



FROM: The Secretary to Lloyd's Disciplinary Board
LOCATION: 58/NW1
EXTENSION: 5530
DATE: 10 March 1998
REFERENCE: 017/98
SUBJECT: JOHN ANTHONY HEMMING

ACTION POINTS: For information
DEADLINE None

John Anthony Hemming has admitted a charge of misconduct, namely that he engaged in discreditable conduct within the meaning of the Misconduct and Penalties Byelaw (No. 30 of 1996).

At the time material to the proceedings Mr Hemming was a registered substitute at Lloyds. The misconduct arose through Mr Hemming submitting a personal insurance claim in respect of various stolen items, where one of the items claimed to have been stolen had not in fact, been stolen. Full details of the events giving rise to the charge are contained in the attached Notice of Censure.

Mr Hemming received the following penalties in respect of his admitted misconduct;

- i) That his right of admission to the room and other parts of the premises of Lloyd's be suspended for a period of 12 months;
- ii) That his right to transact, or be concerned or interested in the transaction of, the business of insurance at Lloyd's or any class or classes of such business be totally suspended for a period of 12 months; and
- iii) That he be censured.

Mr Hemming was ordered to pay Lloyd's costs of £750.

This case was determined by the Lloyd's Disciplinary Board and its decision gives effect to a settlement of these proceedings agreed between Mr Hemming and the Council pursuant to paragraph 3 of the Lloyd's Disciplinary Rules (Schedule 2 to the Disciplinary Committees Byelaw (No. 31 of 1996)).

This bulletin has been sent to all underwriting agents and Lloyd's advisors, Lloyd's brokers, corporate members, market associations, the ALM and recognised auditors.

A handwritten signature in black ink, appearing to read 'A P Barber', written in a cursive style.

A P Barber
Secretary to Lloyd's Disciplinary Board

NOTICE OF CENSURE

JOHN ANTHONY HEMMING

John Anthony Hemming, who at the relevant time was employed as an Assistant Director of Division of Sedgwick Reinsurance Brokers Limited ("SRBL") (a Lloyd's broker), and was registered as a substitute at Lloyd's, has admitted a charge of misconduct, namely engaging in discreditable misconduct contrary to the Misconduct and Penalties Byelaw (No. 30 of 1996).

This misconduct arose through Mr Hemming reporting that a Rolex watch had been stolen in the course of a burglary at his house when in fact the watch had not been stolen. Mr Hemming then claimed the value of the watch of approximately £2,000 as part of his insurance claim under his personal household insurance.

In or around December 1996 Mr Hemming's house was burgled and a number of items were taken. Upon discovering the burglary Mr Hemming contacted his local police and informed them of the stolen items. Among the items which he reported being stolen was a Rolex watch (valued at approximately £2,000). This item had not in fact been stolen.

Mr Hemming then made a personal insurance claim in respect of the burglary which included a claim for the Rolex watch. The total claim was for approximately £12,000 and it was settled in full in or around February 1997 with the majority of the claimed items being replaced by the insurance company.

In or around June 1997 Mr Hemming's local police force received an anonymous letter which stated that Mr Hemming had made a false insurance claim. Mr Hemming was arrested by the police and confessed to having included the false claim for the watch in his total claim. Mr Hemming agreed to reimburse the insurance company for the full amount of his claim. As a result the police cautioned Mr Hemming.

Furthermore, in or around June 1997 SRBL received an anonymous letter which informed SRBL that Mr Hemming had made a false claim. Having made inquiries in respect of this matter SRBL dismissed Mr Hemming.

Mr Hemming has admitted that by his actions he has engaged in discreditable misconduct. The following penalties have therefore been imposed upon Mr Hemming;

- i) that he be suspended from the right of admission to the Room and other parts of the premises of Lloyd's for a period of 12 months;
- ii) that his right to transact, or be concerned or interested in the transaction of, the business of insurance at Lloyd's or any class or classes of such business be totally suspended for a period of 12 months;

- iii) that Mr Hemming be Censured in accordance with the terms of this document;
and
- iv) that Mr Hemming pay Lloyd's costs of £750.

In assessing the relevant penalties account has been taken of the following facts;

- a) that Mr Hemming has been a Lloyd's broker for 10 years with an otherwise unblemished record;
- b) that Mr Hemming when challenged in respect of these matters by the Police, SRBL and Lloyd's admitted the matters at issue and fully co-operated in the investigations;
- c) Mr Hemming repaid the full amount of the insurance claim;
- d) Mr Hemming has not been employed within the Lloyd's Market since his dismissal by SRBL on 10 July 1997 and he has not been permanently employed since that date.
- e) Mr Hemming has apologised in respect of this matter; and
- f) Mr Hemming admitted the charge of misconduct and concluded a settlement without incurring the expense of full disciplinary proceedings.

LLOYD'S DISCIPLINARY BOARD