

THE SYNDICATE PREMIUM INCOME (MONITORING) REGULATION

Commencement

This regulation commenced on 6 August 1984.

Amendments

This regulation was amended by

- Syndicate Premium Income (Monitoring) (Amendment) Regulation (No. 1 of 1987)
- Miscellaneous Administrative Provisions Regulation (No. 2 of 1993)
- Corporate Members (Consequential Amendments) Regulation (No. 5 of 1993)
- Syndicate Premium Income (Monitoring) (Amendment No. 3) Regulation (No. 7 of 1993)
- Members' Agents (Information) (Amendment No. 2) Byelaw (No. 4 of 1995)
- Syndicate Premium Income (Monitoring) (Amendment No. 4) Regulation (No. 2 of 1997)

1. Interpretation

- (a) Paragraph 1 (Interpretation) of the Syndicate Premium Income Byelaw (No. 6 of 1984) shall apply to this regulation.
- (b) For the purposes of this regulation a year of account of a syndicate shall be treated as being closed at the time as from which all outstanding liabilities of members of the syndicate arising out of insurance business underwritten through the syndicate and allocable to that year of account are wholly reinsured at Lloyd's; and a year of account shall be treated as open until it is closed.
- (c) In this regulation "quarter" means a period of three months ending on the last day of March, June, September or December in any year.
- (d) In this regulation "motor business" shall have the meaning given to it in Schedule 1 to the Insurance Intermediaries Byelaw (No. 8 of 1990).
- (e) In this regulation "relevant date" shall mean:
 - (a) in relation to syndicates underwriting only motor business, 7 December or such other date as the Council may from time to time prescribe; and
 - (b) in all other cases, 7 November or such other date as the Council may from time to time prescribe.
- (f) In this regulation "relevant period" shall mean:
 - (i) in respect of those syndicates underwriting only motor business, the penultimate month to the month on or before the seventh day of which a statement must be delivered pursuant to paragraph 4(c) of this regulation; and
 - (ii) in every other case, the previous month to that month on or before the seventh day of which a statement must be delivered pursuant to paragraph 4(c) of this regulation.

2. Duties of Managing Agents

Every managing agent shall in respect of every syndicate for the time being managed by it comply with the requirements of paragraphs 3 and 4 below.

3. Forecasts of Syndicate Premium Income

- (a) On or before 15 January in each year the managing agent shall deliver to the Council a premium income forecast in respect of each year of account of the

syndicate then open (other than a year of account ended on or before 31 December 1983).

- (aa) In each year, the managing agent shall, before the date prescribed by the Council for the purposes of this sub-paragraph, deliver to the Council a supplementary premium income forecast which shall contain such information and be in such form as the Council may prescribe.
- (b) Premium income forecasts prepared under sub-paragraph (a) shall be in the prescribed form, and shall specify the cumulative level of the relevant syndicate premium income which the managing agent expects to have been credited at the end of each month for the first year and quarterly thereafter until the year of account to which the premium income forecast relates is closed, or at such other times as the Council may from time to time prescribe, whether generally or in relation to any particular syndicate.
- (ba) On or before 15 December 1993 and on or before the relevant date in each year thereafter the managing agent shall deliver to the Council a statement comprising cumulative estimates of the aggregate of all premiums which the managing agent knows was or expects will be due or paid to the syndicate (as the case may be) in respect of the following year of account:
 - (i) as at the last day of each month for the 15 month period commencing on 1 October in the year preceding the year of account in question; and
 - (ii) as at 31 December in each of the two subsequent years.
- (c) In this paragraph –
 - (i) “the prescribed form” means such form as the Council may from time to time prescribe or may on application in any particular case allow; and
 - (ii) “relevant syndicate premium income” means syndicate premium income required by paragraph 1(c) of the Syndicate Premium Income Byelaw (No. 6 of 1984) to be allocated to the year of account to which the premium income forecast relates.

4. Statements of Syndicate Premium Income

- (a) The managing agent shall, within eight weeks (or, in the case of syndicates underwriting insurance business of a class in respect of which a policy is not ordinarily issued and signed by LPSO, four weeks), or such other periods as the Council may from time to time prescribe, after the end of every quarter, (beginning with the quarter ending on 30 June 1987), in respect of each year of account of the syndicate which was open during that quarter send to the Council a statement signed by a director of or partner in the managing agent and by the

active underwriter of the syndicate and showing the cumulative syndicate premium income credited up to the end of that quarter.

- (b) *Deleted with effect from 7 November 1997 by regulation No. 2 of 1997 dated 4 June 1997.*
- (c) In respect of the year of account corresponding to the year commencing on 1 January 1994, and in respect of each year of account thereafter, every managing agent shall:
 - (i) in respect of the 15 month period commencing on 1 October next before each such year of account, deliver on or before the 7th day of each month, a statement to the Council, setting out the amount of premium due or paid to the syndicate in the relevant period and also setting out the aggregate of such premium (if any) in respect of the relevant period together with all previous months (if any) in respect of which statements are required to be delivered pursuant to this sub-paragraph; and
 - (ii) in respect of each of the two subsequent years following the 15 months period referred to in sub-paragraph (i) deliver, within 14 days of the year end, a statement to the Council setting out the amount of premium due or paid to the syndicate in the previous year, aggregated with all premium due or paid in the preceding year or 2 years period (as the case may be).

4A. Publication of information by the Council

- (a) The Council shall, upon receiving relevant syndicate premium income information publish that information to the extent necessary for the purpose of enabling or facilitating compliance by any member of the Lloyd's community, or by any connected person in relation to such a member, with the requirements of any regulated market.
- (b) Upon publishing under sub-paragraph (a) relevant syndicate premium income information in respect of any syndicate year of account, the Council shall send a copy of that information:
 - (i) to every underwriting agent which acts as members' agent in relation to the syndicate concerned for any member of that syndicate for the year of account concerned; and
 - (ii) to every corporate member of the syndicate concerned in relation to which no members' agent acts as such in relation to that syndicate for the year of account concerned.
- (c) In this paragraph:

- (i) “connected person” has the meaning given in section 346 of the Companies Act 1985;
- (ii) “member of the Lloyd’s community” has the meaning given in section 14(2) of Lloyd’s Act 1982;
- (iii) “regulated market” means any market established under the rules of the London Stock Exchange or of any other exchange established and operating in any state which is a member of the European Economic Area;
- (iv) “relevant syndicate premium income information” means the content of those forecasts and statements referred to in sub-paragraphs 3(a) and (ba) and 4(a) and (c).

5. Duty to give Notice of Overwriting

- (a) If in the case of any syndicate at any time the syndicate premium income allocatable to any year of account exceeds, or appears to the managing agent of the syndicate to have exceeded or to be likely to exceed, the syndicate allocated capacity for that year of account, the managing agent shall forthwith send to the Council a written statement containing full particulars of –
 - (i) the syndicate allocated capacity for that year of account;
 - (ii) the extent of the excess or expected excess;
 - (iii) the reasons why the excess has arisen or is expected to arise; and
 - (iv) any remedial action which the managing agent has taken or proposes to take.
- (b) The Council may, within 28 days after the receipt by the Council of a statement sent pursuant to sub-paragraph (a) above, require the managing agent to send such a statement to the persons specified in sub-paragraph (c) below.
- (c) The persons referred to in sub-paragraph (b) above are –
 - (i) every underwriting member who is or was a member of the syndicate in the year of account concerned, and for whom the managing agent acts as members’ agent
 - (ii) every other underwriting agent which acts as members’ agent for an underwriting member who is or was a member of the syndicate in the year of account concerned; and
 - (iii) every corporate member (as defined in the Schedule to the Membership Byelaw (No. 17 of 1993)) who is or was a member of the syndicate in the year of account concerned and for whom no underwriting agent acts as member’s agent in relation to that syndicate or, if it so directs, to a Lloyd’s adviser appointed by it.

- (d) Every members' agent which receives a statement from a managing agent under sub-paragraphs (a) and (b) above shall within fourteen days thereafter send to every underwriting member for whom the members' agent acts as members' agent, and who is or was a member of the syndicate concerned in the year of account to which the statement relates –
- (i) a copy of the statement; and
 - (ii) a covering letter from the members' agent to the underwriting member, specifying the amount by which his member's syndicate premium limit has been or is likely to be exceeded in the year of account concerned and explaining (so far as it is reasonably possible for the members' agent to do so) the extent to which and the manner in which the matters contained in the statement may be expected to affect his underwriting affairs.

6. Signatories to statements

Every statement required to be served under this regulation shall be signed by a director of or a partner in the managing agent and by the active underwriter of the syndicate.

7. Power to prescribe

The Council shall have power to prescribe the form of each of the statements referred to in this regulation.