

FROM: Director, Worldwide Markets
LOCATION: G12
EXTENSION: 6677
DATE: 26 August 2004
REFERENCE: Y3378
SUBJECT: GUYANA
SUBJECT AREA(S): Change in the insurance law
ATTACHMENTS:
ACTION POINTS: **Underwriters and Brokers to note deadline**
DEADLINE: **1 November 2004**

The purpose of this market bulletin is to advise underwriters that with effect from 1 November 2004, direct business from Guyana may no longer be written, without the express permission of the insurance commissioner.

All insurance and reinsurance business was, until recently, regulated by the 1970 Insurance Act. As part of an overall modernisation of the financial services sector, a new Insurance Act No. 20 was passed on December 28 1998 (the 'ACT'), the implementation of which was delayed since there was no Commissioner of Insurance to supervise the new law. A new Commissioner has been appointed and confirmation received that the new Act is now in force.

The Act requires all insurers writing direct business, including Lloyd's, to be registered in Guyana. Following discussions with the Commissioner of Insurance, Lloyd's was granted temporary registration pending Lloyd's decision on whether to seek formal registration.

A consultation exercise was conducted by the LMA with its members to assess the market's interest in registering for a direct licence in Guyana. The results showed that there was insufficient demand for a direct licence but underwriters wanted to maintain the ability to write reinsurance business.

The decision has therefore been taken to allow the temporary registration to lapse and the insurance commissioner has agreed an effective date of 1 November 2004. After this date Lloyd's will no longer be permitted to write any class of business on a direct basis, except where there is no local capacity and permission is given by the Commissioner of Insurance. Lloyd's may, however, continue to write all classes of reinsurance.

If you have any queries regarding this matter, please contact any of the following:

Lloyd's Worldwide Markets

Market Services Desk: Tel 020 7327 6677

Email: market.services@lloyds.com

Richard Frost: Tel 020 7327 6520

Email: Richard.Frost@lloyds.com

This bulletin has been sent to all active underwriters and the compliance officers of Lloyd's brokers and managing agents.