

MARKET BULLETIN

REF: Y5078

Title	Lloyd's obtains new licence as Foreign Reinsurer in Nicaragua
Purpose	To inform the market of the approval of Lloyd's licence as a Foreign Reinsurer in Nicaragua and changes to registration requirements for coverholders writing Nicaraguan business
Type	Event
From	Yael Chen, Senior Manager, International Regulatory Affairs
Date	28 March 2017
Related links	Resolution SIB-OIF-XXV-010-2017

Summary

Lloyd's has been granted a licence as a Foreign Reinsurer in Nicaragua by the Nicaraguan insurance regulator, Superintendencia de Bancos y Otras Instituciones Financieras (SIBOIF). The licence enables Lloyd's Underwriters and Lloyd's coverholders to carry out reinsurance business in accordance with the country's regulations on [Reinsurance, Fronting and Co-insurance for Nicaragua](#) (the "Reinsurance Regulations").¹

Background

In July 2015, SIBOIF issued Resolution No. [CD-SIBOIF-897-2-JUL7-2015](#) creating a register for foreign reinsurers and reinsurance brokers ('The Register') and mandating that local insurance companies only transact business with registered intermediaries and reinsurers. However, the Resolution expressly permitted the continued placement of cross-border reinsurance at Lloyd's, provided that a locally registered intermediary was involved in all placements.² As a result, Lloyd's coverholders were required to individually register with SIBOIF in order to bind Nicaraguan business. In order to gain the most efficient access possible, Lloyd's has continued to work with the regulator to seek the ability for coverholders to conduct business under Lloyd's licence, without the need for individual registration.

¹ Norma de Reaseguros, Fronting y Coaseguro

² Article 6, Resolution No. CD-SIBOIF-897-2-JUL7-2015

Lloyd's licence

Lloyd's has been granted a licence (No. RE-061) as a Foreign Reinsurer which further formalises Lloyd's rights to access Nicaraguan business and eliminates the requirement for coverholders to individually register with SIBOIF. Additionally, Lloyd's new authorisation allows for the appointment of local coverholders in Nicaragua. [Resolution SIB-OIF-XXV-010-2017](#) (the "Resolution") includes Lloyd's in the Register as a Foreign Reinsurer.

Lloyd's Underwriters are permitted to accept cessions falling within the following classes of business:

- *life;*
- *accident;*
- *sickness;*
- *land vehicles;*
- *railway rolling stock;*
- *aircraft;*
- *ships;*
- *goods in transit;*
- *fire and elements;*
- *property damage;*
- *motor vehicle liability;*
- *ship liability;*
- *general liability;*
- *credit;*
- *surety;*
- *miscellaneous financial loss;*
- *legal expenses;*
- *assistance.*

Documentation requirements

In line with requirements established in the Reinsurance Regulations, syndicates or coverholders which underwrite Nicaraguan business are required to present a copy of [the Resolution](#) to the local cedant. Additionally, when the business is bound via a Lloyd's coverholder, the coverholder must also present a copy of its binding authority to the cedant.

Further information

If you require additional information about the new registration requirements in Nicaragua or have other questions, please contact:

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