

# LLOYD'S COVERHOLDERS

## Becoming a Lloyd's Coverholder

**If you wish to have a relationship with Lloyd's as an underwriting agent or broker with delegated authority, these are the essential basics you need to know.**

- A "Coverholder" is an entity (usually an intermediary) that is approved and authorised by Lloyd's to be able to enter into contracts of insurance/underwrite a risk/settle claims/create and sign documentation, on behalf of a Lloyd's managing agent or syndicate.
  - The approved entity cannot sub-delegate this authority (to do any of the activities) or approval to a third party or its subsidiaries or branches without these entities also being approved and without a tri-partite contract in place. This must be an annual venture.
  - The relationship is governed by Agency and contract law with the Coverholder being the "agent" and the Managing agent/syndicate being the "principal".
  - Managing agents have to have their Coverholders audited regularly and you can help coordinate and be part of this process.
  - ATLAS is the system of record for all your information as a Coverholder and it is a regulatory requirement that it is kept up to date. Lloyd's encourage Coverholders to own their own records and keep their information up to date at all times as this makes the renewal process much smoother. Lloyd's delegated authorities team (DAT) and your local representative will support and provide training where needed or assist in uploading information if necessary. (See ATLAS user guide documents)
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Things you need to have to be approved:

- License by your local regulator
- Robust end to end system capable of tax and regulatory reporting and credit control
- Financials – the entity must be solvent or have 5 year worth of projections as a start up
- Segregated bank accounts from operating acct (ideally trust accounts)
- No one man bands/sole traders
- Financial crime policy
- PI/E&O policy wording that covers agent or underwriting activity
- Key staff must be experienced (CV's provided) and disclose any reputational issues
- Sign an “undertaking” to Lloyd's corporation to create a contract with Lloyd's directly (ink signature required)

If you have any queries please contact your local representative or if in the UK please contact the DAT team on 02073276275, or email [Coverholders@lloyds.com](mailto:Coverholders@lloyds.com).

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