

**Economic
Capital
Assessment
(ECA)
Guidance
Manual**

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1 Introduction

This guide outlines the general process for setting and modelling member capital for the proposed and current underwriting years. Practical arrangements are described herein, and application documents, Terms and Conditions and a Privacy and Security Statement are provided in the appendices.

Syndicate and member capital requirements are based on the syndicate ultimate Solvency Capital Requirement (uSCR), which captures the risk in respect of the planned underwriting for the prospective underwriting year of account in full, i.e. covering ultimate adverse development over the lifetime of the liabilities and all exposures. 'Ultimate' is defined as the final realised position and is assessed at 1:200 confidence level. Managing agents are also required to prepare an SCR for each managed syndicate that meets the one-year balance sheet to balance sheet Solvency II regulatory test at the 99.5th percentile (SCR1). The requirements that managing agents should follow to comply with Solvency II regulation and Lloyd's Principles for Doing Business are set out in [Lloyd's Capital Guidance](#).

Lloyd's will apply an economic capital uplift (ECU) to the minimum regulatory capital requirements to derive ECAs at member level. The uplift, which is currently 35% is subject to annual review by the Franchise Board.

Syndicates that do not yet have an approved internal Model will have their capital set by the Lloyd's Standard Model (LSM).

Lloyd's will issue a Market Bulletin annually, setting out key points and changes for the forthcoming capital setting season. This guide will be kept up to date to reflect any such changes as required.

2 LCR Submission Requirements

The uSCR and SCR1 are submitted via the Lloyd's Capital Return (LCR). Managing agents are required to submit the LCR and supporting documentation via the Market Data Collection (MDC) platform. Further details on the submission process are included in the LCR documentation available in the MDC help section. Full submission requirements are detailed in the [2023 LCR Instructions](#).

If you require access to the MDC platform, you should contact the MDC devolved administrator within your agency. As a reminder, access is removed on MDC if the account remains dormant for more than 90 days, so please check in advance of the process commencing. If you are having technical issues with the platform, then contact MDCSupport@lloyds.com.

When managing agents are submitting multiple documents, it is preferable to do so via SecureShare. Further details are available via the following site: <https://www.lloyds.com/tools-and-systems/secure-share> (the upload folder is 'MRC Syndicate Capital Setting').

As part of form 560, syndicates are asked to provide year of account splits of their SCR requirement, so Lloyd's can validate the reasonableness of the split inferred from the central model and ensure fairness in allocating capital to members. Where significant disparity is identified this will be investigated and an adjustment may be made where appropriate.

Managing agents should ensure that all data submitted to Lloyd's is internally consistent, i.e. between various forms. Often certain items are submitted on different bases, as they are produced by separate teams within a managing agency or under separate processes. Lloyd's naturally expects consistency and agents will be notified of any discrepancies discovered within their submissions. Examples include, but are not limited to:

- *Reinsurance Contract Boundary (RICB) impact on Technical Provisions (TPs) as submitted in the Quarterly Solvency Return (QSR) and form 570 of the LCR.*
- *Premiums and outward reinsurance in the LCR and SBF*

All agents are required to model the RIBC within their internal model and report the required adjustment to the uSCR on form 570 of the LCR, which should be consistent with the Quarterly Solvency Return (QSR).

3 Capacity

Managing agents, when submitting a SBF, should note their responsibilities in respect of submitting a capacity number on SBF form 420. Whilst still serving as ceiling on syndicate underwriting, the primary practical function of capacity is now in respect of allocating results and capital to members, and forms the basis for buying and selling rights of syndicate tenure in the Lloyd's auctions. It is 'Stamp Capacity' that is used as the denominator in these calculations, which is calculated as total capacity (row 6, SBF Form 420) less SPA capacity (row 5, SBF form 420).

Stamp Capacity is, naturally, most important for non-aligned syndicates, particularly those trading in the Lloyd's capacity auctions, although managing agents of aligned syndicates should also recognise that the matching of stamp capacity with the aligned member's premium limit is important if you are reliant on the Member Modelling software for determining member capital. Syndicate Capacity used in the Member Modeller can be viewed in the "View Syndicates" section of the software.

It is important to establish a stable Stamp Capacity number at the earliest point possible, to avoid any potential mismatch between members' premium limit and the syndicate capacity, which could lead to the incorrect member share being calculated.

We would therefore ask agents to follow these guidelines, in addition to the rules relating to pre-emptions and de-emptions set out in the latest relevant Market Bulletin:

- Stamp Capacity should be set based on Gross Net Premium (GNP), net of SPA cession.
- Syndicate Capacity should normally include headroom to allow for possible increases in GNP, without necessitating a change to Capacity.
- As a general rule, we would not expect Capacity to be increased or reduced simply because of a change in GNP from the original plan, unless GNP exceeds Capacity. In applying this principle, however, managing agents of non-aligned syndicates should have regard to the impact on member fees, as Capacity decisions should not normally change the fees charged.
- Managing agents operating Special Purpose Arrangements (SPAs) are also advised that the 'Total Capacity' of the SPA reported on row 6 of SBF form 420 should always match 'SPA Capacity' reported on row 5 of SBF form 420 in the return of the host syndicate.

4 Life Syndicates

Capital for members on life syndicates will be set based on their share of the life syndicate's agreed ECA. These life syndicate ECAs and ECA% will be included in the Member Modeller. The calculation reflects member exposure to all open years of account (including years in run-off) and is calculated on a simple weighted average basis with no diversification credit.

When calculating the Unlimited Back Year Liabilities (ULBY) for a donor life member, it should always be equal to the donor member's ECA requirement, and this should be used when calculating the amount of FAL that can be made intervariable to the successor member.

5 Summary of the Coming-into-Line assessment

The process by which a member provides or procures FAL to meet its Adjusted ECA requirement is known as coming into line (CIL). Adjusted ECA includes any loading related to non-standard asset allocation of the member. This adjustment is done outside of the Member Modeller and will be disclosed on the Annual CIL statement.

Lloyd's will perform a Capital Test in the second quarter of each year, the details of which will be set out in the Annual CIL Statement published on Working Day 10 of Q2. Where a member's assets are less than its most recent Adjusted ECA, the member will be required to provide or procure additional FAL so that their total member's assets are at least equal to their Adjusted ECA. Where a member's assets exceed the amount of their Adjusted ECA, the member may make an application to release the surplus from FAL.

A "member's assets" represent, at any one time, the aggregate net position of the member's participation at Lloyd's and comprises:

- FAL (including income arising thereon if paid into FAL and as determined in accordance with section 3, as well as any assets available for distribution to the member);
- Funds in Syndicate (FIS);
- the member's share of a syndicate's solvency result once that result has been notified to the Council;
- liabilities in respect of any Request for Funds.

The relevant date for valuing a member's FAL will be 31 December of the preceding year and the deadline for providing or procuring additional FAL or FIS will be the Annual CIL Date. For FAL provided by way of a LOC [or Guarantee], the deadline is the Mid-Year Cut-Off Date.

Prior to commencing underwriting, a new member must provide or procure the required level of FAL as determined by its Adjusted ECA:

- For a member that commences underwriting on 1 January, FAL will be required to be in place by close of business on the Q4 Corridor Test Deadline (or, where part of those FAL are provided by way of a LOC or Guarantee, by the Cut-Off Date);
- For a member that commences underwriting on a different date, FAL will be required to be in place in accordance with a timetable agreed with an Authorised Person.

6 Maintenance of Capital: Quarterly Corridor Test (QCT)

A member must maintain capital throughout the year in line with the QCT as set out in the Membership and Underwriting Requirements. The key requirements are set out below:

- Outside of the annual CIL process a member must maintain their member's assets in an amount which is at least 90% of their Adjusted ECA. Any amount in excess of 110% of the member's Adjusted ECA will be eligible for release in accordance with paragraph C below.
- A member's share of a syndicate's solvency position will be determined on a quarterly basis together with an updated ECA for exchange rate, RICB and risk margin adjustments. Quarterly statements will be provided to the member on Working Day 35 of each quarter, based on their latest asset position.
- If the value of a member's assets, as set out in the quarterly statement, drops to or below 90% of their Adjusted ECA, the member must provide or procure additional funds by Working Day 55 in the quarter, so that the value of the member's assets is at least 90% of their Adjusted ECA, however, no additional funds will be required if the amount of the shortfall below 90% is less than the de minimis amount. A member may apply for the release of any surplus FAL or FIS to the extent that their member's assets, as set out in the quarterly statement, is above 110% of their Adjusted ECA, by submitting an asset or cash transfer request via the FAL On-line portal.
- The quarterly statement provided on Working Day 35 in Q2 will reflect a net position of the

member's assets advised to the member, and will supplement the Annual CIL Statement for the purposes of determining whether further funds are required for CIL purposes or the amount of FAL [or FIS] that may be available for release. For the avoidance of doubt, only FAL or FIS in amounts in excess of 100% of the member's Adjusted ECA will be eligible for release.

- The table below summarises key dates and data sources relating to the QCT and CIL exercises:

Quarterly Corridor Test (QCT)	Based on Which FX Rate?	Based on Which Solvency Return?	Based on Which SBF & LCR Data?	QCT / CIL Dates (Statement Publication and asset receipt deadline)*
Q4	30 September	Q3 QSR	Agreed submissions at end of review process	Published: Work Day 35 Asset receipt: (WD 55)
Q1	31 December	Q4 QSR	Data resubmitted after review process as at early February	Published: (WD 35) Asset receipt: (WD 55)
Mid-Year CIL	31 December	ASR	Data including March resubmissions	Published: (WD 35) Asset receipt: (WD 55)
Q2	31 March	Q1 QSR	Data as at early May including resubmissions	Published: (WD 35) Asset receipt: (WD 55)
Q3 2022	30 June	Q2 QSR	Final underwriting year data	Published: (WD 35) Asset receipt: (WD 55)

(*) *Work Day (WD)* shows number of work days from previous quarter end

7 Post Year-End Adjustments

All managing agents are required to consider the impact of emerging information on the syndicate capital requirement and notify Lloyd's if this causes a capital movement of greater than 10% (measured before impact of risk margin, foreign exchange and Reinsurance Contract Boundary, but including the impact of any waived loadings, where appropriate, in the updated SCR). Following year-end, all syndicates are required to re-assess their capital based on actual positions at year-end. Lloyd's requires all syndicates to re-run their models to assess the movement and submit the movement in capital requirement in the March Re-assessment template which will be available after the year-end exchange rates have been published. If this return indicates a 10% absolute movement in uSCR, prior to any adjustment for latest waived loadings, risk margin, foreign exchange and RICB movement, then a full capital submission will be required in March. Lloyd's reserves the right to request a capital resubmission, for the mid-year CIL exercise, where deemed appropriate even if the 10% threshold is not breached. More details can be found in the [Capital Guidance](#).

Should a resubmission be made, the LCR must be modelled using the year-end exchange rate, and we would expect the risk margin total (in the technical provisions) to match that submitted in the Q4 QSR. The resubmission, where agreed, will be reflected in mid-year CIL capital setting, and any subsequent changes should be picked up in the next QCT process, although material changes to the SBF should be submitted throughout the year, as they become known. These requirements are, however, subject to the early recapitalisation principles set out below. The existing requirement that, following a major loss of capital, members can be required to refresh capital sooner than the timetable requires, continues to apply, subject to Lloyd's discretion.

For each QCT Lloyd's will adjust the agreed syndicate ECA requirements for the quarter end change in foreign exchange rates and the change in reinsurance contract boundary (RICB) and change in risk margin (per the latest submitted QSR). This ensures that capital requirements are exchange rate

matched against the available capital and reserves. Members should note that where they provide additional FAL for year-end QCT4, or start up FAL, in the case of new members, it will be valued at the prevailing rate at the date it is lodged. New members, in particular, should, therefore, be aware that the year-end re-evaluation for FAL may differ to that applied to the ECA, which could lead to additional FAL being required at mid-year CIL. Re-submitted March or later LCRs, if acceptable, will not be included in this process, as they will already reflect the year-end position, but will be subject to change in the Q2 & Q3 QCTs.

A capital letter detailing the capital requirements will only be sent in the event of an LCR submission, change in Lloyd's Standard Model (LSM) or a change in the CPG loadings applied. CPG letters will not be sent to syndicates after QCTs as these will be reflected in member level statements only. The latest syndicate ECA can be viewed via the member modeller if a syndicate needs to know this value through the process. A new template has been created, which enables managing agents to calculate quarterly ECA adjustments. (see [Capital Guidance](#) and select *Guidance Issued >2023 > "QCT Adjustments Estimation Template"*).

The central adjustments process for each QCT and CIL will remain the same as in previous years as follows:

- *Foreign Exchange Movement*
A revision for the movement to December 202X US Dollar (USD) exchange rate from \$1.XX to \$1.XX (+/-X.X%). This adjustment is applied to the percentage of USD losses present in the Lloyd's Syndicate Benchmark Model (SBM) for each syndicate (across all years). This generates an approximate foreign exchange (FX) movement percentage, which is applied to the uSCR and one-year Solvency Capital Requirement (SCR1).
- *Risk Margin Movement*
The projected risk margin from the LCR, adjusted for the approximate FX movement percentage (explained in point 1), is compared to the actual risk margin included in the Solvency II balance sheet. The difference is applied to the uSCR only.
- *Reinsurance Contract Boundary (RICB)*
The revised contract boundaries for outwards reinsurance adjustments (RICB), is shown as an adjustment to the uSCR only and is not a Capital and Planning Group (CPG) loading. The adjustment is calculated as the difference of the modelled value (based on projected Q4 Technical Provisions (TPs)) to the latest QSR, adjusted for the 35% ECU.
- *CPG Loading Movement*
Any existing loadings are applied at the existing level. Any new loadings are derived at the latest rates of exchange. The following adjustments do however change with FX rates and this change will be included within the QCT data:
 - RITC Adjustments
 - Adjustment to increase SCR to LSM
 - Adjustments to account for a new SBF but no new LCR
 - Risk Margin Adjustments
 - Percentage loadings are re-applied to the new total SCRs post any adjustments.

8 Notification of Syndicate ECA

Lloyd's will issue via a "Syndicate View" in the Member Modeller, at the time of each data release, a schedule of the latest syndicate ECA requirements (uSCR + economic uplift) and Capacity for relevant non-aligned syndicates. We will not comment on the make-up of that ECA, nor whether it has been adjusted. The syndicate view will also detail the current process status of syndicates in the business and capital review cycle.

9 Publishing Member Results at Year-End

All Members' agents will be required to publish their final member underwriting and capital requirements and will be asked to electronically confirm that this is indeed the final QCT4 position. This will be recorded as a "Published Participation Set", which cannot be changed without specific permission, and should be consistent with participation files provided to Member Capital Team for calculating QCT4 capital requirements. Members' agents will not be able to change members' participations and 're-publish' without first seeking authorisation from Lloyd's, at which point permission may be granted to submit a revised version. Agents are requested to publish their Q4 QCT results by no later than 30 November.

10 Member Modelling Software

10.1 Software Access

All existing users (members' agents, managing agents, members and other third-party users) will be able to continue accessing the software with their current password from one underwriting year to the next. Additional users, including new members, can gain access by submitting the relevant application form to Lloyds-MRC-Help@lloyds.com.

The application forms and software can be accessed via:

<https://www.lloyds.com/resources-and-services/member-modelling-software>.

There is a one-off requirement, per firm, to acknowledge that the firm agrees to be bound by the user Terms and Conditions that are accepted by individual users upon access to the software. Users will be required to accept the Terms and Conditions as part of the initial login process (for information only, a copy of the terms and conditions is available in Appendix B of this manual).

Non-members' agent firm's that are acting on behalf of members will be asked to provide evidence that each member has consented to that firm gaining access to their data. MRC will audit the current arrangements and will follow up where we do not have this consent filed centrally and will request authorisation from members where necessary. Should member consent not be provided, then access will be removed to the members for those third-party firms.

10.2 Inactive User Access

Lloyd's carries out an annual review of all users of the Member Modeller. Members' agents and managing agents are required under Paragraph 3.1.3 to immediately notify Lloyd's of any firm's user who is no longer authorised to use the software due to termination, departure or change in role.

The Member Modeller only includes members that have open year participations in the relevant modelling year, so does not retain any details relating to members that no longer have the need to calculate a capital requirement.

10.3 System Requirements

Users are advised to access the software, via Lloyds.com, through Microsoft Edge or Chrome. Other browsers including Safari may be used but have not been fully tested by Lloyd's and may result in a loss of user functionality or performance. Users are advised to update their browsers to the latest version.

10.4 Training and Support

An e-mail help mailbox will be in operation to deal with queries on the ECA process and software, and with other ECA related questions. Agents with a Market Mail connection should access “Lloyds-MRC-Help”; the full e-mail address is: Lloyds-MRC-Help@lloyds.com

All users are advised to review the Member Modeller user manual and Frequently Asked Questions (FAQ), both of which have been updated for new developments, detailed in the latest ECA Market Bulletin, on Lloyds.com before directing queries to Lloyd’s.

All agent queries should be co-ordinated through your agency’s Administrator, to improve the efficiency of the support function. If the Administrator is unable to resolve the query, the initial first line of support is the e-mail help mailbox.

Any user that would like some additional training on use of the Member Modeller should also contact MRC via the mailbox and we can discuss the best way to meet those needs.

10.5 Current Year Capital

Current Year capital requirements, i.e. members’ mid-year CIL and the Q3 QCT ECA requirements, can be viewed through the current year version of the Member Modeller (accessible via drop down selection on ‘Home’ page). From here, it will also be possible to model member participations on new syndicate current year start-ups and mid-year pre-emptions. Details of these arrangements, if they arise, will be included on the home page noticeboard, and will also be e-mailed to members’ agents as they are updated.

10.6 Software Release Dates

The Member Modeller will be updated in accordance with the business capital timetable (<https://www.lloyds.com/tools-and-systems/business-timetable>), reflecting SBF and LCR submissions, Capacity Auctions and deadlines for Quarterly Corridor Tests (QCTs) and the Coming into Line (CIL) exercise. Precise dates can be found by downloading to XLSX and filtering on “FAL/DCP/CIL” or in the latest ECA Market Bulletin. Below we summarise the key releases to look out for:

August: Member Modeller Preliminary Release

The initial August release has been removed.

September & Early October: Initial Member Modeller Updates

Actual LCR pro-forma and SBF submissions will be reflected in these releases of the Member Modeller, made available during September & October. It should be noted that neither business plans nor LCRs have been reviewed at this stage and are subject to change. At the point of each release, any syndicate that is still yet to submit will have a previous year rolled-over indicative position included to aid Members’ Agents and other users when assessing the effects of adding the extra year of account. Therefore, anyone viewing these releases should be aware that the data is highly indicative and should only be used to give an early view. Reference should be made to the “View Syndicates” page of the Member Modeller for information on what stage syndicates are at in the process.

Mid-October: Non-Aligned Member Modeller Update (pre-auction)

The Member Modeller will be updated to reflect the capital requirements for non-aligned members based on agreed syndicate capital. Member participations for non-aligned members will be based on the latest , Lloyd’s Stamp System, and, for aligned members, on SBF participation information (form 420). The Member Modeller will be updated in late October to reflect participations after syndicate

pre-emptions and de-emptions have been incorporated. Members' Agent Pooling Arrangement (MAPA) participations are based on notifications from members' agents and are not guaranteed to be up-to-date. Members' agents can model the latest participations themselves, together with MAPA constitution changes.

End-October: Letter of Credit Member Modeller Update

The Member Modeller will be updated to reflect the updated participations and changes to aligned syndicates including final SBFs and agreed uSCRs for aligned syndicates that have third party capital providers, more than one member supporting the syndicate or have any dependency on a Members' Agent for the Q4 QCT. It will also seek to include syndicates with members providing capital via a Letter of Credit (LOC) or other Tier 2 assets. Only syndicates agreed by the Capital and Planning Group (CPG) at the point of the LOC modeller release can be certain that the ECA will be fixed. Syndicates that are agreed post the release, must fund any further changes leading to shortfalls in FAL via Tier 1 assets.

November: Further and final Updates

The final Member Modeller update will reflect the expected final capital requirement to be used in QCT4 and be released a few days before QCT4 is published. The final scheduled update later in November may include any late agreed SBFs and agreed uSCRs for aligned syndicates, plus updated Member and MAPA participations. These changes will only impact on the QCT4 by exception.

Further Releases of the Software and Downtime

In addition to the key releases detailed above, Lloyd's will update the Member Modeller each quarter to reflect the latest QCT results. Any ad-hoc updates will be advised, with details and reason, on the home page notice board. We will also post warnings via the messaging function, giving advanced notice of any times when it is necessary to make the system unavailable. The downtime for updates will generally be no longer than 2 hours and would normally be performed outside of core working hours.

11 Appendix A - Member Modelling Software Application Form

MEMBER MODELLING SOFTWARE APPLICATION FORM

In order to be provided with access to the Member Modelling Software, please ask a Director (or equivalent) to complete this form and then scan and send to the email address: Lloyds-MRC-Help@lloyds.com

Agents' Details:

Firm's name:	
Address:	
City:	
Postcode:	

I certify that I am authorised on behalf of the Firm named above to execute this application form. I further certify and confirm that the Firm will be bound by the Member Modelling Software User Terms and Conditions (attached) as amended from time to time.

Signed		Role	
Print name		Date	

This form should be completed by:

1. A Firm using the Member Modelling Software for the **first time** (only one form is necessary per Firm).
2. A Firm that has changed their name.
3. A Firm that has changed the Director who provided the Authorisation previously.

12 Appendix B – Member modelling software user terms and conditions

MEMBER MODELLING SOFTWARE

USER TERMS AND CONDITIONS

IMPORTANT: THESE TERMS AND CONDITIONS (“TERMS”) APPLY TO THE MEMBER MODELLING SOFTWARE (“THE SOFTWARE”), AVAILABLE ON THE LLOYD’S WEBSITE (www.lloyds.com). YOU WILL BE ASKED TO READ AND ACCEPT THESE TERMS BEFORE ACCESSING THE SOFTWARE. THESE TERMS ARE ISSUED BY LLOYD’S.

1. Definitions and Interpretation

1.1 In these Terms:

“**Applicable Regulations**” means all applicable legislation, laws, regulations, rules, codes of practice with which a Firm or User must comply when using the Software;

“**Firm**” means a Lloyd’s Managing Agent or Members’ Agent that has been given permission by Lloyd’s to access and use the Software;

“**Firm User**” means an individual registered at Lloyd’s to use the Software on behalf of a Firm;

“**Individual User**” means a Member of Lloyd’s registered to use the Software;

“**Information**” means any data submitted to the Software by a User;

“**Intellectual Property Rights**” means all rights including but not limited to trademarks, names, logos, copyright, database rights, patents and know-how;

“**Software**” means the Member Modelling Software;

“**User**” means a Firm User or an Individual User;

a clause or schedule, unless the context otherwise requires, is a reference to a clause of or a schedule to these Terms;

the singular includes the plural and vice versa, unless the context otherwise requires.

2. Terms and conditions of use

2.1 By completing and signing the Member Modelling Software Application Form, the Firm agrees that it is bound by these Terms.

2.2 By accessing the Software, Users accept and are bound by these Terms.

2.3 A Firm or User who has neither accepted nor been deemed to have accepted these Terms has any right to enforce them.

- 2.4 Lloyd's reserves the right to grant, restrict or revoke access of Users or prospective Users to the Software at any time.
- 2.5 Lloyd's or its agents or suppliers may monitor usage of a User's username and password and unusual patterns of use may be investigated.

3. Firm Responsibilities

- 3.1 A Firm is responsible for:
 - 3.1.1 providing Lloyd's with details of Firm Users who will have access to the Software in accordance with these Terms;
 - 3.1.2 ensuring persons are appropriate to be added as Firm Users and that the level and nature of the access rights granted are appropriate to the Firm User's role and normal business activities.
 - 3.1.3 ensuring that Lloyd's is notified immediately so that the Firm User's username and password can be disabled to prevent them from accessing the Software if a Firm User ceases to be authorised by the Firm to use the Software for any reason, including but not limited to change of function, termination, departure or any other action which ought to prevent them from having access to the Software; and
 - 3.1.4 monitoring Firm Users' conduct to ensure that they comply with these Terms.

4. Use of the Software

- 4.1 Users must only use the Software in accordance with these Terms.
- 4.2 Users must not provide any other individual or company with their user names and passwords.
- 4.3 A Firm User must only use the Software for the purpose of calculating indicative funds at Lloyd's ratios on an economic capital assessment basis for Members of Lloyd's for which the Firm acts and Individual Users for themselves. Users may for these purposes download data from the Software.
- 4.4 Users must comply with the Applicable Regulations within the jurisdiction from which they are accessing the Software.
- 4.5 Users must not:
 - 4.5.1 use the Software for any purpose that is unlawful or prohibited by any applicable law, regulation, rule or legislation;
 - 4.5.2 post, transmit or disseminate any information on or via the Software which is or may be harmful, obscene, defamatory or otherwise illegal;
 - 4.5.3 use the Software in a manner which causes or may cause an infringement of the rights of Lloyd's and/or any other person;
 - 4.5.4 use any software, routine or device to interfere or attempt to interfere electronically or manually with the operation or functionality of the Software including but not limited to uploading or making available files containing corrupt data or viruses via whatever means;
 - 4.5.5 deface, alter or interfere with the "look and feel" of the Software or the underlying software code;
 - 4.5.6 take any action that imposes an unreasonable or disproportionately large load on the Software or related infrastructure;
 - 4.5.7 obtain or attempt to obtain access, via whatever means, to any part of the Software or the Lloyd's networks for which it is not authorised.

- 4.6 Lloyd's reserves the right to remove, modify or alter any data submitted to the Software by a User in breach of clause 4.5 but this shall not affect any other remedy which may be available to Lloyd's.
- 4.7 Firms and Individual Users undertake to put systems in place to minimise the risk of viruses being transmitted or distributed over the Software including the use of and regular updating of commercially available virus detection software.

5. Intellectual Property

- 5.1 All Intellectual Property Rights in the Software, including but not limited to the underlying software code existing now or in the future shall be and remain the property of Lloyd's.
- 5.2 The content published on the Software and all Intellectual Property Rights in it are owned by Lloyd's or that content is made available to Lloyd's under licence from third parties.
- 5.3 All Intellectual Property Rights in the Information shall remain in the ownership of the Firm or Individual User and the Firm or Individual User grants Lloyd's a perpetual licence to use the Information for its lawful business purposes.

6. Updates

- 6.1 Lloyd's may make improvements or changes to the Software. Changes or improvements that are material will be notified to Firms and Individual Users by Lloyd's.
- 6.2 Lloyd's may also modify these Terms at any time and such modification shall be effective immediately upon posting of the modified Terms on www.lloyds.com. Accordingly, continued access or use of the Software is deemed to be acceptance of the modified Terms. Material modifications to the Terms as determined in Lloyd's sole discretion will be notified to Firms and Individual Users by Lloyd's.

7. Data Protection

- 7.1 Where any personal data, as defined in the Data Protection Act 1998 ("the Act"), is provided by a Firm or a Firm User to Lloyd's, the Firm confirms that:
 - 7.1.1 it has the consent of the owner of the personal data to provide such data to Lloyd's; and
 - 7.1.2 it has complied with its obligations as set out in the Act.
- 7.2 Lloyd's will process any personal data provided by a Firm or User in accordance with the Privacy and Security Statement attached to these Terms.

8. Security

- 8.1 Lloyd's will use all reasonable endeavours to ensure that the Software is secure. Details of the security measures for the Software are set out in the Lloyd's Website Security Statement attached to these Terms. Lloyd's cannot guarantee that information displayed on the Software has not been interfered with.
- 8.2 If a Firm or User chooses to send any electronic communications to Lloyd's (whether by email or otherwise), they do so at their own risk. Lloyd's cannot guarantee that such communications will not be intercepted or changed or that they will reach the intended recipient safely.

9. Warranties

- 9.1 The Software is provided “as is” and Lloyd’s gives no warranties in respect thereof. Specifically, but without limitation, Lloyd’s does not warrant that:
- 9.1.1 Firms or Users will be able to use the Software or that the Software will continue to be made available in its current or any other form:
 - 9.1.2 the Software or any software or material of whatever nature available on or downloaded from it will meet a Firm’s or User’s data processing requirements, be uninterrupted or free from errors, defects or viruses, or compatible with a Firm’s or User’s equipment or fit for any purpose. It is the Firm’s and the Individual User’s responsibility to use suitable anti-virus software and to ensure compatibility with its equipment; or
 - 9.1.3 any content or information published on the Software is accurate or complete.
- 9.2 Any warranties which would otherwise be implied by law (including, without limitation, warranties as to satisfactory quality, fitness for purpose or skill and care) are hereby excluded.

10. Content warranty

- 10.1 Whilst Lloyd’s and other third parties may provide certain data and information on the Software, Firms and Users shall be entirely responsible for the content and accuracy of data and information on the Software.

11. Liability

- 11.1 Lloyd’s accepts no responsibility or liability for any loss of or corruption of data or information, unauthorised access to, alteration of, or use of any records, programs or files on the Software, the Firm’s or Users’ use of or inability to use the Software, out-of-date or inaccurate or incomplete data or information held on the Software or any communications, missed or delayed or otherwise, between the Firm or Users and Lloyd’s.
- 11.2 Lloyd’s shall not be liable for any failure or delay in performing its obligations under these Terms that arises as a result of circumstances beyond its reasonable control.
- 11.3 Lloyd’s shall not be liable to the Firm or a User whether for negligence, breach of contract, misrepresentation or otherwise, for (i) any direct loss or damage; (ii) loss or damage arising from third party claims; (iii) loss of profit or goodwill suffered by the Firm or a User; or (iv) indirect or consequential loss or damage suffered by the Firm or a User.
- 11.4 Except as set out in these Terms, all conditions, warranties and representations, whether express or implied by statute, common law or otherwise are expressly excluded.
- 11.5 Nothing in these Terms shall operate to limit Lloyd’s liability for (i) fraud, or (ii) death or personal injury caused as a result of negligence on the part of Lloyd’s or its employees.

12. Termination

- 12.1 Lloyd’s reserves the right to terminate at any time the Firm’s or a User’s access to the Software immediately for any reason, including but not limited to, the Firm and/or Users’ abuse or misuse of the Software as determined by Lloyd’s in its sole discretion.
- 12.2 Termination of these Terms will not affect any obligations that accrue before such termination.

13. Severability and inconsistency

- 13.1 If any provision in these Terms shall be unlawful, void or for any reason unenforceable, that provision shall be deemed severable from the rest of the Terms and shall not affect the validity and enforceability of the remaining provisions of these Terms.

14. Entire Agreement

- 14.1 These Terms constitute the whole agreement between the parties and supersede all previous agreements between the parties relating to their subject matter. Each party acknowledges that, in entering these Terms, it has not relied on, and shall have no right or remedy in respect of, any statement, representation, assurance or warranty (whether made negligently or innocently) other than as expressly set out in these Terms.

15. Notices

- 15.1 Notices which may be required to be given under these Terms by either party to the other shall be in writing and sent by email, facsimile or by prepaid first-class post, to the following addresses:

Lloyd's: Market Reserving & Capital, Lloyd's, One Lime Street, London EC3M 7HA; and

Firm or User: the address of the registered office or such other addresses as may be notified to Lloyd's in writing from time to time.

In the case of a notice sent by email or facsimile it shall be confirmed by sending a copy of such notice by first class post. Any notice sent by email or facsimile shall be deemed to be received on the same day of despatch, and any notice sent by prepaid first class post shall be deemed to be received three (3) days after the date of posting.

16. Governing Law and Jurisdiction

- 16.1 These Terms and all matters arising from or in connection with them shall be governed and construed in accordance with English law and the parties hereby irrevocably submit to the exclusive jurisdiction of the courts of England and Wales.

17. Third Party Rights

- 17.1 No person who is not a party to these Terms shall have any right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of these Terms.

18. Enforcement

- 18.1 The failure by either party to enforce any provision of these Terms shall not be deemed as a waiver of the right to enforce such term or condition.

13 Appendix C – Privacy and Security Statement

Lloyd's has taken steps to safeguard the confidentiality of information which identifies the Users ('personal information') against unauthorised access, amendment or deletion and to ensure access is only granted to authorised Users and only to the extent necessary. This Privacy and Security Statement covers our treatment of the personal information we collect when Users are registered for or visit the Software.

1 Information collection and use

When Users register, Lloyd's may ask for their name, email address and other contact details, as well as details about their status and role as an insurance professional. When Users use the Software they are not anonymous to Lloyd's.

Lloyd's may also automatically receive and record information on our server logs from Users' browser, including their IP address and the page they requested. Lloyd's may set and access Lloyd's cookies on Users' computers.

2 Information sharing and disclosure

Lloyd's will not sell Users' personal information to anyone.

Lloyd's may disclose personal information about Users to its business associates and other professional advisers, Lloyd's employees and agents, suppliers and providers of goods or services, financial organisations and advisers, ombudsmen and regulatory authorities, and as required by law or regulation.

Users' personal information may be transferred to the above individuals and organisations located in countries which may not provide legal protection of information equivalent to that in the United Kingdom or the jurisdiction from which Users are visiting the Software. Details of the individuals, organisations and countries involved in a particular User's case will be provided on request.

Lloyd's only retains personal information for as long as is necessary for the purposes described above.

3 Getting in touch with us

If you have any questions or concerns about privacy and security or your dealings with us, please contact Lloyd's, One Lime Street, London, EC3M 7HA, UK, or email: infosecurity@lloyds.com.

LLOYD'S WEBSITE SECURITY STATEMENT

In order to provide Users of the Software with a personalised and secure experience, Lloyd's requires all Users to authenticate to the Software using a unique user ID and password. Once authenticated, all information passed over the Internet between the User and the Software is protected by Secure Socket Layer encryption technology.

Lloyd's continually reviews its systems and processes to ensure that the Software provides the highest practicable level of protection. All information submitted to the Software is passed to Lloyd's secure internal servers for processing and the following security measures are in place to ensure its protection:

- Comprehensive firewalling to shield Lloyd's internal computer systems from external threats
- System monitoring to identify any unusual activity
- Data processing and storage facilities sited in secure locations to prevent unauthorised access
- Data stored and handled at all times in a manner that maintains its confidentiality, integrity and availability.

If you have any questions or concerns or would like further information, please contact Lloyd's Information Protection & Continuity team at infosecurity@lloyds.com.