

## **Mandate of Lead Security FAQs**

### **When disclosing the Lead in the policy documentation, what information should be included?**

Lloyd's requirements for identifying, at a minimum, the lead syndicate on all policies issued under a delegated authority is set out in Market Bulletin Y5438. This includes naming the managing agent of the lead syndicate in addition to providing the syndicate number.

We recognise, however, that in the USA the practice of naming the managing agent alongside the syndicate number could create litigation risk. Accordingly, while we continue to view the requirements in Market Bulletin Y5438 as reflecting best practice, for policies issued under delegated authorities in the USA, the policy documents may omit the name of the managing agent and detail the syndicate number only if they wish.

### **How should the details of the lead be presented for Canadian policies?**

In Canada, Lloyd's underwriters are federally registered and provincially licensed for the classes of business set out in Crystal - the licences are held in the name 'Lloyd's Underwriters'. Lloyd's Underwriters' should continue to be used for Canadian policies with the lead underwriter(s) named subsequently e.g. "Lloyd's Underwriters led by Managing Agent A, Syndicate 1000".

### **How should the details be presented if there is a co-lead arrangement (more than one Lloyd's lead on a delegated authority agreement) or different leads for different sections?**

In instances where there are co-leads, or different leads for different sections of the agreement, the lead syndicate of the relevant section of the delegated authority contract should be specified. For example, for co-lead arrangements; both leads should be disclosed or for an agreement where liability and property sections have differing leads, both lead syndicates would need to be named if the policy issued covered both liability and property.

### **Does the guidance apply to delegated authority agreements with a non-Lloyd's lead?**

The bulletin is mandating the disclosure of the Lloyd's lead to ensure policyholders have the information required should they need to confirm the validity of their contract directly with their insurer. Although we encourage the disclosure of the lead in all instances, this bulletin remains applicable to Lloyd's leaders only.

### **How should the information be presented if the delegated authority contract is led by a Consortia stamp?**

If the delegated authority contract is led by a Consortia stamp then the details of the Consortium leader should be disclosed on the policy documentation (including the name of the managing agent and the syndicate number).

**For certain geographical locations, we currently state the full security within the policy documentation in line with local regulation. Can this protocol be applied across the board so it's a single process?**

Yes. The bulletin is mandating the disclosure of the Lloyd's lead however this does not intend to prevent policies including details of all participating Lloyd's syndicates (and/or Company Market Insurers where applicable) if either that is the preference or requirement by local regulatory rules.

**Should the requirement be detailed within the binding authority agreement ?**

The bulletin is mandating the disclosure of the Lead in policy documents issued to the insured. The managing agent can choose to stipulate this requirement in the binding authority agreement. To assist their members with consistent implementation of this mandate the LMA are currently reviewing all their wordings, policy forms and jackets that include 'certain Underwriters at Lloyd's' to verify if they need updating to conform to the mandate. The model binding authority agreement wordings will be updated to incorporate provisions for this mandate as part of the Computable Binding Authority Agreement (CBAA) project, with the new wording being available ahead of the mandate coming into effect. a

**Are we expected to endorse every binder and reissue certificates?**

We do not expect certificates to be reissued or for live binders to be endorsed Whilst the requirement is that this will apply on all documentation issued under any delegated contract incepting on or after 1<sup>st</sup> July 2025, it is advised that if in a position to do so, the details of the Lloyd's lead can be included on policy documentation ahead of this.

**Does the guidance apply to open market contracts that are lead by a Consortia stamp?**

No, this guidance applies to policies issued under delegated authority contracts only so will not apply to any open market policies.

**Are the Brand Guidelines for Lloyd's Coverholders being updated?**

Yes, the 'Insurance policies and documentation' section within the Brand guidelines has been updated to reflect the new requirements for policy documentation issued by coverholders.

**How have Coverholders been informed of the mandate?**

Any coverholder who has signed up to receive Lloyd's Market Bulletins will have been included on the distribution list. Market Bulletins are the formal means of advising the Lloyd's market of business critical issues, such as changes to licences and as such we would encourage all coverholders to subscribe to receive market bulletins [here](#). The Bulletin has also been shared with various market associations (including MGAA, WSIA, CAMGA and LIIBA) who have subsequently shared with their members. The Market Bulletin can be found on the Lloyd's website [here](#).

**Does the use of 'Certain Underwriters at Lloyd's/ Underwriters at Lloyd's' need to be removed from policy documentation?**

This change is about removing the sole reliance of the generic term 'Certain Underwriters at Lloyd's' and providing more transparency to policyholder. It is up to the individual coverholder how the required information is presented within the policy documentation. Therefore this terminology does not necessarily need to be removed as long as the required information is being provided.

**Does the guidance apply to policies issued via a line slip?**

If the delegated authority contract is written via a line slip, then the details of the Lloyd's lead should be disclosed on the policy documentation, issued via the delegated authority contract.

**Does the guidance apply to open market contracts that are written under a line slip?**

No, this guidance applies to policies issued under delegated authority contracts only so will not apply to any open market policies.

**Which Australian policy documents should show details of the Lloyd's lead ?**

The mandate applies to all 'policy documentation' provided to the insured. Policy documentation includes the Product Disclosure Statement (PDS) &/or policy wording and Certificate of Insurance/Policy Schedule. The Certificate of Insurance/Policy Schedule must include details of the Lloyd's lead. In the event the PDS &/or policy wording includes a paragraph which currently references 'Certain Underwriters at Lloyd's', it will be sufficient to state that the Lloyd's lead can be found on the Certificate of Insurance &/or Policy Schedule but ideally should name the Lloyd's lead.