



# Service Company Underwriting Agreement

LMA3078  
(18 November 2008)

Form approved by Lloyd's Market Association

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## SERVICE COMPANY UNDERWRITING AGREEMENT

This Service Company Underwriting Agreement, the Schedule attached hereto and any endorsements hereon ('the Agreement') is made by and between the Underwriting Members of Lloyd's whose syndicate numbers and proportions are shown in the attached table ('the Underwriters'), and the Service Company Coverholder whose name and address is stated in the Schedule.

Whereas it is proposed that the Service Company Coverholder will have authority to bind insurances on behalf of the Underwriters and do such other things as may be incidental to binding risks, it is mutually understood and agreed between the Underwriters and the Service Company Coverholder as follows:-

### FORMATION, SCOPE AND TERMINATION

#### SECTION 1

##### EFFECTIVE DATE

- 1.1 The Agreement shall take effect only when all parties have executed the Agreement;
- 1.2 Any amendment to the Agreement shall be evidenced in writing and endorsed hereon. All amendments shall be acknowledged in writing by the Service Company Coverholder;
- 1.3 Any renewal of the Agreement shall take effect only when the Underwriters have received from the Service Company Coverholder signed written acceptance of the terms of the renewal.

#### SECTION 2

##### PERIOD

Subject to Section 1, the Agreement is effective during the period stated in the Schedule unless cancelled or terminated in accordance with Section 15.

#### SECTION 3

##### PERSONS RESPONSIBLE FOR OPERATION AND CONTROL

The person(s) named in the Schedule is(are) responsible for the overall operation and control of the Agreement and may from time to time nominate such other person(s) who may, in accordance with the Agreement, bind insurances, issue documents evidencing contracts of insurance and exercise any claims authority.

#### SECTION 4

##### GRANT OF AUTHORITY

- 4.1 The Underwriters hereby authorise the Service Company Coverholder to:-
  - 4.1.1 bind insurances and amendments thereto for the Underwriters' account;
  - 4.1.2 act as the Underwriters' agent in accordance with Section 28 for the purpose of receiving premiums from insureds and settling refunds and to receive claims money prior to onward transmission to insureds;
- 4.2 In respect of every insurance bound, the Service Company Coverholder has a duty to:-
  - 4.2.1 issue documents evidencing the contracts of insurance, endorsements and such other documents evidencing cover as may be agreed in writing by the Underwriters;
  - 4.2.2 collect and process premiums and return premiums on the Underwriters' behalf;
  - 4.2.3 handle claims and/or settle claims if authorised;
- 4.3 The grant of authority under 4.1 and 4.2 shall be in accordance with the terms and conditions contained in the Agreement.

## SECTION 5

### DELEGATION OF AUTHORITY

- 5.1 Subject to Section 5.2, the Service Company Coverholder may, for and on behalf of the Underwriters, sub-delegate the powers and authorities under the Agreement to an entity which is itself a Lloyd's approved coverholder (or to a restricted coverholder);
- 5.2 The Service Company Coverholder shall obtain the prior written consent from the Underwriters to the sub-delegation to the proposed sub-Coverholder; and
- 5.2.1 enter into for and on behalf of the Underwriters a written agreement with the sub-Coverholder in the form of a registered binding authority (or where the sub-Coverholder is a restricted coverholder, in the form of a restricted binding authority). The written agreement with the sub-Coverholder shall not purport to delegate to the sub-Coverholder greater powers and authorities than those delegated to the Service Company Coverholder under the Agreement.
- 5.2.2 the written agreement referred to in paragraph 5.2.1 above shall include provisions to the effect that:-
- 5.2.2.1 the Service Company Coverholder or the Underwriters may (severally) give to the sub-Coverholder directions, conditions or requirements regarding the operation of the written agreement with the sub-Coverholder;
- 5.2.2.2 that upon the Agreement being cancelled or terminated in accordance with Section 15 below the sub-Coverholder shall immediately cease to have authority to offer terms, bind insurances, renew, cancel, amend or alter in any way insurance already bound without the prior written consent of the Underwriters but that all other terms and obligations contained in the sub-Coverholder written agreement shall continue to have full effect; and
- 5.2.2.3 the Service Company Coverholder warrants to the sub-Coverholder that it is acting as agent for the Underwriters in entering into the written agreement and as such has full ability, capacity and authority to act and make any decisions for and on behalf of the Underwriters in relation to the written agreement.
- 5.3 Where the Service Company Coverholder sub-delegates any of its powers and authorities under the Agreement to a sub-Coverholder, the Service Company Coverholder shall remain responsible to the Underwriters for the proper discharge of those powers and authorities.

## SECTION 6

### AUTHORISED CLASS(ES) OF BUSINESS AND COVERAGE(S)

The Service Company Coverholder is authorised to bind insurances only of the class(es) and for the coverage(s) stated in the Schedule.

## SECTION 7

### PERIOD OF INSURANCES BOUND

- 7.1 No insurance shall be bound for a period greater than that stated in the Schedule;
- 7.2 Every insurance bound shall commence during the period of the Agreement;
- 7.3 No insurance shall be bound further in advance of its inception date than the number of days stated in the Schedule;
- 7.4 No insurance shall be bound which provides for automatic or tacit renewal, unless otherwise agreed by the Underwriters;
- 7.5 Each insurance bound shall run to its contractual expiry date, unless cancelled or terminated in accordance with its individual cancellation or termination provisions;

- 7.6 In the event of cancellation or termination of any insurance bound the Service Company Coverholder shall comply with any applicable law relating to the cancellation or termination of such insurance and to the return of premium, commission, fees, charges and taxes.

## **SECTION 8**

### **MAXIMUM LIMITS OF LIABILITY/SUMS INSURED**

The Service Company Coverholder is authorised to bind insurances only up to the limits of liability or sums insured stated in the Schedule.

## **SECTION 9**

### **GROSS PREMIUM INCOME LIMIT**

- 9.1 The Service Company Coverholder shall not bind total gross premium income in excess of the limit stated in the Schedule;
- 9.2 The Service Company Coverholder shall monitor the total gross premium income bound and notify the Underwriters immediately if it becomes apparent that the total gross premium income is likely to exceed the percentage of the limit stated in the Schedule;
- 9.3 For the purposes of this Section, gross premium income shall be defined as all premiums and additional premiums, less return premiums (before deductions of any commission and excluding any tax or policy or other charges).

## **SECTION 10**

### **TERRITORIAL LIMITATIONS**

- 10.1 The Service Company Coverholder is authorised to bind insurances only for risks located in the territory(ies) stated in the Schedule;
- 10.2 The Service Company Coverholder is authorised to bind insurances only for insureds domiciled in the territory(ies) stated in the Schedule;
- 10.3 The territorial limits of each insurance bound shall not be greater than those stated in the Schedule.

## **SECTION 11**

### **AGGREGATES**

The Service Company Coverholder shall monitor the aggregate exposures and shall not bind total aggregate limits in excess of the amounts stated in the Schedule other than with the prior written agreement of the Underwriters.

## **SECTION 12**

### **PREMIUMS, DEDUCTIBLES AND EXCESSES FOR INSURANCES BOUND**

All gross premiums for insurances bound and any Deductibles and/or Excesses shall be determined in accordance with the arrangements, procedures or formula as provided for in the Schedule.

## **SECTION 13**

### **AUTOMATIC RENEWAL OF INSURANCES BOUND**

- 13.1 The Service Company Coverholder shall maintain adequate records to identify and monitor, within any applicable time frames, all insurances bound which provide for or are subject to law granting automatic renewal or any extension of the period of any insurance bound;
- 13.2 The Service Company Coverholder shall review each insurance bound prior to its individual renewal date in order to offer renewal terms or to decline the renewal. This process shall be carried out in compliance with any applicable automatic renewal law;

- 13.3 The Service Company Coverholder is responsible where appropriate for the necessary, timely and proper issuance of any notice of non-renewal for individual insurances bound to prevent their automatic renewal.

#### SECTION 14

##### OTHER CONDITIONS AND/OR REQUIREMENTS RELATING TO THE OPERATION OF THE AGREEMENT

- 14.1 The Service Company Coverholder shall comply with any conditions and/or requirements stated in the Schedule or endorsed hereon;
- 14.2 The Service Company Coverholder shall comply with any amendments to the Agreement as stated in the Schedule or endorsed hereon.

#### SECTION 15

##### CANCELLATION AND TERMINATION

- 15.1 Without prejudice to the terms of 15.2, the Agreement may be cancelled at any time by either party giving to the other not less than:-
- 15.1.1 the number of days notice in writing as stated in the Schedule; or
  - 15.1.2 the minimum notice period, if any, required by local law;
- Any such notice will be effective from the date given, and the Agreement will terminate upon the expiration of the period of such notice;
- 15.2 Unless the Underwriters specifically agree to the contrary in writing, the Agreement will be automatically terminated in the event the Service Company Coverholder:-
- 15.2.1 ceases to be eligible in accordance with Lloyd's requirements as a "service company coverholder" ;
  - 15.2.2 is merged with, acquired by or otherwise absorbed by any individual, corporation or other business entity or organisation of any kind;
  - 15.2.3 becomes the subject of voluntary or involuntary rehabilitation or liquidation proceedings or becomes insolvent or the subject of an action in bankruptcy or makes or proposes any composition with its creditors;
  - 15.2.4 ceases, for whatever reason, to be regulated by the Financial Services Authority or other regulatory body or have any relevant licence or authority to conduct business suspended, removed or impaired by any order or decree of any judicial or regulatory authority.

#### SECTION 16

##### EFFECT OF EXPIRY, CANCELLATION OR TERMINATION

- 16.1 Immediately upon receipt of notice of cancellation or termination of the Agreement, the Service Company Coverholder shall:-
- 16.1.1 have no authority to extend insurances already bound without the prior written consent of the Underwriters; and
  - 16.1.2 give written notice to any sub-Coverholders appointed under Section 5 above to terminate any written agreement(s) with sub-Coverholder(s);
- 16.2 With effect from the date of expiry, cancellation or termination of the Agreement:-
- 16.2.1 except as stated in 16.3 below the Service Company Coverholder shall have no authority to offer terms, bind insurances, renew, cancel, extend, amend or alter in any way insurances already bound without the prior written consent of the Underwriters. Such written consent shall only be effective where it is not in contravention of local law;
  - 16.2.2 the Service Company Coverholder remains under a duty to perform its obligations in accordance with the terms and conditions of the Agreement until every insurance has expired or has otherwise been cancelled or terminated and, in respect of claims arising under such insurances, until all such claims have been paid or otherwise resolved unless otherwise instructed by the Underwriters;

- 16.2.3 the Underwriters' rights to receive monies due in respect of insurances bound shall not be affected and the Service Company Coverholder agrees not to challenge these rights provided always that, if the Underwriters at their written option collect monies from insurance brokers or other insurance intermediaries, insureds or others from whom monies may be due in respect of insurances bound, the Underwriters shall give the Service Company Coverholder credit for such sums;
- 16.3 With effect from the date of expiry of the Agreement, unless the Underwriters instruct the Service Company Coverholder otherwise, the Service Company Coverholder shall retain the authority under the Agreement to cancel, amend or alter insurances already bound until every such insurance has expired or has otherwise been cancelled or terminated and, in respect of claims arising under such insurances, until all such claims have been paid or otherwise resolved;
- 16.4 Where the Agreement has terminated because the Service Company Coverholder ceases to have the required authorisation or right (or any relevant exemption therefrom), the Service Company Coverholder will not be under the duty referred to in 16.2.2 if its obligations under the Agreement would, if performed, cause it to be in breach of any applicable regulatory prohibition; in such circumstances the Service Company Coverholder shall be under a duty to cooperate with and implement all reasonable instructions from the Underwriters to effect the transfer of servicing of the insurances bound by the Service Company Coverholder to such parties as the Underwriters may appoint.

## DOCUMENTATION FOR INSURANCES BOUND

### SECTION 17

#### DOCUMENTS ISSUED

- 17.1 The Service Company Coverholder shall issue a document evidencing the contract of insurance (which may be in the form of a certificate) in respect of every insurance bound and an endorsement in respect of every change made to each insurance bound:-
- 17.1.1 documents evidencing contracts of insurance issued shall be uniquely numbered and shall include the Agreement number stated in the Schedule;
- 17.1.2 endorsements, if any, shall include reference to this Agreement's reference number and shall be uniquely identified;
- 17.2 The format of any certificate or renewal certificate to be issued by the Service Company Coverholder shall be as stated in the Schedule and agreed by the Underwriters prior to use.
- 17.3 Each document evidencing a contract of insurance and endorsement issued shall bear the signature of one or more directors of the Service Company Coverholder or of such other persons nominated by the person(s) identified at Section 3 above;
- 17.4 If required by local law or the insured requires that an insurance is evidenced by a policy instead of a certificate, the Service Company Coverholder shall request a policy and such policy shall be issued by the Underwriters and any certificate issued shall be void;
- 17.5 Immediately upon binding the Service Company Coverholder shall issue evidence of insurance to the insured or the insured's agent. The document (or any endorsement) shall be issued as soon as practicable, but in any event, no later than 30 calendar days after inception (or seven days for retail business), or in accordance with local law or regulatory requirements;
- 17.6 The Service Company Coverholder shall retain a copy of all documents issued and shall retain all records relating to insurances bound for a minimum of seven years or such greater period as may be required by local law or regulatory requirement;
- 17.7 For the avoidance of doubt, no "joint certificate" shall be issued in respect of insurance bound. For these purposes "joint certificate" means a certificate or other document evidencing a contract of insurance under the Agreement on behalf of Lloyd's Underwriters and which also evidences a proportion of the insurance accepted for other Lloyd's Underwriters or insurance companies.

## SECTION 18

### WORDINGS, CONDITIONS, CLAUSES, ENDORSEMENTS, WARRANTIES AND EXCLUSIONS APPLICABLE TO INSURANCES BOUND

- 18.1 All insurances bound shall be subject to the wordings, conditions, clauses, endorsements, warranties and exclusions as stated in the Schedule;
- 18.2 Each document evidencing a contract of insurance must contain the full text of each wording, condition, clause, endorsement, warranty, exclusion and any other document(s) forming part of the individual contract of insurance. Furthermore all included wordings, conditions, clauses, endorsements, warranties, exclusions and other documents shall be identified and itemised in or upon the document;
- 18.3 Each document evidencing a contract of insurance must identify the law and jurisdiction applicable to the contract of insurance, the period of insurance, the limits of liability or sums insured, the amount of the premium and any other applicable provisions that may be required under relevant local laws and regulations;
- 18.4 Each document evidencing a contract of insurance shall contain a Several Liability Notice as stated in the Schedule;
- 18.5 Except where the binding or administration of the insurances is regulated by the Financial Services Authority:-
- 18.5.1 Each document evidencing a contract of insurance must contain a statement to the effect that all enquiries and disputes should be addressed to the Service Company Coverholder whose name and address must be clearly stated on the document;
- 18.6 Where the binding or administration of the insurances is regulated by the Financial Services Authority:
- 18.6.1 Each document evidencing a contract of insurance shall show the name and address of the Service Company Coverholder and shall contain a statement that:-
- 18.6.1.1 All claims and other enquiries shall be addressed to the entity whose name and address is stated in 18.6.1.1 of the Schedule;
- 18.6.1.2 All complaints must be referred in the first instance to the Service Company Coverholder and, if no satisfaction is obtained, complaints can be referred to Policyholder & Market Assistance, Lloyd's at the address stated in 18.6.1.2 of the Schedule;
- 18.6.1.3 Where the Service Company Coverholder deals with the insured through a retail agent, in respect of any claims referred by the insured to the Service Company Coverholder, the Service Company Coverholder acts as agent for the Underwriters and not the insured;
- 18.6.1.4 Lloyd's is regulated by the Financial Services Authority ('the FSA') whose address is stated in 18.6.1.4 in the Schedule.

## SECTION 19

### SECURITY OF DOCUMENTS

All stocks of documents to evidence contracts of insurance, endorsements and other documents and any electronic method of storing and/or producing documentation shall be kept secure at all times.

### SETTLEMENT OF CLAIMS FOR INSURANCES BOUND

## SECTION 20

### PROCEDURE FOR THE HANDLING AND SETTLEMENT OF CLAIMS

The procedure for the handling and settlement of claims shall be as stated in the Schedule.



## **RECORD KEEPING & REPORTING**

### **SECTION 21**

#### **RECORD KEEPING**

- 21.1 The Service Company Coverholder shall be responsible for ensuring that it establishes, creates and maintains complete records in respect of its activities and responsibilities under the Agreement including in respect of all insurances bound, premiums received, expenses and claims paid;
- 21.2 If the Agreement is a restricted binding authority, as defined by Lloyd's requirements, the Service Company Coverholder agrees to permit access to Lloyd's, at any time during usual business hours and on reasonable notice, to inspect and audit any records, statistical information, accounts and business processes relating to the operation of the Agreement.

### **SECTION 22**

#### **REPORTING**

- 22.1 The Service Company Coverholder shall provide written reports to the Underwriters in such form, containing such details and within such timeframes as the Underwriters may from time to time require. Without prejudice to the generality of the foregoing this may include requirements that the Service Company Coverholder shall submit:
- 22.1.1 details of insurances bound including details of the insureds;
  - 22.1.2 premium bordereaux at such intervals as the Underwriters may require;
  - 22.1.3 claims bordereaux (including paid claims and outstanding claims) at such intervals as the Underwriters may require;
  - 22.1.4 reports on gross premium income accepted (including whether total gross premium income is likely to exceed the limits stated in 9.2 of the Schedule);
  - 22.1.5 details of aggregate exposures;
  - 22.1.6 equivalent details in respect of risks bound by any sub-Coverholder appointed by the Service Company Coverholder under the Agreement.

## **REMUNERATION**

### **SECTION 23**

The Service Company Coverholder shall be remunerated in accordance with the provisions as stated in 23 of the Schedule.

## **GENERAL REQUIREMENTS**

### **SECTION 24**

#### **INTERNET TRADING**

The Service Company Coverholder may offer, negotiate, accept, decline, process or otherwise transact insurances to be bound via any internet site, portal or similar system in such manner as may be agreed by the Underwriters and providing that the use of the internet site, portal or similar system is compliant with any relevant legal, regulatory or Lloyd's requirements.

### **SECTION 25**

#### **FEES AND CHARGES**

Policy, service and other fees and charges applied by the Service Company Coverholder must not breach any local law(s) or regulatory practice(s) which may be in force at the time. All such policy, service and other fees and charges must be shown separately and not concealed from the insured or the Underwriters.

## **SECTION 26**

### **TAXES**

- 26.1 It is the responsibility of the Service Company Coverholder:-
- 26.1.1 to ensure the collection and forwarding to the Underwriters of any tax(es) due from insureds and disbursement of any refunds of such tax(es) due to insureds; and
  - 26.1.2 where required by local law, to collect tax(es) due from insureds and pay tax(es) to the appropriate authorities and to make any necessary returns and to ensure any disbursements of refunds of such taxes are made to insureds;
- 26.2 All tax(es) must be shown separately on the document evidencing the contract of insurance issued to the insured and not concealed from the insured or the Underwriters;
- 26.3 All records in respect of tax(es) must be maintained for a minimum period of seven years or such greater period as may be required by local law;
- 26.4 The Service Company Coverholder shall immediately notify the Underwriters of any tax inspection or audit in relation to the Agreement or any insurance bound under the Agreement and of the results of such inspection or audit.

## **SECTION 27**

### **PREMIUM FINANCE CONTRACTS**

The Service Company Coverholder shall not enter into or permit others to enter into premium finance arrangements in the name of and on behalf of the Underwriters.

## **SECTION 28**

### **SEPARATE BANK ACCOUNTS**

All monies received by the Service Company Coverholder, from or on behalf of the Underwriters, shall be received by the Service Company Coverholder in a fiduciary capacity on behalf of the Underwriters and shall be:-

- 28.1 deposited immediately into an account separate from the Service Company Coverholder's general or operating account for onward transmission for the purposes set out in 28.3 and shall not be otherwise held or retained;
- 28.2 identified in the Service Company Coverholder's book of account, separately from other funds held by the Service Company Coverholder;
- 28.3 used solely for the purpose of settling accounts with the Underwriters or the payment of the commissions, premium refunds, claims or any other transaction authorised by the Underwriters.

## **SECTION 29**

### **POWER TO ISSUE DIRECTIONS AND REQUIREMENTS**

- 29.1 The Underwriters may from time to time issue in writing any directions, conditions or requirements to the Service Company Coverholder regarding the operation of the Agreement. Without prejudice to the generality of the foregoing this may include directions, conditions or requirements:-
- 29.1.1 relating to the class of business that may be bound;
  - 29.1.2 relating to the territorial limitations of any business that may be bound;
  - 29.1.3 relating to the premiums, deductibles and excesses to be applied;
  - 29.1.4 relating to the format and content of the document evidencing contracts of insurance (including proposal forms) that the Service Company Coverholder or any sub-Coverholder may issue on behalf of the Underwriters;

- 29.1.5 a direction to suspend or terminate the Agreement, where such a direction has been given by Lloyd's to the Underwriters;
- 29.1.6 any other directions, conditions and/or requirements which in the sole opinion of the Underwriters are appropriate for the proper discharge of the Service Company Coverholder's obligations under the Agreement.

## **SECTION 30**

### **ADVERTISING**

- 30.1 The Service Company Coverholder may only refer (or permit any other party to refer) to Lloyd's in any publicity, letterheads, directories or advertising material, whether in print, electronic or any other form or media, in accordance with the rules and guidelines issued by Lloyd's and with the agreement of the Underwriters and subject to all local insurance regulatory requirements. Details of the current rules and guidelines are available to the Service Company Coverholder from the Underwriters or from Lloyd's;
- 30.2 The Service Company Coverholder must agree with the Underwriters any specific marketing material to be used in relation to the insurances to be bound.

## **JURISDICTION AND DISPUTES**

### **SECTION 31**

#### **COMPLIANCE WITH THE LAW**

- 31.1 Without prejudice to any of the rights or obligations otherwise specified in the Agreement, the Service Company Coverholder shall:-
- 31.1.1 comply with all applicable laws for the legal and proper handling of all insurances bound or intended to be bound, and shall use its best endeavours to ensure that any other parties with whom it deals in carrying out its duties under the Agreement comply with such laws where applicable;
- 31.1.2 ensure it maintains any insurance it is required by the FSA or other relevant regulatory authority to hold.

### **SECTION 32**

#### **COMPLAINTS OR PROCEEDINGS**

The Service Company Coverholder shall notify the Underwriters immediately (or at such periods as may be agreed with the Underwriters) upon becoming aware of any matter arising out of the operation of or in connection with the Agreement which has resulted or could result in a complaint to any regulatory authority or gives rise to litigation or proceedings against the Underwriters or the Service Company Coverholder.

### **SECTION 33**

#### **JURISDICTION AND GOVERNING LAW**

The Agreement is subject to English law and practice and to the exclusive jurisdiction of the English courts.

### **SECTION 34**

#### **ENFORCEABILITY CLAUSE**

In the event any portion of the Agreement is found to be invalid or unenforceable, the remainder shall remain in full force and effect.

### **SECTION 35**

#### **SEVERAL LIABILITY**

The liability of the Underwriters is several and not joint and is limited solely to the extent of their individual proportions as shown in the attached table. The Underwriters are not responsible for the

subscription of any co-subscribing underwriter or any other insurer or co-insurer who for any reason does not satisfy all or part of its obligations.

## **SECTION 36**

### **GENERAL INTERPRETATION**

In the Agreement, words importing the singular shall include the plural and vice versa. Headings are included for ease of reference and convenience only and shall not affect the interpretation of the Agreement. References to "law" include references to any applicable, common or customary law and any treaty, constitution, statute, legislation, decree, rule, regulation, judgement, order, writ, injunction, determination, award or other legislative or administrative measure or judicial or arbitral decision in any jurisdiction which has the force of law or compliance with which is in accordance with the general practice of such jurisdiction.

References in this Agreement to "Service Company Coverholder", "approved coverholder", "restricted coverholder", "registered binding authority" and "restricted binding authority" shall, unless the context otherwise requires, have the meaning provided for in Lloyd's requirements (where the expression "Lloyd's requirements" includes Lloyd's Acts, byelaws, requirements, standards or guidance).

### **ADDITIONAL PROVISIONS APPLICABLE TO THE UNITED KINGDOM**

Sections 37 and 38 are part of the Agreement if and only if the Service Company Coverholder is transacting business in the United Kingdom.

## **SECTION 37**

### **DATA PROTECTION ACT**

The Service Company Coverholder shall comply with its obligations under the Data Protection Act 1998, whether as a data controller or data processor (as appropriate), and if the former, the Service Company Coverholder shall ensure that it is included in the register maintained by the Information Commissioner.

The Service Company Coverholder shall process data regarding insureds and prospective insureds in accordance with the Data Protection Principles (including, where the Service Company Coverholder is acting as data processor, the Seventh Data Protection Principle) and for the purposes only of providing insurance to insureds and prospective insureds and of handling claims to the extent allowed by the Agreement.

## **SECTION 38**

### **CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999 CLARIFICATION CLAUSE**

A person who is not a party to the Agreement has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of the Agreement but this does not affect any right or remedy of a third party which exists or is available apart from that Act.

## **SECTION 39**

### **NOTICES**

Notice of cancellation or termination shall be given in accordance with Section 15 of the Agreement.

Any other notice to be given under the Agreement shall be delivered or sent by first class post, fax transmission or email to the address or fax number or email address of the other party whose contact details are as set out in the schedule to the Agreement (or such other address or numbers as may have been notified) and any such notice or other document shall be deemed to have been served (if delivered) at the time of delivery (if sent by post) upon the expiration of 48 hours after posting and (if sent by fax transmission or email) upon the expiration of 12 hours after dispatch.

LMA3078

18 November 2008

## SCHEDULE

This Schedule forms part of and incorporates by reference LMA3078 (the 'Agreement'), which Agreement is identified by the Agreement Number and Unique Market Reference Number stated below. For the purposes of interpretation, the contents of this Schedule shall have meaning only as provided for in the Agreement.

<b>Agreement Number:</b>	
<b>Unique Market Reference Number:</b>	
<b>The Service Company Coverholder:</b>	Address:  Email address  Fax
Address:	
Email address	
Fax	
<b>The Underwriter:</b>	Address:  Email address  Fax
Address:	
Email address	
Fax	

AGREEMENT SECTION NUMBER	NARRATIVE
Section 2	PERIOD: From: <i>{Inception Date}</i>  To: <i>{Expiry Date}</i>  <div style="text-align: right;">Both days inclusive, any time zone</div>
Section 3	THE PERSON(S) RESPONSIBLE FOR THE OVERALL OPERATION AND CONTROL:
Section 6	AUTHORISED CLASS(ES) OF BUSINESS AND COVERAGE(S):  (subject to the terms, conditions, exclusions and limitations of the Agreement)

<p>Sub-section 7.1</p>   <p>Sub-section 7.3</p>	<p>PERIOD OF INSURANCES BOUND: { } months</p> <p>MAXIMUM PERIOD OF INSURANCES BOUND: { } months including odd time</p>  <p>MAXIMUM ADVANCE PERIOD FOR INCEPTION DATES: { } days</p>
<p>Section 8</p>	<p>MAXIMUM LIMITS OF LIABILITY/SUMS INSURED:</p>
<p>Sub-section 9.1</p>  <p>Sub-section 9.2</p>	<p>GROSS PREMIUM INCOME LIMIT:</p>  <p>NOTIFIABLE PERCENTAGE OF THE LIMIT NOT TO EXCEED:</p>
<p>Sub-section 10.1</p>  <p>Sub-section 10.2</p>  <p>Sub-section 10.3</p>	<p>RISKS LOCATED IN:</p>  <p>INSUREDS DOMICILED IN:</p>  <p>TERRITORIAL LIMITS:</p>
<p>Section 11</p>      <p>Section 12</p>	<p>BASIS OF MONITORING AGGREGATE EXPOSURES:</p>      <p>MAXIMUM TOTAL AGGREGATE LIMIT(S):</p>
	<p>BASIS FOR THE CALCULATION OF GROSS PREMIUMS:</p>    <p>DEDUCTIBLES AND/OR EXCESSES:</p>
<p>Sub-section 14.1</p>    <p>Sub-section 14.2</p>	<p>OTHER CONDITIONS AND /OR REQUIREMENTS RELATING TO THE OPERATION OF THE AGREEMENT:</p>    <p>AMENDMENTS:</p>

<p><b>Sub-section 15.1.1</b></p>	<p>NUMBER OF DAYS NOTICE OF CANCELLATION (NOTICE TO BE GIVEN BY THE UNDERWRITERS): { } days</p> <p>NUMBER OF DAYS NOTICE CANCELLATION (NOTICE GIVEN BY SERVICE COMPANY COVERHOLDER); { } days</p>
<p><b>Sub-section 17.2</b></p>	<p>FORMAT OF CERTIFICATES:</p>
<p><b>Sub-section 18.1</b></p> <p><b>Sub-Section 18.4</b></p> <p><b>Sub-section 18.6.1.1</b></p> <p><b>Sub-section 18.6.1.2</b></p> <p><b>Sub-section 18.6.1.4</b></p>	<p>WORDINGS, CONDITIONS, CLAUSES, ENDORSEMENTS, WARRANTIES AND EXCLUSIONS APPLICABLE TO INSURANCES BOUND:</p> <p>SEVERAL LIABILITY NOTICE:</p> <p>Sub-sections 18.6.1.1 to 18.6.1.4 only apply where the binding or administration of the insurances is regulated by the FSA:</p> <p>THE NAME AND ADDRESS TO WHOM THE INSURED SHOULD DIRECT ALL CLAIMS AND OTHER ENQUIRIES:</p> <p>THE ADDRESS OF POLICYHOLDER &amp; MARKET ASSISTANCE, LLOYD'S:</p> <p>THE ADDRESS OF THE FSA:</p>
<p><b>Section 20</b></p>	<p>PROCEDURE FOR THE HANDLING AND SETTLEMENT OF CLAIMS:</p> <p>(WHERE APPLICABLE) THE PERSON(S) AUTHORISED TO EXERCISE ANY CLAIMS AUTHORITY:</p>
<p><b>Section 23</b></p>	<p>THE SERVICE COMPANY COVERHOLDER'S COMMISSION:</p> <p>CONTINGENT OR PROFIT COMMISSION:</p>

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Agreement Number:	
Unique Market Reference Number:	

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**SIGNATURE OF THE SERVICE COMPANY COVERHOLDER**

In accordance with Section 1 of LMA3078, the Agreement is signed on behalf of the Service Company Coverholder as acceptance of the terms and conditions of the Agreement inclusive of any attachments identified in the Schedule.

\_\_\_\_\_  
Signed and accepted on behalf of the Service Company Coverholder

\_\_\_\_\_  
Name and Position of Signatory

\_\_\_\_\_  
Date of Signature

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**ACKNOWLEDGEMENT OF THE UNDERWRITERS**

\_\_\_\_\_  
Signed and accepted on behalf of the Underwriters

\_\_\_\_\_  
Date of acknowledgement