

Market Bulletin

Ref: Y5380

Title	Lloyd's Insurance Company – Mandatory Endorsement for Coverholder Appointment Agreements
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Purpose	To inform the market that Lloyd's Insurance Company has published the endorsement LBS0084A for LBS0001A
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Type	Event
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From	Jack Knapen Head of Underwriting, Claims and Delegated Authority Performance Lloyd's Europe Jack.knapen@lloyds.com
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Date	8 August 2022
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Deadline	Effective from 1 September 2022
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Related links	https://www.lloydswordings.com
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The LBS0084A: a new mandatory endorsement for the LBS0001A

All Coverholders accepting business on behalf of Lloyd's Insurance Company ("Lloyd's Europe") need to be appointed using the mandatory form of the Coverholder Appointment Agreement ("CAA"). Following discussions and agreement with the LMA, the current version of the CAA (LBS0001A) has been updated by the LBS0084A.

The endorsement incorporates and relaces changes made by LBS0084, issued under Market Bulletin Y5328. The changes in general relate to updating the CAA so that it better aligns to the regulatory requirements imposed by Lloyd's Europe's regulators.

Some of the key changes are:

1. An updated section 5.2 and a new section, 5.3. The update provides the key contractual requirements between the Appointed coverholder and third parties, to whom critical or important activities are outsourced to.
2. An addition of section 14.1.5 to allow for tacit renewal policies.

3. New and updated wording for section 33 conflicts of interests.
4. Updated data protection provision in section 35.
5. Additional requirements for section 36.
6. Updated section 23.3 of schedule to better align with Delegated Contract Manager ("DCOM").
7. New area within the schedule for the Service Provider to sign the agreement on behalf of Lloyd's Europe.

Lloyd's Europe had been developing a new version of the CAA that included regulatory and other changes. Following feedback from the LMA to implement the regulatory requirements only, Lloyd's Europe decided not to proceed with the introduction of a new CAA and chose to produce the LBS0084A endorsement in its place.

Impact on new and renewing CAA arrangements

All new and renewing CAAs must be endorsed with the LBS0084A from 1 September 2022.

Impact on existing CAA arrangements incepting prior to 1 September 2022

Existing CAAs in the form of LBS0001A do not need to be endorsed with LBS0084A

Impact on LBS0084

This endorsement supersedes LBS0084, which will be archived on the Lloyd's Wording Repository from 31 August 2022.

LBS0084A and its Guidance Notes will be available on the Lloyd's Wording Repository at <https://www.lloydswordings.com>.

Please note that these changes relate only to CAAs with Lloyd's Insurance Company and not binding authority agreements with Lloyd's Underwriters.

Further information

If you have any queries, you can email LloydsEurope.DelegatedAuthority@lloyds.com.

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