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# Delegated Authorities Town Hall

**Lloyd's Ongoing Compliance Oversight - Frequently Asked Questions**

**Q: Can managing agents stop doing due diligence?**

**A:** No, managing agents will still be responsible for undertaking appropriate due diligence and being satisfied as to the suitability of their Coverholders. However, this change means that managing agents can rely on the entity level information Lloyd's will collate on ATLAS and thereby concentrate their efforts on the main risks regarding delegated authority at contract level and product level.

**Q: Are Lloyd's going to include TPAs?**

**A:** TPAs are in scope for Audit coordination this year and we are assessing the feasibility of adding TPAs to our ongoing oversight next year.

**Q: Why are policies like whistleblowing not being asked for?**

**A:** Lloyd's Stress the need for a risk based approach. Lloyd's will only be checking policies which are set out in the Code, and in line with the Coverholders risk profile. However, we can act as the collection point if a managing agent makes a good case for the need for it, to avoid extra touchpoints with the Coverholders.

**Q: Will Lloyd's be able to get ATLAS up to date by the end of the year?**

**A:** Regardless of the outcome of the CCF TOM work stream, ATLAS needed to be brought up to date this year. This was always going to be co-ordinated by the DA Team at Lloyd's. This change means we will be able to do that and create the risk profiles at the same time ready for next year's attestation process.

**Q: Why are Lloyd's stopping checking Key Staff on ATLAS?**

**A:** Lloyd's are performing entity level due diligence, and therefore Key staff at senior level will still be checked at the initial approval stage and then ongoing attestation/annual basis. New controllers will need to still be approved by Lloyd's on an ad-hoc basis. We will be stopping checking Binder/contract level key staff .

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**Q: If you are stopping Key Staff on ATLAS isn't this going to duplicate effort across the market again for the contract level checks?**

**A:** To reduce duplication, please use ATLAS as a repository and a vehicle for sharing info. You may still upload a task into ATLAS and it will be auto uploaded into the relevant section but we will not be performing checks for binder staff. We will make clear in the CODE that the follower may rely on the leader's due diligence for Key Staff.

**Q: Are you stopping approving Service companies?**

**A:** No but we are stopping the need for ad-hoc Class of Business requests for approved service companies and will be allowing each service company to operate within their agreed SBF (subject to Lloyd's licenses). There needs to be an exercise to align this in ATLAS for processing purposes, which will be completed by 3rd quarter this year.

**Q: Why is data security missing from the entity level oversight?**

**A:** The thinking on data security and protection is evolving along with the legislation; it is therefore out of scope for this year. This may change once Lloyd's have agreed with the market the position going forward.

**Q: Do we still need to get branches approved?**

**A:** Yes, Coverholders are required to be approved at individual branch level, in accordance with either the branch registration process or normal branch application. However, where the business is the same across multiple branch locations in the same territory, Lloyd's can assist in aligning permissions on ATLAS.

**Q: What is the process should a coverholder not provide the information as requested?**

**A:** We will seek to work with the coverholder (or its broker) to establish the reasons for non-compliance. However, in the event that a coverholder continues to refuse to provide information, Lloyd's will need to consider whether it remains suitable or should be deregistered.

**Q: Will the compliance details be available to all parties with a relationship?**

**A:** Yes. We will grant access to any broker or managing agent with access to any of the branches within the group.

**Q: Will the CODE and minimum standards be updated?**

**A:** We are in the process of updating the Code and Minimum Standards to ensure they reflect the changes to our oversight process.

**Q: What is a compliance PIN?**

**A:** A compliance PIN is a record Lloyd's will create on ATLAS for those Coverholders with more than one location approved. This record will hold all the compliance information for the entity as it will no longer be held at branch PIN level. This is not an approved coverholder location and it does not carry out any underwriting or document issuance activities. It is purely an information record.

**Q: Does the compliance PIN need to be added to the binding authority?**

**A:** No. As this location is not binding risks or issuing documents, and it is an information record it should not be added onto the binding authority.

**Q: Will there be any changes to ATLAS?**

**A:** There are a couple of small changes we are looking to make to ATLAS for the ongoing compliance oversight to function fully, i.e. opening up the company information and key staff tab in the annual compliance and bringing back the system and control tab to be available after approval. However, these are the only changes being made at the moment. There may be further changes through the TOM work stream.

**Q: Will the annual attestation work alongside the coordinated audits?**

**A:** Yes. We will endeavour to ensure the Coverholders compliance information is up to date prior to the audit and Auditors will be able to get access to the compliance PIN to review the information prior to the audit.