|  |  |
| --- | --- |
| **Branch Name** |  |
| **Branch Address** |  |
| **Head Office Address** |  |
| **PIN** |  |

|  |  |  |  |
| --- | --- | --- | --- |
| **KEY STAFF** | | | |
|  | | | |
|  | **Name** | **Email** | **Telephone** |
| **Principal of Organization** |  |  |  |
| **Compliance Officer** |  |  |  |
| **Underwriting Manager** |  |  |  |
| **Claims Manager** |  |  |  |
| **Individual Handling Complaints** |  |  |  |

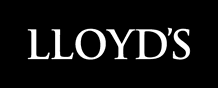
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| **OPERATIONS** | | | | | |
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| 1. Are your internal systems the same as the head office? **Yes**  **No** | | | | | |
|  | | | | | |
| 1. Your firm is licensed for all class(es) and in the jurisdiction(s) where business will be written **Yes**  **No** | | | | | |
| Alberta |  | Northwest Territories |  | Québec |  |
| British Columbia |  | Nova Scotia |  | Saskatchewan |  |
| Manitoba |  | Nunavut |  | Yukon |  |
| New Brunswick |  | Ontario |  |  |  |
| Newfoundland |  | Prince Edward Island |  |  |  |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
| 1. Type of business to be written: **Retail (doing business with the public)**  **OR** **Wholesale**  **OR MGA** | | | | | |
|  | | | | | |
|  | | | | | |
| 1. Claims handling will be by a **Canadian law firm(s) or a licensed Canadian adjuster(s)**. | | | | | |
| **Name:** | | | | | |
|  | | | | | |

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| --- | --- |
| 1. Should your request for Coverholder Branch be successful, and should you intend on writing Open Market or reinsurance business under this authority, you will need to have completed the applicable undertaking and you will be required to register to the Attorney In Fact (AIF) signing process. With the implementation of the OSFI regulation (Part XIII) “insurance in Canada of risks”, it is a requirement that brokers in Canada sign an agreement to reaffirm the specific activities that they undertake on Lloyd’s behalf. This is to secure that when signed, Lloyd’s business in Canada, it will meet the definition of “insurance in Canada of risks” and minimize any disruption for Lloyd’s and its partners in Canada. | |
| Does your firm intend on writing Open Market business? **Yes**  **No** | |
| **If yes, please complete the attached Coverholder's OMC Undertaking form.**  **NOTE: Automobile insurance cannot be written in the Open Market.**   |  | | --- | | Does your firm intend on writing Reinsurance? **Yes**  **No** | | **If yes, please complete the attached** [**Reinsurance Undertaking**](http://www.lloyds.com/~/media/files/the%20market/i%20am%20a/omc/2009/canadareinsurancebrokerundertakingdec09_doc.doc) **form.** | |  | | Post approval Lloyd’s Canada will contact you and provide you with documentation including terms and conditions for registration to the AIF signing process (ASPS). **Note: you will be unable to place business on the Open Market until you have signed the terms and conditions and registered to the ASPS.** | |  | | Post approval, for questions/training regarding the ASPS, please contact [canadianaif@lloyds.com](mailto:canadianaif@lloyds.com). | | |
|  | |
| **REPORTING** | |
|  | |
| 1. **What is Lineage?**  |  | | --- | | Lineage is a web-based system for the reporting and settlement of Canadian binding authority business. It is comprised of three major components – Insurance Reporting, Business Intelligence and Accounting & Settlement (A & S).  Lineage Benefits:   1. **Save Time and Money – Eliminate Dual Entry**  * Upload of Commercial policy data, Personal Lines Habitational data and Claims data from a Coverholder’s system to Lineage. * Already interacts with most of the major BMS including Policy Works, Keal, CSSI and Applied Systems. * Custom upload option available.  1. **Automated Reporting**  * A multitude of daily, monthly, and quarterly reports are produced automatically and made available to Stakeholders. * Automatic transfer of information to Bordereau Management software through Web Services.  1. **Audit Readiness**  * Submission of required regulatory information to statistical agencies on behalf of stakeholders. * Daily validation to ensure no insurance transactions were affected with individuals or entities identified on the sanctions monitoring list.  1. **Sanctions Screening**: In order to respect OSFI’s Designated Persons and Sanctions Laws Instruction Guide, Lineage also performs a daily validation to verify whether any insurance transactions have been effected with individuals or entities identified in the following Regulations: United Nations, UK Treasury, US Terrorism and others. | | 1. **Reporting Method** (please choose)   **Lineage** - It is mandatory that the **following** direct Binding Authority business be reported to Lloyd’s Canada through Lineage (Lloyd’s Canada Portal): Commercial Ontario Liability (premiums and claims) and Automobile (premiums and claims).  **OR**  **Xchanging** | |
| **COMPLIANCE** | |
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| **Once you are granted Coverholder status, you are required to comply with the following:** | |
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| 1. Policy wordings to be used have been agreed by contract Underwriters and comply with Canadian legal requirements. | |
|  | |
| 1. Mandatory Policy documentation requirements:  * Name of Insurer: “Lloyd’s Underwriters” which is the licensed name in Canada and must be prominently displayed on declaration page under the heading of Name of Insurer. * Made in Canada language: “For the purpose of the Insurance Companies Act (Canada), this Canadian Policy was issued in the course of Lloyd’s Underwriters’ insurance business in Canada”. * Where business is written 100% Lloyd's, the framework of Lloyd's declarations page LSW1548C will be used. (Refer to your Lloyd’s Broker for a copy of LSW1548C). | |
|  | |
| 1. Your firm will familiarize itself with the “Lloyd's Underwriters' Policyholders' Complaint Protocol": [LSW1542F](http://www.lloyds.com/~/media/Files/Lloyds/Offices/Canada/Canada%20Market%20Conduct/Rules%20and%20Regs/Policyholders%20Complaint%20Protocol%20%20LSW%201542E.pdf). | |
|  | |
| 1. Your firm understands that it is your responsibility to collect and directly remit the Provincial Sales Tax on each policy to the appropriate government authorities.   **Note:** It is the responsibility of Lloyd’s Underwriters to pay the premium and fire tax on each provincial policy. | |
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| 1. Where legal documents are served on the Attorney In Fact/Lloyd's Representative/Superintendent of Insurance, these will be referred to the applicant who is to ensure that the concerned Lloyd's Underwriters' interests are protected (this generally means the appointment of legal counsel, as instructed by Underwriters), whether or not there is a Third Party Administrator involved. If you are directly served with a legal action intended for Lloyd’s Underwriters, you are to immediately advise the office of the Attorney In Fact at [info@lloyds.ca](mailto:info@lloyds.ca). | |
|  | |
| 1. Your firm will need to register and abide by the terms set out in the Canada Manual found in [Crystal](http://www.lloyds.com/the-market/tools-and-resources/tools-e-services/crystal) accessible through the Lloyd’s website. | |
|  | |
| 1. Your firm understands the responsibilities as a Coverholder as it relates to (but are not limited to) the implication and the application of the following topics:      1. Licensing Requirements   Choice of Law  Jurisdiction  Disclosure  Lloyd’s Code of Consumer Rights and Responsibilities – LSW1565C  Cancellation and Non-Renewal  Countersignature Requirements  Master Policies  Language of Contract  Policy Documentation including Subscription Policy Documentation  Canada privacy wording LSW 1543D   1. Year of Account (and its implications on lead/follow business) - The year to which a risk is allocated and to which all premiums and claims in respect of that risk are attributed. The year of account of a risk is usually determined by the calendar year in which the risk incepts. A year of account is normally closed by reinsurance at the end of 36 months. 2. Your firm has developed a suitable and robust policy to meet your obligation to report and monitor any activities by your insureds in relation to money laundering, sanctioned countries and terrorist lists and bribery activities.   Lloyd’s has developed three on-line training modules on Financial Crime, which can be found at <https://www.lloyds.com/market-resources/delegated-authorities/compliance-and-operations/financial-crime-and-sanctions>  Should you have any questions, please contact your Lloyd’s Broker or the concerned Underwriter/Managing Agent.  Where business is written through sub-agent(s), the onus is on the applicant to ensure that the sub-agent(s) is/are appropriately licensed. | |
|  | |
| 1. It is mandatory for your firm to comply with the Canada Regulatory Requirement Table. | |

I have read and agree to the foregoing.

Signature of Applicant: Date:

Please print name and title in block letters: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_



**COVERHOLDER’S OMC UNDERTAKING**

To: (1) The Society of Lloyd’s, One Lime Street, London EC3M 7HA, England (“Lloyd’s”);

and

(2) Lloyd’s Underwriters’ Attorney in Fact in Canada[[1]](#footnote-1), of

200 Bay Street, Suite 2930, P.O.Box 51, Toronto, Ontario M5J 2J2,

(“the Attorney in Fact”)

Whereas, you are an approved Lloyd's coverholder that may, in accordance with your terms of your approval by Lloyd's, be party to a binding authority with Lloyd's underwriters; and

Whereas from time to time you may be required to place a contract of insurance for and on behalf of a policyholder with Lloyd's underwriters on an open market basis and in that respect you are required to be registered by Lloyd's as an open market correspondent a condition of which is that you provide the following undertakings.

**Undertakings**

In consideration of our registration by Lloyd’s as an open market correspondent permitted to place (re)insurance business with Lloyd’s underwriters we, **[ENTER CANADIAN COVERHOLDER NAME]** (“theFirm”), undertake that from the date hereof until you formally release us from doing so, we will:

1. Keep proper accounts and other records relating to our activities as an open market correspondent acting as a (re)insurance intermediary;

2. Cooperate with you and provide you with all documents, information and other materials that you may require relating to our activities as a (re)insurance intermediary in order that you may discharge any legal or regulatory requirement that may be imposed on you;

3. Permit you or your appointed agent at reasonable notice to inspect and, where appropriate, to take copies, of accounts and other records relating to our activities as a (re)insurance intermediary at our offices during normal office hours for the purpose of enabling you to discharge any legal or regulatory requirement that may be imposed on you;

4. Act as agent for Lloyd’s underwriters in respect of the following:

(a) communicating to the policyholder Lloyd’s underwriters’ decision to enter into contracts of (re)insurance by forwarding (via post, fax or such other means as Lloyd’s underwriters may permit) the policy or other evidence of (re)insurance issued by or on behalf of Lloyd’s underwriters to the policyholder;

(b) receiving premiums from policyholders, which premiums we shall immediately upon receipt deposit into a bank account which is separate from the operating funds of the firm and is labelled as being fiduciary or premium trust. Assets held in that bank account shall be held in a fiduciary capacity on behalf of (re)insurers for the purpose of the onwards transmission of those monies to (re)insurers and the monies shall not be otherwise held or retained by us;

(c) other than in respect of the activities specified above, we acknowledge that we are not, and undertake that we shall not act or hold ourselves out as, agents for Lloyd’s underwriters.

5. In respect of any contract of insurance that you may enter into under the terms of a binding authority subscribed to by Lloyd's underwriters, you will in that regard comply at all times with -

(a) the terms of the "Coverholder Undertaking" you have provided to Lloyd's; and

(b) the terms of the relevant binding authority in accordance with which you entered into the contract of insurance."

This Undertaking may be varied only by the prior written agreement of each party hereto.

We understand that any breach of this Undertaking may affect our registration as an open market correspondent and our suitability to be permitted by Lloyd’s to place (re)insurance business with Lloyd’s underwriters.

This Undertaking shall be governed by the laws of Canada and the parties hereby irrevocably and unconditionally accept and agree to submit to the exclusive jurisdiction of the courts of Quebec to hear any dispute relating to this Undertaking.

Each party, on behalf of itself and its affiliates, also agrees not to include any employee, officer or director of the other party or its affiliates as a party in any such action or proceeding.

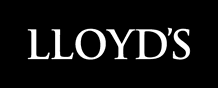
I confirm that I am duly authorised to sign this Undertaking on behalf of the Firm.

Signed:……………………………………………………………………….

Full name of signatory:……………………………………………………..

Position of signatory with the firm:…………………………………………

Dated the ………………………………day of …………………………….



**CANADA - REINSURANCE UNDERTAKING**

To: (1) The Society of Lloyd’s, One Lime Street, London EC3M 7HA, England (“Lloyd’s”);

and

(2) Lloyd’s Underwriters’ Attorney in Fact in Canada1 , of

200 Bay Street, Suite 2930, P.O. Box 51, Toronto, Ontario M5J 2J2 (“the Attorney in Fact”)

In consideration of our registration by Lloyd’s as a reinsurance intermediary permitted to place reinsurance business with Lloyd’s underwriters we,

**[applicant firm]** (“the Firm”), undertake that from the date hereof until you formally release us from doing so, we will:

1. Keep proper accounts and other records relating to our activities as a reinsurance intermediary;

2. Cooperate with you and provide you with all documents, information and other materials that you may reasonably require relating to our activities as a reinsurance intermediary in order that you may discharge any legal or regulatory requirement that may be imposed on you;

3. Permit you or your appointed agent at reasonable notice to inspect and, where appropriate, to take copies, of accounts and other records relating to our activities as a reinsurance intermediary at our offices during normal office hours for the purpose

of enabling you to discharge any legal or regulatory requirement that may be imposed on you;

4. Act as agent for Lloyd’s underwriters in respect of the following:

(a) communicating to the policyholder Lloyd’s underwriters’ decision to enter into contracts of reinsurance by forwarding (via post, fax or such other means as Lloyd’s underwriters may permit) the policy or other evidence of reinsurance issued by or on behalf of Lloyd’s underwriters to the policyholder;

(b) receiving premiums from policyholders, which premiums we shall immediately upon receipt deposit into a bank account which is separate from the operating funds of the firm and is labelled as being fiduciary or premium trust. Assets held in that bank account shall be held in a fiduciary capacity

on behalf of reinsurers for the purpose of the onwards transmission of those monies to reinsurers and the monies shall not be otherwise held or retained by us;

(c) other than in respect of the activities specified above, we acknowledge that we are not, and undertake that we shall not act or hold ourselves out as, agents for Lloyd’s underwriters.

1 Lloyd’s underwriters’ Attorney in Fact is the person appointed on behalf of Lloyd’s underwriters as chief agent pursuant to section 579(3) of the Insurance Companies Act 1991 of Canada

This Undertaking may be varied only by the prior written agreement of each party hereto.

We understand that any breach of this Undertaking may affect our suitability to be permitted by Lloyd’s to place reinsurance business with Lloyd’s underwriters.

This Undertaking shall be governed by the laws of Canada and the parties hereby irrevocably and unconditionally accept and agree to submit to the exclusive jurisdiction of the courts of Ontario to hear any dispute relating to this Agreement.

Each party, on behalf of itself and its affiliates, also agrees not to include any employee, officer or director of the other party or its affiliates as a party in any such action or proceeding.

I confirm that I am duly authorised to sign this Undertaking on behalf of the Firm. Signed:……………………………………………………………………….

Full name of signatory:………..…………………………………………….. Position of signatory with the firm:………………………………………… Dated the ………………………………day of …………………………….

1. Lloyd’s underwriters’ Attorney in Fact is the person appointed on behalf of Lloyd’s underwriters as chief agent pursuant to section 579(3) of the Insurance Companies Act 1991 of Canada [↑](#footnote-ref-1)