ELTO Employers' Liability Tracing Office

# ELD NextGen Audits & compliance

## Guidance for Members

October 2026

Company Confidential

# Audit & compliance through the transition to ELD NextGen

We recognise that members may have questions about tracing and policy upload audits during the transition to ELD NextGen.

**There are two key points we want to provide clarity on:**

## 1. Tracing audits

The 2027 tracing audit approach has been planned to recognise the transition between the legacy and new ELD platforms. Audit activity will take account of clearly identifiable migration-related issues when considering members' wider compliance position.

## 2. ICOBS 8.4 compliance

The migration approach is designed to maintain policy data continuity, but Members remain responsible for their ongoing time-to-supply and wider ICOBS 8.4 obligations. Members should continue their usual compliance processes and raise any readiness concerns early.

This guidance explains the key dates, what Members should expect and what they need to do to prepare.

# Tracing Audits

What are the key timelines, what's changing as part of ELD NextGen, and what do Members need to be considering in readiness 2027 tracing audits?

# Background

- ELTO's tracing audit assesses the **adequacy of members' processes and controls** to ensure that **thorough and consistent standards of policy searching** are maintained across the ELTO membership.
- The requirements of the tracing audit **apply equally to all members**, whether in run-off or not.
- **ELTO has direct responsibility for tracing audits** and can provide clear guidance and reassurance to members.

The ELD NextGen programme's design, migration planning and audit approaches have been developed to support a fair, practical transition as outlined in this guidance.

# ELTO Tracing Audit key dates 2026-2027

**Q4 2026**
Policy Data synced between legacy and new ELD

**Q1 2027**
Extended Search & Tracing now only undertaken in new ELD

**Q1 2027**
Tracing Audits assessed *only* against activity in *legacy* ELD

Ongoing monitoring of member tracing activity, with proactive support provided

**Q4 2027**
Tracing Audits assessed against activity from *legacy and new* ELD

Tracing audit activity through 2027 has been carefully considered by the ELD NextGen programme to ensure Members are not unfairly impacted due to the ongoing transition to the new ELD. If you have a tracing audit in either Q1 or Q4 of 2027, ELTO's tracing audit processes have been planned accordingly to support you.

# 2027 ELTO tracing audits – key information

ELTO's tracing audits will continue to cover Declared Tracing Activity compliance, audit trails and responses to positive policy matches, in line with the existing tracing audit policy. ELTO's audit team will continue to provide clear guidance and reassurance to Members.

## Tracing audits Q1 2027

Will assess against the legacy ELD *only*, covering activity until the end of December 2026, allowing for the transition state during the period of ELD NextGen migration.

Tracing activity for all Members will be monitored by the ELD NextGen programme during the period of transition from Q1 2027. Where unusual activity, temporary disruption or readiness concerns are identified, the programme will coordinate the appropriate operational or member support ahead of the late-2027 audits.

## Tracing audits Q4 2027

Will compare legacy *and* new ELD activity, with audits done across batches selected from *both* platforms. This will allow separation of clearly identifiable migration related issues which can be highlighted within the audit reports.



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# What if…

**A Member experiences migration related issues – will tracing audit scores be affected?**

Small drops in scores arising from clearly identifiable migration-related issues will be anticipated by ELTO's audit team and considered appropriately within the 2027 audit process.

The migration should only affect Members' adherence to the ELTO Tracing Policy in respect of Declared Tracing Activity and providing responses to ELTO, therefore limiting the impact of these issues on tracing audit scores to c.10%. The assessment will continue to include internal tracing accuracy and robustness, identification of eligible records and Members' documentation.



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# What if…

**Insurers are transferring books or merging businesses around the time of the migration to the new ELD? How will tracing audits be affected?**

Members must agree when the responsibility for tracing transferred policies changes and which insurer will declare the related tracing activity. This is important, because unresolved responsibility could be noted by ELTO in both insurers' tracing audit reports.



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# ICOBS 8.4 Compliance

What are the key timelines, what's changing as part of ELD NextGen, and how to be prepared in readiness for the next audit cycle

# Background

- ICOBS8.4 requires each insurer to **maintain a publicly searchable Employers' Liability Register**, provided through the ELD.
- Insurers generally have 3 months to reflect a new policy, adjustment or cancellation on the ELD, known as the ongoing **3 month 'time-to-supply'** (TTS) threshold.
- As of 31 March each year, the insurer must obtain a **Director's Certificate** and a **limited-assurance audit report** to state compliance as to whether **relevant policies have been accurately reproduced on the register**. This covers policies incepted on or after 1 April 2011 and any earlier policies with claims notified on or after that date.
- ELTO can provide guidance, but individual insurers must receive **formal compliance advice from their own auditors**, who undertake these audit activities for the insurer.

The ELD NextGen programme's design, migration planning and compliance approaches have been developed to support a fair, practical transition as outlined in this guidance.

# NextGen policy data sync and migration process

Policy uploading continues in the legacy ELD until a member is ready to move to the new ELD

Existing policy data will be migrated, and a daily sync will continue between legacy and new ELDs through a transitionary period

Once a member has moved to the new ELD, legacy uploading will be switched off for them

*What this means for the 31 March 2027 policy upload audit:*

- **December 2026:** Members should review their book of business in their own systems at the end of December, to ensure it's accurately reflected on the legacy platform before migration.
- **Jan – March 2027 updates:** If the book of business is complete before the switch, any subsequent Jan to March updates generally remain within the 3-month TTS period and should not affect the 31 March 2027 audit position.
- **Ongoing:** Members must maintain their upload compliance processes after the migration. Passing the 31 March 2027 audit must *not* be considered as a further year's grace period.



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# What if...

**When the legacy platform is switched off, a member begins failing the ongoing 3-month time-to-supply requirement, as they weren't ready to manage policies through the new ELD?**

Affected insurers should consult internal compliance or legal teams as soon as such risk is identified, to understand if failing to meet their time-to-supply obligations is a significant FCA breach. The scale, duration, possible customer impact and financial or litigation impacts must all be considered.

All situations will be considered on a case-by-case basis, so insurers must engage early with internal teams, and the FCA where appropriate.

ELTO is unable to provide formal compliance advice.



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# What if...

**A member is worried about migrating to API upload in time before the legacy upload processes are switched off?**

Members will be able to load manually via the new ELD portal, should API configuration and integration not be complete before the switch to the new platform. However, this approach is *only* appropriate for Members with low volume policy management requirements as the portal will only support single policy submission.

Insurers are encouraged to contact the ELD NextGen programme with any concerns as soon as possible.

Contact the team via: ELDNextGen@elto.org.uk



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# What Members should do now

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| **Continue existing compliance activity** | Maintain current tracing, policy upload, audit trail and positive-match response processes. |
| **Review your policy data** | Ensure your book of business is complete and accurately reflected in the legacy ELD ahead of migration. |
| **Progress ELD NextGen readiness** | Continue preparing for policy management through your agreed portal or API route. |
| **Confirm responsibilities for business changes** | Where books are transferring or businesses are merging, ensure responsibility for tracing activity and related declarations is clearly understood. |
| **Raise concerns early** | Contact the ELD NextGen programme if readiness or migration issues could affect tracing or policy upload activity. |
| **Seek appropriate compliance advice** | Engage your own audit, compliance or legal teams where formal interpretation of ICOBS 8.4 obligations is required. |

Continue existing compliance activity, progress your ELD NextGen readiness and raise any questions or concerns early.

# Any Questions?

**We’re here to support you throughout the transition to the new ELD.**

For any questions on readiness, migration, audit or compliance, please contact the ELD NextGen programme team:

ELDNextGen@elto.org.uk





