

**FROM:** Director, Worldwide Markets  
**LOCATION:** G12  
**EXTENSION:** 5998  
**DATE:** 14 November 2003  
**REFERENCE:** Y3185  
**SUBJECT:** **MALTA: SERVICE OF SUIT CLAUSE IN INSURANCE CONTRACTS**  
**ATTACHMENTS:** None  
**ACTION POINTS:** **Managing agents, underwriters and Lloyd's brokers to ensure application of Maltese jurisdiction / use of LSW clauses on Maltese policies**  
**DEADLINE:** **Immediate**

**1. Background**

The purpose of this bulletin is to remind all underwriters writing Maltese business that all Maltese policies must include the service of suit clause agreed between Lloyd's and the Maltese regulator, the Maltese Financial Services Authority (MFSA).

**2. Underwriters' obligations**

The MFSA has asked Lloyd's to comply with the service of suit requirement as stipulated under the Maltese Insurance Business Act 1998 and under the Maltese Insurance Brokers and Other Intermediaries Act 1998, by ensuring the service of suit clause appears on all Maltese policies. The wording of this clause was agreed between Lloyd's and the MFSA when Lloyd's Malta Limited (LML) was originally established in 1998.

**3. Service of suit clause**

All Lloyd's Maltese policies (including certificates issued under binding authorities, and policies not subject to Maltese law) must therefore include the following clause:

"Any summons, notice or process to be served upon members of Lloyd's may be served upon Lloyd's Malta Ltd of 19, Zachary Street Valletta VLT 10, which has authority to accept service, and enter an appearance on behalf of those members".

Underwriters are still able, if they wish, to use an additional clause nominating an alternative for Service of Suit, but any such clause must appear in addition to the above agreed wording. In cases where two clauses are used, it is at the discretion of the plaintiff to decide whether to serve a writ upon LML or upon another authorised attorney, or indeed on both.

Underwriters should note that, insurance agents may be nominated for this purpose, though insurance brokers cannot be nominated to act in this capacity.

Where Xchanging Insure Services check or prepare a policy fitting the Maltese definition, they will check to ensure that the Lloyd's Service of Suit clause referred to above is included, and will reject any broker prepared policies where it has been omitted.

#### **4. Co-insurance**

There may be circumstances where Lloyd's underwriters participate in a placement following the terms and conditions set by a non-Lloyd's insurer. Where this occurs, a short-form document is often issued following the terms of the lead company, rather than a fully clausured Lloyd's policy or certificate.

In these circumstances, it is permissible for Lloyd's syndicates to follow the service of suit provisions agreed by the lead company and contained in the policy that they will have issued.

#### **5. Further information**

If you have any queries regarding Lloyd's compliance obligations or trading status in Malta, please contact one of the following:

Market Services      Tel: 020 7327 6677  
E-mail: [market.services@lloyds.com](mailto:market.services@lloyds.com)

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This bulletin has been sent to all active underwriters, the compliance officer of managing agents, the compliance officer of Lloyd's brokers, the Lloyd's Market Association and the London Market Insurance Brokers' Committee.

Julian James  
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