

MARKET BULLETIN

REF: Y4431

Title	Update on Italian pre-contractual disclosures and Italian insurance certificates
Purpose	To provide information to the market on: 1) the new pre-contractual disclosures required by Regulation No 35 (non-life insurance) and 2) changes to Italian Certificates.
From	Cameron Murray, Senior Manager, Lloyd's International Regulatory Affairs General Counsel's Division
Date	4 November 2010

The purpose of this bulletin is –

1. to provide additional guidance to managing agents (and their coverholders) to help them comply with new requirements required by Regulation No 35 and in particular to explain the requirements relating to the "Information Booklet" that must be provided to prospective policyholders. However, this bulletin is not a substitute for the Regulation itself.
2. to update the market on changes to Italian insurance certificates which are being introduced following Lloyd's recent review of its European offices.

1. REGULATION NO. 35/2010 CONCERNING DISCLOSURE DUTIES AND ADVERTISEMENT OF INSURANCE PRODUCTS.

Circular letter dated 2/9/2010 and issued by Lloyd's Italian Office (LIO), provided details of the new pre-contractual disclosure duties provided by ISVAP Regulation No. 35 (hereinafter the "Regulation"), **which comes into effect on 1 December 2010**.

Lloyd's previous circular attached an English translation of the relevant requirements of the Regulation. The Regulation applies in full to Italian mass risks only (personal and commercial lines). In the case of large risks and agricultural risks executed by way of collective contracts, the Regulation requires only that insurers deliver the insurance terms and conditions before the execution of the contract. The Regulation does not apply to reinsurance.

Please note that the Regulation applies to both life and non-life risks. This market bulletin refers to non-life risks only. A further market bulletin will be issued shortly regarding life business.

Managing agents should familiarise themselves with the Regulation's content and in particular, managing agents should note –

- i. articles 30 to 33 (which set out the insurers' obligations in respect of pre-contractual disclosure),
- ii. articles 35 to 37 (which deal with the disclosure duties during the term of the contract); and
- iii. the relevant pro-forma information notices - annex 6 (information notice to be provided in case of non-life insurance), annex 7 (accident insurance), and annex 8 (health insurance).

Please note that the Regulation replaces Article 123 of Legislative Decree No 175 of 17 March 1995 on pre-contractual disclosures to be given to the insured.

The Information Booklet

From 1 December 2010, before the execution of any mass risk insurance policy, all non-life insurance undertakings will have to deliver a document, (an "Information Booklet") to potential customers which contains –

- i. a cover;
- ii. an information notice;
- iii. a glossary;
- iv. the insurance terms and conditions;
- v. a proposal form (if any).

Each page of the Information Booklet must be numbered and the total number of pages in the document identified (i.e. "page 1 of 6" etc.).

The Information Booklet must be drafted in Italian, unless otherwise agreed (or unless the text shall be written in two languages in the regions where this is specifically required). Article 31 of the Regulation contains detailed requirements as to how the Information Booklet is to be drafted, which include that it must be drafted in language easily understandable to the "common man" and be in a font type which is easy to read.

In view of the above, Lloyd's has drafted the following Information Booklets in Italian with English translation:

- Information Booklet for freedom of services business (Italian with English translation): LSW 1695 (attached as **Appendix 1**)
- Information Booklet for freedom of establishment business (Italian with English translation): LSW 1694 (attached as **Appendix 2**)

These wordings will replace the current LSW1208 (for freedom of services and establishment) and are to be supplemented by managing agents on a case by case basis, in accordance with the Regulation and the guidance below.

We set out below some further guidance on each of the areas to be contained in the Information Booklet. In some cases we have identified a number of clauses required to be contained in the Information Notice where we believe standardised clauses may be used. Otherwise the content of the booklet will be specific to the subject contract and will need to be individually drafted by managing agents on a case by case basis. LIO is however available to assist managing agents with specific queries as required. Tel: +39026378881. Email: servizioclienti@lloyds.com

i The Cover

A standard form cover will need to be completed by managing agents on a case by case basis. Lloyd's has drafted a standard form of cover, for completion by managing agents, which is included in the above LSW1694 and LSW1695.

ii The Information Notice

The Regulation includes prescribed forms of pre-contract information notice which are dependent upon class of business. These are –

- i. annex 6 (non-life insurance)
- ii. annex 7 (accident insurance)
- iii. annex 8 (health insurance)

The purpose of the Information Notice is to help enable the [proposed] insured to “*come to a reasoned conclusion concerning contractual rights and obligations*”, as specified in article 185 of the Private Insurance Code (“PIC”).

Since these forms are standard forms they cannot cover all specific aspects of all insurance contracts. Accordingly, managing agents may need to supplement them with additional clauses to ensure that the Information Notice meets the Regulation’s requirements.

Particular attention must be given to the clauses and notes regarding “*policyholders’ and insureds’ charges and obligations, nullity, time-limits, exclusions, suspension and limitation of the guarantee, recourse*” which should be highlighted¹. The Regulation does not specify in which manner the above information shall be "highlighted". However, on the basis of previous guidance issued by ISVAP, it is recommended that a font of more than 11 points and in bold or highlighted font should be used.

¹ In accordance with article 31 c) of the Regulation, which extends the provisions of article 166, paragraph 2, of the PIC

iii. The glossary

A glossary of terms used in the Information Booklet must be included. A pro-forma Glossary which has been prepared by Lloyd's and which should be used is included in the above LSW1694 and LSW1695. It will need to be supplemented by managing agents to cover any additional terms referred to in the contract.

iv. Insurance terms and conditions

Mass risks: For mass risks, the conditions of insurance are to be included in the Information Booklet.

Large risks: For large risks and agricultural risks executed by way of collective contracts, the policyholder must be provided with a copy of the conditions of insurance before the execution of the policy.

In all cases, Article 32 of the Regulation requires, *inter alia*, that the terms and conditions specify the policyholders' premium payment obligations and highlight the risk that false or incomplete pre-contractual statements or representations by the policyholder may prejudice their right to performance of the contract.

The obligation to highlight the clauses mentioned above regarding the Information Notice also applies to the other parts of the Information Booklet including the terms and conditions.

Compliance with these obligations does not exclude:

- a) The application of sections 1341 and 1342 of the Italian Civil Code: These relate to clauses which are ineffective unless specifically approved in writing by the other party (in the case of general contract conditions or standard contracts prepared by one of the parties).
- b) The application of rules concerning consumer protection, if the required conditions are met.

When drafting the additional parts of the Information Booklet, account must be taken of the provisions of article 32 of the Regulation. This requires the inclusion of a highlighted sentence (which will have to be signed by the Policyholder) whereby the Policyholder acknowledges delivery of the documents (to be listed) constituting the Information Booklet. This form of words must appear in the proposal (where one is used) or in the Contract.

v. The proposal form (if any)

If a proposal form is being used, it should be included within the Information Booklet and drafted in accordance with the requirements of the Regulation and specifically Article 31 (see above).

As stated under (iv) above, account must be taken of the provisions of article 32 of the Regulation and of the obligation to include in any proposal a highlighted sentence (which will have to be signed by the Policyholder) whereby the Policyholder acknowledges delivery of the documents (to be listed) constituting the Information Booklet.

2. CHANGES TO ITALIAN INSURANCE POLICIES AND CERTIFICATES

The review identified the need to guarantee contract certainty and full consistency between the terms and conditions agreed by Underwriters and these are set out in the Italian contract as signed by LIO. Accordingly a number of changes will be introduced to improve the clarity of both open market policies and coverholder certificates.

Open Market business – Policies Signed by LIO;

As from 31 December 2010, where a managing agent decides that it wishes its Italian open market policies to be signed by LIO, Lloyd's will require a mandate letter from the managing agent (which incorporates appropriate service standards and provides the General Representative with an indemnity and hold harmless). A copy of the mandate letter, which has been discussed with the LMA and includes the relevant service standards, is attached to this Bulletin as **Appendix 3**.

As can be seen from the attached letter, in the future LIO will check policies for signing against the placing-slip rather than against a broker cover-note. Accordingly, the three copies of the *contratto*, when submitted to LIO in order to collect the signature of the General Representative, must now be accompanied with a copy of the placing slip and no longer with that of a broker cover note. LIO circulated a communication to the Italian Correspondents on this subject on the 22nd of March 2010 (attached as **Appendix 4**).

Identification of Lloyd's Security

As from 1 June 2011 all Italian contracts and certificates (ie open market and coverholder business) should clearly provide details of the Lloyd's security underlying the contract.

LIO circulated a communication on this subject to the Italian Correspondents on the 8th of March 2010 (attached as **Appendix 5**).

The MOCHA system has already been updated to affix automatically the full security on all certificates issued through that system.

In other cases, and for your assistance, LIO has drafted a new version of the "MODULO" which includes as standard a box for the disclosure of the security. The new "MODULO" may be requested from the following email address: informazioni@lloyds.com.

Market participants are requested to start using the new form "MODULO" and implement this change without delay. Please note that, starting from the 1st of June 2011, all contracts submitted to LIO for signature, not bearing full security, will be returned unsigned.

Several liability clause (LMA5096)

With immediate effect all policies and certificates must include an appropriate several liability clause. We expect LMA5096 to be included in all Italian contracts and certificates.

Please note that the clause (LMA5096) requires the contract to detail full security as it states that “...*the total of the proportions underwritten by all the members of the syndicate taken together* is shown in this contract.” In the event that during the phased implementation of the new requirement to identify the full Lloyd’s security the contract does not show full security, clause (LMA5096) cannot be used. Instead, the several liability clause reported at point 1 a) of the attached pre-contractual Information Notice should be used instead.

However, please note that, starting from the 1st of June 2011, it will be mandatory to identify the full Lloyd’s security on all contracts and accordingly the several liability clause (LMA5096) must be used and will be directly printed on all Italian jackets.

Service of Suit clause (LSW 487)

As part of the procedures regarding legal actions brought against Lloyd’s Underwriters in the European Union, all Italian contracts and certificates are to include the standard European Service of Suit and Jurisdiction Clause (LSW487), attached as **Appendix 6**. These are designed to ensure that the managing agent of the syndicate underwriting the contract that gives rise to the action is aware of the proceedings so that they can take appropriate and timely action,

Lloyd’s Policy Jackets

In order to support the market and ensure a smooth transition, unless otherwise stated, these changes will not become mandatory until 1 June 2011. From that date, a revised standard form of Lloyd’s insurance certificates and policy jackets will be issued. Draft certificates submitted to LIO for signature using the old form will be returned.

3. FURTHER INFORMATION

If you have any queries relating to this bulletin please contact:

Lloyd’s International Trading Advice
Lloyd’s Desk, Ground Floor, Underwriting Room
Telephone: +44 (0)20 7327 6677
Email: LITA@Lloyds.com
www.lloyds.com/crystal

or

Lloyd’s General Representative for Italy
Corso Garibaldi, 86 20121 Milan Italy
Tel: +39 (0) 2 637 888 1 Fax: +39 (0) 2 637 888 50
Email: servizioclienti@lloyds.com

CONTRATTO DI (INSERIRE TIPOLOGIA CONTRATTUALE E IL NOME COMMERCIALE) *da riempire a cura dei Managing Agents*

IL PRESENTE FASCICOLO INFORMATIVO, CONTENENTE:

- a) Nota informativa;
- b) Condizioni di assicurazione;
- c) Glossario;
- d) [Modulo di proposta, ove previsto] *da riempire a cura dei Managing Agents*

DEVE ESSERE CONSEGNATO AL CONTRAENTE PRIMA DELLA SOTTOSCRIZIONE DEL CONTRATTO O DOVE PREVISTO DELLA PROPOSTA DI ASSICURAZIONE.

PRIMA DELLA SOTTOSCRIZIONE LEGGERE ATTENTAMENTE LA NOTA INFORMATIVA.

APPENDIX 1

NOTA INFORMATIVA

La presente Nota informativa è redatta secondo lo schema predisposto dall'ISVAP, ma il suo contenuto non è soggetto alla preventiva approvazione dell'ISVAP.

Il Contraente deve prendere visione delle condizioni di assicurazione prima della sottoscrizione della polizza

* * * *

A. INFORMAZIONI SULL'IMPRESA DI ASSICURAZIONE

1. Informazioni generali

- a. Lloyd's è un ente ("Society") costituito come società costituita per legge da una Legge del Parlamento del Regno Unito di Gran Bretagna del 1871. I membri della Society sono per legge assicuratori e possono assumere rischi assicurativi per proprio conto. Gli Assicuratori di questo contratto sono alcuni membri di Lloyd's che aderiscono ai Sindacati identificati nella Scheda di Polizza (e ogni altro assicuratore identificato nella Scheda di Polizza)

La responsabilità di ogni Assicuratore è disgiunta e non solidale con quello degli altri Assicuratori. Ogni Assicuratore è responsabile solo per la quota di rischio che ha assunto. Ogni Assicuratore non è responsabile per la quota di responsabilità assunta da qualsiasi altro Assicuratore.

Nel caso di Sindacato, ogni membro del Sindacato (e non il Sindacato stesso) è un Assicuratore. Ogni membro assume una quota di responsabilità dell'entità complessiva che viene specificata in relazione al Sindacato (essendo l'entità complessiva la somma delle quote di responsabilità assunte da tutti i membri del Sindacato considerati globalmente). La responsabilità di ciascun membro del Sindacato è disgiunta e non solidale. Ogni membro è responsabile solo per la sua quota. Un membro non è responsabile in solido per la quota degli altri membri. Né qualsiasi membro è altrimenti responsabile per qualsiasi obbligazione assunta da ogni altro membro per lo stesso contratto.

La quota di responsabilità assunta da un Assicuratore (o, in caso di un Sindacato, l'ammontare totale delle quote di tutti gli Assicuratori membri del Sindacato considerati globalmente) è specificata nel contratto e, in mancanza, può essere accertata mediante richiesta scritta da inviarsi a [“Market Services”] Lloyd's, all'indirizzo di Lloyd's riportato più oltre. Parimenti, mediante richiesta scritta inviata a [Market Services] è possibile accettare i nomi di ciascuno degli Assicuratori del Sindacato e le rispettive quote di responsabilità.

- b. Lloyd's ha la sua sede legale in Londra (EC3M 7HA), One Lime Street, Inghilterra, che è anche il domicilio di ciascun membro di Lloyd's..
- c. Il recapito telefonico, l'indirizzo e-mail e il sito internet di Lloyd's sono, rispettivamente: +44 (0)20 7327 1000, enquiries@lloyds.com e www.lloyds.com.
- d. I membri di Lloyd's che assumono rischi assicurativi sono autorizzati all'esercizio dell'attività assicurativa in forza della legge inglese. L'Associazione di Assuntori di rischi assicurativi nota come Lloyd's svolge attività in Italia in regime di libera prestazione di servizi (Iscrizione al n° II.00018 dell'elenco dell'Isavap delle imprese di assicurazione con sede legale in un altro Stato Membro ammesse ad operare in Italia in regime di servizi) e, nel Regno Unito di Gran Bretagna, è soggetta al controllo della Financial Services Authority, con sede in 25 The North Colonnade, Canary Wharf, London E14 5HS.

APPENDIX 1

2. Informazioni sulla situazione patrimoniale di Lloyd's

Come riportato a pag. 63 del Rapporto Annuale di Lloyd's del 2009* il capitale del mercato di Lloyd's ammonta ad €20.451 milioni** ed è composto dai Fondi dei membri presso Lloyd's di €14.817 milioni, dai Bilanci dei membri di €4.366 milioni e da riserve centrali di €1.267 milioni.

Il mercato di Lloyd's ha un indice di solvibilità complessivo, non suddiviso per ramo vita e ramo danni. L'indice di solvibilità complessivo del mercato di Lloyd's al 31.12.2009 era il 4.764%. Tale percentuale è il risultato del rapporto tra il totale degli attivi centrali, ammontanti ad €3.165 milioni e la somma dei deficit di solvibilità dei singoli membri. Quest'ultimo importo è stato determinato tenendo conto del margine minimo di solvibilità, ammontante ad €66 milioni, calcolato in base alla vigente normativa inglese. Gli importi della solvibilità (espressi in sterline inglesi) possono essere letti a pag. 78 del Rapporto Annuale di Lloyd's del 2009*.

*Link al Rapporto annuale di Lloyd's del 2009: <http://www.lloyds.com/Lloyds/Investor-Relations/Financial-performance/Annual-Reports/2009-Annual-Report>

** Tasso di cambio al 31.12.2009: €1 = £ 0,8881 (fonte: www.bancaditalia.it)

B. INFORMAZIONI SUL CONTRATTO

da riempire a cura dei Managing Agents.

3. Coperture assicurative offerte – Limitazioni ed esclusioni

da riempire a cura dei Managing Agents.

4. Dichiarazioni dell'assicurato in ordine alle circostanze del rischio – Nullità

da riempire a cura dei Managing Agents.

5. Aggravamento e diminuzione del rischio

da riempire a cura dei Managing Agents.

6. Premi

da riempire a cura dei Managing Agents.

7. Rivalse

da riempire a cura dei Managing Agents.

8. Diritto di recesso

da riempire a cura dei Managing Agents.

9. Prescrizione e decadenza dei diritti derivanti dal contratto

da riempire a cura dei Managing Agents.

10. Legge applicabile al contratto

da riempire a cura dei Managing Agents

11. Regime fiscale applicabile al contratto

APPENDIX 1

da riempire a cura dei Managing Agents.

C. INFORMAZIONI SULLE PROCEDURE LIQUIDATIVE E SUI RECLAMI

12. Sinistri – Liquidazione dell'indennizzo

da riempire a cura dei Managing Agents.

13. Reclami

Ogni reclamo relativo alla gestione del Contratto d'Assicurazione o alla liquidazione dei sinistri dovrebbe essere indirizzato a:

Policyholder and Market Assistance Department
Lloyd's
1 Lime Street,
London, EC3M 7HA
Email: complaints@lloyds.com
Tel:+44(0)2073275693
Fax: +44(0)2073275225

Qualora il reclamante non si ritenga soddisfatto dell'esito del reclamo, oppure decorsi 45 giorni senza che sia stato dato riscontro al reclamo, se il reclamante è un Consumatore o un piccolo imprenditore, intendendosi per tale un imprenditore con un giro d'affari inferiore ad €2.000.000,00 e con meno di 10 dipendenti, potrà anche presentare il proprio reclamo avvalendosi della procedura per liti transfrontaliere "Fin-net", trasmettendo il proprio reclamo all'ISVAP e facendo richiesta di applicazione di tale procedura oppure rivolgendosi direttamente al sistema competente nel Regno Unito: Financial Ombudsman Service, South Quay Plaza, 183 Marsh Wall, E14 9SR, UK; telefono +442079641000;; complaint.info@financial-ombudsman.org.uk.

La procedura di reclamo fa salvo il diritto di promuovere azioni legali o iniziare procedure alternative di risoluzione delle controversie, in conformità alle previsioni contrattuali.

14. Arbitrato

da riempire a cura dei Managing Agents.

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Gli assuntori di rischi assicurativi di Lloyd's sono responsabili della veridicità e della completezza dei dati e delle notizie contenuti nella presente Nota Informativa.

Firma

APPENDIX 1

Condizioni di Assicurazione

(da riempire a cura dei Managing Agents)

Sample

APPENDIX 1

Glossario

(le definizioni relative a termini espressi al singolare valgono, con significato al plurale, anche per i medesimi termini espressi al plurale)

Assicurato: il soggetto il cui interesse è protetto dall'Assicurazione;

Assicuratore: il membro o membri di Lloyd's, che hanno accettato di assumere il rischio coperto dal Contratto d'Assicurazione e, in caso di coassicurazione, le imprese di assicurazione menzionate nel Contratto di Assicurazione;

Bilanci dei membri: l'utile/(la perdita) da distribuire/(da recuperare) da parte dei Sindacati a favore di/(dai) membri di Lloyd's;

Consumatore: è la persona fisica che agisce per scopi estranei all'attività imprenditoriale, commerciale, artigianale o professionale eventualmente svolta;

Contratto d' Assicurazione: il contratto in forza del quale l'Assicuratore assume, nei limiti, termini e condizioni ivi previsti, i rischi nello stesso specificati;

Contraente: Il soggetto che stipula il Contratto d'Assicurazione ed il cui interesse può essere protetto dall'Assicurazione;

Fondi dei membri presso Lloyd's: i fondi depositati e detenuti in via fiduciaria presso Lloyd's a garanzia dei contraenti e per sostenere l'attività assuntiva di rischi complessiva di un membro;

Franchigia: Importo prestabilito che, in caso di Sinistro, rimane a carico dell'Assicurato. Tale importo va a ridurre l'ammontare dell'indennizzo/risarcimento che sarebbe spettato se tale franchigia non fosse esistita.

Massimale: l'ammontare che rappresenta l'entità massima dell'obbligazione di pagamento dell'Assicuratore in forza del Contratto d'Assicurazione;

Premio: Il corrispettivo dovuto dal Contraente all'Assicuratore;

Scheda di Polizza: il documento allegato al Contratto d'Assicurazione che contiene i dati del Contraente e dell'Assicurato, il Massimale, i Sottolimiti, la decorrenza, il premio, i Sindacati il cui membro o membri hanno accettato di assumere il rischio coperto dal Contratto d'Assicurazione, gli eventuali altri dettagli del Contratto d'Assicurazione;

Scoperto: Importo che rimane a carico dell'Assicurato, espresso in misura percentuale sull'ammontare dell'indennizzo/risarcimento che spetterebbe in assenza dello scoperto stesso;

Sindacato: è definito Sindacato il membro di Lloyd's o il gruppo di membri di Lloyd's, che assumono rischi attraverso un agente gestore al quale è attribuito un numero di sindacato dal "Council" di Lloyd's;

Sinistro: Il verificarsi del fatto dannoso per il quale è prestata la garanzia assicurativa;

Sottolimite: l'ammontare che rappresenta l'entità massima dell'obbligazione di pagamento dell'Assicuratore in forza del Contratto d'Assicurazione in relazione ad uno specifico rischio: tale ammontare non si somma a quello del Massimale, ma è una parte dello stesso.

CONTRACT OF (INSERT THE KIND OF CONTRACT AND ITS COMMERCIAL NAME) *to be completed by the Managing Agents*

THIS INFORMATIVE BOOKLET, CONTAINING:

- a) **Information notice;**
- b) **Insurance terms and conditions;**
- c) **Glossary;**
- d) **[proposal form, if any] *to be completed by Managing Agents***

SHALL BE DELIVERED TO THE POLICYHOLDER BEFORE THE EXECUTION OF THE CONTRACT OR, BEFORE THE SIGNATURE OF THE PROPOSAL FORM, IF ANY

BEFORE SIGNING, READ CAREFULLY THE INFORMATION NOTICE

SAMPLE

APPENDIX 1

INFORMATION NOTICE

This Notice has been drawn up in accordance with ISVAP's form, but its content is not subject to ISVAP's prior approval.

The policy-holder must read the insurance terms and conditions before signing the policy

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A. INFORMATION ON THE INSURANCE UNDERTAKING

1. General information

- a. Lloyd's is a society incorporated as a statutory corporation by an Act of the UK Parliament, Lloyd's Act 1871. Members of the Society are by law insurers and may underwrite insurance business for their own account. The Insurers under this contract are certain members of Lloyd's subscribing to the Syndicates identified on the Policy Schedule (and any other insurers identified in the Policy Schedule).

The liability of an Insurer is several and not joint with other Insurers. An Insurer is liable only for the proportion of liability it has underwritten. An Insurer is not jointly liable for the proportion of liability underwritten by any other Insurer.

In the case of a Syndicate, each member of the Syndicate (rather than the Syndicate itself) is an Insurer. Each member underwrites a proportion of the total shown for the Syndicate (that total itself being the total of the proportions underwritten by all the members of the Syndicate taken together). The liability of each member of the Syndicate is several and not joint with other members. A member is liable only for that member's proportion. A member is not jointly liable for any other member's proportion. Nor is any member otherwise responsible for any liability of any other insurer that may underwrite the contract.

The proportion of liability under a contract underwritten by an Insurer (or, in the case of a Syndicate, the total of the proportions underwritten by all the members of the Syndicate taken together) is shown in the contract and, if not shown, may be obtained by writing to [Market Services], Lloyd's, at Lloyd's address mentioned here below. Similarly, the identity of each member of a Syndicate and their respective proportion may be obtained by writing to the above [Market Services].

- b. Lloyd's address is One Lime Street, London EC3M 7HA, England, which is also the business address of each member of Lloyd's.
- c. Lloyd's telephone number and e-mail address are the following: +44 (0)20 7327 1000 and enquiries@lloyds.com. Lloyd's Internet site can be found at www.lloyds.com.
- d. The Underwriting members of Lloyd's are authorised to conduct insurance business under English laws. The Association of Underwriters known as Lloyd's conducts business in Italy under the freedom of services (registered in Isvap's list II.00018 of the insurance undertakings with registered office in another Member Country, allowed to carry out business in Italy under freedom of services) and, in the United Kingdom, is subject to the control of the Financial Services Authority, based in 25 The North Colonnade, Canary Wharf, London E14 5HS.

APPENDIX 1

2. Information on Lloyd's assets and liabilities

Lloyd's market's capital, as reported at page 63 of the Lloyd's Annual Report 2009*, is €20,451m** and is made up of members funds at Lloyd's €14,817m, members' balances of €4,366m and central reserves of €1,267m.

Lloyd's market has an overall solvency figure, not split between life and non-life insurance. Lloyd's market overall solvency figure at 31.12.09 was 4764%. Such figure is based on total central assets of €3,165m over the aggregate of member level solvency shortfalls, which include the regulatory minimum solvency margin, amounting to €66m, as calculated according to English Law. The solvency figures (expressed in UK Pounds) may be found on page 78 of the Lloyd's Annual Report 2009**.

* Link to Lloyd's Annual Report 2009: <http://www.lloyds.com/Lloyds/Investor-Relations/Financial-performance/Annual-Reports/2009-Annual-Report>

** Exchange rate at 31.12.2009: €1 = £ 0.8881 (source: www.bancaditalia.it)

B. INFORMATION ON THE CONTRACT

To be completed by the Managing Agents.

3. Offered insurance coverage – Limitations and exclusions

To be completed by the Managing Agents.

4. Assured's statements and declarations regarding circumstances of risk – Nullity

To be completed by the Managing Agents.

5. Increase and decrease of risk

To be completed by the Managing Agents.

6. Premiums

To be completed by the Managing Agents.

7. Recourse

To be completed by the Managing Agents.

8. Right of withdrawal

To be completed by the Managing Agents.

9. Applicable limitation period and forfeiture of rights arising from the contract

To be completed by the Managing Agents.

10. Applicable law

To be completed by the Managing Agents

APPENDIX 1

11. Tax rules applicable to the contract

To be completed by the Managing Agents.

C. INFORMATION ON CLAIMS AND COMPLAINTS

12. Claims – Adjustment of claims

To be completed by the Managing Agents.

13. Complaints

Any complaint regarding the management of the contract or the adjustment of claims should be addressed to

Policyholder and Market Assistance Department
Lloyd's
1 Lime Street,
London, EC3M 7HA
Email: complaints@loyds.com
Tel: +44(0)2073275693
Fax: +44(0)2073275225

In the event that you remain dissatisfied, or if 45 days elapse without a response, and if you are a consumer or a small business with an annual turnover of less than Euro2 million and fewer than 10 employees, the complaint can also be submitted in accordance with the "Fin-net" procedure either by sending the complaint to ISVAP and requesting the application of the above procedure or by applying directly to the competent UK authority: Financial Ombudsman Service, South Quay Plaza, 183 Marsh Wall, E14 9SR, UK; Telephone: +44 20 7964 1000; complaint.info@financial-ombudsman.org.uk.

The complaints procedure is without prejudice to your right to institute a legal action or commence alternative dispute resolution proceedings, in accordance with your contractual rights.

14. Arbitration

To be completed by the Managing Agents.

* * * * *

Lloyd's Underwriters are responsible for the accuracy of all data and information contained in this Notice.

Signature

APPENDIX 1

Insurance Terms and Conditions

(to be included by Managing Agents)

Sample

APPENDIX 1

Glossary

(The definitions of terms listed as singular are intended to refer to the plural as well)

Insured: the person whose interest is covered by the Insurance;

Insurer: the Lloyd's member or members who accepted to underwrite the risk covered by the Insurance Contract and, in the case of co-insurance, the insurance undertakings mentioned in the Insurance Contract;

Members' Balances: the net profit/(loss)to be distributed/(collected) by syndicates to/(from) the members.

Consumer: the natural person who is acting for purposes which are outside his/her trade, business or profession;

Insurance Contract: the contract whereunder the Insurer underwrites, within such limits and on such terms and conditions as set out therein, the risks specified in the contract;

Policyholder: the person who executes the Insurance Contract and whose interest may be covered by the insurance;

Members' Funds at Lloyd's: funds lodged and held in trust at Lloyd's as security for the policyholders and to support a member's overall underwriting business.

Deductible: the pre-determined amount which, in the case of a Loss, must be paid by the Insured. Such amount reduces the amount of the indemnity/compensation that would have been due if the deductible had not existed.

Limit of indemnity: the maximum amount payable by the Insurer under the Insurance Contract;

Premium: The consideration payable by the Policyholder to the Insurer;

Policy Schedule: the document attached to the Insurance Contract which contains the Policyholder's and Insurance's details, the Insurance Limit, the Sub-limits, the inception date, the premium, the Syndicates whose member or members accepted to underwrite the risk covered by the Insurance Contract, and any other details of the Insurance Contract;

Excess: the amount which must be paid by the Insured, expressed as a percentage of the amount of the indemnity/compensation that would have been due if the excess had not existed;

Syndicate: a member or group of members underwriting insurance business at Lloyd's through the agency of a managing agent to which a syndicate number is assigned by the Council of Lloyd's;

Loss: the occurrence of a harmful event which is covered under an insurance contract;

Sub-limit: the maximum amount payable by the Insurer under an insurance contract with reference to a particular risk: such amount is not added to the Limit of Indemnity, but is a part thereof.

CONTRATTO DI (INSERIRE TIPOLOGIA CONTRATTUALE E IL NOME COMMERCIALE) *da riempire a cura dei Managing Agents*

IL PRESENTE FASCICOLO INFORMATIVO, CONTENENTE:

- a) Nota informativa;
- b) Condizioni di assicurazione;
- c) Glossario;
- d) [Modulo di proposta, ove previsto] *da riempire a cura dei Managing Agents*

DEVE ESSERE CONSEGNATO AL CONTRAENTE PRIMA DELLA SOTTOSCRIZIONE DEL CONTRATTO O DOVE PREVISTO DELLA PROPOSTA DI ASSICURAZIONE.

PRIMA DELLA SOTTOSCRIZIONE LEGGERE ATTENTAMENTE LA NOTA INFORMATIVA.

APPENDIX 2

NOTA INFORMATIVA

La presente Nota informativa è redatta secondo lo schema predisposto dall'ISVAP, ma il suo contenuto non è soggetto alla preventiva approvazione dell'ISVAP.

Il Contraente deve prendere visione delle condizioni di assicurazione prima della sottoscrizione della polizza

* * * * *

A. INFORMAZIONI SULL'IMPRESA DI ASSICURAZIONE

1. Informazioni generali

- a. Lloyd's è un ente ("Society") costituito come società costituita per legge da una Legge del Parlamento del Regno Unito di Gran Bretagna del 1871. I membri della Society sono per legge assicuratori e possono assumere rischi assicurativi per proprio conto. Gli Assicuratori di questo contratto sono alcuni membri di Lloyd's che aderiscono ai Sindacati identificati nella Scheda di Polizza (e ogni altro assicuratore identificato nella Scheda di Polizza)

La responsabilità di ogni Assicuratore è disgiunta e non solidale con quello degli altri Assicuratori. Ogni Assicuratore è responsabile solo per la quota di rischio che ha assunto. Ogni Assicuratore non è responsabile per la quota di responsabilità assunta da qualsiasi altro Assicuratore.

Nel caso di Sindacato, ogni membro del Sindacato (e non il Sindacato stesso) è un Assicuratore. Ogni membro assume una quota di responsabilità dell'entità complessiva che viene specificata in relazione al Sindacato (essendo l'entità complessiva la somma delle quote di responsabilità assunte da tutti i membri del Sindacato considerati globalmente). La responsabilità di ciascun membro del Sindacato è disgiunta e non solidale. Ogni membro è responsabile solo per la sua quota. Un membro non è responsabile in solido per la quota degli altri membri. Né qualsiasi membro è altrimenti responsabile per qualsiasi obbligazione assunta da ogni altro membro per lo stesso contratto.

La quota di responsabilità assunta da un Assicuratore (o, in caso di un Sindacato, l'ammontare totale delle quote di tutti gli Assicuratori membri del Sindacato considerati globalmente) è specificata nel contratto e, in mancanza, può essere accertata mediante richiesta scritta da inviarsi presso la sede secondaria italiana di Lloyd's sotto indicata. Parimenti, mediante richiesta scritta inviata alla medesima sede secondaria è possibile accettare i nomi di ciascuno degli Assicuratori del Sindacato e le rispettive quote di responsabilità.

- b. Lloyd's ha la sua sede legale in Londra (EC3M 7HA), One Lime Street, Inghilterra, che è anche il domicilio di ciascun membro di Lloyd's..
- c. In Italia Lloyd's ha sede secondaria in Milano, CAP 20121, Corso Garibaldi, 86.
- d. Il recapito telefonico, l'indirizzo e-mail e il sito internet di Lloyd's sono, rispettivamente: +39026378881, servizioclienti@lloyds.com e www.lloyds.com.
- e. I membri di Lloyd's che assumono rischi assicurativi sono autorizzati all'esercizio dell'attività assicurativa in forza della legge inglese. L'Associazione di Assuntori di rischi assicurativi nota come Lloyd's svolge attività in Italia in regime di libero stabilimento (iscrizione al n° I.00008 dell'elenco dell'Isavp delle imprese di assicurazione con sede legale in un altro Stato Membro ammesse ad operare in Italia in regime di stabilimento) e, nel Regno Unito di Gran Bretagna, è soggetta al controllo della Financial Services Authority, con sede in 25 The North Colonnade, Canary Wharf, London E14 5HS.

APPENDIX 2

2. Informazioni sulla situazione patrimoniale di Lloyd's

Come riportato a pag. 63 del Rapporto Annuale di Lloyd's del 2009* il capitale del mercato di Lloyd's ammonta ad €2.451 milioni** ed è composto dai Fondi dei membri presso Lloyd's di €14.817 milioni, dai Bilanci dei membri di €4.366 milioni e da riserve centrali di €1.267 milioni.

Il mercato di Lloyd's ha un indice di solvibilità complessivo, non suddiviso per ramo vita e ramo danni. L'indice di solvibilità complessivo del mercato di Lloyd's al 31.12.2009 era il 4.764%. Tale percentuale è il risultato del rapporto tra il totale degli attivi centrali, ammontanti ad €3.165 milioni e la somma dei deficit di solvibilità dei singoli membri. Quest'ultimo importo è stato determinato tenendo conto del margine minimo di solvibilità, ammontante ad €66 milioni, calcolato in base alla vigente normativa inglese. Gli importi della solvibilità (espressi in sterline inglesi) possono essere letti a pag. 78 del Rapporto Annuale di Lloyd's del 2009*.

*Link al Rapporto annuale di Lloyd's del 2009: <http://www.lloyds.com/Lloyds/Investor-Relations/Financial-performance/Annual-Reports/2009-Annual-Report>

** Tasso di cambio al 31.12.2009: €1 = £ 0,8881 (fonte: www.bancaditalia.it)

B. INFORMAZIONI SUL CONTRATTO

da riempire a cura dei Managing Agents.

3. Coperture assicurative offerte – Limitazioni ed esclusioni

da riempire a cura dei Managing Agents.

4. Dichiarazioni dell'assicurato in ordine alle circostanze del rischio – Nullità

da riempire a cura dei Managing Agents.

5. Aggravamento e diminuzione del rischio

da riempire a cura dei Managing Agents.

6. Premi

da riempire a cura dei Managing Agents.

7. Rivalse

da riempire a cura dei Managing Agents.

8. Diritto di recesso

da riempire a cura dei Managing Agents.

9. Prescrizione e decadenza dei diritti derivanti dal contratto

da riempire a cura dei Managing Agents.

10. Legge applicabile al contratto

da riempire a cura dei Managing Agents.

11. Regime fiscale applicabile al contratto

da riempire a cura dei Managing Agents.

C. INFORMAZIONI SULLE PROCEDURE LIQUIDATIVE E SUI RECLAMI

APPENDIX 2

12. Sinistri – Liquidazione dell'indennizzo

da riempire a cura dei Managing Agents.

13. Reclami

Ogni reclamo relativo alla gestione del Contratto d'Assicurazione o alla liquidazione dei sinistri dovrebbe essere indirizzato al broker del Contraente per essere a tale fine assistiti.

Gli eventuali reclami possono anche essere inoltrati per iscritto al seguente indirizzo:

- Ufficio Italiano di Lloyd's

All'attenzione del Responsabile dell'ufficio "Regulatory & Compliance"

CORSO GARIBOLDI, 68

20121 MILANO

Fax n. 02 63788850

E-mail servizioclienti@lloyds.com

Il reclamo dovrà contenere l'indicazione del numero del contratto assicurativo cui si riferisce.

Qualora il reclamante non si ritenga soddisfatto dell'esito del reclamo, oppure decorsi 45 giorni senza che sia stato dato riscontro al reclamo, se il reclamante è un Consumatore o un piccolo imprenditore, intendendosi per tale un imprenditore con un giro d'affari inferiore ad €2.000.000,00 e con meno di 10 dipendenti, potrà anche presentare il proprio reclamo avvalendosi della procedura per liti transfrontaliere "Fin-net", trasmettendo il proprio reclamo all'ISVAP e facendo richiesta di applicazione di tale procedura oppure rivolgendosi direttamente al sistema competente nel Regno Unito: Financial Ombudsman Service, South Quay Plaza, 183 Marsh Wall, E14 9SR, UK; telefono +442079641000; complaint.info@financial-ombudsman.org.uk.

La procedura di reclamo fa salvo il diritto di promuovere azioni legali o iniziare procedure alternative di risoluzione delle controversie, in conformità alle previsioni contrattuali.

14. Arbitrato

da riempire a cura dei Managing Agents.

* * * * *

Gli assuntori di rischi assicurativi di Lloyd's sono responsabili della veridicità e della completezza dei dati e delle notizie contenuti nella presente Nota Informativa.

Il Rappresentante Generale per l'Italia di Lloyd's
Enrico Bertagna.

APPENDIX 2

Condizioni di Assicurazione
(da riempire a cura dei Managing Agents)

SAMPLE

APPENDIX 2

Glossario

(le definizioni relative a termini espressi al singolare valgono, con significato al plurale, anche per i medesimi termini espressi al plurale)

Assicurato: il soggetto il cui interesse è protetto dall'Assicurazione;

Assicuratore: il membro o membri di Lloyd's, che hanno accettato di assumere il rischio coperto dal Contratto d'Assicurazione e, in caso di coassicurazione, le imprese di assicurazione menzionate nel Contratto di Assicurazione;

Bilanci dei membri: l'utile/(la perdita) da distribuire/(da recuperare) da parte dei Sindacati a favore di/(dai) membri di Lloyd's;

Consumatore: è la persona fisica che agisce per scopi estranei all'attività imprenditoriale, commerciale, artigianale o professionale eventualmente svolta;

Contratto d' Assicurazione: il contratto in forza del quale l'Assicuratore assume, nei limiti, termini e condizioni ivi previsti, i rischi nello stesso specificati;

Contraente: Il soggetto che stipula il Contratto d'Assicurazione ed il cui interesse può essere protetto dall'Assicurazione;

Fondi dei membri presso Lloyd's: i fondi depositati e detenuti in via fiduciaria presso Lloyd's a garanzia dei contraenti e per sostenere l'attività assuntiva di rischi complessiva di un membro;

Franchigia: Importo prestabilito che, in caso di Sinistro, rimane a carico dell'Assicurato. Tale importo va a ridurre l'ammontare dell'indennizzo/risarcimento che sarebbe spettato se tale franchigia non fosse esistita.

Massimale: l'ammontare che rappresenta l'entità massima dell'obbligazione di pagamento dell'Assicuratore in forza del Contratto d'Assicurazione;

Premio: Il corrispettivo dovuto dal Contraente all'Assicuratore;

Scheda di Polizza: il documento allegato al Contratto d'Assicurazione che contiene i dati del Contraente e dell'Assicurato, il Massimale, i Sottolimiti, la decorrenza, il premio, i Sindacati il cui membro o membri hanno accettato di assumere il rischio coperto dal Contratto d'Assicurazione, gli eventuali altri dettagli del Contratto d'Assicurazione;

Scoperto: Importo che rimane a carico dell'Assicurato, espresso in misura percentuale sull'ammontare dell'indennizzo/risarcimento che spetterebbe in assenza dello scoperto stesso;

Sindacato: è definito Sindacato il membro di Lloyd's o il gruppo di membri di Lloyd's, che assumono rischi attraverso un agente gestore al quale è attribuito un numero di sindacato dal "Council" di Lloyd's;

Sinistro: Il verificarsi del fatto dannoso per il quale è prestata la garanzia assicurativa

Sottolimite: l'ammontare che rappresenta l'entità massima dell'obbligazione di pagamento dell'Assicuratore in forza del Contratto d'Assicurazione in relazione ad uno specifico rischio: tale ammontare non si somma a quello del Massimale, ma è una parte dello stesso.

CONTRACT OF (INSERT THE KIND OF CONTRACT AND ITS COMMERCIAL NAME) *to be completed by the Managing Agents*

THIS INFORMATIVE BOOKLET, CONTAINING:

- a) **Information notice;**
- b) **Insurance terms and conditions;**
- c) **Glossary;**
- d) **[proposal form, if any] *to be completed by Managing Agents***

SHALL BE DELIVERED TO THE POLICYHOLDER BEFORE THE EXECUTION OF THE CONTRACT OR, BEFORE THE SIGNATURE OF THE PROPOSAL FORM, IF ANY

BEFORE SIGNING, READ CAREFULLY THE INFORMATION NOTICE

SAMPLE

APPENDIX 2

INFORMATION NOTICE

This Notice has been drawn up in accordance with ISVAP's form, but its content is not subject to ISVAP's prior approval.

The policy-holder must read the insurance terms and conditions before signing the policy

* * * * *

A. INFORMATION ON THE INSURANCE UNDERTAKING

1. General information

- a. Lloyd's is a society incorporated as a statutory corporation by an Act of the UK Parliament, Lloyd's Act 1871. Members of the Society are by law insurers and may underwrite insurance business for their own account. The Insurers under this contract are certain members of Lloyd's subscribing to the Syndicates identified on the Policy Schedule (and any other insurers identified in the Policy Schedule).

The liability of an Insurer is several and not joint with other Insurers. An Insurer is liable only for the proportion of liability it has underwritten. An Insurer is not jointly liable for the proportion of liability underwritten by any other Insurer.

In the case of a Syndicate, each member of the Syndicate (rather than the Syndicate itself) is an Insurer. Each member underwrites a proportion of the total shown for the Syndicate (that total itself being the total of the proportions underwritten by all the members of the Syndicate taken together). The liability of each member of the Syndicate is several and not joint with other members. A member is liable only for that member's proportion. A member is not jointly liable for any other member's proportion. Nor is any member otherwise responsible for any liability of any other insurer that may underwrite the contract.

The proportion of liability under a contract underwritten by an Insurer (or, in the case of a Syndicate, the total of the proportions underwritten by all the members of the Syndicate taken together) is shown in the contract and, if not shown, may be obtained by writing to the Lloyd's Italian office at the address given below. Similarly, the identity of each member of a Syndicate and their respective proportion may be obtained by writing to the above Lloyd's Italian office.

- b. Lloyd's address is One Lime Street, London EC3M 7HA, England, which is also the business address of each member of Lloyd's.
- c. The address of Lloyd's Italian office is Corso Garibaldi 86, 20121 Milan.
- d. Lloyd's telephone number and e-mail address are the following: +39026378881 and servizioclienti@lloyds.com. Lloyd's Internet site can be found at www.lloyds.com.
- e. The Underwriting members of Lloyd's are authorised to conduct insurance business under English laws. The Association of Underwriters known as Lloyd's conducts business in Italy under the freedom of establishment (registered in Isvap's list I.00008 of the insurance undertakings with registered office in another Member Country, allowed to carry out business in Italy under freedom of establishment) and, in the United Kingdom, is subject to the control of the Financial Services Authority, based in 25 The North Colonnade, Canary Wharf, London E14 5HS.

APPENDIX 2

2. Information on Lloyd's assets and liabilities

Lloyd's market's capital, as reported at page 63 of the Lloyd's Annual Report 2009*, is € 20,451m** and is made up of members funds at Lloyd's € 14,817m, members' balances of € 4,366m and central reserves of € 1,267m.

Lloyd's market has an overall solvency figure, not split between life and non-life insurance. Lloyd's market overall solvency figure at 31.12.09 was 4764%. Such figure is based on total central assets of €3,165m over the aggregate of member level solvency shortfalls, which include the regulatory minimum solvency margin, amounting to €66m, as calculated according to English Law. The solvency figures (expressed in UK Pounds) may be found on page 78 of the Lloyd's Annual Report 2009**.

* Link to Lloyd's Annual Report 2009: <http://www.lloyds.com/Lloyds/Investor-Relations/Financial-performance/Annual-Reports/2009-Annual-Report>

** Exchange rate at 31.12.2009: €1 = £ 0.8881 (source: www.bancaditalia.it)

B. INFORMATION ON THE CONTRACT

To be completed by the Managing Agents.

3. Offered insurance coverage – Limitations and exclusions

To be completed by the Managing Agents.

4. Assured's statements and declarations regarding circumstances of risk – Nullity

To be completed by the Managing Agents.

5. Increase and decrease of risk

To be completed by the Managing Agents.

6. Premiums

To be completed by the Managing Agents.

7. Recourse

To be completed by the Managing Agents.

8. Right of withdrawal

To be completed by the Managing Agents.

9. Applicable limitation period and forfeiture of rights arising from the contract

To be completed by the Managing Agents.

10. Applicable law

To be completed by the Managing Agents

11. Tax rules applicable to the contract

To be completed by the Managing Agents.

C. INFORMATION ON CLAIMS AND COMPLAINTS

APPENDIX 2

12. Claims – Adjustment of claims

To be completed by the Managing Agents.

13. Complaints

Any complaint regarding the management of the contract or the adjustment of claims should be addressed to the policy-holder's broker in order to obtain assistance.

The matter may also be referred to:

- Lloyd's Italian Office
For the attention of Manager of Regulatory & Compliance
Corso Garibaldi, 68
20121 Milan
Fax No. 02 63788850
E-mail servizioclienti@lloyds.com

The complaint must contain the number of the contract to which it refers.

In the event that you remain dissatisfied, or if 45 days elapse without a response, and if you are a consumer or a small business with an annual turnover of less than Euro2 million and fewer than 10 employees, the complaint can also be submitted in accordance with the "Fin-net" procedure either by sending the complaint to ISVAP and requesting the application of the above procedure or by applying directly to the competent UK authority: Financial Ombudsman Service, South Quay Plaza, 183 Marsh Wall, E14 9SR, UK; Telephone: +44 20 7964 1000; complaint.info@financial-ombudsman.org.uk.

The complaints procedure is without prejudice to your right to institute a legal action or commence alternative dispute resolution proceedings, in accordance with your contractual rights.

14. Arbitration

To be completed by the Managing Agents.

Lloyd's Underwriters are responsible for the accuracy of all data and information contained in this Notice.

The General Representative for Lloyd's in Italy
Enrico Bertagna

APPENDIX 2

Insurance Terms and Conditions
(to be included by Managing Agents)

SAFETY
SAMPLE

APPENDIX 2

Glossary

(The definitions of terms listed as singular are intended to refer to the plural as well)

Insured: the person whose interest is covered by the Insurance;

Insurer: the Lloyd's member or members who accepted to underwrite the risk covered by the Insurance Contract and, in the case of co-insurance, the insurance undertakings mentioned in the Insurance Contract;

Members' Balances: the net profit/(loss)to be distributed/(collected) by syndicates to/(from) the members.

Consumer: the natural person who is acting for purposes which are outside his/her trade, business or profession;

Insurance Contract: the contract whereunder the Insurer underwrites, within such limits and on such terms and conditions as set out therein, the risks specified in the contract;

Policyholder: the person who executes the Insurance Contract and whose interest may be covered by the insurance;

Members' Funds at Lloyd's: funds lodged and held in trust at Lloyd's as security for the policyholders and to support a member's overall underwriting business.

Deductible: the pre-determined amount which, in the case of a Loss, must be paid by the Insured. Such amount reduces the amount of the indemnity/compensation that would have been due if the deductible had not existed.

Limit of indemnity: the maximum amount payable by the Insurer under the Insurance Contract;

Premium: The consideration payable by the Policyholder to the Insurer;

Policy Schedule: the document attached to the Insurance Contract which contains the Policyholder's and Insurance's details, the Insurance Limit, the Sub-limits, the inception date, the premium, the Syndicates whose member or members accepted to underwrite the risk covered by the Insurance Contract, and any other details of the Insurance Contract;

Excess: the amount which must be paid by the Insured, expressed as a percentage of the amount of the indemnity/compensation that would have been due if the excess had not existed;

Syndicate: a member or group of members underwriting insurance business at Lloyd's through the agency of a managing agent to which a syndicate number is assigned by the Council of Lloyd's;

Loss: the occurrence of a harmful event which is covered under an insurance contract;

Sub-limit: the maximum amount payable by the Insurer under an insurance contract with reference to a particular risk: such amount is not added to the Limit of Indemnity, but is a part thereof.

APPENDIX 3

Draft letter of instruction from managing agents to Lloyd's Italian Office Open market business

Dear Sirs

By way of this letter, [insert name of managing agent], requests the Lloyd's Italian Office to issue evidence of the contract(s) of insurance for open market policies to be underwritten by members of the syndicate or syndicates managed by us ("Underwriters") and accordingly we hereby authorise Lloyd's General Representative for Italy ("the General Representative") to sign such evidence in accordance with the powers set out in his Power of Attorney.

In making this request and authorising the General Representative we -

1. acknowledge that this is an optional service provided by Lloyd's Italian Office and only basic checks will be carried out on the evidence of the contract(s) of insurance (as set out in Annex 1).
2. understand that Lloyd's Italian Office will undertake all reasonable endeavours to meet any service standards that it may from time to time issue regarding the preparation and signing of evidence of contracts of insurance (and in this regard a copy of the current service standards is included in Annex 1). However, we acknowledge that no liability shall attach to Lloyd's, the Lloyd's General Representative or Lloyd's Italian Office for any failure to meet those service standards or to perform the checks at Annex 1. In this regard we note that Lloyd's Italian Office will not receive direct payment from us for carrying out this service.
3. acknowledge that the content and accuracy of the evidence of each contract of insurance is a matter for Underwriters and is not the responsibility of Lloyd's, Lloyd's General Representative or Lloyd's Italian Office. Accordingly we agree in respect of this service performed by Lloyd's Italian Office that we shall indemnify and keep indemnified each of the Society, Lloyd's General Representative in Italy, and Lloyd's Italian Office, and we hereby hold them harmless from and against all actions, claims, demands, liabilities, damages, costs, losses or expenses (including without limitation, consequential losses, and all interest, penalties, legal and other professional costs and expenses) arising out of or in connection with the preparation of evidence of contracts of insurance by Lloyd's Italian Office and/or the appearance of the Lloyd's General Representative's signature on such evidence of contracts of insurance, in respect of the underwriting business carried on by Underwriters in Italy.

If at any point we wish to withdraw this authorisation we will confirm that to Lloyd's Italian Office in writing.

Yours faithfully

[for managing agent]

APPENDIX 3

Annex 1

Policy checks performed by LIO:

Our commitment

LIO's aim is to provide the following Service standards:

1. Perform the checks listed below to all policies and addendums send to LIO for signing in accordance with the terms of mandate from the managing agent within 14 working days from date of receipt. Where the Lloyd's broker or Lloyd's managing agent confirms in writing to LIO that the risk relates to "retail business" LIO will use its best endeavours to sign the policy within 7 working days;
2. Return the signed policies / addendums that have successfully passed the checks below, within one working day;
3. Whenever a policy / addendum fails one or more checks, inform either the coverholder or for open market business the local correspondent (copied to the managing agent of the lead syndicate), via email, phone or fax, within the next day the check has been performed, giving a detailed explanation of the check(s) failed. It is faculty of LIO to return the policy / addendum to the correspondent, within the next day the check has been performed, whenever it judges that the check(s) failed are too material to be resolved via email, phone or fax.

Policy checks performed by LIO:

Stage 1 signing

- Check that all 3 copies of the policy jacket have been provided
- Check that a slip as signed by Underwriters has been provided (for minor endorsements that do not materially amend the terms of the slip is not always required - an email from the Lloyd's broker is considered sufficient).
- Check if all 3 copies of "Modulo" have been signed (by any one of the Lloyd's managing agent, the coverholder or local Italian intermediary).
- Check that coverage is consistent with Lloyd's licensing arrangement.
- Check that the policy details recorded on the "modulo" including the policy number; the insured's details; the Lloyd's broker's code; a unique reference number; the period of insurance; the insured sum, limits and any deductibles; accurately reflect the slip (the insured sum, limits and any deductibles may also be recorded in the policy wording).
- Check that all the terms and conditions stated in the slip are included in the terms and conditions attached to the "Modulo". This check is limited to confirming that all conditions referred to in the slip are present, no check is carried out on the conditions themselves.
- Check that the correct number of pages are present (only when such number is recorded on the "modulo").
- If any of the above is not in order, LIO will contact as appropriate either the Coverholder or for open market business the local Italian intermediary (correspondent) for clarification. (Where the query is sent to a local

APPENDIX 3

- correspondent that is not acting as coverholder, that query will be copied to the managing agent.)
- If all of the above appears in order, the front page of each of the 3 copies of the policy jacket is “stamped” with the GR’s signature. The policy schedule or “Modulo” does not bear the GR’s signature (but shall be signed by any one of the Lloyd’s managing agent, the coverholder or local Italian intermediary)

Stage 2 - LIO procedure post-signature

- The next stage is to review the signed policy jackets and to initial the bottom right of the front page of the insurer’s copy of the jacket. This 2-stage checking process is in place as a protection against financial crime and is a requirement of Law 231 to have a 2-stage checking process where the insured is a public body. However as a matter of best practice LIO performs a 2-stage check on all policies.
- All 3 copies of the signed jacket are then sent back to the local intermediary (either by post (if in Milan area) or by courier (if further away)) for the local intermediary to arrange for the insured to sign all three copies. The service standard as set out in the Co-operation Agreement is for the local intermediary to obtain the insured’s signature and return the insurer’s copy to LIO within 30 days.
- The insured retains a copy of the policy jacket and returns the remaining 2 copies to the local intermediary. The local intermediary retains its copy and sends the insurer’s copy directly to LIO’s external archive facility.

APPENDIX 4

TO WHOM IT MAY CONCERN

Milan, 22 March 2010

Subject: new procedure for the checking and signature of a contract.

One of the matters examined by the review of the services provided by Lloyd's Representative Offices is the need to guarantee contract certainty and full consistency between the terms and conditions proposed by the Underwriters and those accepted by the insured.

The review came to the conclusion that the placing-slip, signed by the Underwriters at the moment of acceptance of the risk, provides the most guarantees. Hence, the checks performed by LIO of the documents issued by the Italian Correspondents, must now be performed against the placing slip and no longer based on the cover note.

Therefore, starting from April, when submitting the contracts and addenda to LIO, in order to collect the signature of the General Representative, the Italian Correspondents must also attach a copy of the related "signed slip(*)".

(*) Slip: There are two types of underwriting slip: a placing slip and a signing slip. A placing slip is a document created by a broker that contains a summary of the terms of a proposed insurance or reinsurance contract which is then presented by the broker to selected underwriters for their consideration. Underwriters may delete, amend or add terms on a slip as they consider appropriate for the purpose of providing an indication or a quotation. A signing slip is a document that is created by a Lloyd's broker after a quotation has been accepted for the purpose of processing premiums under the contract that is evidenced by the placing slip. It is a cleaned up version of the final placing slip and shows underwriters' stamps, signed lines and underwriting references, these details being inserted by each underwriter at the request of the broker. Provided that it shows the underwriters' stamps, signed lines and underwriting references a placing slip may be used as a signing slip.

A CHI DI COMPETENZAUFFICIO ITALIANO
DEI LLOYD'S

Milano, 22 marzo 2010

Oggetto: nuove procedure per il controllo e la firma dei contratti

Nell'ambito della recente revisione dei servizi resi dagli uffici di rappresentanza, è stata presa in esame, tra l'altro, l'esigenza di assicurare la certezza contrattuale e piena coerenza tra i termini e le condizioni proposte dai Sottoscrittori ed accettate dai nostri assicurati.

Si è giunti alla conclusione che il documento firmato dai Sottoscrittori al momento dell'accettazione del rischio ("slip") fornisce le migliori garanzie in tal senso e si è deciso, dunque, che il controllo dei documenti emessi dai Corrispondenti, da parte dell'ufficio italiano dei Lloyd's, dovrà, da ora in avanti, essere effettuato sulla base dello "slip" e non più del Cover Note.

A partire dal mese di aprile, dunque, preghiamo i Corrispondenti dei Lloyd's di allegare i relativi "slip firmati (*)" ai contratti ed alle appendici da loro preparate prima del loro invio per la firma del Rappresentante Generale per l'Italia.

Ringraziando Vi in anticipo per la collaborazione, Vi inviamo i nostri migliori saluti

ANTONIO TOMASONE
MANAGER, LOCAL SERVICES



(*) Slip: Ci sono due tipi di slip: lo slip di piazzamento e lo slip firmato. Uno slip di piazzamento è un documento creato da un broker che contiene un riassunto dei termini relative a un rischio che il broker stesso presenta a un numero di sottoscrittori selezionati per proporre la copertura assicurativa. I sottoscrittori possono cancellare, modificare o aggiungere termini sullo slip in base a ciò che considerano appropriato al fine di fornire una quotazione. Uno slip firmato è un documento creato dal Lloyd's broker dopo che la quotazione è stata accettata al fine di gestire i premi relativi ai contratti evidenziati dallo slip di piazzamento. È una versione pulita dello slip di piazzamento definitivo e contiene i timbri con i nomi dei Sottoscrittori e le relative quote. Purchè siano presenti i timbri con i nomi dei Sottoscrittori e le relative quote, uno slip di piazzamento può essere usato come slip firmato.

APPENDIX 5

CIRCULAR LETTER TO ITALIAN CORRESPONDENTS AND LOSS ADJUSTERS

Milan, 8th March 2010.

In order that Managing Agents deal directly as far as possible with their appointed advisers in Italy (e.g. lawyers, loss adjusters) in respect of claims made against underwriters, the Lloyd's Italian Office (LIO) will be making certain changes to its operations.

LIO will, though, remain the focal point for problems arising out of Lloyd's underwriters' business in Italy that cannot be dealt with directly by Managing Agents or their advisers. LIO will continue to forward to Managing Agents or their advisers information and documents relating to their business in Italy as quickly and as efficiently as possible. LIO will also remain willing to assist Managing Agents and their advisers wherever needed, in particular where formal rules of procedure require action by the General Representative e.g. appointing attorneys, claims settlement documentation.

Going forward, documents received by LIO will be forwarded to the relevant Managing Agent or to their appointed loss adjuster, lawyer or claims settling agent in Italy (as instructed by the managing agent). All subsequent communications will then be on a direct basis.

The new process is consistent with how claims handling relationships are managed in other European countries and the simplified process will benefit managing agents and their local adjusters/lawyers/advisors. The changes are set out further below and will have immediate effect.

A) HANDLING OF WRITS

- i) Upon receipt of a writ, or any other formal document served on Lloyd's General Representative for Italy, the LIO will forward the writ or document to the leading Managing Agent or to the appointed loss adjuster, lawyer, claims settling agent etc as so instructed by the Managing Agent.

Going forward, all Italian policies will include details of the Lloyd's security (i.e., list of syndicates subscribing to the risk). This will enable LIO to identify the relevant Lloyd's Underwriters subscribing to the contract. Local Italian intermediaries will therefore include this information in the policy schedule. Contracts issued through MOCHA will be automatically amended to include details of the Lloyd's security.

- ii) Local intermediaries will need to co-operate with the relevant Managing Agent and or their appointed advisors (loss adjusters, attorneys, etc) with any relevant papers requested – including a copy of the relevant signed policy.
- iii) Underwriters' lawyers will deal directly with Managing Agents (or their appointed party) for all matters concerning legal proceedings (defending strategies, preliminary investigation, instructions / clarifications, etc)

APPENDIX 5

- iv) Going forward, Managing Agents (and/or their appointed advisors) will execute payment of transactions directly to the beneficiaries. This includes any disbursements arising from legal activity involving Lloyd's Underwriters (such as unfavourable judgements, injunctions, enforcements, legal fees and any other expenses).

For the purpose, LIO will inform the relevant Managing Agent (or appointed subject) about formal payment requests, such as court decisions/judgements, served on the LIO. Such documents will be forwarded as per the Managing Agent's instructions and should be dealt with by them in compliance with the specified terms.

B) HANDLING OF COMMUNICATIONS

If possible, the following documentation should no longer be sent to LIO:

- Claim Notices – Italian intermediaries should send such documents directly to the relevant Managing Agent/Underwriter or to any other party (e.g. loss adjuster, lawyer etc) as so instructed by them.
- All documents relating to the claim (such as reports, hospitalisation histories, and other documentation to follow up a claim file) should be sent directly to the relevant Managing Agent or to any other party as so instructed by the managing agent / Underwriter.

If, however, the holder is not certain as to the proper destination of the documentation LIO should be contacted for advice and, if appropriate, action.

C) PAYMENT OF CLAIMS AND RELEVANT FEES

LIO will no longer be involved in either the collection or the payment of claims and/or claim expenses. Such payments will therefore be handled directly by the relevant Managing Agents/Underwriters subscribing to the policy and/or by their appointed agents (intermediaries, loss adjusters, attorneys).

As a consequence, the claims funds usually held by LIO will be returned to the concerned Managing Agents Underwriters as soon as practicable.

All invoices relating to claims services rendered to Lloyd's Underwriters will be addressed to the concerned Managing Agent directly or to any other party as so instructed by the Underwriters/Managing Agent. The payment of such invoices will be also handled directly.

1/2010

CIRCOLARE AI CORRISPONDENTI E FIDUCIARI

Milano, 8 marzo 2010

Egregi Signori

Oggetto: **Nuove procedure per la gestione dei sinistri.**

Per far sì che i Managing Agents mantengano, ove possibile, contatti diretti con i consulenti (es. avvocati, periti) da loro nominati in Italia, relativamente ai sinistri denunciati ai sottoscrittori, l'ufficio italiano dei Lloyd's (LIO) ha deciso di introdurre alcune modifiche con effetto immediato.

Il LIO rimarrà, comunque, il punto di riferimento principale per qualsiasi problema dovesse insorgere dall'attività dei sottoscrittori dei Lloyd's in Italia e che non può essere gestito direttamente dai Managing Agents o dai loro consulenti. Il LIO continuerà ad inoltrare ai Managing Agents o ai loro consulenti le informazioni e i documenti relativi alla loro attività in Italia in maniera tempestiva ed efficiente. Il LIO rimarrà inoltre a disposizione per assistere i Managing Agents ed i loro consulenti se necessario, in particolare nei casi in cui le regole di procedura formali richiedono il coinvolgimento del Rappresentante Generale, ad esempio per la nomina di avvocati e transazioni ufficiali.

Da ora in avanti, i documenti ricevuti dal LIO saranno inoltrati ai relativi Managing Agents o ai periti, legali, agenti da loro nominati in Italia (su istruzione del managing agent). Tutte le successive comunicazioni saranno effettuate direttamente.

La nuova procedura è in linea con il modo in cui le relazioni riguardanti la gestione dei sinistri sono gestite negli altri paesi europei ed i managing agents e i loro legali/avvocati/consulenti beneficeranno di questo processo semplificato. Di seguito le modifiche nel dettaglio.

a) Gestione delle cause

- i) Alla ricezione di una notifica, o di qualsiasi altro documento formale notificato al Rappresentante Generale per l'Italia dei Lloyd's, il LIO inoltrerà la notifica al

Managing Agent leader del contratto o al perito, legale, agente nominato in base alle indicazioni del Managing Agent.

Da ora in avanti, tutti i contratti italiani includeranno i dettagli della “security” dei Lloyd’s (ossia la lista dei sindacati che hanno sottoscritto il rischio). Ciò permetterà al LIO di identificare i sottoscrittori dei Lloyd’s che hanno sottoscritto il contratto. Gli intermediari italiani dovranno includere queste informazioni nel modulo di polizza. I contratti emessi utilizzando il sistema MOCHA saranno modificati automaticamente al fine di includere i dettagli della “security” dei Lloyd’s.

- ii) Gli intermediari locali dovranno collaborare con i relativi Managing Agents oppure con i consulenti da loro approvati fornendo la documentazione richiesta – inclusa una copia del contratto firmato.
- iii) I legali dei sottoscrittori manterranno contatti diretti con i Managing Agents (e le parti da loro nominate) per tutte le problematiche relative ai procedimenti legali (strategie di difesa, istruttorie preliminari, istruzioni/chiarimenti etc.)
- iv) Da ora in avanti, i Managing Agents (e/o i consulenti nominati) eseguiranno i pagamenti delle transazioni direttamente ai beneficiari. Ciò include le spese relative all’attività legale che coinvolge i sottoscrittori dei Lloyd’s (quali sentenze sfavorevoli, ingiunzioni, esecuzioni, spese legali e qualsiasi altra spesa del tribunale).

Il LIO informerà i Managing Agent coinvolti (o il Managing Agent leader) relativamente alle richieste di pagamento formali, quali sentenze/decisioni del tribunale, notificate al LIO. Tali documenti saranno inoltrati seguendo le istruzioni del Managing Agent e saranno trattati da questi ultimi nel rispetto dei termini indicati.

b) Gestione delle comunicazioni

Sarebbe opportuno che i documenti specificati di seguito non fossero più inviati al LIO:

- Notifiche di sinistro – gli intermediari italiani dovranno inviare tali documenti direttamente ai relativi Managing Agents o alle parti che questi ultimi avranno indicato (periti, legali, ecc.)
- Tutti i documenti relativi al sinistro (rapporti, cartelle cliniche ed altri documenti in generale) dovranno essere inviati direttamente ai relativi Managing Agents o alle parti che questi ultimi avranno indicato (periti, legali, ecc.)

In caso di dubbio circa la destinazione corretta della documentazione, il LIO dovrà essere contattato per chiarimenti e, se necessario, per intervenire nel processo.

c) Pagamento dei sinistri e delle parcelle

Il LIO non sarà più coinvolto sia nella raccolta delle somme sia nel pagamento dei sinistri e/o di spese riguardanti i sinistri. Il pagamento dei sinistri e delle spese sarà gestito direttamente dai relativi Managing Agents che hanno sottoscritto il contratto e/o dagli agenti da loro nominati (intermediario, perito, legale).

Pertanto, i fondi sinistri che sono gestiti dal LIO saranno restituiti ai Managing Agents di pertinenza non appena possibile.

Tutte le parcelle relative a servizi sinistri resi ai sottoscrittori dei Lloyd's dovranno essere intestate direttamente al Managing Agent coinvolto ad altre parti in base alle istruzioni fornite dai Managing Agents stessi. Anche il pagamento di queste parcelle sarà gestito direttamente.

Rimaniamo a disposizione per qualsiasi chiarimento.

Con i migliori saluti

ENRICO BERTAGNA

Rappresentante Generale per l'Italia

Glossario

Managing agent

Un agente di sottoscrizione che ha ottenuto dai Lloyd's l'autorizzazione a gestire un sindacato e svolgere l'attività di sottoscrizione e altre funzioni per un membro.

Sindacato

Un membro o un gruppo di membri che sottoscrivono l'attività assicurativa ai Lloyd's attraverso un managing agent oppure un agente sostituto al quale è stato assegnato dal Council un numero di sindacato.

APPENDIX 6

EUROPEAN SERVICE OF SUIT AND JURISDICTION CLAUSE

It is agreed that this Insurance shall be governed exclusively by the law and practice of {Response}, and any disputes arising under, out of or in connection with this Insurance shall be exclusively subject to the jurisdiction of any competent court in {Response}.

The Underwriters hereon agree that all summonses, notices or processes requiring to be served upon them for the purpose of instituting any legal proceedings against them in connection with this Insurance shall be properly served if addressed to them and delivered to them care of

{Response}

who in this instance, have authority to accept service on their behalf.

Underwriters by giving the above authority do not renounce their right to any special delays or periods of time to which they may be entitled for the service of any such summonses, notices or processes by reason of their residence or domicile in England.

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SAMPLE