

**FROM:** Senior Manager, Capacity Markets  
**LOCATION:** 58/SW1  
**EXTENSION:** 5454  
**DATE:** 14 September, 2000  
**REFERENCE:** 070/2000  
**SUBJECT:** **DEATHS LATE IN THE YEAR AND VALUE**  
**ATTACHMENTS:** CAPACITY TRANSFER FAX NOTICE  
**ACTION POINTS:** **For information**  
**DEADLINE:** **None**

At its meeting on 6 September 2000 the Council resolved, under the Agency Agreements Byelaw (No. 8 of 1988), to approve certain arrangements for transferring capacity for value where the capacity has been released by the death of a member too late in the year for it to be included in any auction.

The problem of loss of value when a member dies after the Deceased Names Auction (DNA) has exercised members for some time. The arrangements have been approved following a market consultation. While they do not offer a complete solution to the problem of potential loss of value, they should assist in some situations.

Under the arrangements, if a member dies so late in the year that it is impracticable for his agent to tender the capacity in an auction, the capacity can be transferred on behalf of the estate to another member or members, who have the necessary FAL in place, provided the transfers are notified to the MSU before 1 January.

In practice, once notified of a member's death, the members' agent will assume an obligation to the member's estate to realise as much value for the estate as possible. The action taken by the agent will depend on what is practical, given the time constraints, but could include contacting the relevant managing agent, contacting other members' agents and reviewing the unsatisfied requirements of their own members and unsatisfied bids in the DNA. The members' agent should arrange for the capacity to be transferred to the member(s) willing to pay the highest price for the participations. The transfers will be effected by a notification in the specified form to the MSU to be received before 1 January.

Notification of the transfer must be on the form attached to this bulletin. The facsimile number that each members' agent was issued with by the Auction Office should be used to submit the documentation. An electronic receipt will be automatically generated and sent via market mail to the sender. This year the lines will be open from 09.00 Monday 18 December through to 11.59 pm on Sunday 31 December.

Members' agents should consider seeking instructions from all their members expressly empowering them to dispose of capacity using these arrangements in the event that the member should die.

If you have any questions regarding this bulletin please contact Irene Dick, tel no: 020-7327-5454.

This bulletin is being sent to all underwriting agents.

Irene Dick  
Senior Manager  
Capacity Markets

**CAPACITY TRANSFER FAX**  
**NOTICE (by 11.59pm on 31 December)**

Form Post DNA \_\_\_\_/ \_\_

To Lloyd's Auction Official:

**1. Prospective participation subject to the participation nomination and/or second nomination**

Amount of prospective participation:  
Price per £ of prospective participation:


Syndicate No:  
Total consideration:


**2. Declarations by agent of the Nominator**

Name of Nominator:

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Issuer No:  
Member No:


Date of Member's death

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It was not possible to arrange for the capacity to be entered into the DNA  
The price was the highest that could be achieved

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**Signature of Nominator's agent**

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**Date**

**3. Declaration by the Nominee**

Name of Nominee:

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Issuer No:  
Member No:


The Nominee has the necessary Funds at Lloyd's in place  
The Nominee will execute the syndicate list as appropriate

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**Nominee's Signatory**

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**Date**

**4. Declaration by the Nominator's Agent and by the Nominee ( to be completed only if either of the parties is not resident in the UK)**

We each severally hereby certify that in respect of the arrangement referred to in this notice, all local laws .  
(including any applicable securities laws) have been, and will be, complied with

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**Nominator's Agent's Signatory/Date**

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**Nominee's Signatory/Date**

**5. Contact**

The person to whom all queries/information in respect of this Notice should be addressed to

Contact Name:  
Market Mail address:


Phone No:  
Fax No:


**For Auction Office use only**
