

FROM: Secretary, Lloyd's Disciplinary Board
LOCATION: 86/G4
EXTENSION: 5530
DATE: 25 November 2002
REFERENCE: 032/2002
SUBJECT: **MICHAEL HAMILTON AMISS**
SUBJECT AREA(S): Formal Disciplinary Proceedings –
Case No. LDB/0106/05
ATTACHMENTS: Notice of Censure
ACTION POINTS: **For information**
DEADLINE: **None**

In proceedings before a Lloyd's Disciplinary Tribunal, Michael Hamilton Amiss has admitted one charge of engaging in or being associated with discreditable conduct. Mr Amiss was at all material times a member of the Society.

Proposed terms of settlement of the proceedings were submitted to and considered by a Lloyd's Disciplinary Tribunal in accordance with the procedure for settlement before a Disciplinary Tribunal contained in Lloyd's Disciplinary Rules.

The Disciplinary Tribunal approved the following settlement terms:

- i) that Mr Amiss be censured in accordance with the terms of the attached Notice of Censure;
- ii) that Mr Amiss give undertakings to the effect that he will not be concerned or interested in the transaction of business of insurance at Lloyd's. Accordingly, Mr Amiss will not have the right of admission to the Room or other parts of the premises of Lloyd's. Mr Amiss has liberty to apply to Lloyd's any time after two years to have these restrictions modified or removed in relation to

the above. Mr Amiss may produce business which is to be placed in the market to a Lloyd's broker and may service clients with business at Lloyd's.

- iii) that Mr Amiss pay £16,000 costs to Lloyd's arising from these proceedings.

These proceedings relate to the fact that Mr Amiss failed to co-operate with a Lloyd's formal inquiry. Details are as set out in the attached Notice of Censure.

This bulletin has been sent to all underwriting agents, Lloyd's brokers, corporate members, market associations, the ALM and recognised accountants.

AP Barber
Secretary to Lloyd's Disciplinary Board.

NOTICE OF CENSURE

MICHAEL AMISS

Michael Hamilton Amiss, who at the relevant time was a member of the Society and also a director of the non-Lloyd's broker Godfrey Merritt & Co Limited ("*Godfrey Merritt*"), has admitted one charge of engaging in discreditable conduct contrary to the Misconduct & Penalties Byelaw (No. 30 of 1996) which related to his failure to cooperate with a Lloyd's inquiry.

Background

A formal inquiry has been conducted by Lloyd's, pursuant to the Inquiries & Investigations Byelaw (No. 3 of 1983) into, inter alia, the circumstances surrounding the handling of a reinsurance account relating to marine liability risks ("*the reinsurance*"). J A Chapman & Co Ltd ("*Chapco*") which operated at the time in the Lloyd's market under an umbrella arrangement, acted as the placing broker. Godfrey Merritt acted as the producing broker. Mr Amiss, who at the relevant time was a member of the Society, was included in the scope of the inquiry.

The reinsurance was placed by Chapco for 1990 and 1991. Accordingly it issued cover notes to Godfrey Merritt purporting to set out the terms of the reinsurance which had been agreed by Chapco with reinsuring underwriters. In addition, both years of account were reinstated on similar terms. In each case the Chapco cover notes showed a level of premium in excess of that which had been agreed with underwriters.

Godfrey Merritt then issued its own cover notes for both years of account (including reinstatements) which were sent to the end client. The Godfrey Merritt cover notes showed a level of gross premium which was in excess of the level recorded in the Chapco cover notes.

Lloyd's was therefore investigating the circumstances in which the Chapco and Godfrey Merritt cover notes showed a level of premium in excess of that which had been agreed by Chapco with underwriters.

Mr Amiss was the Godfrey Merritt director with overall responsibility for handling the account with the end client and signed certain, but not all, of the Godfrey Merritt cover notes issued in respect of the reinsurance. Accordingly, the Lloyd's inquiry wished to investigate Mr Amiss' role and knowledge regarding the issuance of both the Chapco cover notes and the Godfrey Merritt cover notes.

The Proceedings

Mr Amiss refused to cooperate with the inquiry in as much as it related to the Godfrey Merritt cover notes. He stated that, having taken legal advice, he considered that Lloyd's questions were beyond the remit of the enquiry since the questions related to the business of a non-Lloyd's broker. As a result, Mr Amiss was charged with misconduct for failing to answer Lloyd's questions. After he was charged Mr Amiss answered all the questions. However, Mr Amiss now accepts that his refusal, as a member of the Society, to answer the questions of a regulator in the circumstances of the case as set out above, given that the questions did relate to an issue of possible regulatory concern to Lloyd's, did amount to discreditable conduct.

Penalties

In assessing the penalties, account has been taken of the fact that Mr Amiss did answer questions relating to the issue by Chapco of its cover notes and in all other respects cooperated with Lloyd's. Lloyd's has also taken into account that Mr Amiss was not the only person involved in the relevant business.

As a result, the Disciplinary Tribunal has approved the following settlement terms:-

1. Mr Amiss has been censured under the terms of this Notice.
2. Mr Amiss has given undertakings to the effect that he will not be concerned or interested in the transaction of business of insurance at Lloyd's and accordingly Mr Amiss will not have the right of admission to the Room or other parts of the premises of Lloyd's. Mr Amiss has liberty to apply to Lloyd's at any time after two years to have these restrictions modified or removed in relation to the above. Mr Amiss may produce business that is to be placed in the Lloyd's market to a Lloyd's broker and may service clients with business at Lloyd's.
3. Mr Amiss is to contribute £16,000 costs to Lloyd's arising from these proceedings.

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Mr Christopher Moger QC
(Chairman)

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Mrs Fiona Bennett

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Mr Paul Camp