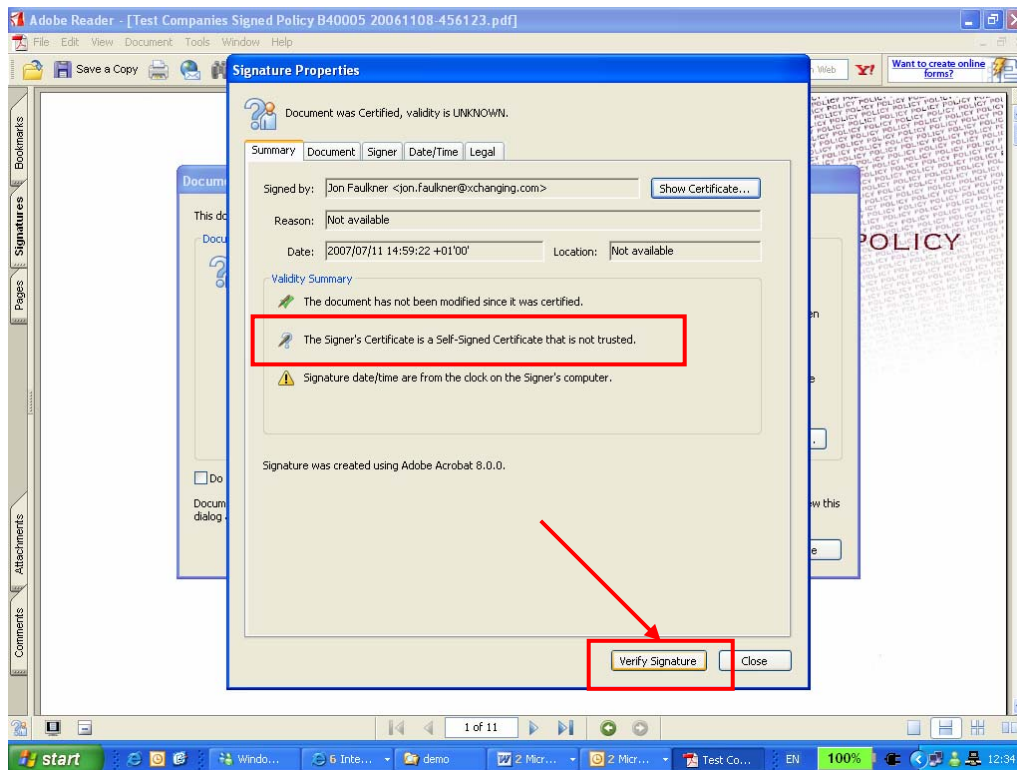


Step 11) – Import Contact Settings closes – On Certificate Viewer, click on “OK” button

(Alternatively, press “Tab” once to get to the “OK” button, then press return)

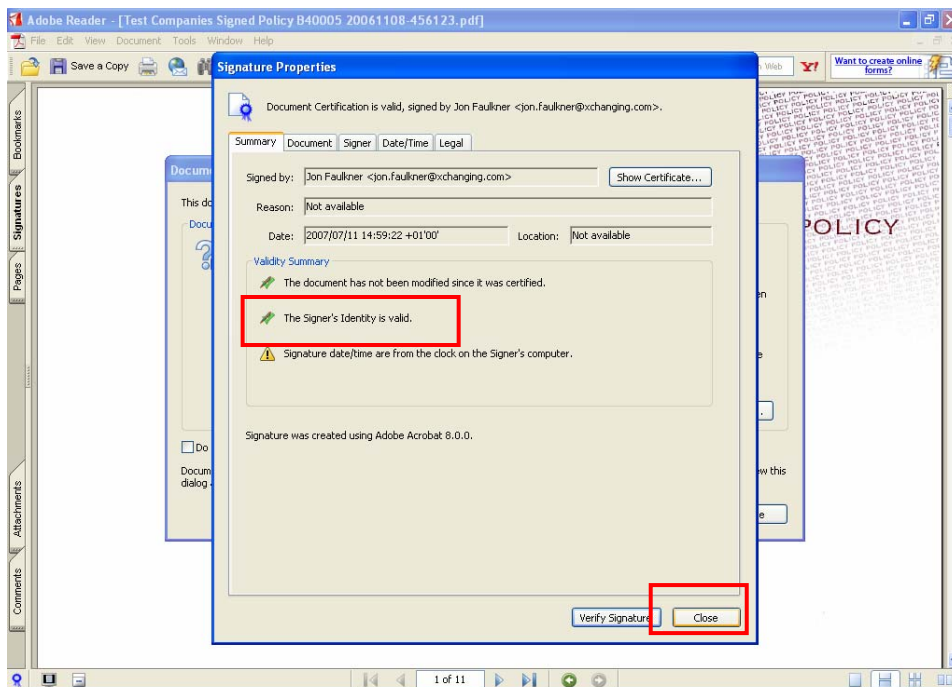


Step 12) – Certificate Viewer closes – On Signature Properties, click on “Verify Signature” button  
(Alternatively, press “Tab” once to get to the “Verify Signature” button, then press return)



Step 13) – View Valid Signer's Identity – Click on “Close” button

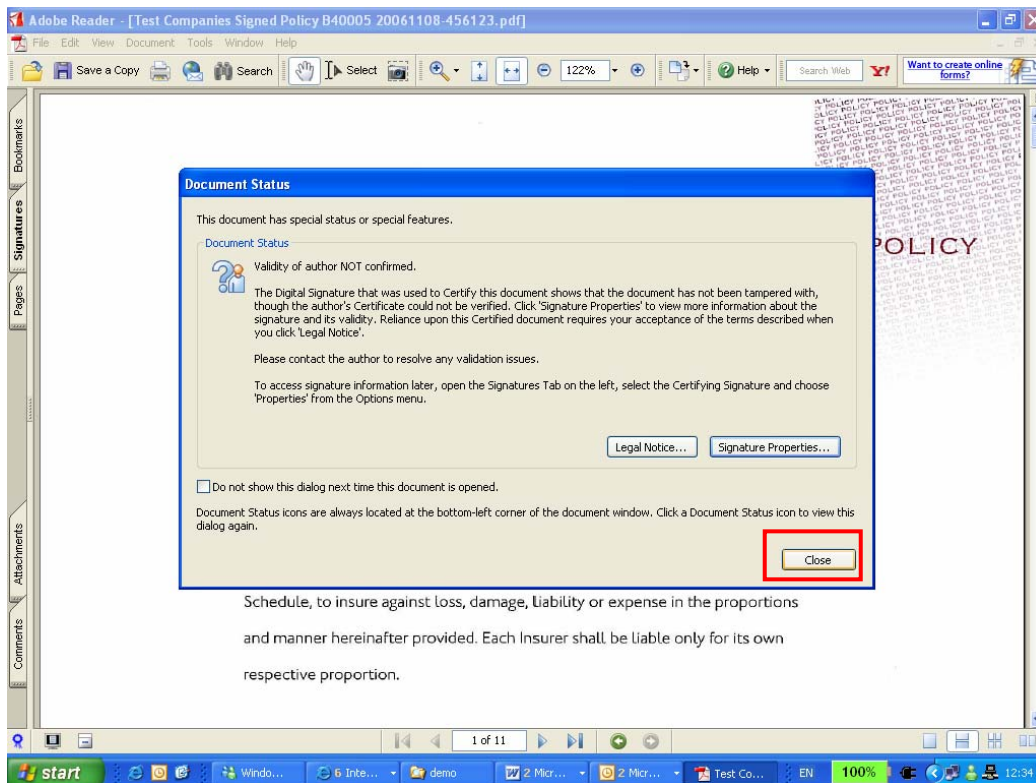
(Alternatively, press “Tab” once to get to the “Verify Signature” button, then press return OR if uncertain where you are, click on the “Summary” tab and press the “Tab” button 7 times, then press return)



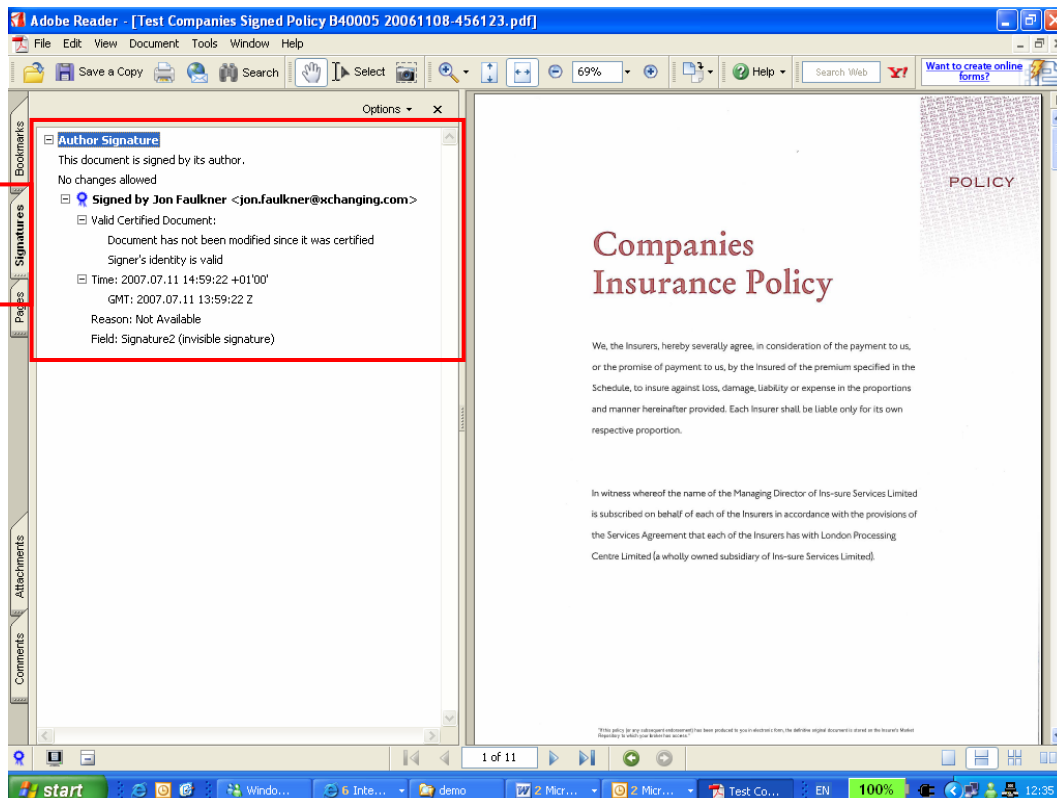


Step 14) – Document Status – Click on “Close” button

(Alternatively, press “Tab” once to get to the “Close” button, then press return)



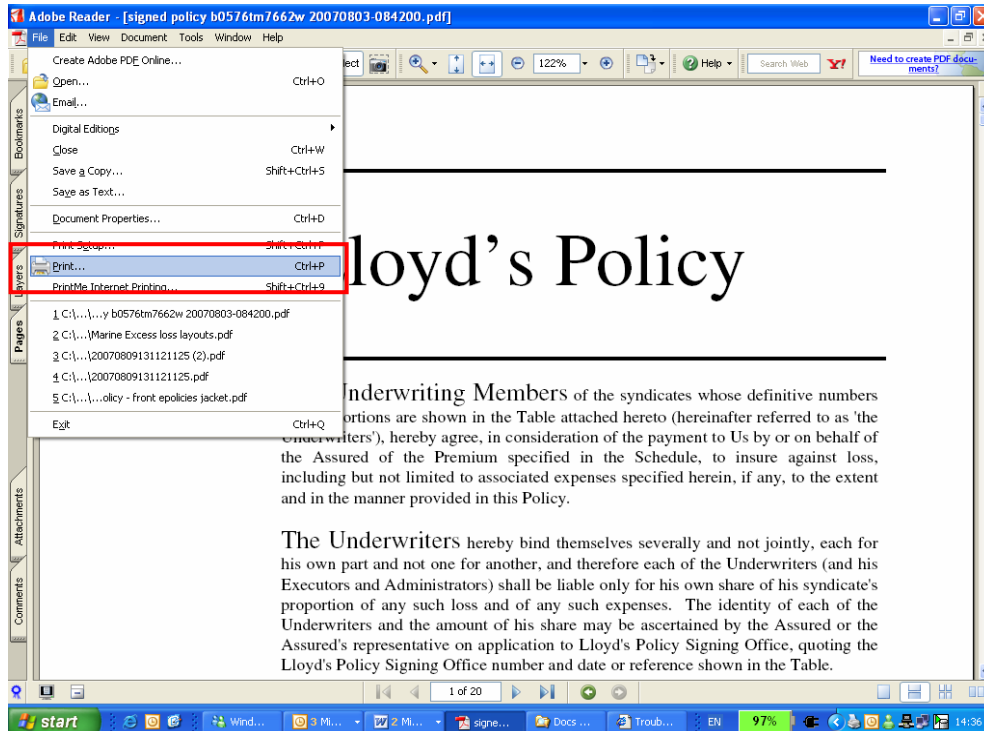
Step 15) – Check Signature Details - Click on “Signatures” tab and expand sections



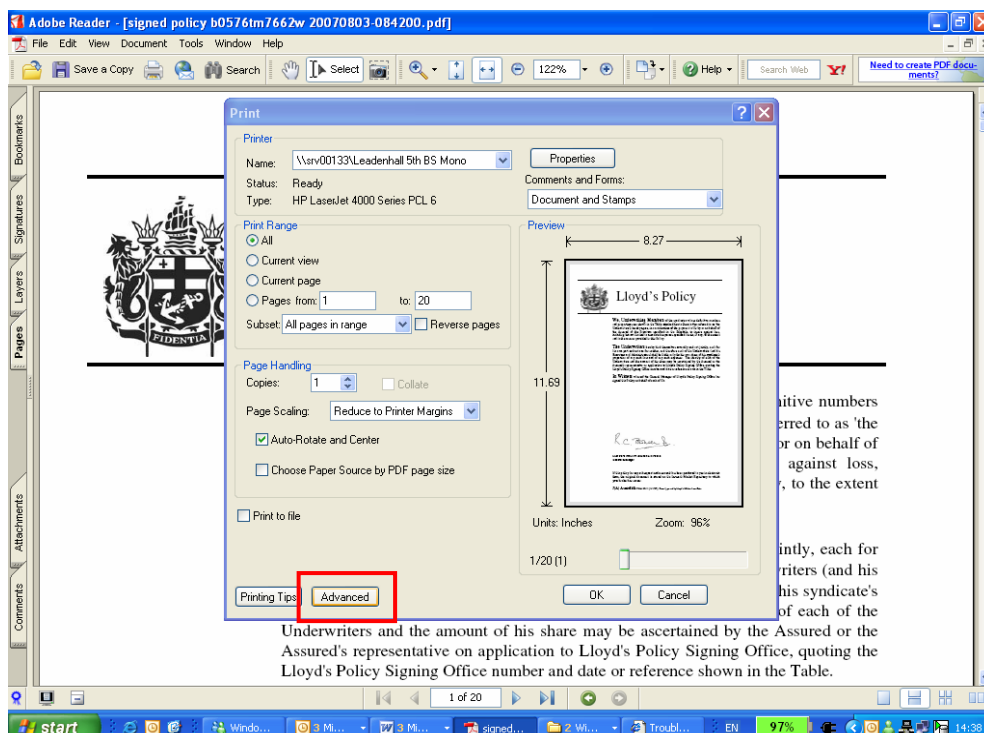
## Section 2 - Dealing with printing issues

We strongly recommend not printing the ePolicies and encourage forwarding them electronically. However, if it is necessary to print off the documents as part of business process, then on occasion, due to local printer settings, it may be noted that some of the ePolicy PDF documents have printed out in a greatly enlarged font, leading to multiple pages showing only one character. If this happens, the work around is as follows:

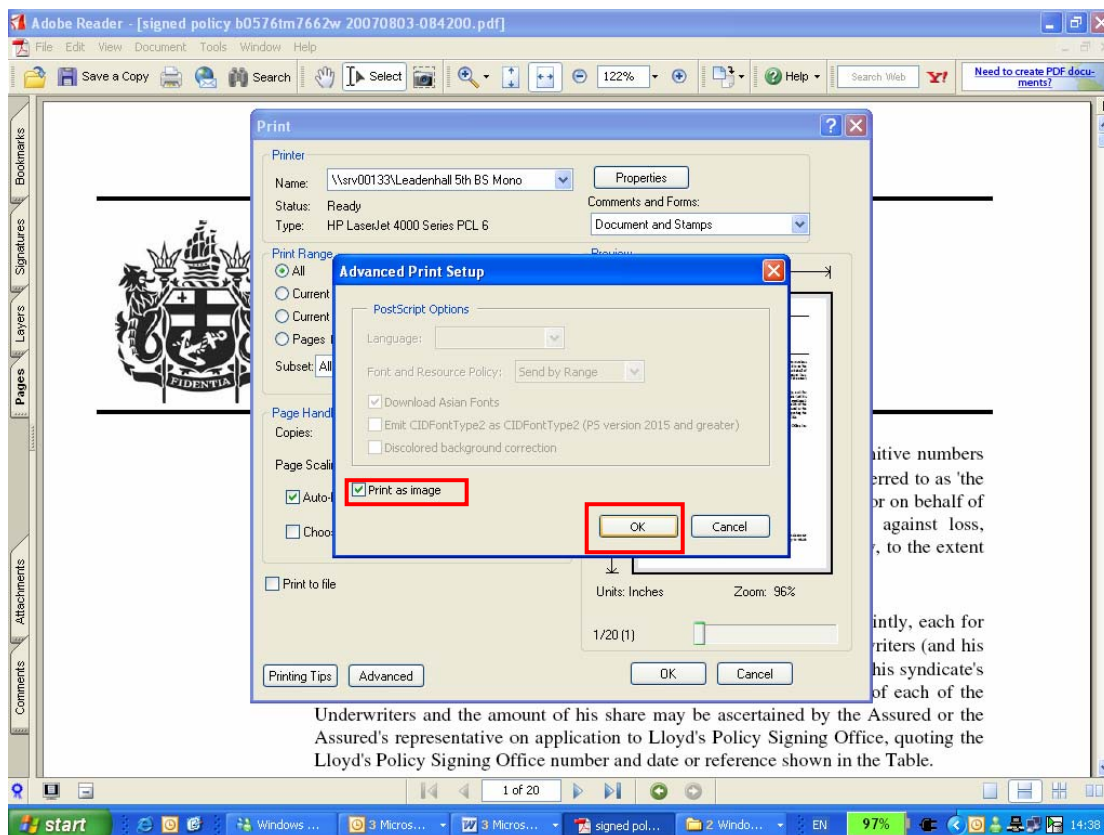
Step 1) Select the "File" menu, then click on the "Print" option



Step 2) Click the "Advanced" button



Step 3) Check the "Print as Image" box, then click the "OK" button



Step 4) Click the "OK" button

