

MARKET BULLETIN

REF: Y4817

Title	San Marino: Transaction of insurance and reinsurance business
Purpose	To inform the market how business from San Marino may be placed at Lloyd's and the applicable regulatory requirements.
Type	Event
From	Kim Swan, Senior Manager, International Regulatory Affairs General Counsel Division
Date	5 August 2014
Deadline	With immediate effect
Related links	Crystal report for San Marino

Summary

In 2007 Lloyd's underwriters were authorised as a foreign insurance and reinsurer by the Central Bank of San Marino ("the CBSM") under Article 28 of Regulation No. 2007-02 on Insurance and Reinsurance Mediation in respect of all classes of business including term life.

Background

San Marino is an independent territory that is entirely landlocked by Italy. It is not part of the Italian Republic and Italian insurance laws and regulations do not apply to risks located in San Marino. San Marino is not a member of the European Union (EU) or the European Economic Area (EEA). Consequently, the passporting rights that apply to insurance undertakings and insurance intermediaries located in EEA member states do not apply in San Marino.

In recent months, Lloyd's has engaged in dialogue with the CBSM to obtain clarification on the terms of Lloyd's authorisation and, in particular, how the Lloyd's coverholder model fits with the insurance regulatory framework in San Marino. As a result, the CBSM has agreed that the Lloyd's coverholder model may be used in the territory.

Coverholder business

Details of the requirements for coverholders in San Marino writing risks located in or outside San Marino and for coverholders outside San Marino writing risks located in San Marino are in the [Coverholder section of Crystal](#).

Coverholders in San Marino must be on the [San Marino Register of Insurance and Reinsurance Intermediaries](#) (“the Register”).

Coverholders outside San Marino writing risks located in the territory must be on the Register or receive the business from an insurance intermediary that is on it. Coverholders outside San Marino writing risks located in the territory are not permitted to sub-delegate their authority to an intermediary in San Marino. In such placements, the negotiation and conclusion of the contract must take place in San Marino or in the country in which the San Marino intermediary is authorised to operate.

Open market business

A Lloyd’s broker (or non-Lloyd’s broker) may only place a risk located in San Marino at Lloyd’s on an open market basis if:

- There is a (re)insurance intermediary in the placement chain that is on the Register; and,
- The Lloyd’s broker acts on behalf of the insured and not the insurer.

Signing of policy documents

It is a requirement under Article 119 of Law No. 165 on Companies and Banking, Financial and Insurance Services dated 17 November 2005 that the insurance policy document is signed by the insurer. Open market policy documents must be signed by an appropriate person at the lead syndicate. All coverholders must sign the insurance certificates that they issue to insureds in respect of risks located San Marino.

FIL code

All Sammarinese direct insurance business (including both coverholder and open market business) processed by Xchanging will be given the FIL code of **SMA1**.

Reinsurance business will not be given a specific Sammarinese FIL code at this time.

LPANs

A separate LPAN must be submitted to Xchanging for direct risks located in San Marino that are covered by a global insurance contract.

It is not necessary to submit a separate LPAN for a reinsurance global contract that includes cedants in San Marino.

Please refer to [Market Bulletin Y4763](#) dated 27 January 2014 for further information regarding LPAN requirements.

Further information

If you require information regarding the regulatory requirements for underwriting or placing Sammarinese business, please contact:

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