
Delegated Authority

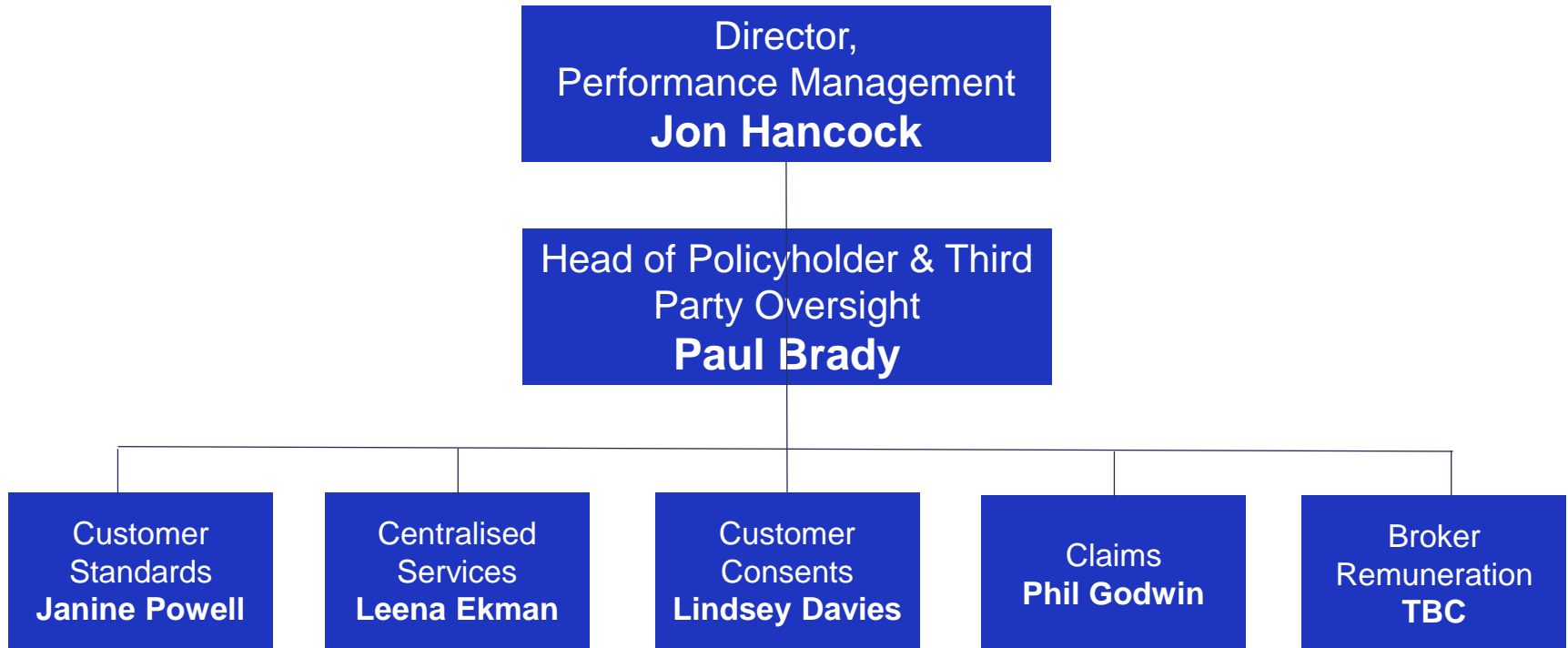
Policyholder & Third Party Oversight Department

4th October 2017

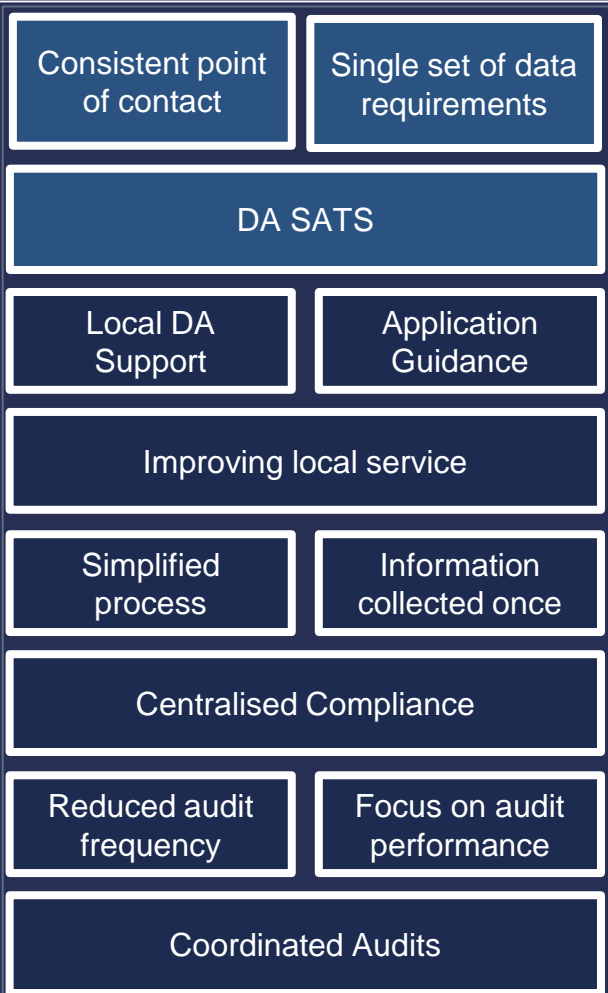
Agenda

- Policyholder & Third Party Oversight Department – Paul Brady
- Ongoing Compliance Oversight – Lindsey Davies / Jane Harley
- Claims – Janine Powell
- Coverholder Application Deadline
- Questions

New Structure



Overall Coverholder support is improving



Efficient & Effective oversight

Centralisation

Consistency

Risk based

Ongoing Compliance Oversight - Journey



58 Managing Agents 120 Brokers involved in the process

Circa 3500 locations Coverholders covering approximately 2,500 entities

Covering over 10,000 relationships



Ongoing Compliance Oversight – Market Participants

- Aspen
- Tokio Marine Kiln
- Atrium
- Beazley
- Liberty
- Allied World
- Hiscox
- LMA
- Tysers
- Miller
- Endeavour
- JLT
- Aon
- MAG
- Arthur J Gallagher
- Ed
- Besso
- THB
- Bell & Clements
- Bowood

Ongoing Compliance Oversight

- Lloyd's DAT will centrally collate and review the Coverholders core entry level compliance information
- All coverholders must provide:
 - Financial Statements
 - PI Details
 - Business Continuity Plan
 - Anti Money Laundering Procedures
- Where applicable to their entity Coverholders should provide:
 - Succession Plan
 - Conflicts of Interest Manual
 - Complaints Procedure
 - Whistleblowing Procedure
 - Treating Customers Fairly Manual
 - Data Policy
 - IT Security Policy
 - Outsourcing Policy

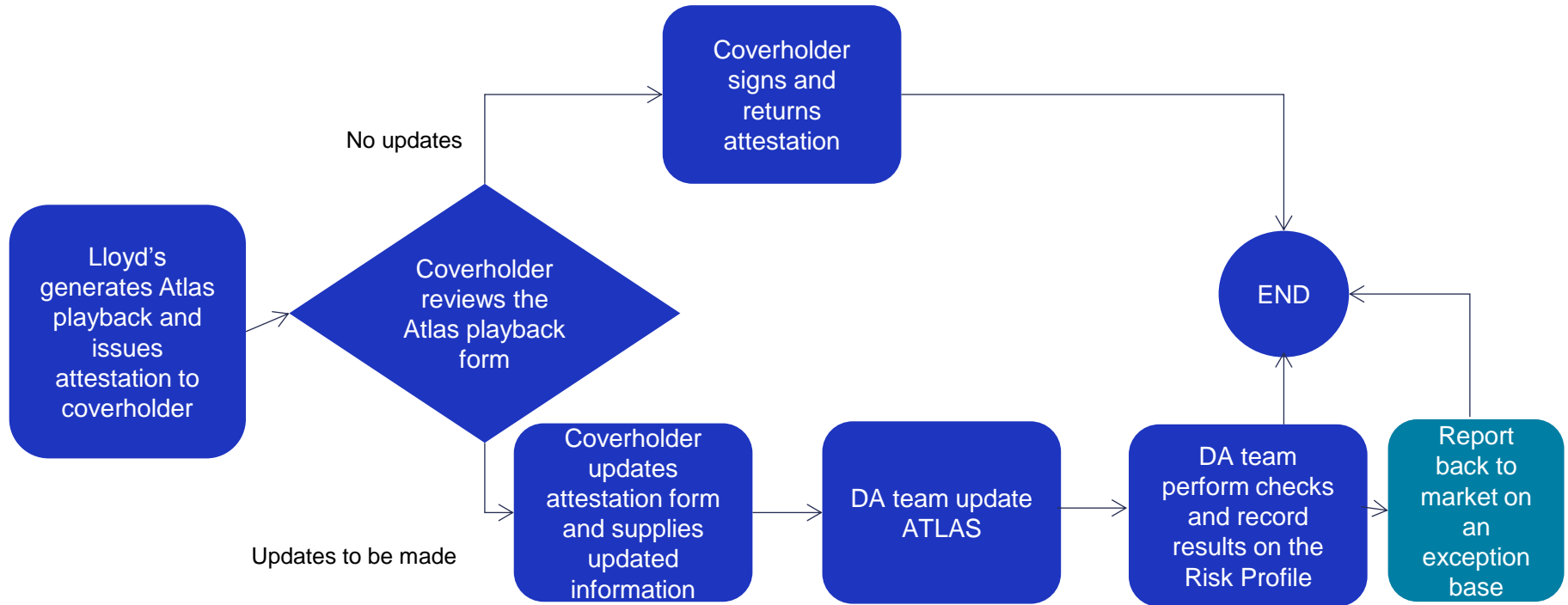
Ongoing Compliance Oversight

- DAT will create and maintain a Compliance Risk Register Profile for each Coverholder which records the documentation received, as well as key Coverholder and Lloyd's Broker details
- Managing Agents shall not need to re-request that core compliance information. However, this does not remove or replace the Managing Agent's responsibility to perform its own contract level due diligence assessment relative to the authorities granted
- The level of checks Lloyd's DAT will request and review is listed in the Criteria Guide (Code of Practice, Appendix 3)
- Coverholders will be required to complete an annual attestation to confirm that the information provided is up-to-date and relevant

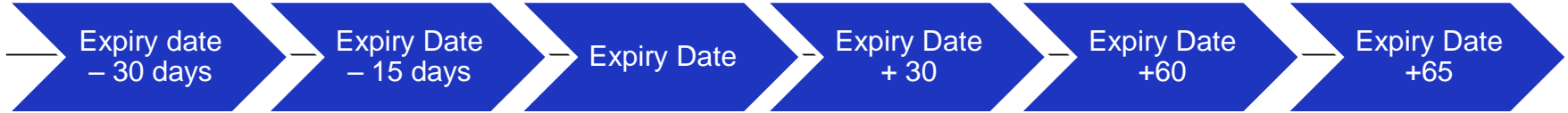
Attestation Form

Annual Attestation Update Form		
Coverholder Name:	Coverholder ABC	
Coverholder PIN:	123456789	
Period Covered:	01/01/2016 - 31/12/2016	
<i>As per the Lloyd's Undertaking please confirm the below Coverholder information held on Atlas for your entity is as accurate and complete to the best of your knowledge and belief .</i>		
Please acknowledge the trading offices approved as Coverholder locations for your entity group and these are the only offices	<input type="checkbox"/>	Yes
[Lloyd's to insert branch pins]		
Has any of your Coverholder information changed from what is currently held on Atlas as per the Playback Form?		
Company Information	<input type="checkbox"/>	Yes
Bank Account	<input type="checkbox"/>	Yes
Licences	<input type="checkbox"/>	Yes
Ownership	<input type="checkbox"/>	Yes
Reputation and Standing	<input type="checkbox"/>	Yes
Systems and Controls	<input type="checkbox"/>	Yes
Claims Handling	<input type="checkbox"/>	Yes
Has any of your Compliance Documentation changed? (only note what is applicable to Coverholder)	Version	<input type="button" value="v"/>
Professional Indemnity	Jan-17	Yes
Financials	Jan-17	Yes
Business Continuity/Disaster Recovery Plan	Jan-17	Yes
Financial Crime Procedures	Jan-17	Yes
Succession Plan	Jan-17	Yes
Conflicts of Interest Policy	Jan-17	Yes
Complaints Handling Procedure	Jan-17	Yes
Data Privacy Policy	Jan-17	Yes
IT Security Policy	Jan-17	Yes
Outsourcing Policy	Jan-17	Yes
Credit Control Procedures	Jan-17	Yes
Organisation Chart	Jan-17	Yes
Claims Procedures	Jan-17	Yes
Have any of your Coverholder Directors changed in the last 12	<input type="checkbox"/>	Yes
<i>Where you have answered yes to any of the above please complete the 'Atlas Updates' tab for complete via your broker) within this spreadsheet</i>		
Signed on behalf of the coverholder:		
Position:		
Date:		
<i>*Please print, sign and scan the above page</i>		

Ongoing Compliance Oversight



Ongoing Compliance Oversight - Escalation



- 30 days prior to due date or 11 months after approval
- Aligned with audit date (3 months prior)
- Completed at a date advised by coverholder
- DA contact coverholder directly where multiple brokers involved

- DA will send reminder email
- Follow up with phone call where possible
- Escalate where no response is received from broker –Lloyd's will go directly to CH

- DA will send reminder email
- Follow up with phone call where possible
- BCC brokers in to email communication

- DA will send reminder email
- Follow up with phone call where possible
- BCC brokers and inform MA

- DA will send final reminder email
- Postponed Deregistration after 5 days
- BCC brokers and inform MA

- Coverholder placed in to postponed deregistration
- Coverholder, Broker & MA informed

Contact Details

Jane Harley

Compliance Manager

Policyholder Protection & Third Party Oversight Performance Management Function

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Telephone +44 (0)20 7327 5462

Claims Governance & Oversight



Managing Agents
comply with
Claims
Minimum
Standards

**Coverholders
and TPAs**
activities are
supportive of
Claims
Minimum
Standards

Policyholders
are assured of
the Lloyd's
Standard
when making a
claim

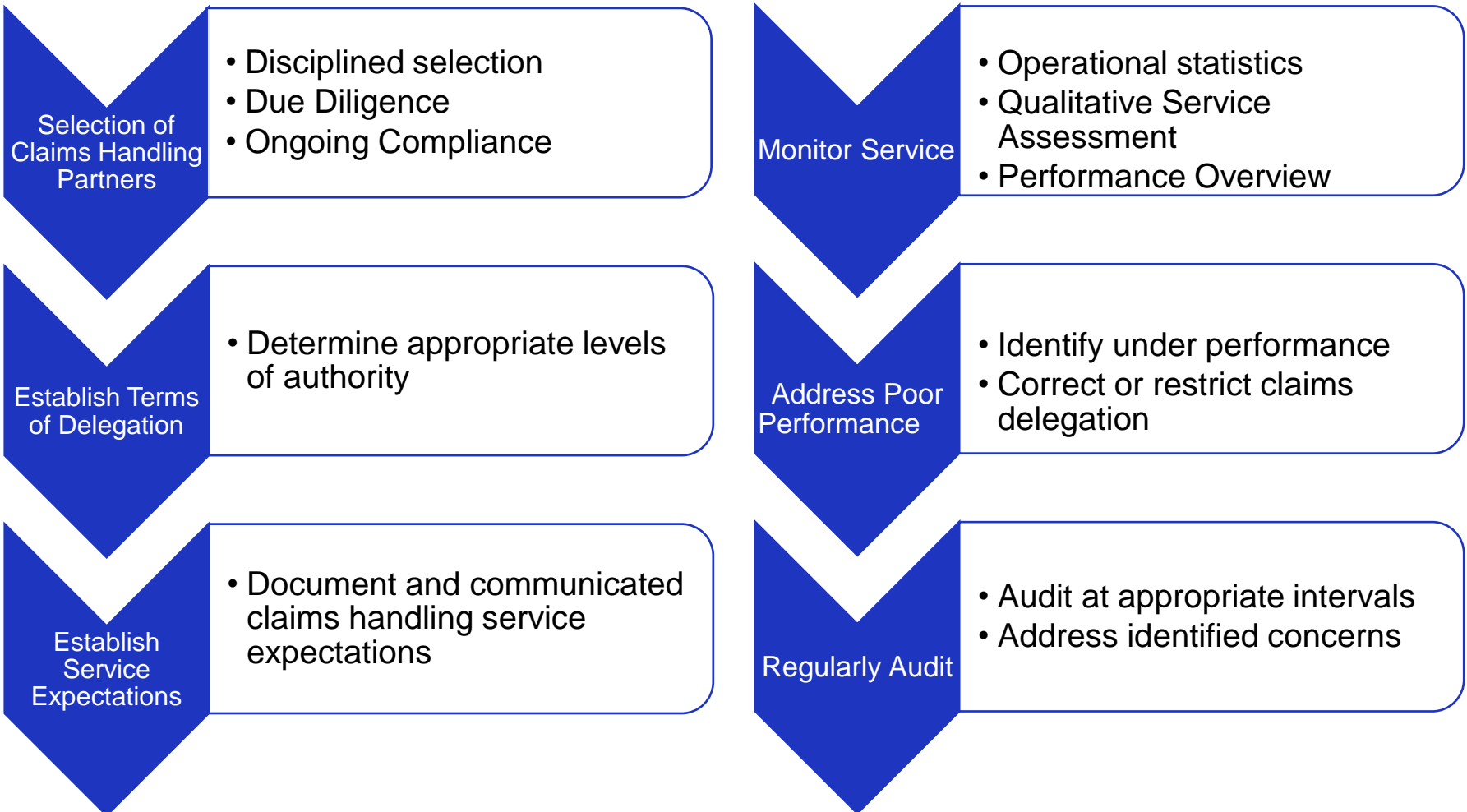
MONITOR

MEASURE

ASSESS

ENFORCEABLE FRAMEWORK

Claims Minimum Standards – Section 6 Use of Third Parties



Thematic Review – DA Claims Management

- **Aims Included**
 - Establishing compliance with Minimum Standards
 - Identifying Examples of Best Practice

- **Principles**
 - Consistent, Proportionate, Add Value

- **Scope**
 - All Managing Agents & selected TPA & CH Arrangements with DA Claims Handling

- **Methodology**
 - Phase One - Desk Based Review of ALL Managing Agents
 - Design and Operation of DA claims management framework

 - Phase Two - On-site Review of Selected Managing Agents
 - Further review of the Operational framework

Thematic Review Observations

Examples of Good Practice

- ✓ Development of strategic opportunities through recognising the benefits of partnering with Coverholders and TPAs
- ✓ Disciplined due diligence supporting the right choices for claims handling partners
- ✓ Terms of engagement that are reflective of the aims for delegating claims handling
- ✓ Performance oversight that identified negative variances in claims service and management oversight that facilitated quick resolution
- ✓ Audits that were directed by risk factors and scopes tailored to support key aims of the review

Opportunities to Improve

- Streamline the due diligence process so as to reduce duplicative requests for information and enhance compliance
- Establish terms of delegation that enable and support claims handling partners in delivering good claims service
- Articulate the Claims service expectations more consistently
- Expand on how we use claims information to analyse performance and improve claims services
- Reduce impact on Coverholders and TPAs through continued support of shared Audits, use regular oversight information to direct Audit scope.

Thematic Review – Next Steps

- ❑ A group of Managing Agents, LMA and Lloyd's set up to drive improvement opportunities

- ❑ Group has established Objectives and Operating Principles

- ❑ Identify Work streams where opportunities exist to work in a coordinated manner

- ❑ Aim to ease and improve the experience for Coverholders and TPAs when working with Lloyd's MAs

- ❑ Supporting better Claims Services to Policyholders

Questions?

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