

Consolidating Lloyd's Byelaws and other Requirements

Market Consultation

2 July 2025

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Part 1

Executive Summary

1. We have reviewed Lloyd's Requirements, and identified some changes we consider would be of practical benefit to the Lloyd's market.
2. The first change we propose is to enhance how we provide access to the rules which govern the Lloyd's market generally (including byelaws, the Principles for doing business at Lloyd's, and the 'M&URs').
3. Specifically, we propose to make the text of all those Requirements available on Lloyds.com in a consolidated form from one thematic index.
4. We have also identified some minor technical and procedural updates which we intend to make now so that the text that we make available in a consolidated form reflects the updates. These changes relate to:
 - Reflecting changes in existing / other Requirements (including Lloyd's use of Principles based Regulation).
 - Developments in UK legislation.
 - Two regulators, the FCA and the PRA, replacing their predecessor (the FSA).
 - Legal changes after Brexit.
 - The availability and use of electronic voting methods.
5. We have also identified two byelaws which we propose to partially revoke or fully revoke:
 - The Audit Arrangements Byelaw (partially revoked).
 - The Insurance Certificates Byelaw (fully revoked).

This consultation document explains the proposals which are summarised above. We are inviting feedback during a consultation period which lasts until 30 September 2025. Part 6 contains information on how to provide feedback.

Part 2

Why are we making these proposals?

1. We have reviewed and considered Lloyd's Requirements generally. We did this to consider whether there are changes we might make to existing Requirements which would be of practical benefit to the Lloyd's market. This has included thinking about what would best allow capital (including from new sources) to access the Lloyd's market efficiently, while maintaining necessary standards of oversight and prudential security.

What does 'Requirements' mean?

'Requirements' refers to Requirements of the Council, as defined in the Definitions Byelaw. That is a technical definition which includes a wide range of rules which Lloyd's makes, or has the power to make, to govern the Lloyd's market. For the purposes of this Consultation Document, when we refer to Requirements, we are primarily referring to byelaws and regulations that Lloyd's makes under powers conferred on it in the Lloyd's Acts, and other rules that Lloyd's makes under powers which have been reserved to the Council under byelaws and regulations that Lloyd's has already made.

This includes, for example, the provisions set out in documents available from the 'Requirements made under byelaws' page on Lloyds.com, the Principles for doing business at Lloyd's, and the Membership & Underwriting Conditions and Requirements (known as the M&URs).

As explained further below, our proposal to make Requirements available in a consolidated form from one thematic index does not apply to absolutely everything that comes within the technical definition of Requirements, because that includes some things which are not of general application.

2. While conducting that review, we identified some potential substantive changes to Requirements.
3. We also concluded that significant improvement might be made by making Requirements more accessible. Specifically, we could make all Requirements available at one online location, accessible through one thematic index. In initial engagement discussions, we received universal feedback that this change would be a valuable practical improvement.

What do we mean by 'Consolidated Requirements'?

In this consultation document, we refer to the 'Consolidated Requirements'. This is a reference to the website content that we propose to make available on Lloyds.com, as explained in Part 3.

4. We believe that business that are active in the Lloyd's market know and understand the essential rules that the market operates by, and which apply to them. However, this doesn't mean *all* Requirements are easy for everyone to find. It may be particularly difficult for businesses who are not already familiar with Lloyd's to identify and access all the Requirements that may be relevant to an issue that they are interested in. This may be a practical issue, for example, for businesses that may be interested in investing in the market for the first time. We therefore intend to make Requirements available in the consolidated format mentioned briefly above and described in greater detail in Part 3.
5. Making this change would not necessarily involve any change to existing rules. The Consolidated Requirements could simply be the Requirements that already exist, rearranged and linked to a single index.
6. However, we have identified some minor technical and procedural matters which we consider should be updated or clarified, and some provisions which we believe no longer serve a useful purpose. We think now is an appropriate time to make changes to address those issues, so that the changes take effect when the Consolidated Requirements are published. We are not looking to make any potential substantive changes to Requirements as part of this exercise.
7. This consultation document explains our proposals and invites feedback on them. Readers are invited to provide feedback during a consultation period which starts the day this document is published (2 July 2025) and continues until (and includes) 30 September 2025. We welcome feedback from individuals and businesses who are currently active in the Lloyd's market (including but not limited to members, members' agents, managing agents, Lloyd's brokers, Lloyd's coverholders, trade and industry representative bodies, and firms or individuals who provide legal or other advice to any of those entities). We also welcome feedback from individuals and businesses who would consider participating in the Lloyd's market as an investor or in another capacity, even if they are not currently participating.

Part 3

Making requirements more accessible

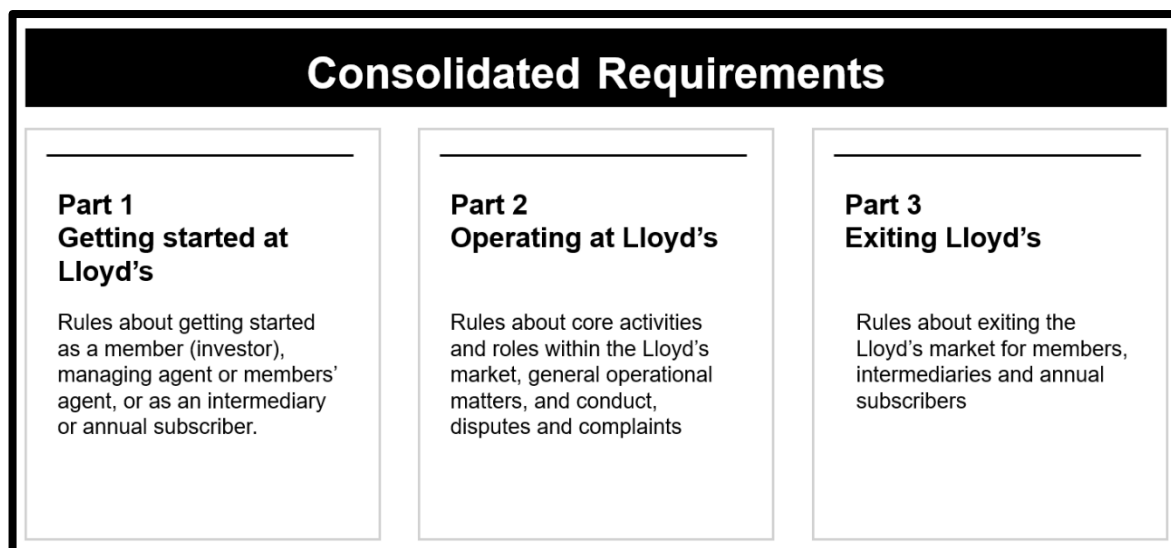
Our proposed changes: the high-level proposal

1. We intend to make the Requirements available in a more accessible format. This would mean businesses (or their representatives) do not need to open and read several different documents containing rules on the same subject. It would mean a reader could be confident that they are looking at the current version of the rule they are interested in. It would also mean that a person who knows what question they want to answer, but doesn't already know what rule they are looking for, can find their way to the relevant Requirements.
2. This means making three big changes.
 - **First**, Requirements would be arranged around a single, thematic index, so that all the rules on particular issues appear together. This would be similar in concept to the website-based material available for the PRA Rulebook and the FCA Handbook.
 - **Second**, the Index would lead to a consolidated text, where the existing Requirements (from separate documents) are arranged together. For example, the rules on a particular issue from Membership Byelaw, Requirements made under the Membership Byelaw, and the M&URs, would all appear in sequence together. The consolidated text would include references to the underlying instruments that have created the Requirements, so that there is always a trail back to the 'originals'.
 - **Third**, we intend the content to be current and in context. The text that appears in the Consolidated Requirements will be kept up to date and, where relevant, links to important guidance, standard form documents, and more detailed information will be available from a 'sidebar' that appears alongside the text of the Requirements.

Our proposed changes: in more detail

3. We intend to make Lloyd's Requirements available from one 'landing page' on Lloyds.com, which will look something like this:

4. From this page, the reader would be able to access all of the Consolidated Requirements. The first step would be to select one of the three main parts. Some more information about what the reader will find in those three parts is set out below.



5. We have produced an example of the pages a person might see if they started from the Consolidated Requirements landing page and were looking for Requirements relating to members' Funds at Lloyd's. That example is at Appendix 3 to this consultation document.

Part 1 (Getting Started at Lloyd's)

6. This part contains the Requirements that apply to starting to participate in the Lloyd's market. It includes:
- Requirements applying to prospective investors who are considering setting up an investment vehicle which would become a member of Lloyd's. This includes the rules on eligibility and on initially providing security ('Funds at Lloyds'). These Requirements are found in the Membership Byelaw, the Requirements made under the Membership Byelaw, and the M&URs.
 - Requirements applying to prospective managing agents and approved run-off companies, which are found in the Underwriting Byelaw and the Requirements made under the Underwriting Byelaw.
 - Requirements applying to prospective approved coverholders, which are found in the Intermediaries Byelaw and the Requirements made under the Intermediaries Byelaw.

Part 2 (Operating at Lloyd's)

7. This is by far the largest part of the Consolidated Requirements, as it contains the Requirements that govern the 'course of business' activities within the market. We intend that this be broken down into three main sub-groups: Core Activities and Roles, General Operational Matters; and Conduct, Disputes and Complaints.
- Core Activities and Roles contains the rules set out in the principal Requirements which govern the entities and the activities that are at the heart of the market, i.e. members (investors), underwriting, claims handling, agency relationships, and intermediaries. Each of these has its own sub-group, which contains Requirements taken from the Byelaws and other Requirements that apply to members, managing agents, members' agents, and intermediaries including approved coverholders.
 - General Operational Matters contains rules from byelaws and other Requirements which govern a range of activities and circumstances within the market.
 - a. For example, this is where a reader will find content about capacity auctions (from the Auction Byelaw), significant transactions in syndicate capacity (from the Major Syndicate Transactions Byelaw and the Mandatory Offers Byelaw), settling insurance transactions (from the Central Accounting Byelaw) and about syndicates' accounting requirements (from the Syndicate Accounting Byelaw).
 - b. It is also where a reader would find the Requirements currently called 'Performance Management – Supplemental Requirements and Guidance'.
 - c. Finally, this is also where provisions relating to release of members' Funds At Lloyd's would be found: the release of Funds at Lloyd's is an 'ordinary course' activity, and something an active member may do from time to time. It is not necessarily concerned with an investor ceasing to participate in the market.
 - Conduct, Disputes and Complaints contains rules about resolving disputes within the Lloyd's market and about Lloyd's enforcement powers (from the Enforcement Byelaw).

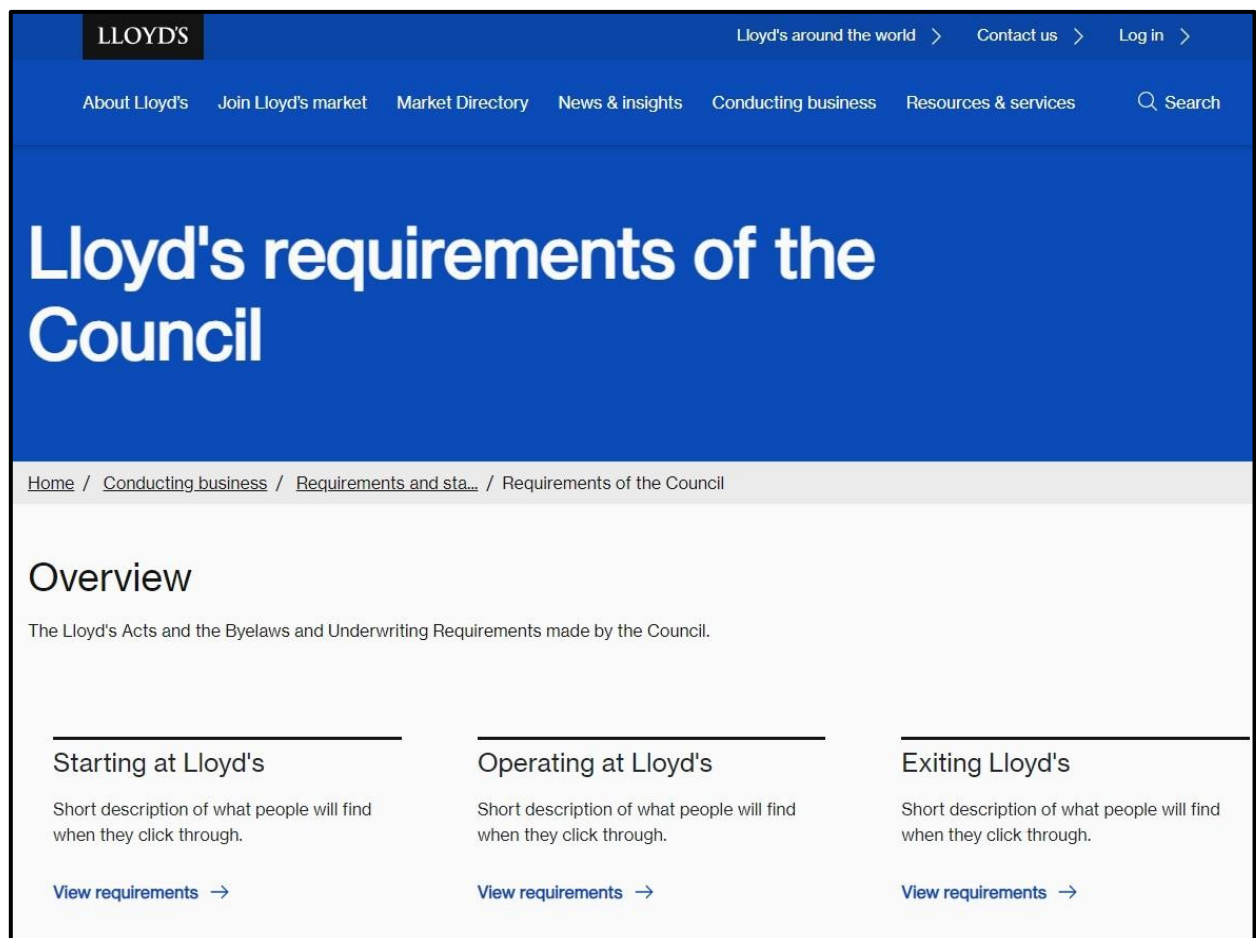
Part 3 (Exiting Lloyd's)

8. This is by far the smallest part. It includes:

- Requirements regarding resignation and termination of membership, which come from the Membership Byelaw and the M&URs.
- Requirements regarding the removal of Lloyd's Brokers from the register of Lloyd's brokers, which come from the Intermediaries Byelaw.

You can look at an illustrative example

9. We have produced an example below of the pages a person might see if they clicked onto the Consolidated Requirements landing page on lloyds.com and then onto 'Operating at Lloyd's landing page. The titles and descriptions used in these examples are indicative rather than being the final wording that will be used.



10. As you can see from these example pages, the index appears as a series of ‘click through’ options. We considered having one detailed ‘table of contents’ style index. On balance, we concluded that the table of contents style would be less accessible to people who are not already familiar with the market and the Requirements.

The ongoing status of the ‘original’ Requirements

11. The existing Requirements in their current form will remain the definitive source of the rules when the Consolidated Requirements are published.

A rulebook, not a users’ guide

12. The Consolidated Requirements are intended to provide a ‘one-stop’ rulebook. However, they are no more than that: a collection of the Requirements as they currently exist, with some non-substantive tweaks to ensure that they make sense in their consolidated form (for example, using different internal cross references so that a reader is referred to the correct place). We recognise that there is a place for ‘users’ guides’, such as documents addressing and summarising a particular subject from the perspective of a particular potential market participant. Where such material exists and is relevant to rules within the Consolidated Requirements, we propose to make it available from the sidebar.

Limitations with the way Requirements are made available now

13. The reason for the proposals set out above in paragraphs 1-2 of Part 3 are in part because of the limitations that exist with the way Requirements are made available now.
14. The limitations with the current available content can be summarised as the following: the Requirements are available, and businesses currently active in the Lloyd's market are familiar with the essential rules that they need to operate by, and businesses can contact Lloyd's with queries (they do). Nevertheless, we recognise that businesses (or their representatives) can face practical challenges when they wish to find and read the rules that apply to a particular issue. Reasons for this include:
- The lack of a central index to browse means it is difficult to navigate the Requirements if you don't already know what you are looking for.

- If you are looking for rules on a particular subject, you may need to look in several different places.
 - It can be difficult to be certain you have found the current or most relevant content.
15. Requirements are currently available on Lloyds.com. Requirements in their original form are made available primarily from two pages, the [Requirements and Standards](#) page and the [Market Bulletins](#) page. (When we say '*in their original form*' here, we mean the complete and accurate text of the Requirements themselves, as published on Lloyds.com in PDF format.)
 16. From the **Requirements and Standards page** it is possible to find copies of most of the Requirements that apply to market participants generally. This includes: Byelaws and regulations made under the Lloyd's Acts, Requirements the Council has made under powers conferred on it, The Principles for doing business at Lloyd's, Lloyd's codes and Supplemental requirements and guidance.

Except for the Principles for doing business at Lloyd's, these are all separate PDF documents which can be opened from the website.

17. **Market Bulletins** are how Lloyd's informs the Lloyd's market of important issues and changes. This includes when Lloyd's informs the Lloyd's market about changes to Requirements or about new Requirements. Some Requirements are only available as appendices to the Market Bulletin with which they were published. From the Market Bulletins page, it is possible to look for Market Bulletins by reviewing a chronological list or using a search function. These are all separate PDF documents which can be accessed from the website.
18. Some important Requirements are also available in other places on Lloyds.com. One example is the Membership & Underwriting Conditions and Requirements (known as the '**M&URs**'), an important document containing the detailed rules on a member providing capital to be held as Funds at Lloyd's, and on how that capital is treated.

19. There are also Requirements which are important but are currently only available as an appendix to a historic Market Bulletin. An example is a Requirement known as the 'Agency Circumstances Procedure'. It is important because it concerns potential conflicts of interests which managing agents may face in the context of certain transactions, and ways of mitigating the implications of those conflicts. This Requirement was made by the Council in November 1999 under a power conferred in the Agency Agreements Byelaw, and it can currently only be found from the Market Bulletins page.

Why do we mention 'which govern the Lloyd's market generally...'?

As explained on page 4, 'Requirements [of the Council]' is a technical term which, strictly speaking, includes obligations which apply to individual market participants (e.g. because Lloyd's has given them a direction under section 6 of the Lloyd's Act 1982), and also includes the detailed obligations that individual market participants have under deeds, undertakings or other instruments as a result of the operation of a byelaw or other Requirement. When we refer to Requirements that govern the market generally, or are generally applicable, we are not including these categories of Requirement which apply to individual market participants.

20. From the two pages on Lloyds.com mentioned above, a reader can access all the current byelaws and all or nearly all the Requirements which govern the Lloyd's market generally.
21. However, even though a reader can access all the current byelaws and all or nearly all the generally applicable Requirements, that does not mean it is easy for a reader to find the rules that apply to a situation they are interested in. The M&URs mentioned above can be used to illustrate this. If someone wants to find the M&URs:
- These are available as the appendix to Market Bulletin Y5435, which can be found from the Market Bulletins page, if you know what to look for and where to look. (You might, for example, know the M&URs were last updated in June 2024 and scroll through the list of bulletins to find it, or you might enter 'M&URs' in the search box and then look at each of the bulletins which that search identifies.)
 - The M&URs can also be accessed by selecting 'Member Services' from the navigation on [Lloyds.com](https://lloyds.com), then scrolling down to 'Member Resources' and selecting 'Document Library'. Again, this works if you know what to look for and where to look.

We expect that when market participants need to refer to something like the M&URs frequently they bookmark the relevant webpage. This is a practical solution, but of course it does not help a person who needs to access a document for the first time. It is also possible that some individuals or businesses save a local

version of Requirements that they need to access regularly. This is less practical, because it introduces a risk of missing an important update or change.

22. We also recognise that a person conducting systematic research (as might be done by a professional adviser) might in some cases be led to the wrong document. An example might be as follows:

- An adviser trying to understand the rules regarding members' FAL (Funds at Lloyd's) might start with the Membership Byelaw, because it is the 'highest level' Requirement that addresses membership generally and the source of other Requirements that relate to membership. They would see (from paragraph 16 of the byelaw) that the Council has a power to prescribe conditions and requirements relevant to FAL.
- They might then look for those conditions and requirements in the document called 'Requirements made under the Membership Byelaw'. Paragraph 6 of the 'Requirements made under...' document would tell the reader that the requirements regarding FAL are in Market Bulletin Y3612, dated 8 August 2005.
- The reader can find Market Bulletin Y3612 through the search function on the Market Bulletins page. However, if the reader does that they will be taken to a version of the M&URs which is out of date and no longer applies. That will not be obvious, so the reader may rely on the out-dated rules.

Feedback on Part 3

We welcome feedback on these proposals. Specifically, we would welcome responses to the following questions.

1. Do you agree that it would be useful to make Requirements easier to find and access?
2. Do you have any comments on the way we propose to make the Consolidated Requirements available on Lloyds.com?

Part 6 provides information about how to provide feedback.

Part 4

Proposed updates

1. As mentioned in Part 2, we have identified some things which we consider should be updated, and some Requirements which we believe no longer serve a useful purpose. In some cases, we already know there are updates of a technical or procedural nature which we consider should be made to existing Requirements. There are also some Requirements which we consider are obsolete and should now be revoked. To the extent practicable, we prefer to make those updates now so that the changes can then take effect when the Consolidated Requirements are published.
2. In this Part 4, we identify and explain the technical and procedural updates that we propose to make. (The Requirements that we now propose to revoke are addressed in Part 5.)

Updates to existing Requirements

3. The updates that we are proposing reflect five developments which have yet to be reflected in the text of relevant Byelaws. Those developments are:
 - First: Reflecting changes in existing / other Requirements (including Lloyd's use of Principles based Regulation).
 - Second: Developments in UK legislation.
 - Third: Two regulators, the FCA and the PRA, replacing their predecessor (the FSA).
 - Fourth: Legal changes after Brexit.
 - Fifth: The availability and use of electronic voting methods.

These developments, and our proposed updates, are explained below. The changes that we propose to make to existing Requirements are shown in the Appendix 1 to this consultation document.

Changes in existing / other Requirements

4. We have identified some places where a Requirement includes text which is no longer relevant, or is no longer applicable in its current form, or is now incomplete, because of a change that has been made in another Requirement. Three examples are (i) existing Requirements not yet reflecting the implementation of Principles Based Oversight, (ii) references to outdated versions of the M&URs, and (iii) rules relating to eligibility of Scottish limited partnerships to become members. These are explained in further detail below.

First update: Existing Requirements not yet reflecting the implementation of Principles Based Oversight

5. Since 2022, Lloyd's has put the Principles for doing Business at Lloyd's at the heart of its oversight framework. The Principles set out the fundamental responsibilities expected of all managing agents to support the Lloyd's market's overall performance, capital strength, and credibility.
6. The Council's power to make rules and statements such as the Principles is set out in paragraph 12 of the Underwriting Byelaw, which appears under the heading 'Service Standards', and says:

The *Council* may . . . require any *underwriting agent* . . . or any class or group thereof to . . . (a) comply with such principles and standards for the conduct or administration of insurance business as the Council may from time to time prescribe, recognise or endorse . . .'

(For these purposes, managing agents are a 'class or group of' underwriting agents.)

7. The Principles are made available on Lloyds.com, and managing agents are very familiar with them. The Requirements made under the Underwriting Byelaw contain a section which refers to Requirements that Lloyd's has made in accordance with its powers under paragraph 12 of the Underwriting Byelaw. That section has not yet been updated to reflect the fact that the Council has made the Principles for Doing Business at Lloyd's.
8. We are now proposing to update the Requirements made under the Underwriting Byelaw, adding a paragraph which states that the Council has prescribed the Principles for Doing Business at Lloyd's. This is intended to clarify and update the relevant part of the Requirements made under the Underwriting Byelaw, and it would not change managing agents' obligations under the Principles or otherwise.

Second updates: References to an outdated version of the M&URs

9. In some current Requirements, there is a reference to the M&URs which refers to an outdated version of the M&URs. For example, paragraph 5 of the Requirements made under the Membership Byelaw appears under a sub-heading 'Conditions and Requirements for admission of corporate candidates to membership of the Society'. It says:

5. The requirements prescribed under paragraphs 6 and 7 of the Membership Byelaw for the purpose of admission of candidates which are body corporates to membership of the Society are the Membership and Underwriting Requirements (corporate members) as set out in Market Bulletin Y2086 (Membership and Underwriting Requirements) issued on 5 July 1999.

10. That provision from the Requirements made under the Membership Byelaw is no longer accurate. Paragraphs 6 and 7 of the Membership Byelaw say the Council may prescribe procedures for applications for admission to membership, and prescribe documents that candidates for admission must execute and provide. The Council does this, and those prescribed procedures and documents, as set out in the M&URs, are updated from time to time. So, the provisions set out in Market Bulletin Y2086 no longer apply: the current rules on the procedure for applying for membership, and on the documents that a candidate must supply, are in the current version of the M&URs.
11. To correct this, we propose to change paragraph 5 of the Requirements made under the membership Byelaw so that it says:

The requirements prescribed under paragraphs 6 and 7 of the Membership Byelaw for the purpose of admission of candidates to membership of the Society are the Membership & Underwriting Conditions and Requirements, as updated from time to time.

Scottish limited partnerships

12. Scottish limited partnerships ('SLPs') are no longer eligible to be admitted as new members. Some SLPs which were previously admitted are still current members, and those members currently remain eligible for membership, subject to ongoing compliance with applicable Requirements.
13. Paragraph 4 of the Requirements made under the Membership Byelaw refers to criteria and matters that the Council shall have regard to when 'deciding whether a candidate which is a Scottish limited partnership is suitable to be admitted as a member' (emphasis added).

14. It would not be appropriate to delete paragraph 4 of the Requirements made under the Membership Byelaw entirely, because the criteria and matters to consider remain relevant if the Council needs to consider whether a member which is a SLP *remains* suitable to be a member. We therefore propose this small amendment to the relevant text:

4. *In deciding whether a ~~candidate which is a~~ Scottish limited partnership is suitable to be ~~admitted as~~ a member the Council shall have regard to the following criteria and all other relevant matters [. . .]*

Developments in UK legislation

15. Some Requirements include references to provisions of UK legislation that are no longer current.
16. For example, the Definitions Byelaw includes a definition of ‘registered office’ which is used in Requirements including the Requirements made under the Membership Byelaw and the Syndicate Meetings Byelaw. That definition says:

“registered office” means, in relation to an underwriting agent which is not a company within the meaning of the Companies Act 1985, its principal place of business for the time being (other than the Room);

This should now refer to the Companies Act 2006, not the Companies Act 1985.

17. The changes that we propose to make to Byelaws and other Requirements to reflect such developments in UK legislation are shown in Appendix 1 to this consultation document.

The FCA and PRA replacing their predecessor (the FSA)

18. The UK’s financial regulators, the FCA and the PRA, are responsible for conduct regulation and prudential regulation respectively. Until 2013, both functions were performed by a single regulator, the FSA. However, some Requirements still include references to the FSA.
19. For example, paragraph 40 of the Membership Byelaw sets out the Council’s power to give directions to or impose conditions or requirements on, members. It says:

The Council may at any time give such directions or impose such conditions or requirements on any member (or any class or group thereof) as it thinks reasonably necessary or appropriate. . . . [A] direction, condition or

requirement given or imposed under this paragraph may include a direction, condition or requirement for the purposes of –

. . .

(h) ensuring compliance by that member with the requirements of the Financial Services Authority.

This should now say that the Council may impose a direction, etc., on a member for the purposes of ensuring compliance by that member with the requirements of the FCA and the PRA.

20. The changes that we propose to make to Byelaws and other Requirements to reflect the FCA and PRA replacing the FSA are shown in Appendix 1 to this consultation document. In most of these cases, the previous reference to the Financial Services Authority would be replaced with a reference to the Financial Conduct Authority and/or the Prudential Regulation Authority. In some cases however the new reference is to one of the Financial Conduct Authority or the Prudential Regulation Authority, and this is because the relevant powers or responsibilities only apply to one of the successor regulators.

Legal changes after Brexit

21. There are a small number of current Requirements which refer to concepts of EU law. In some cases, the way the relevant EU law is addressed is no longer completely accurate, or future changes in UK legislation might (unintentionally) alter the Requirement's meaning. We are proposing a small number of tweaks to the text of current Requirements to address this.
22. Requirements which refer to national legislation which implements EU directives in EU member states may be affected by the change in status of the relevant UK national legislation after Brexit. Paragraph 33 of the Membership Byelaw, for example, says:

Every year, each corporate member which is required to prepare accounts in accordance with legislation implementing the Insurance Accounts Directive (91/674/EEC) . . . shall submit those accounts to the Council . . . within such period as the Council may prescribe.

23. The UK legislation that implemented the Insurance Accounts Directive in the UK was The Insurance Accounts Directive (Lloyd's Syndicate and Aggregate Accounts) Regulations 2008 (the '2008 Regulations'). So, paragraph 33 of the Membership Byelaw means that corporate members which are required to prepare accounts in accordance with the 2008 Regulations must submit them to the Council within the required timeframe.

- Legislation such as the 2008 Regulations, i.e. legislation which was originally made to implement the UK's obligations under EU Directives, remains in force in the UK and, under legislation passed in the UK to implement Brexit, it is called 'assimilated law'.
 - 'Assimilated law' includes the relevant legislation (such as the 2008 Regulations) as it applied on 31 December 2020, and additions or modifications which are made to it after that date.
 - However, if the 2008 Regulations are in due course replaced (rather than added to or modified), the replacement legislation will not necessarily be 'legislation implementing the Insurance Accounts Directive', because it will not be implemented to meet an obligation that the UK has under an EU Directive.
 - This means, if the 2008 Regulations are replaced (rather than added to or modified), the replacement legislation may not be covered by the current text of paragraph 33 of the Membership Byelaw.
24. We wish to ensure that the effect of provisions in requirements such as paragraph 33 of the Membership Byelaw is clear and reflects the way provisions such as the 2008 Regulations are treated after Brexit. We propose to make small tweaks to such provisions, so that it is clear that they apply to any relevant legislation in current EU member states, and to assimilated law and also to UK legislation which may replace assimilated law.

Every year, each corporate member which is required to prepare accounts in accordance with legislation implementing the Insurance Accounts Directive (91/674/EEC), including any UK legislation which is 'assimilated law' for the purposes of section 6(7) of the European Union (Withdrawal) Act 2018 and any UK legislation which replaces such assimilated law, ... shall submit those accounts to the Council ... within such period as the Council may prescribe.

25. The changes that we propose to make to Byelaws and other Requirements to reflect such legal changes after Brexit are shown in Appendix 1 to this consultation document.

The availability and use of electronic voting methods

26. The Major Syndicate Transactions Byelaw ('MSTB'), the Mandatory Offer Byelaw, and the 'Agency Circumstances Procedure' all provide for ballots to be conducted of members of syndicates in relation to proposed transactions.

27. Specifically:

- **Under the MSTB**, if a managing agent is proposing a syndicate merger, they must conduct 'separate postal ballots' in respect of the members of each ceasing syndicate and the successor syndicate, to 'determine the extent of support for, or objections to, the proposed syndicate merger' (paragraph 3.(1) of Schedule 1, MSTB).
- **Under the Mandatory Offer Byelaw**, a potential offeror may seek a waiver of an obligation they would otherwise have to make a mandatory offer. To obtain that waiver, the potential offeror must convene a meeting of certain persons¹. The purpose of the meeting is to consider and vote on the waiver. According to paragraph 6(9) of the Mandatory Offer Byelaw, that vote must be conducted by a ballot done '*in person or by proxy at the meeting or by post*'.
- **The Agency Circumstances Procedure** specifies circumstances in which a transaction, arrangement, etc., which would or might otherwise be regarded as giving rise to a breach of a managing agent's duties relating to conflicts of interest, shall not be regarded as such a breach. One of those specified circumstances is that the managing agent has fully and fairly disclosed the terms of its proposal and the nature of any (potential) conflict of interest or duty, and (under paragraph 3(b)):

... has conducted a ballot of the members of the Syndicate in question ... and the managing agent and its auditors certify to the Council that a resolution to approve the Proposal has been approved in the ballot by a majority by Value of the members of the syndicate who have voted in the ballot and who are not Related Persons.

(We recognise that, in contrast to the ballots under MSTB and the Mandatory Offer Byelaw, the Agency Circumstances Procedure does not specify that the ballot must be postal or in person.)

28. Since these Requirements relating to Ballots were first implemented, email has become the primary means of business communication, and tools for voting online have become available. We therefore think that the provisions requiring that ballots be conducted by post (if not in person), are outdated. They deprive members of a now widely-used means of participating which in many cases would be easier and more efficient than using the post. We propose amendments to the MSTB, the Mandatory Offer Byelaw and the Agency Circumstances Procedure so that the

¹ This means, essentially, each member of the relevant syndicate except for any person who is an associate of the offeror or a person who does not receive such offers because of local law provisions in the place they are domiciled.

ballots required in those Requirements may be conducted using electronic communications provided that the person conducting the ballot is satisfied that measures have been taken which enable them to be confident that votes have been made by persons entitled to vote or their proxies whilst also ensuring that a postal vote option is retained in the case of each ballot that is required.

29. The changes that we propose to make to permit electronic voting under these three Requirements are shown in Appendix 1 to this consultation document.

Feedback on Part 4

The changes that Lloyd's proposes to make, and which are explained above can be found in Appendix 1 to this consultation document. We welcome feedback on these proposals. Specifically, we would welcome responses to the following questions.

1. Do you have any comments on the changes that we propose to make to Byelaws and other Requirements to reflect changes in other Requirements?
2. Do you have any comments on the changes that we propose to make to Byelaws and other Requirements to reflect developments in UK legislation?
3. Do you have any comments on the changes that we propose to make to Byelaws and other Requirements to reflect the fact that the FCA and the PRA have replaced a single predecessor (i.e. the FSA)?
4. Do you have any comments on the changes that we propose to make to Byelaws and other Requirements to reflect legal changes after Brexit?
5. Do you have any comments on the changes that we propose to make to Byelaws and other Requirements to reflect the availability and use of electronic voting methods?

Part 6 provides information about how to provide feedback.

Part 5

Proposed revocations

1. As already mentioned, while we have been considering Requirements generally and working on our proposals for the Consolidated Requirements, we have identified some provisions which we believe no longer serve a useful purpose. There are two Byelaws which we believe include Requirements which are in this category: the Audit Arrangements Byelaw and the Insurance Certificates Byelaw. In this Part 5 we explain why we are now proposing to revoke part of the Audit Arrangements Byelaw and to revoke the Insurance Certificates Byelaw in its entirety.

Audit Arrangements Byelaw

2. The Audit Arrangements Byelaw is principally concerned with Lloyd's powers to regulate and control which auditors perform syndicate accounting services. In high level summary, the Audit Arrangements Byelaw covers the following matters.
 - The Council will establish and maintain list of individuals and firms entitled to act as 'recognised accountants'.
 - Syndicates must appoint recognised accountants for their solvency audit, their annual audit, and for 'directed reports' (which are mentioned below).
 - Underwriting agents must appoint a recognised accountant as their auditor.
 - The Council can impose conditions, requirements and exemptions to particular recognised accountants.
 - Underwriting agents must allow recognised accountants access at all times to accounting and other records.
 - 'Directed reports': the Council has power to direct an UW Agent to commission a recognised accountant to produce a written report 'on such subject and in such form as the Council directs'.
3. We consider that the regulatory framework that applies to managing agents, including under the Underwriting Byelaw and the Principles for Doing Business at Lloyd's, is sufficient to protect against any risk that syndicate accounts and underwriting agents' accounts are audited by persons with insufficient expertise or experience.

- Managing agents are expected to make appropriate choices in who they engage to provide services which are critical to the proper management of risk in their business and in their managed syndicates.
 - If in a particular case Lloyd's had concerns about the suitability of a syndicate or an underwriting agent's auditor, Lloyd's could use powers it has outside of the Audit Arrangements Byelaw to make an appropriate intervention. This might be, for example, a direction given to the relevant managing agent under paragraph 63 of the Underwriting Byelaw.
4. We consider it is no longer necessary to maintain a register of recognised accountants or to retain the powers specified under the Audit Arrangements Byelaw in relation to that list. We propose to partially revoke the Audit Arrangements Byelaw by the revocation of all of the clauses apart from clauses 1, 6, 6A, 8, 11, 13, 14 and the Schedules with effect from 1 January 2026.
 5. We do however consider that there needs to remain a Requirement which obliges managing agents and syndicates to each appoint an auditor annually for their solvency audit and their annual audit. We also consider that the Council's power to direct that underwriting agents commission a written report on a particular subject from their auditor should be retained. We therefore do not propose to revoke the Audit Arrangements Byelaws in its entirety and would instead make minor linguistic changes so that the sense of clauses 6, 6A and 13 of the byelaw is retained once the provisions about recognised accountants are removed.

Insurance Certificates Byelaw

6. The Insurance Certificates Byelaw governs two principal activities: Lloyd's issuing insurance certificates, and settlement of claims abroad.
7. Insurance certificates were provided via a centralised facility at Lloyd's, to support marine cargo accounts. The function within Lloyd's which previously issued Lloyd's branded insurance certificates was closed on 1 October 2022. With effect from 1 October 2021 no new or existing accounts (policies of insurance), with a start date beyond 30 September 2021, were set-up by Lloyd's. Lloyd's did however continue to provide ongoing support on any 'live' accounts through to 30 September 2022, allowing for a 12 month run-off period. It is now nearly three years later, and we do not consider any market participant would realistically expect that Lloyd's will issue an insurance certificate on its behalf.
8. The Settlement of Claims Abroad Scheme enabled the Lloyd's market to utilise the Lloyd's Agency network to adjust and settle (international) marine cargo claims on their behalf. That scheme was discontinued in 2015, and at this stage there is no reason in practice why Lloyd's or anyone else would need to do anything which is

relevant to the scheme. There is therefore no reason for the relevant Requirement to remain in force.

9. The only other significant provision in the Insurance Certificates byelaw is a provision which requires underwriting members to indemnify Lloyd's on demand for losses, liabilities etc., that Lloyd's incurs directly or indirectly because of certain activities Lloyd's may have been required to undertake under the Insurance Certificates Byelaw. Since the practical aspects of the byelaw have not been operational for some time now, Lloyd's considers it unlikely at this stage that it will need to rely on any such indemnity. While the right to an indemnity under the Insurance Certificates Byelaw would not continue after the byelaw is revoked, Lloyd's is not thereby conceding any other rights it may have against any persons, whether under other Requirements, under contracts, or by effect of other legal, regulatory or equitable rules or principles, or otherwise.

Feedback on Part 5

Appendix 2 to this consultation document includes the text of the Audit Arrangements Byelaw showing the revocations and changes proposed and explained above, and the text of the Insurance Certificates Byelaw which we propose to revoke in its entirety.

1. Do you have any comments on our proposal to revoke the Audit Arrangements Byelaw?
2. Do you have any comments on our proposal to revoke the Insurance Certificates Byelaw?

Part 6 provides information about how to provide feedback.

Part 6

What next?

1. We are inviting feedback on the proposals set out in this consultation document.
2. Specifically, we would welcome responses to the questions set out on pages 12, 20, and 23 above.
3. The consultation will remain open until the end of 30 September 2025. If you intend to submit feedback, please ensure that we receive it before midnight at the end of that day.
4. Please send feedback to us by email, to byelawconsultation@lloyds.com.

Appendix 1

Technical updates to various byelaws

The FCA and PRA replacing their predecessor (the FSA)	
Requirement Reference	Intended Amendment
Constitutional Arrangements Byelaw: changes to paragraph 5.29	<p>5.29 The <i>Council</i> may declare that a member of the <i>Council</i> shall cease to be, or shall be suspended as, a member of the <i>Council</i> if –</p> <p>(a) the member has been convicted of a crime which, in the opinion of the <i>Council</i>, involves dishonesty or lack of good faith or otherwise merits cessation of membership of the <i>Council</i>;</p> <p>(b) the member has been subject to an adverse finding in any <i>enforcement proceedings</i> or proceedings brought by any regulator or professional body which, in the opinion of the <i>Council</i>, merits cessation of membership of the <i>Council</i>; or</p> <p>(c) the member ceases to meet any applicable requirements of the Prudential Regulation Authority and the Financial Services Conduct Authority that relate to his membership of the <i>Council</i>; or</p> <p>(d) in the case of a nominated member of <i>Council</i> a notice of no confidence has been served on the <i>Secretary to the Council</i> signed by all the other <i>Council</i> members.</p>
Constitutional Arrangements Byelaw: changes to paragraph 7.17	<p>7.17 Subject to Lloyd's Acts 1871 – 1982, the <i>Council</i> may at any time, following reasonable notice to the Prudential Regulation Authority and the Financial Services Conduct Authority, by <i>special resolution</i> waive any of these <i>constitutional requirements</i> provided –</p> <p>(a) the <i>Council</i> is satisfied that the legitimate interests of the <i>members</i> of the <i>Society</i> will not be unfairly prejudiced by that waiver and that the waiver is appropriate or necessary; and</p> <p>(b) no <i>Council</i> member objects to the waiver being made.</p>
Intermediaries Byelaw: changes to paragraph 68	<p>68. The <i>Council</i> may where necessary or appropriate require a registered <i>Lloyd's broker</i> to give its consent to the Financial Services Conduct Authority or any other insurance intermediary regulator to disclose information which relates to that registered <i>Lloyd's broker</i> to the <i>Council</i>.</p>
Membership Byelaw: changes to paragraph 40	<p>Directions, conditions and requirements</p> <p>40. The <i>Council</i> may at any time give such directions or impose such conditions or requirements on any <i>member</i> (or any class or group thereof) as it thinks reasonably necessary or appropriate. Without prejudice to the generality of the foregoing, a direction, condition or requirement given or imposed under this paragraph may include a direction, condition or requirement for the purposes of –</p> <p>(a) ensuring that the <i>member</i> will be or will continue to be suitable to be a member or that the <i>member</i> should have or continue to have permission to underwrite insurance business at Lloyd's;</p> <p>(b) requiring that a <i>member</i> provide further security in respect of his underwriting business at Lloyd's, including the provision of further <i>funds at Lloyd's</i>;</p> <p>(c) directing that the <i>member</i> cease, or reduce the level of, his underwriting business at Lloyd's, underwriting business of a specified class or underwriting business through a specified syndicate at Lloyd's;</p>

	<p>(e) setting <i>overall premium limits, general business premium limits, long term business premium limits</i> and <i>member's syndicate premium limits</i>;</p> <p>(f) protecting –</p> <p>(i) the name, reputation or standing of the <i>Society</i> or of its <i>members</i>;</p> <p>(ii) the general rating or ratings of the Lloyd's market applying to policies of insurance underwritten by <i>members</i> of the <i>Society</i>;</p> <p>(iii) the assets of the <i>Society</i> including the assets of the <i>New Central Fund</i>; and</p> <p>(iv) the authorisation of members of the <i>Society</i> to conduct insurance business in the United Kingdom and overseas; and</p> <p>(g) ensuring compliance by that <i>member</i> with the requirements of Lloyd's Acts 1871 to 1982 and the requirements of the <i>Council</i>; and</p> <p>(h) ensuring compliance by that <i>member</i> with the requirements of the Prudential Regulation Authority and the Financial Services Conduct Authority.</p>
Requirements made under the Underwriting Byelaw: changes to paragraph 7	<p>7. An <i>underwriting agent</i>, and in the case of paragraph 7(e), also an <i>approved run-off company</i>, shall without delay notify the <i>Council</i> in writing if any of the following events occur –</p> <p>(a) an event that must be notified to the Financial Services Conduct Authority via Lloyd's in accordance with the Supervision Arrangements for Underwriting Agents between the Financial Services Conduct Authority and the <i>Society</i>. Namely –</p> <p>(i) the appointment of an auditor and information about the auditor in accordance with the <i>Financial Services Conduct Authority's Handbook</i> (SUP 3.3.2 R(2) and (5)) and the Prudential Regulation Authority's Handbook (Auditors 2.1);</p> <p>(ii) the notification of matters raised by an auditor in accordance with the Financial Services Conduct Authority's Handbook (SUP 3.7.2 G) and the Prudential Regulation Authority's Handbook (Auditors 6.1);</p> <p>(iii) the termination of an auditor's term of office in accordance with the Financial Services Conduct Authority's Handbook (SUP 3.8.11 R and SUP 3.8.12 R) or if an auditor resigns before the term of office expires in accordance with the Prudential Regulation Authority's Handbook (Auditors 7.5(3));</p> <p>(iv) the general notification requirements in accordance with the Financial Services Conduct Authority's Handbook (SUP 15.3) and the Prudential Regulation Authority's Handbook (Notifications 2.1) including –</p> <p>i. matters having serious regulatory impact (FCA, SUP 15.3.1 R and PRA Fundamental Rule 7);</p> <p>ii. communication with the FSAFCA in accordance with Principle 11 (SUP 15.3.7 G);</p> <p>iii. breaches of rules and other requirements in or under the Financial Services and Markets Act 2000 (FCA, SUP 15.3.11 R and PRA, Notifications 2.3);</p> <p>iv. civil, criminal or disciplinary proceedings against a firm (FCA, SUP 15.3.15 R and PRA, Notifications 2.6(1));</p> <p>v. fraud, errors or other irregularities (FCA, SUP 15.3.17 R PRA, Notifications 2.6(4));</p> <p>vi. insolvency, bankruptcy and winding up (FCA, SUP 15.3.21 R PRA, Notifications 2.9(7));</p> <p>(v) the Core information requirements in accordance with the Financial Services Conduct Authority's Handbook (FCA, SUP 15.5 and PRA, Notifications 5);</p>

	<p>(vi) where an <i>underwriting agent</i> becomes aware that inaccurate, false or misleading information has previously been provided, in accordance with the Financial ServicesConduct Authority's Handbook (SUP 15.6 and PRA, Notifications 6);</p> <p>(vii) the change of an accounting reference date in accordance with the Financial ServicesConduct Authority's Handbook (FCA, SUP 16.3.17 R and PRA, Notifications 5.3A);</p> <p>(viii) annual controllers report in accordance with the Financial ServicesConduct Authority's Handbook (FCA, SUP 16.4 and PRA, Reporting 2.1, SS34/15 and Fundamental Rule 6); and</p> <p>(ix) annual close links report in accordance with the Financial ServicesConduct Authority's Handbook (FCA, SUP 16.5 and PRA, Close Links 2.1);</p> <p>(b) [deleted by The Legislative Reform (Lloyd's) Order (Market Provisions) Byelaw (No.1 of 2009).]</p> <p>(c) in the case of a <i>managing agent</i>, the death or resignation of, or the occurrence of any <i>notifiable event</i> in relation to any <i>managing agent's trustee</i>; and</p> <p>(d) in the case of a <i>managing agent</i>, if at any time the <i>syndicate premium income</i> allocable to any year account of a <i>syndicate</i> managed by it exceeds or appears to have exceeded or likely to exceed the <i>syndicate allocated capacity</i> for that year of account. The notification shall include full particulars of the extent of the excess or expected excess, the reasons why the excess has arisen or is expected to arise and what remedial action the managing agent has taken or proposes to take.</p> <p>(e) in the case of an <i>underwriting agent</i> or <i>approved run-off company</i>, there are any changes of a kind prescribed from time to time by the <i>Council</i> relating to the appointment of directors (and in the case of an <i>approved run-off company</i>, partners), <i>active underwriters</i> or <i>run-off managers</i>. The detailed requirements prescribed by the Council for the provision of information are set out in Market Bulletin Y4126 (Streamlining Approval of Appointments to Senior Positions (Individual Registration), Advance Consents for fully-aligned syndicates and Change of Control for Underwriting Agents) issued on 22 February 2008.</p>
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Developments in UK legislation	
Requirement Reference	Intended Amendment
Requirements made under the Membership Byelaw: Changes to paragraph 8	<p>8. A <i>member</i> shall without delay notify the <i>Council</i> in writing if any of the following events occur –</p> <p>(a) in the case of an <i>individual member</i> –</p> <p>(i) a change of his address;</p> <p>(ii) a decision to change his nationality;</p> <p>(b) in the case of a <i>corporate member</i> –</p> <p>(iii) a director ceases to be a director;</p> <p>(iv) it becomes aware that a person has ceased or is proposing to cease to be a <i>controller</i> of that <i>member</i>;</p> <p>(v) the appointment of an auditor;</p> <p>(vi) the auditor of the <i>corporate member</i> vacates office, in which case the <i>corporate member</i> shall also provide a copy of any notice given or representations or statements</p>

	<p>made by the auditor (under the Companies Act 19852006 or otherwise) on or in connection with the auditor vacating office;</p> <p>(vii) a decision to change the date to which the accounts of the <i>corporate member</i> are prepared;</p> <p>(viii) any change to the <i>corporate member's</i> memorandum and articles of association;</p> <p>(ix) any reduction in the <i>corporate member's</i> issued share capital;</p> <p>(x) a decision to appoint an agent, or terminate the appointment of an agent appointed by the member, for service of notices under [paragraph 5. in <i>Consolidated Requirements Part 2 > Core Activities and Roles > Members > Miscellaneous provisions</i>];</p> <p>(c) in the case of any <i>members</i> –</p> <p>(xi) a material change in the information provided to the <i>Council</i> in connection with any application by that <i>member</i> for membership or in connection with a review under paragraph 35 of the Membership Byelaw of that <i>member</i> and not required to be disclosed under any other provision of this paragraph;</p> <p>(xii) an <i>insolvency event</i>;</p> <p>(xiii) the <i>member</i> or director of the <i>member</i> or any <i>controller</i> or director of or partner in any <i>controller</i> of the <i>member</i> or, in relation to a <i>Scottish limited partnership</i>, a <i>general partner</i>, director of a <i>general partner</i> or a controller of a <i>general partner</i> or a management company being convicted of a <i>reportable criminal offence</i> by a court in the United Kingdom or elsewhere, in which case the <i>member</i> shall also provide full details of the offence and any sentence that was imposed.</p>
Audit Arrangements Byelaw	Please note that there are statutory updates to be made to the Audit Arrangements Byelaw. These updates are detailed in Appendix 3.

Legal Changes after Brexit	
Requirement Reference	Intended Amendment
Membership Byelaw: changes to paragraph 31.	<p>Every <i>corporate member</i> which is required to prepare accounts in accordance with legislation implementing the Insurance Accounts Directive (91/674/EEC), <u>including any UK legislation which is 'assimilated law' for the purposes of section 6(7) of the European Union (Withdrawal) Act 2018 and any UK legislation which replaces such assimilated law</u>, or under paragraph [1. above] shall procure that</p> <p>(a) those accounts are examined by an auditor which is eligible to act as an auditor for a <i>corporate member</i> in accordance with such requirements as the <i>Council</i> may from time to time prescribe; and</p> <p>(b) such auditor prepares a report which complies with the requirements of the Companies Act 19852006 or, in the case of corporate members which are incorporated in a member state of the European Union other than the United Kingdom, legislation, the assimilated law implementing Article 51(2) of Fourth Council Directive (78/660/EEC) or such other requirements as the <i>Council</i> may from time to time prescribe.</p>
Requirements made under the Membership Byelaw: changes to paragraph 9	<p>A person shall be eligible to act as auditor for a <i>corporate member</i> if –</p> <p>(a) in the case of a <i>corporate member</i> to which Part VII16 of the Companies Act 19852006 applies, he has been appointed as the auditor of that <i>corporate member</i> in accordance with the provisions of the Companies Act 19852006;</p> <p>(b) in the case of a <i>corporate member</i> which is incorporated in any member state of the European UnionCommunity other than the United Kingdom, he is qualified to act</p>

	<p>as an auditor of a company for the purposes of the legislation of that member state which implements the Eighth Council Directive (84/253/EEC);</p> <p>(c) in any other case, the <i>Council</i> has given its prior written consent.</p>
Membership Byelaw: changes to paragraph 31.	<p>Every year, each <i>corporate member</i> which is required to prepare accounts in accordance with legislation implementing the Insurance Accounts Directive (91/674/EEC), <u>including any UK legislation which is 'assimilated law' for the purposes of section 6(7) of the European Union (Withdrawal) Act 2018 and any UK legislation which replaces such assimilated law, assimilated law,</u> or under paragraph [1. above] shall submit those accounts to the <i>Council</i> together with the report of the auditor prepared under paragraph [2. above] and accompanied by such other documents and information as the <i>Council</i> may prescribe and within such period as the <i>Council</i> may prescribe.</p>

Scottish Limited Partnerships	
Requirement Reference	Intended Amendment
Requirements made under the Membership Byelaw: changes to paragraph 4	<p>4. No individual shall be eligible to be an underwriting member other than an individual who was admitted as an underwriting member on or before 6 March 2003 and who has at all times since ceasing to be an underwriting member been a non-underwriting member. In deciding whether a candidate which is a Scottish limited partnership is suitable to be admitted as a <i>member</i> the <i>Council</i> shall have regard to the following criteria and all other relevant matters – [. .]</p>

References to an outdated version of the M&URs	
Requirement Reference	Intended Amendment
Requirements made under the Membership Byelaw: changes to paragraph 5	<p>5. The requirements prescribed under paragraphs 6 and 7 of the Membership Byelaw for the purpose of admission of candidates which are body corporates to membership of the Society are the Membership & Underwriting <u>Conditions and Requirements</u> (corporate members) as set out in Market Bulletin Y2086 (Membership and Underwriting Requirements) issued on 5 July 1999 <u>as updated from time to time.</u></p>

Principle Based Oversight	
Requirement Reference	Intended Amendment
Requirements made under the Underwriting Byelaw: new paragraph 3C.	<p><u>3C. The Council has prescribed the Principles for Doing Business at Lloyd's, which set out the fundamental responsibilities expected of all managing agents.</u></p>

The Availability and use of Electronic Voting Methods	
Requirement Reference	Intended Amendment
Major Syndicate Transactions Byelaw: changes to paragraph 3(1)	<p>Paragraph 3(1)</p> <p>The managing agent shall, at its own expense, conduct separate postal ballots in respect of the members (or in the case of MAPA members, the MAPA operator) of –</p> <ul style="list-style-type: none"> (a) each ceasing syndicate; and (b) the successor syndicate <p>in order to determine the extent of support for, or objections to, the proposed syndicate merger.</p> <p><u>In the case of each ballot the managing agent is required to offer a postal option and can also choose to offer members the option to vote by e-mail or such other electronic means as the managing agent may determine (provided the managing agent is satisfied, and ensures the integrity of voting process).</u></p>
Mandatory Offer Byelaw: changes to paragraph 6	<p>Paragraph 6(9)</p> <p>Votes may be cast in the ballot <u>in person or by proxy at the meeting referred to in paragraph 6(3) [of the Mandatory Offer Byelaw] or by post or by e-mail or such other electronic means as the managing agent may determine (provided the managing agent is satisfied, and ensures the integrity of voting process).</u></p>
The Agency Obligations of Lloyd's Managing Agents (Market Bulletin 090/ 99): changes to paragraph 3 (Ballot)	<p>2. Ballot</p> <p>The conditions specified in this paragraph are as follows:</p> <ul style="list-style-type: none"> (a) the managing agent has fully and fairly disclosed to the members of the Syndicate: <ul style="list-style-type: none"> (i) the terms of the Proposal; and (ii) the nature of any conflict of duty or interest or potential conflict of duty or interest of the managing agent with regard to the Proposal; and (b) the managing agent has conducted a ballot of the members of the Syndicate in question and <u>who are not Related Persons</u> no earlier than 21 days and no later than 60 days from the date of disclosure referred to in sub-paragraph (a) or in paragraph 2(a). <p><u>The managing agent must offer a postal option for voting in the ballot and can also choose to offer members the option to vote by e-mail or such other electronic means as the managing agent may determine (provided the managing agent is satisfied, and ensures the integrity of voting process).</u></p> <ul style="list-style-type: none"> (c) the managing agent and its auditors certify to the Council that a resolution to approve the Proposal has been approved in the ballot by a majority by Value of the members of the syndicate who have voted in the ballot and who are not Related Persons.

Requirements made under the Byelaw	
Requirement Reference	Intended Amendment
Chapter 3 - Requirements Made under the Overseas Underwriting Byelaw	<p>PART B INSURANCE SERVICES</p> <p>2. Provision of services</p> <p>(1) Lloyd's Canada Inc ("LCI") on behalf of Lloyd's Underwriters in Canada may provide the services referred to in subparagraph (2) on the terms prescribed by these Rules.</p>

Proposed Revocations to the Audit Arrangements Byelaw	
Requirement Reference	Intended Amendment
Audit Arrangements Byelaw	<i>Please note that there are updates to the Audit Arrangements Byelaw. These are detailed in Appendix 3.</i>

Appendix 2

Proposed revocations

Appendix 3

Detailed worked example of the Consolidated Requirements