

INTERMEDIARIES BYELAW

Purpose

The purpose of this Byelaw is to –

1. permit the acceptance of business at Lloyd's through *coverholders*;
2. permit the *determination* of claims at Lloyd's through *delegated claims administrators*
3. specify to whom a *managing agent* may delegate its authority to underwrite contracts of insurance, issue insurance documentation and to *determine* claims;
4. provide for the registration of *persons* to whom delegated authority is given;
5. provide for the registration of certain *contracts of delegated authority*;
6. provide for the *Council* to prescribe conditions and requirements relating to *contracts of delegated authority* and to insurance documentation issued by *persons* to whom delegated authority is given; and
7. provide for the registration of *Lloyd's brokers*.

The Byelaw also revokes –

1. The Delegated Underwriting Byelaw (No. 1 of 2004); and
2. The Lloyd's Broker Byelaw (No. 7 of 2004); and

Amendments

This byelaw was amended by

Intermediaries (Service Company Amendment) Byelaw (No. 5 of 2008)

The Legislative Reform (Lloyd's) Order (Market Provisions) Byelaw (No. 1 of 2009)

Intermediaries (Claims Determination) Amendment Byelaw (No. 1 of 2012)

Intermediaries (Restricted Coverholder Revocation) Amendment Byelaw (No. 1 of 2014)

Intermediaries (Delegated Authority) Amendment Byelaw (No. 1 of 2019)

Constitutional Arrangements Amendment Byelaw (No. 2 of 2019)

Words and terms shown in italics have the meaning set out in the Definitions Byelaw.

This Byelaw was made by the *Council* on 28 March 2007 in exercise of its powers under section 6(2) and 8(3) of, and paragraphs (4), (12), (14), (19), (21), (24), (37) and (41) of Schedule 2 to, Lloyd's Act 1982 and may be referred to as the Intermediaries Byelaw (No. 3 of 2007).

The headings and these notes are for guidance only and do not form part of the Intermediaries Byelaw.

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Section 1 Delegated Authority

Part A – Delegation of authority

Delegation of authority to enter into contracts of insurance

1. A *managing agent* shall not delegate its authority to enter into contracts of insurance to be underwritten by the *members* of a *syndicate* managed by it to any *person* other than –
 - (a) to a director or employee of the *managing agent* or, with the consent of the *Council*, to any other individual engaged to provide services to the *managing agent*;
 - (b) to another *managing agent* or authorised insurance company in accordance with the terms of a *line slip*;
 - (c) to another *managing agent* in accordance with the terms of a *consortium agreement*;
 - (d) to an *approved coverholder* in accordance with the terms of a *binding authority*;
 - (e) to such other *person* or class or category of *persons* as the *Council* may permit in accordance with the terms of a *contract of delegated authority*;
 - (f) to the *Society*, or a representative or agent of the *Society*; or
 - (g) in accordance with any other of the *requirements of the Council*.

2. Any *person*, other than the *Society*, to whom authority to enter into contracts of insurance to be underwritten by *members* of a *syndicate* has been delegated in accordance with paragraph 1 shall not sub-delegate that authority other than –
 - (a) to a director, partner or employee of that *person* or, with the consent of the *Council*, to any other individual engaged to provide services to that *person*; or
 - (b) to any of the *persons* and in accordance with such specified *contract of delegated authority* as is listed in paragraph 1 (b) to (g),

save that the *Council* may from time to time prescribe conditions and requirements as to the sub-delegation of authority in accordance with this paragraph by or to any *person* or class or category of *persons* (which may include prohibiting the sub-delegation of authority).

Delegation of authority to issue insurance documentation

3. A *managing agent* shall not delegate its authority to issue documents evidencing contracts of insurance underwritten by the *members* of a *syndicate* managed by it to any *person* other than to –
- (a) the *LPSO*;
 - (b) a director or employee of the *managing agent* or, with the consent of the *Council*, to any other individual engaged to provide services to the *managing agent*;
 - (c) another *managing agent* or an authorised insurance company in accordance with the terms of a *line slip*;
 - (d) another *managing agent* in accordance with the terms of a *consortium agreement*;
 - (e) an *approved coverholder* in accordance with the terms of a *binding authority*;
 - (f) to such other *person* or class or category of *persons* as the *Council* may permit in accordance with the terms of a *contract of delegated authority*; or
 - (g) the *Society*, including for the purpose of issuing or otherwise making available insurance certificates in accordance with the Marine Insurance Certificates Byelaw (No. 3 of 2002), or a representative or agent of the *Society*.
4. Any *person*, other than the *Society* or *LPSO* to whom authority to issue documents evidencing contracts of insurance underwritten on behalf of the *members of a syndicate* has been delegated in accordance with paragraph 3 shall not sub-delegate that authority other than –
- (a) to a director, partner or employee of that *person* or, with the consent of the *Council*, to any other individual engaged to provide services to that *person*; or
 - (b) to any of the *persons* and in accordance with such specified *contract of delegated authority* as is listed in paragraph 3 (a) and (c) to (g),

save that the *Council* may from time to time prescribe conditions and requirements as to the sub-delegation of authority in accordance with this paragraph by or to any *person* or class or category of *person* (which may include prohibiting the sub-delegation of authority).

Delegation of authority to determine claims

- 4A. A *managing agent* shall not delegate its authority to *determine* claims on contracts of insurance underwritten by the *members* of a *syndicate* managed by it to any *person* other than –

- (a) to a director or employee of the *managing agent* or, with the consent of the *Council*, to any other individual engaged to provide services to the *managing agent*;
- (b) to another *managing agent* in accordance with such requirements as the *Council* may prescribe;
- (c) to another *managing agent* or authorised insurance company in accordance with the terms of a *line slip*;
- (d) to another *managing agent* in accordance with the terms of a *consortium agreement*;
- (e) to an *approved delegated claims administrator* in accordance with the terms of a *delegated claims administration agreement*;
- (f) an *approved coverholder* where the contract of insurance has been entered into or is being administered by that *approved coverholder* in accordance with the terms of a *binding authority*;
- (g) to an *approved run-off company* in accordance with the terms of a *contract of delegated authority*;
- (h) to a *Lloyd's claims settling agent* in accordance with the terms of a *contract of delegated authority*;
- (i) a lawyer or firm of lawyers qualified to practice law under the laws and regulations where they are located in accordance with the terms of a *contract of delegated authority*;
- (j) to such other *person* or class or category of *persons* as the *Council* may permit in accordance with the terms of a *contract of delegated authority*; or
- (k) to the *Society*, or a representative or agent of the *Society*.

4B. Any *person*, other than the *Society*, to whom authority to *determine* claims on contracts of insurance underwritten by *members* of a *syndicate* has been delegated in accordance with paragraph 4A shall not sub-delegate that authority other than –

- (a) to a director, partner or employee of that *person* or, with the consent of the *Council*, to any other individual engaged to provide services to that person; or
- (b) to any of the *persons* and in accordance with such specified *contract of delegated authority* as is listed in paragraph 4A (c) to (j),

save that the *Council* may from time to time prescribe conditions and requirements as to the sub-delegation of authority in accordance with this paragraph by or to any *person* or class or category of *person* (which may include prohibiting the sub-delegation of authority).

Part B – Registers of persons with delegated authority and contracts of delegated authority

Establishment and maintenance of registers

5. The *Council* shall establish and maintain registers of –
 - (a) *approved coverholders*;
 - (b) *approved delegated claims administrators*;
 - (c) such other classes or categories of *persons* to whom the *Council* has permitted authority to be delegated or sub-delegated in accordance with paragraphs 1 to 4B as the *Council* may prescribe from time to time; and
 - (d) such classes or categories of *contracts of delegated authority* as the *Council* may prescribe from time to time.
6. The registers shall be in such form and contain such information as the *Council* may prescribe.
7. The *Council* may prescribe which *persons* or categories or classes of *person* may inspect all or any part of each register referred to in paragraph 5.

Registration of approved coverholders, approved delegated claims administrators and others to whom the Council has permitted authority to be delegated or sub-delegated

- 7A. The arrangements for entering in and removing names from the register of *approved coverholders* and *approved delegated claims administrators* shall be in accordance with paragraphs 11 and 19.
- 7B. The *Council* may from time to time prescribe the arrangement for entering in the register of names of *persons* required to be registered in accordance with paragraph 5 (c), including –
 - (a) which classes and categories of *persons* may register a *person* within this category; and
 - (b) the requirements and procedures that must be complied with in order to register such a *person*.
- 7C. The *person* who registers a *person* within this category shall ensure that the information contained in the register relating to that *person* is kept up-to-date.

- 7D. *Managing agents, approved coverholders and approved delegated claims administrators* shall not permit *persons* required to be registered in accordance with paragraph 5 (c) within this category to exercise authority delegated to them in accordance with any of paragraphs 1 to 4B unless that *person's* name is included in the register.
- 7E. The *Council* may at any time remove from the register established and maintained in accordance with paragraph 5 (c) the names of any *persons* who are not or have ceased to be *persons* requiring their name to be included in the register.

Registration of contracts of delegated authority

- 7F. The *Council* may from time to time prescribe –
- (a) which classes and categories of persons may register a *contract of delegated authority*; and
 - (b) prescribe requirements and procedures which must be complied with in order to register a *contract of delegated authority*.
- 7G. The *person* who registers a *contract of delegated authority* shall ensure that the information contained in the register relating to that *contract of delegated authority* is kept up-to-date.

Part C - Approved coverholders and approved delegated claims administrators

Applications for approval

8. Any company or partnership that wishes to be approved as an *approved coverholder* or as an *approved delegated claims administrator* (an “*applicant*”) may apply to the *Council*. Applications shall be made in accordance with such procedures and shall be accompanied by such documents and information as the *Council* may from time to time prescribe.
9. The *Council* may require an *applicant*, which is not a *Lloyd’s broker*, to be sponsored by a *Lloyd’s broker* or a *managing agent* (the “*sponsor*”).
10. At any time after receiving an application, the *Council* may, in connection with the consideration of the application, require –
 - (a) the *applicant*;
 - (b) any *sponsor*; or
 - (c) any *managing agent* which proposes to enter into a *binding authority* or *delegated claims administration agreement* with the *applicant*,or any of the directors, partners and employees of any such person to –
 - (i) provide information, documents, books, records and other materials;
 - (ii) answer questions;
 - (iii) give undertakings or make declarations to the *Council*;
 - (iv) attend before the *Council* or any representative or agent of the *Society*;
 - (v) permit the *Council* or any representative or agent of the *Society* to attend at the *applicant’s* business premises to inspect, review or assess the *applicant’s* business operations, books and records and to pay or contribute to the costs of that inspection, review or assessment;
 - (vi) provide funds or other security (including, but not limited to letters of credit, charges or guarantees) for the settlement and payment of insurance transactions incurred by it.

Approval

11. The *Council* may consider applications for approval as an *approved coverholder* or *approved delegated claims administrator* and grant or refuse any such approval.

Upon granting any such approval the name of the *applicant* shall be entered into the register of *approved coverholders* or *approved delegated claims administrator*, as applicable.

12. The *Council* shall not approve an *applicant* as an *approved coverholder* or *approved delegated claims administrator* unless the *applicant* has demonstrated to the *Council* that it is suitable to be approved as such.
13. In deciding whether an *applicant* is suitable to be approved as an *approved coverholder* or as an *approved delegated claims administrator* the *Council* shall have regard to such criteria as it may from time to time prescribe for all or any class or category of *applicants*.
- 13A. The *Council* shall not approve an application to become an *approved coverholder* unless the *applicant* can demonstrate that, upon approval, it has a reasonable expectation of entering into a *binding authority* and the *Council* is satisfied that the *syndicate* for whose *members* any contracts of insurance are to be underwritten is managed by a *managing agent* that has the capabilities and competencies to underwrite the business in question through that *applicant*.
14. A *person* shall not hold itself out as being an *approved coverholder* or as an *approved delegated claims administrator* unless its name appears in the register of *approved coverholders* or the register of *approved delegated claims administrators*, as applicable.
15. The approval of a *person* as an *approved coverholder* or as an *approved delegated claims administrator* may be –
 - (a) subject to that *person* entering into a *binding authority* or *delegated claims administration agreement* to be registered in accordance with this Byelaw within such period as the *Council* may specify;
 - (b) subject to the provision of undertakings or declarations from such *persons* as the *Council* may require;
 - (c) for a specific or an indefinite period;
 - (d) in the case of *approved coverholders*, subject to that *person* being classified as a *service company coverholder*.

Directions, conditions and requirements

16. The *Council* may at any time give such directions to or impose such conditions or requirements on an *approved coverholder* or *approved delegated claims administrator*

(or any class or group thereof) as it thinks necessary or appropriate. A direction, condition or requirement given or imposed under this paragraph may include a direction, condition or requirement for the purposes of ensuring that the *approved coverholder* or *approved delegated claims administrator* (or any class or group thereof) –

- (a) is or will continue to be suitable to be an *approved coverholder* or *approved delegated claims administrator*;
- (b) will only act in that capacity in accordance with a *binding authority* or *delegated claims administration agreement* which has such parties, or which was arranged or broked by such person or persons, as the *Council* may specify;
- (c) will only act in that capacity in respect of certain classes or categories of insurance business or in respect of certain geographical areas as specified by the *Council*;
- (d) in the case of *approved coverholders*, may only determine the premium to be charged in respect of each contract of insurance to be entered into under a *binding authority* in accordance with such restrictions or limitations as the *Council* may specify;
- (e) in the case of *approved coverholders*, may only *determine* claims on contracts of insurance which have been entered into or are being administered by that *approved coverholder* in accordance with such restrictions or limitations as the *Council* may specify;
- (f) may only sub-delegate any authority to enter into or to issue documents evidencing contracts of insurance or to *determine* claims on contracts of insurance underwritten by or, as the case may be, to be underwritten by *members* of a *syndicate* in accordance with such restrictions or limitations as the *Council* may specify (which may include prohibiting any sub-delegation of authority).

Review of approval

17. The *Council* may at any time conduct a review of an *approved coverholder's* or *approved delegated claims administrator's* approval under this Byelaw for the purpose of determining –

- (a) whether they continue to suitable to be approved as such;
- (b) whether there are or may be any ground for exercising any power of the *Council*.

18. In connection with any review conducted by the *Council* under paragraph 17, the *Council* may require the *approved coverholder* or *approved delegated claims administrator*, any *managing agent* which is or has been a party to a *binding authority* or *delegated claims administration agreement* with the *approved coverholder* and any *Lloyd's broker* which arranged, broked or is a party to any such *binding authority* or *delegated claims administration agreement* and any of their directors, partners or employees to –
- (a) provide information, documents, books, records and other materials;
 - (b) answer questions;
 - (c) attend before the *Council* or any representative or agent of the *Society*;
 - (d) permit the *Council* or any representative or agent of the *Society* to attend at the *approved coverholder's* or *approved delegated claims administrator's* business premises to inspect, review or assess the *approved coverholder's* or *approved delegated claims administrator's* business operations, books and records and to pay or contribute to the costs of that inspection, review or assessment;
 - (e) make declarations to the *Council*.

Revocation of approval

19. The *Council* may at any time revoke the approval of an *approved coverholder* or *approved delegated claims administrator* and remove its name from the applicable register if the *Council* considers that –
- (a) the *approved coverholder* or *approved delegated claims administrator* is not suitable to be approved as such;
 - (aa) the *approved coverholder* or *approved delegated claims administrator* has failed to or has ceased to comply with any *requirements of the Council*;
 - (b) the *approved coverholder* or *approved delegated claims administrator* has failed to or has ceased to comply with any direction, condition or requirement given to or imposed upon it under paragraph 16;
 - (c) the *approved coverholder* or *approved delegated claims administrator* has failed to or has ceased to comply with the terms of any undertaking or declaration that it has given to the *Council*;
 - (d) in the case of an *approved coverholder*, the *approved coverholder* has not been party to a *binding authority* for a period of 3 months, or such longer period as the *Council* may permit, since the expiry of its authority to enter into contracts of insurance on behalf of the *members* of a *syndicate* under the last *binding authority* to which it was party;

- (da) in the case of an *approved delegated claims administrator*, the *approved delegated claims administrator* has not been party to a *delegated claims administration agreement* for a period of 6 months, or such longer period as the *Council* may permit, since the expiry of its authority to *determine* claims on contracts of insurance underwritten by the *members* of a *syndicate* under the last *delegated claims administration agreement* to which it was party; or
 - (e) it is necessary or desirable in order to protect the name, reputation or standing of the *Society* and of its *members* or their authorisation to conduct insurance business.
20. Where the *Council* considers that there are grounds for revoking the approval of an *approved coverholder* or an *approved delegated claims administrator* the *Council* may if it considers that there is good reason to do so –
- (a) postpone that revocation for such period or periods as the *Council* may specify from time to time or until the *Council* shall otherwise determine; and
 - (b) in connection with such postponement, at any time give such directions or impose such requirements as it may think fit including directions or requirements for the purpose of ensuring that –
 - (i) in the case of an *approved coverholder*, the *approved coverholder* does not or does not continue to enter into or purport to enter into any further contracts of insurance on behalf of *members* of a *syndicate*;
 - (ia) in the case of an *approved delegated claims administrator*, the *approved delegated claims administrator* does not or does not continue to *determine* or purport to *determine* claims underwritten by *members* of a *syndicate*;
 - (ib) the *approved coverholder* or *approved delegated claims administrator* does not or does not continue to enter into or purport to enter into any *contract of delegated authority*; and
 - (ii) any contracts of insurance entered into on behalf of *members* of a *syndicate* in any capacity are properly administered.

Decisions may be made by electronic processes

21. Where it considers appropriate, any decision in this part may be made and communicated by the *Council* using automated electronic processes.

[Part D – Restricted coverholders

Deleted by the Intermediaries (Restricted Coverholder Revocation) Amendment Byelaw (No. 1 of 2014).]

Part E - Contracts of delegated authority

Requirements relating to contracts of delegated authority

30. The *Council* may from time to time prescribe conditions and requirements with which all *contracts of delegated authority* or any class or category of *contract of delegated authority* must comply including conditions and requirements relating to information, provisions and terms to be included.
31. An *approved coverholder* or a *managing agent* shall not enter into or purport to enter into a contract of insurance or *contract of delegated authority* or issue or purport to issue a document evidencing a contract of insurance under a *binding authority*, *consortium agreement* or a *line slip* unless –
- (a) each of the parties to the *binding authority*, *consortium agreement* or *line slip* have agreed to its terms and conditions; and
 - (b) the *binding authority*, *consortium agreement* or *line slip* complies with the conditions and requirements prescribed by the *Council* in accordance with paragraph 30.
- 31A. An *approved delegated claims administrator* shall not *determine* or purport to *determine* a claim or enter into a *contract of delegated authority* under a *delegated claims administration agreement* unless –
- (a) each of the parties to the *delegated claims administration agreement* have agreed to its terms and conditions; and
 - (b) the *delegated claims administration agreement* complies with the conditions and requirements prescribed by the *Council* in accordance with paragraph 30.
- 32A. An *approved coverholder*, an *approved delegated claims administrator* or a *managing agent* shall not authorise, permit or cause any person to whom they delegate or sub-delegate authority to enter into a contract of insurance or issue a document evidencing a contract of insurance or to *determine* a claim under a *contract of delegated authority* unless –
- (a) each of the parties to the *contract of delegated authority* have agreed to its terms and conditions; and
 - (b) the *contract of delegated authority* complies with the conditions and requirements prescribed by the *Council* in accordance with paragraph 30.

Registration of binding authorities and delegated claims administration agreements

32. An *approved coverholder* shall not enter into or purport to enter into a contract of insurance or a *contract of delegated authority* and shall not issue or purport to issue a document evidencing a contract of insurance under a *binding authority* until that *binding authority* has been registered in accordance with the requirements and procedures prescribed by the *Council*.
- 32A An *approved delegated claims administrator* shall not *determine* or purport to *determine* a claim or enter into a *contract of delegated authority* under a *delegated claims administration agreement* until that *delegated claims administration agreement* has been registered in accordance with the requirements and procedures prescribed by the *Council*.
- [33. Deleted by Intermediaries (Delegated Authority) Amendment Byelaw (No. 1 of 2019)]
- [34. Deleted by Intermediaries (Delegated Authority) Amendment Byelaw (No. 1 of 2019)]

Part F - Requirements for insurance documentation

35. The *Council* may from time to time prescribe such conditions and requirements regarding insurance documentation issued under a *contract of delegated authority* which may include conditions and requirements relating to –
- (a) the content, form and style of the insurance documentation;
 - (b) service standards for the issuance and distribution of the insurance documentation;
 - (c) arrangements to ensure, where a contract of insurance has been entered into under a *contract of delegated authority*, that a policyholder can verify the authority of a *person* to enter into contracts of insurance underwritten by *members* of a *syndicate* and the authenticity of the insurance documentation issued by it; and
 - (d) arrangements for the proper control of the issuance and distribution of the insurance documentation.

[Part G – Claims and third party administrators

Deleted by the Intermediaries (Delegated Authority) Amendment Byelaw (No. 1 of 2019).]

Part H - Suspension

37. The *Council* may make a direction or order of suspension in respect of any *approved coverholder* or *approved delegated claims administrator* on such terms and subject to such requirements as it may specify when in its opinion such a direction or order appears to be necessary or desirable in the interests of the *Society*, its *members* or policyholders.
38. In respect of an *approved coverholder*, the terms of a direction or order made by the *Council* under paragraph 37 may include requirements that the *approved coverholder*
- (a) ceases to enter into contracts of insurance on behalf of *members* of a *syndicate* in respect of any or all *binding authorities*;
 - (b) ceases to administer or run-off any contract of insurance entered into by it on behalf of *members* of a *syndicate*;
 - (c) ceases to issue documents evidencing contracts of insurance entered into by it on behalf of *members* of a *syndicate*.
- 38A In respect of an *approved delegated claims administrator*, the terms of a direction or order made by the *Council* under paragraph 37 may include requirements that the *approved delegated claims administrator* ceases to *determine* claims on behalf of *members* of a *syndicate* in respect of any or all *delegated claims administration agreements*.

Section 2 Lloyd's Brokers

Part I - Registration

Registration

39. The registration of persons as *Lloyd's brokers* and the renewal, review and withdrawal of such registration shall be under the control of the *Council*.
40. The *Council* shall maintain a register of *Lloyd's brokers* which shall be in such form and contain such information as the *Council* may from time to time prescribe.
41. Any *person* who wishes to be registered or re-registered as a *Lloyd's broker* (an "*applicant*") may apply to the *Council* for its name to be entered or re-entered in the register.
42. Applications shall be made in accordance with such procedures and shall be accompanied by such documents and information as the *Council* may from time to time prescribe.
43. Subject to this Byelaw, the *Council* shall have power to –
 - (a) consider any application for entry in the register of *Lloyd's brokers* and any application for re-registration;
 - (b) on the grant of any such application, cause the name of the *applicant* (and all information which the *Council* may determine in accordance with paragraph 40) to be entered in the register of *Lloyd's brokers*;
 - (c) review the registration of any *Lloyd's broker* in accordance with part K of this Byelaw; and
 - (d) remove the name of any *Lloyd's broker* from the register in accordance with part L of this Byelaw.
44. The registration of a *Lloyd's broker* shall be either for a specific period or for an indefinite period.

Criteria for registration

45. An *applicant* shall not be registered as a *Lloyd's broker* unless the *applicant* has demonstrated to the *Council's* satisfaction that it is eligible to be a *Lloyd's broker*.

46. In deciding whether an applicant is eligible to be registered as a *Lloyd's broker* the *Council* may have regard to such criteria as it may from time to time prescribe.

Part J – Additional requirements for Lloyd’s Brokers

Terms of business agreements

[47. *deleted by The Legislative Reform (Lloyd’s) Order (Market Provisions) Byelaw (No.1 of 2009).*]

Notification to Lloyd’s

48. While a *Lloyd’s broker* remains on the register of *Lloyd’s brokers*, it shall ensure that it remains eligible and shall immediately inform the *Council* in writing if it knows or believes that it is no longer eligible.

Part K – Review of registration

Power to conduct reviews

49. The *Council* may at any time order a review of a *Lloyd's broker's* registration under this Byelaw for the purpose of determining –
 - (a) whether the *Lloyd's broker* in question continues to be eligible to be registered as a *Lloyd's broker*; or
 - (b) whether there are or may be any grounds for exercising any power of the *Council*.
50. Any review ordered pursuant to paragraph 49 of this Byelaw may be conducted by such *person* or *persons* as may from time to time be nominated by the *Council*.
51. A *person* conducting a review of a *Lloyd's broker* may require that it provide such documents and information as that *person* may reasonably require for the purposes of the review.

Part L – Removal from the register

Removal from the register

[52. *deleted by The Legislative Reform (Lloyd's) Order (Market Provisions) Byelaw (No.1 of 2009).*]

53. The *Council* may at any time remove the name of a registered *Lloyd's broker* from the register if that *Lloyd's broker* –

- (a) ceases in the opinion of the *Council* to be eligible to be a *Lloyd's broker*;
- (b) registration has expired;
- (c) so requests; or

where the *Council* considers that it is necessary or desirable in order to protect the name, reputation or standing of the *Society* and of its *members* or their authorisation to conduct insurance business.

Postponed removal

54. Where the *Council* considers that there are grounds for removing the name of a *Lloyd's broker* from the register under any of the preceding provisions of this paragraph (other than paragraph 52) the *Council* may, if it considers that there is good reason to do so –

- (a) postpone the removal of the name of the *Lloyd's broker* from the register for such period as the *Council* may specify from time to time or until the *Council* shall otherwise determine;
- (b) in connection with such postponement at any time and from time to time give such directions or impose such requirements as it may think fit, including without limitation –
 - (i) a direction or requirement that the *Lloyd's broker* shall not carry on any business or activity, or business or activity of a specified class or description, at Lloyd's; and
 - (ii) a direction or requirement that the *Lloyd's broker* shall not hold itself out as a *Lloyd's broker*.

Permission to broke insurance business after removal

55. Notwithstanding that the name of a *Lloyd's broker* has been removed from the register, the *Council* may, if it considers that there is good reason to do so, and on such conditions and for such period as it thinks fit, permit –
- (a) that former *Lloyd's broker* to continue to broke insurance business at Lloyd's;
or
 - (b) any other *person* to broke insurance business at Lloyd's on behalf of that former *Lloyd's broker*

for the purposes only of discharging the continuing functions of that former *Lloyd's broker* in connection with insurance contracts and *contracts of delegated authority* effected by it or for which it had undertaken responsibility before the date of such removal from the register of *Lloyd's brokers*.

Section 3 Miscellaneous and transitional provisions

Part M – Miscellaneous and transitional provisions

Acceptance of business

[56. *deleted by The Legislative Reform (Lloyd's) Order (Market Provisions) Byelaw (No.1 of 2009).]*

[57. *deleted by Constitutional Arrangements Amendment Byelaw (No. 2 of 2019).]*

Managing agent's obligations (coverholder and delegated claims administrator arrangements)

58. *A managing agent shall not authorise, permit or cause an approved coverholder or an approved delegated claims administrator to act in contravention of any of the requirements of the Council.*
59. *A managing agent shall immediately notify the Council in writing if it knows or believes or has reason to believe that any approved coverholder or approved delegated claims administrator is acting or has acted in contravention of any provision of this Byelaw or of any of the requirements of the Council.*
60. *A managing agent shall take all reasonable steps to satisfy itself that an approved coverholder or approved delegated claims administrator remains suitable to be approved as such in accordance with this Byelaw and any requirements as prescribed by the Council prior to the managing agent entering into a binding authority or delegated claims administration agreement with that approved coverholder or approved delegated claims administrator.*
61. *A managing agent shall immediately notify the Council in writing in the event that it knows or believes or has reason to believe that any of the events at paragraph 19 (a) to (c) or (e) has occurred or is likely to occur.*
62. *Nothing in this Byelaw shall permit a managing agent to –*
- (a) *delegate its authority to enter into a contract of insurance to be underwritten by the members of a syndicate;*
 - (b) *delegate its authority to issue documents evidencing contracts of insurance underwritten by the members of a syndicate;*
 - (c) *delegate its authority to determine claims on contracts of insurance underwritten by the members of a syndicate,*

where such delegation would be contrary to the laws, regulations or requirements of the *country* in which the business will be transacted.

Publication

63. The *Council* may, where appropriate, publish any decision made under this Byelaw in such terms as it sees fit.

Fees

64. Every *applicant* for registration as a Lloyd's Broker shall pay to the *Society* such fees as the *Council* may from time to time require.
65. Every registered *Lloyd's broker* shall pay to the *Society* such fees as the *Council* may from time to time require.

Divestment

- [66. *deleted by The Legislative Reform (Lloyd's) Order (Market Provisions) Byelaw (No.1 of 2009).*]

Prohibition on unregistered persons broking insurance business at Lloyd's

67. No *person* may broke insurance business at Lloyd's unless registered as a registered *Lloyd's broker* under this Byelaw or a *person* referred to at paragraph 27 of the Underwriting Byelaw as a *person* from or through whom a *managing agent* may accept business on behalf of the members of a *syndicate* which it manages.

Disclosure of information

68. The *Council* may where necessary or appropriate require a registered *Lloyd's broker* to give its consent to the *Financial Services Authority* or any other insurance intermediary regulator to disclose information which relates to that registered *Lloyd's broker* to the *Council*.

Revocations and consequential amendments

69. The following Byelaws are revoked –
- (a) The Lloyd’s Broker Byelaw (No. 7 of 2004); and
 - (b) The Delegated Underwriting Byelaw (No. 1 of 2004).
70. Every reference in the *requirements of the Council* to the Byelaws referred to at paragraph 69 shall, save where the context otherwise requires, be deemed to be a reference to this Byelaw or, in the case of a definition, to the Definitions Byelaw.
71. The Definitions Byelaw (No. 7 of 2005) is amended by deleting the words “Lloyd’s Brokers Byelaw (No.7 of 2004)” and “Delegated Underwriting Byelaw (No.1 of 2004) and substituting therefor a reference to this Byelaw.

Transitional and miscellaneous arrangements

72. The *Franchise Board* shall on 2 April 2007 enter in the register of *approved coverholders*, maintained in accordance with this Byelaw, the name of any person who on 1 April 2007 was an *approved coverholder* in accordance with the Delegated Underwriting Byelaw (No. 4 of 2004).
73. The *Franchise Board* shall on 2 April 2007 enter in the register of *restricted coverholders*, maintained in accordance with this Byelaw, the name of any person who on 1 April 2007 was a *restricted coverholder* in accordance with the Delegated Underwriting Byelaw (No. 1 of 2004).
74. Every *coverholder* which as at 1 April 2007 was subject to a direction, condition or requirement, imposed under paragraph 16 of the Delegated Underwriting Byelaw (No. 1 of 1994) shall from 2 April 2007 be deemed to be subject to a corresponding direction, condition or requirement imposed under paragraph 16 of this Byelaw.
75. Every review of a *coverholder’s* approval which as at 1 April 2007 was being conducted pursuant to the terms of paragraph 17 of the Delegated Underwriting Byelaw (No. 1 of 1994) shall from 2 April 2007 be deemed to be a review conducted by the *Franchise Board* in accordance with paragraph 17 of this Byelaw.
76. The *Franchise Board* shall on 2 April 2007 enter in the register of *Lloyd’s brokers*, maintained in accordance with this Byelaw, the name of any *person* who on 1 April 2007 was an accredited Lloyd’s broker or a provisionally accredited Lloyd’s broker in accordance with the Lloyd’s Brokers Byelaw (No. 7 of 2004).

- 76A The *Council* shall on the date that the Intermediaries (Delegated Authority) Amendment Byelaw (No. 1 of 2019) comes into force enter into the register of *approved delegated claims administrators*, maintained in accordance with this Byelaw, the name of any *person* who prior to that date had been notified to the *Council* by one or more *managing agents* in accordance with paragraph 36D (a) of this Byelaw as a third party administrator to whom the *managing agent(s)* intended to delegate authority to determine claims other than where all such *managing agents* have subsequently notified the *Council* in accordance with paragraph 36D (b) of this Byelaw.

Supplementary directions, conditions and requirements

77. The *Council* may at any time give such directions or impose such conditions or requirements as may be necessary in order to clarify or supplement the matter set out in this Byelaw or otherwise to give effect to orderly transitional arrangements.

Commencement

78. This Byelaw shall come into force on 2 April 2007.

Notes

These notes, the note setting out the purpose of this Byelaw and the part and paragraph headings are for guidance only and do not form part of the Byelaw.