

**FROM:** Secretary to Lloyd's Disciplinary Board,  
**LOCATION:** 58/NW1  
**EXTENSION:** 5530  
**DATE:** 16 October 2000  
**REFERENCE:** 075/2000  
**SUBJECT:** **EDWARD GEORGES ROSSDALE**  
**SUBJECT AREA(S):** Disciplinary Proceedings  
**ATTACHMENTS:** Notice of Censure  
**ACTION POINTS:** **For information**  
**DEADLINE:** **None**

In proceedings before a Lloyd's Disciplinary Tribunal, Edward Georges Rossdale admitted one charge of conducting insurance business in a discreditable manner, and one charge of conducting himself in a manner detrimental to the interests of Lloyd's policyholders, the Society, members of the Society, Lloyd's brokers, underwriting agents or others doing business at Lloyd's. During the course of the hearing the Council withdrew certain other charges against Mr Rossdale. Mr Rossdale was formerly a director of Byas Mosley & Company Limited, a registered Lloyd's Broker and is a Member of the Society of Lloyd's.

The Disciplinary Tribunal ordered that Mr Rossdale should receive the following penalties:

- i) That his right to transact the business of insurance at Lloyd's or any class or classes of such business be suspended for a period of 6 months commencing on 28 September 2000; and
- ii) The posting of Notice of Censure in the Room in the terms of the Notice attached to this bulletin.

In view of the suspension, a financial penalty was not appropriate. There was no order as to costs.

Details of the events giving rise to the charges are contained in the attached Notice of Censure.

Copies of the full report of the disciplinary proceedings may be ordered from the Disciplinary Secretariat, telephone no. 020 7327 5530.

This bulletin has been sent to all underwriting agents and members agents (corporate advisors), corporate members, market associations, the ALM and recognised accountants.

A P Barber  
Secretary to Lloyd's Disciplinary Board

**NOTICE OF CENSURE  
EDWARD GEORGES ROSSDALE**

Edward Georges Rossdale ("Mr Rossdale"), formerly a director of Byas Mosley & Company Limited ("Byas Mosley"), and a Member of the Society of Lloyd's, has admitted two charges of misconduct. One charge is of conducting insurance business in a discreditable manner and the other charge is of conducting himself in a manner detrimental to the interests of Lloyd's policyholders, the Society, members of the Society, Lloyd's brokers, underwriting agents or others doing business at Lloyd's.

In 1995 and 1996 Byas Mosley through Mr Rossdale acted as the Lloyd's broker in respect of the reinsurance of certain extended warranty insurance business in North America ("the Honorguard programme"). Virginia Surety Company ("VSC") fronted the risk to 100% and was the reassured. Aon Reinsurance Inc ("Aon Re") acted as broker to VSC. Chapman & Associates, a licensed broker in the USA, acted as the insurance/risk management consultants to underwriters.

By 23 November 1995 underwriters had agreed to give Byas Mosley brokerage of 5.66% of the Net Retained Premium ("NRP") for the 1995/ 1996 year of account. This represented a reduction in the amount of brokerage given for the previous year of account, which had been 7.5% of the NRP. It was agreed between Byas Mosley and Chapman & Associates that they would split the brokerage equally between them.

On 12 December 1995 Mr Rossdale falsely stated in a letter to Chapman & Associates that underwriters had reduced the brokerage allocation to 3.5% for the 1995/ 1996 year of account. On 21 December 1995 Mr Rossdale again falsely stated to Chapman & Associates that the brokerage had been reduced to 3.5%.

It is Mr Rossdale's account, which is not challenged by the Council, that from the inception of the 1995 underwriting year Chapman & Associates had been overpaid sums in respect of their proportion of brokerage due for that year. Such payments had been calculated on the basis of an entitlement to 50% of the brokerage of 7.5% of the NRP. Accordingly, Chapman & Associates had by November 1995, received in excess of the sum to which they were properly entitled on the basis of brokerage of 5.66%.

It is not alleged by the Council that Mr Rossdale failed to account to Chapman & Associates for all sums properly due in respect of their share of the brokerage or that Mr Rossdale acted with a lack of good faith. Mr Rossdale has accepted however that the amount of brokerage stated by Mr Rossdale was wrong and that as a result he conducted insurance business in a discreditable manner .

On 13 June 1996 Mr Rossdale sent Aon Re a copy of what was described by him as the "final slip" for the 1996/1997 year of account. It differed from the slip presented to and scratched by underwriters in that it contained under the heading of "Information" a paragraph (D) not contained in the slip scratched by underwriters. This paragraph (D) related to an amount of money to be remitted to Byas Mosley for disbursements.

Paragraph (D) represented the position as understood and agreed by the leading underwriter albeit not actually recorded on the slip scratched by underwriters. The failure to record that paragraph in the slip was not material to VSC or the leading underwriter. Nevertheless, Mr Rossdale accepts that he ought not to have described the slip sent to Aon re as the "final slip", which was inaccurate.

In respect of these two charges, MrRossdale's conduct fell below the standard of behaviour expected from a Lloyd's broker. The following penalties have been imposed on Mr Rossdale:

- 1 that his right to transact, or be concerned or interested in the transaction of, the business of insurance at Lloyd's or any class or classes of such business be suspended for a period of 6 months from 28 September 2000; and
- 2 that this Notice of Censure should be posted in the Room.

In view of the suspension a financial penalty was not appropriate. There was no order as to costs.

.....  
**Mr Robert Englehart Q.C.**  
**Chairman**

.....  
**Mr Paul Barnes**

.....  
**Mr Rodney Huggins**