




Japan

The Multinational Model



Simple. Compliant. Global.

The Japan Multinational Model simplifies broker access and local policy issuance

-  Improved market access
-  Local policy issuance
-  Introduction of a competitive flat fee structure

Lloyd's market participants can issue local policies in Japan through Lloyd's Japan Inc. (LJI) in full compliance.

This streamlined model simplifies the administration of policy issuance for Japanese risks within a multinational insurance programme.

The previous approach has been updated to introduce an LJI Flat Fee per policy (USD 500 or policy currency equivalent), reducing the cost of doing multinational business.

Lloyd’s Japan Inc. (LJI) Multinational model benefits

Local policy issuance	Introduction of the LJI Flat Fee	LJI Support service	Simplified criteria checklist
Managing agents have access to local policy issuance at no extra cost. Simplified structure ensuring full compliance with Japanese regulations and seamless integration into global programmes.	<div>The introduction of the flat fee structure reduces cost and is acceptable over 8 currencies where the net Japanese premium must exceed;</div> <div><div>USD 500</div><div>GBP 370</div><div>EUR 430</div><div>AUD 760</div><div>HKD 3900</div><div>CHF 400</div><div>DKK 3200</div><div>SGD 650</div></div>	<div>Following issuance of the local policy, LJI will assist with:</div> <div><ul style="list-style-type: none">• All regulatory reporting to the regulator (JFSA)• Management of local funding requirements• Submission of local tax returns</div>	<div>The checklist ensures all regulatory and procedural requirements are met, reducing the risk of delays or non-compliance.</div> <div>It provides a clear, step-by-step guide, streamlining the placement process and improving operational efficiency.</div>

How does the placement process work?



- 01** Lloyd's Broker receives instructions about a client's risk, containing Japanese exposure.
- 02** Lloyd's Broker prepares the MRC, including the three defined Japanese clauses (outlined on page 5) and binds the policy with a syndicate
- 03** Simultaneously, the MRC is processed through Velonetic, with the Japan exposure raised on an LPAN as inwards reinsurance
- 04** Once bound, the Lloyd's Broker submits the signed MRC, premium allocated for the Japan exposure, and the Broker's appointment letter to Lloyd's Japan Inc (LJI)
- 05** LJI issue the local policy in the form of LMA3131A
- 06** The risk is automatically reinsured back to the syndicate, matching the LPAN raised in step 3

Preparation of the MRC

When preparing the MRC to cover the Japanese exposure, brokers must include the following three clauses:

- 1 **Instruction to bind clause (LMA5194)** - This gives Lloyd's Japan Inc. (LJI) 'one-off authority' to issues a local policy on behalf of the Lloyd's underwriters.
- 2 **Interlocking clause (LMA5195)** - This clause 'locks together' the local policy and the MRC and highlights that no additional coverage is provided beyond the local policy.
- 3 **Japan Endorsement (LMA3131A)** – This wording is the form that the local policy is issued in, by LJI.

Learn more today

➔ Multinational@Lloyds.com

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