

MARKET BULLETIN

REF: Y4765

Title	Lapsing of Coverholders
Purpose	To introduce the new process for the deregistration of coverholders.
Type	Event
From	Peter Montanaro, Head of Delegated Authorities. Delegated Authorities. Performance Management Directorate +44 (0)207 327 5971
Date	30 January 2014
Deadline	
Related links	http://www.lloyds.com/the-market/i-am-a/delegated-authority

From the date of this bulletin, Lloyd's will be conducting an exercise to reconcile our coverholder records. This will result in the deregistration of those coverholders that have not had active contracts within the last twelve months.

From the date of this bulletin any coverholder that meets the following criteria will be firstly put into postponed deregistration for a period of time. If this period ends without communication to Lloyd's to state otherwise, the coverholders identified will be deregistered. For the avoidance of doubt – postponed deregistration means that a new contract cannot be registered against this record, however the coverholder remains approved.

Criteria for postponed deregistration:

- Any newly approved coverholder that has not had a binding authority registered against it for 6 months.
- Any Coverholder without a live binding authority 6 months previous to the date of this bulletin.

Brokers and Managing Agents will be informed through an Atlas system generated email of the coverholder status change, and will be expected to liaise with their coverholders accordingly.

Thus there are two stages in the process.

1. The status of postponed deregistration will be applied to those Coverholders that have not been party to a Binding Authority for the previous 6 months. This process will commence with immediate effect from the date of this bulletin.
2. The status of postponed deregistration will last for six months. During the six month period, Lloyd's will expect Brokers or Managing Agents to contact the Corporation via email at lapsingcoverholders@lloyds.com to request that the coverholder is not to be deregistered and confirm if they have a binder to be registered in the near future. After sixth months, if no contact is made by any party that has a relationship with the coverholder, then the coverholder will be deregistered. At this point, a letter will be sent to the coverholder, Broker and Lloyd's representative to inform the coverholder of their status change. Please note that if any new Broker or Managing Agent wants to create a relationship with a coverholder in postponed deregistration, they will need to contact Lloyd's using the email address above to change the coverholder status.

Lloyd's will produce a letter to the Coverholder, Broker and Lloyd's country representative to inform them of the status change to "deregistered". It will be noted that all permissions including territorial extensions will be removed as a result of the deregistration. Deregistration will have no bearing on any future applications, however to resume coverholder activity a new application will be necessary.

Please note this bulletin communication will be the only method Lloyd's will utilise to inform the market of this process. Future deregistration exercises will take place on a rolling six month basis.

If you have any questions, please contact +44 (0)20 7327 6725
or lapsingcoverholders@lloyds.com