

MARKET BULLETIN

REF: Y4201

Title	Reduction in the requirement for separate LPANs
Purpose	To inform the market of the territories where separate LPANs are required when writing global contracts
Type	Event
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Deadline	With immediate effect

Background

A global contract is an insurance contract that covers risks situated in more than one country. This may arise if:

- There is more than one insured on the policy, and those insureds are located in more than one country, or
- The policy covers property at more than one location, and those locations are in more than one country, or
- The policy covers more than one aircraft, ship, boat or vessel and the insured items are not all registered in the same country, if registration is used to determine the legal location of a risk.

A global contract may give rise to fiscal and regulatory obligations in countries where the risks are located. The portion of premium relating to a particular country may be subject to local taxes and/or parafiscal charges as well as to reporting requirements. To ensure that local fiscal and regulatory requirements are met, Lloyd's requires global contracts to include a split of the gross premium between countries of risk. Guidance on how to apportion premium can be found in the [Risk Locator](#).

As a consequence of regulatory reporting obligations Lloyd's requires separate Lloyd's Premium Advice Notes (LPANs) to be sent to Xchanging for countries where risks are

located on a global contract. The last list that Lloyd's produced advising the market on the territories where separate LPANs were required on global contracts was attached to market bulletin Y2920, dated 26 November 2002. The requirement to prepare multiple LPANs on global contracts can be burdensome; therefore, Lloyd's has reviewed this list to reduce the number of countries where separate LPANs are required for global contracts.

Updated list of territories

Lloyd's has produced a revised list of territories where separate LPANs are required to be submitted to Xchanging when writing global contracts (see appendix 1). Lloyd's has removed the requirement for separate LPANs in the following countries: Anguilla, Argentina, Chile, China, Colombia, Guernsey, Isle of Man, Japan, Jersey, Mexico and Monaco. Lloyd's will continue to update this list and notify the market of any amendments, if regulatory reporting requirements or the international licensing position in a territory changes.

Xchanging has been advised that it only needs to query the failure to split out risks into separate LPANS from countries that appear on the list attached in Appendix 1.

With immediate effect brokers do not need to produce separate LPANS for those territories which have been removed from the list. However, where brokers systems produce such LPANs automatically it is recognised that they may continue to produce these in the medium term. Xchanging have confirmed that they will not query or reject broker submissions if separate LPANs are still provided. However, over time brokers should amend their systems so that separate LPANs are only produced for the relevant countries.

Further information

If you have any queries about this market bulletin, please contact:

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Appendix 1

Global contracts – separate LPANs required

American Samoa	Guam	Portugal
Antigua and Barbuda	Hong Kong	Puerto Rico
Australia	Hungary	Romania
Austria	Iceland	Singapore
Bahamas	Ireland	Slovakia
Barbados	Israel	Slovenia
Belgium	Italy	South Africa
Belize	Jamaica	Spain
Bermuda	Labuan	St Kitts & Nevis
British Virgin Islands	Latvia	St Lucia
Bulgaria	Liechtenstein	St Vincent & Grenadines
Canada	Lithuania	Sweden
Cayman Islands	Luxembourg	Switzerland
Cyprus	Malaysia	Trinidad and Tobago
Czech Republic	Malta	UK
Denmark	Mauritius	US Minor Outlying Islands
Dominica	Namibia	US Virgin Islands
Estonia	Netherlands	US – Illinois licensed
Finland	New Zealand	US – Kentucky
France (and territories)	Northern Mariana Island	US – other states
Germany	Norway	Zimbabwe
Greece	Papua New Guinea	
Grenada	Poland	