

MARKET BULLETIN

From	Manager Coverholders Department (extn 6754)
Date	18 January 2007
Reference	Y3952
Subject	Compliance questionnaire for Lloyd's approved Coverholders
Subject areas	Ongoing coverholder suitability
Attachments	Coverholder annual compliance questionnaire
Action points	Mandatory use of the compliance questionnaire for Lloyd's Coverholders
Deadlines	18 January 2007

This bulletin imposes the use of the compliance questionnaire for Lloyd's approved coverholders as a replacement to the LMA 9001 from 18 January 2007.

Lloyd's, in liaison with the LMA and LMBC, has designed this standard compliance questionnaire for completion by Coverholders so that they may provide, in a single document, information required by Underwriters to consider the renewal of their binding authority(ies) and to demonstrate that they continue to meet the criteria to be a Lloyd's approved coverholder in accordance with the Franchise Performance Standards. **Its purpose is to eliminate the need for different questionnaires from Underwriters asking for the same core information.**

The process

- 1** Annually, prior to renewal of a binding authority, the coverholder provides their Lloyd's broker(s) with a copy of the questionnaire and attachments.
- 2** The Lloyd's broker(s) forwards a copy of the questionnaire and attachments to the underwriter(s) granting the binding authority.
- 3** If the coverholder has two or more binding authorities at Lloyd's which have different renewal dates they will provide their Lloyd's broker(s) with an updated copy of the questionnaire and attachments incorporating any changes. If there are no changes

since it was originally completed they may confirm this in an email or by re-signing and dating the declaration at section 8.

This bulletin has the support of the LMA delegated underwriting committee and the LMBC binders, offslips and lineslips team.

Monique Alder
Manager
Coverholders Department

COMPLIANCE QUESTIONNAIRE FOR LLOYD'S APPROVED COVERHOLDERS

- 1 Throughout this document the term "you" or "your" means the Lloyd's Approved Coverholder.
- 2 Please complete this questionnaire **annually** when requested and return to your Lloyd's broker who will forward the information to those Underwriting Members of Lloyd's who underwrite your binding authority(ies) at Lloyd's ("the Underwriters").
- 3 Lloyd's has designed this standard compliance questionnaire for completion by you so that you may provide, in a single document, information required by the Underwriters to consider the renewal of your binding authority(ies) and to demonstrate that you continue to meet the criteria to be a Lloyd's approved coverholder. **Its purpose is to eliminate the need for different questionnaires from the Underwriters asking for the same core information.**
- 4 You are reminded that you have an obligation to notify the Underwriters, your Lloyd's broker and Lloyd's of any material changes to information contained within this questionnaire, being matters of which the Underwriters, your Lloyd's broker and Lloyd's would reasonably expect notice. In practice this should be achieved by advising your Lloyd's broker who will communicate the information to the relevant parties.
- 5 If you have two or more binding authorities at Lloyd's which have different renewal dates, your Lloyd's broker may ask you to update this questionnaire for each renewal but this can be achieved by an E-mail confirmation that there are no changes to the information previously provided or by re-signing and dating the declaration in section 8.

SECTION 1 – YOUR DETAILS

A

Coverholder name:

Physical Address:

Postal Address:

Phone:

Fax:

Website:

B

Name of contact person in event of an enquiry.

E-mail:

C Please provide details of any change to your company name, trading name, legal status or business address in the last twelve months.

D Please provide details of any change in ownership in the last twelve months. If ownership has changed this form should relate to the coverholder following that change.

E Please provide details of any changes to your local regulated status during the last 12 months.

SECTION 2 – DETAILS ABOUT YOUR STAFF

Have there been any changes to persons authorised or responsible under the Binding Authority Agreement(s), **other than those already reported to and agreed by Underwriters?** It is a requirement of the Binding Authority that all such changes must be prior agreed by Underwriters. Please provide a resume / CV for Underwriters' consideration of any new persons identified in items A through D below:

- A The person(s) responsible for overall operation and control of the Binding Authority Agreement? Yes No
- B The person(s) authorized to bind insurances who is(are) named in the Schedule? Yes No
- C The person(s) with overall responsibility for the issuance of documents evidencing insurances bound who is(are) named in the Schedule? Yes No
- D The person(s) authorized to exercise any claims authority granted by the Agreement who is(are) named in the Schedule? Yes No

If yes, please provide details here and enclose a resume / CV.

SECTION 3 – YOUR PROFESSIONAL INDEMNITY (PI) OR ERRORS AND OMISSIONS (E&O) INSURANCE

Please enclose a copy of your current Professional Indemnity, E&O and (where relevant) Fidelity insurance policy(ies) or declarations page(s) (this should include limit(s), deductible(s)/excess(es), insurer and period of cover).

- A Do your policies extend to acts of dishonesty of employees? Yes No
- B If not, do you purchase a separate Fidelity insurance policy? Yes No
- C Do your policies cover **all** your activities on behalf of Lloyd's underwriters? Yes No
- D Have you had a claim under your E&O/Fidelity/Dishonesty policy(ies) in the last 12 months? Yes No

If 'Yes', please explain below.

SECTION 4 – YOUR BANKING ARRANGEMENTS

Your Binding Authority Agreement sets out the Underwriters' requirements in respect of holding insurers' monies, in particular the requirement for insurers' monies to be held in a separate bank account from your general or operating account.

Please provide the following information

Bank:

Bank address:

Account name:

Account number:

Please confirm that you keep insurers' monies in a separate account.

Yes No

Please confirm that insurers' monies are held in a fiduciary capacity (i.e. in trust on behalf of underwriters).

Yes No

If 'No', please explain below.

SECTION 5 – LICENCES

A Do your company and staff hold all the licences you need to enter into contracts of insurance on behalf of the Underwriters, act as an insurance intermediary and act as a Lloyd's coverholder? Yes No

B Please supply copies of all relevant licences obtained or renewed in the last twelve months for both the company and members of staff.

C In the last twelve months have you, your company or any member of your staff been fined, censured or subject to a formal enquiry by a regulatory body (e.g. a State Insurance Department) or has any licence been suspended or terminated? Yes No

If 'Yes', please explain below.

SECTION 6 – REPUTATION AND STANDING

A Have any of the company's directors, officers, principals or partners been charged with or convicted of a criminal offence other than a minor motoring offence in the last twelve months? Yes No

If yes, please explain below.

B Has your company been a party to any legal action, have any legal proceedings been commenced to which your company is a party or are any such actions pending in which your company has been named as a defendant in the last twelve months? Yes No

If yes, please explain below.

C Have you or any of your company's directors, officers, principals or partners or any organisations in which you or they have held a managerial position in the last twelve months:

- i Been subject to any application for liquidations, receiverships, bankruptcy or similar proceedings? Yes No
- ii Been subject to an administrative order? Yes No
- iii Entered into or propose to enter into an agreement or assignment with creditors or otherwise acknowledge insolvency? Yes No

D Is any such matter pending in respect to Section 6C above? Yes No

If yes, please explain below.

E Have there been any other changes in your company or its circumstances which may be relevant for the Underwriters and which they should be made aware of? Yes No

If yes, please explain below.

SECTION 7 – CHECKLIST OF ADDITIONAL DOCUMENTATION (PLEASE TICK IF ATTACHED)

The completed questionnaire should have the following documents attached.

- A A copy of your latest accounts and annual report.
- B A copy of your current Professional Indemnity or Errors and Omissions insurance.
- C A copy of any applicable current Fidelity insurance.

The completed questionnaire must also have the following documents attached where additions or changes have occurred in the last twelve months.

- D A copy of your new or renewed licences.
- E Resume / CV of any individual listed in Section 2.
- F If your company is one of a group of companies with common ownership (total or partial), a chart showing the relationship and ownership of all companies in the group.

SECTION 8 – DECLARATION

I / We hereby declare that the information given in this compliance questionnaire for binding authorities is true and complete and agree to it being provided to the Underwriters.

I / We also undertake to immediately advise my/our Lloyd's broker of any material changes to the enclosed information per paragraph 4 on page 1. This undertaking is to be a continuous obligation.

I / We hereby declare to abide by all terms and conditions stated in all Binding Authority Agreement(s) issued by Lloyd's Underwriters during their period of cover.

Authorised signatory

Signature

Name (in BLOCK CAPITALS):

Position in your company:

Date (day/month/year):