

# Undertaking

**The undertaking must be given to Lloyd's by the applicant under the terms of paragraphs 10, 15 and 16 of the Intermediaries Byelaw (the 'Undertaking').**

**Words and terms in bold type in this undertaking have the meanings given in the Intermediaries Byelaw or the Definitions Byelaw which can be found at <http://www.lloyds.com/byelaws>.**

- A. In consideration of Lloyd's assessing our application, we, the **applicant**, confirm that after conducting reasonable enquiries, the information provided in support of our application is accurate and complete to the best of our knowledge and belief. We acknowledge that if we have provided any false or misleading information in connection with this application, it may lead to the rejection of the application or the withdrawal of any coverholder approval given.
- B. If Lloyd's approves us as an **approved coverholder**, then in consideration of being approved, we undertake and confirm to Lloyd's that:

## 1 General

- 1.1 We will deal with Lloyd's in good faith and in an open and co-operative way.
- 1.2 We will comply with, and act in accordance with, the rules, requirements and guidelines Lloyd's makes from time to time in relation to **binding authorities** and **approved coverholders** (the 'rules') and any direction given to us by Lloyd's. This includes complying with any applicable guidelines Lloyd's may from time to time make available on [www.lloyds.com](http://www.lloyds.com) regarding the manner in which **approved coverholders** will conduct their business under **binding authorities**.
- 1.3 We will conduct our business with integrity and with due care and skill. We will also take all reasonable steps to avoid harming the name, reputation and standing of Lloyd's. This will include complying at all times with the guidelines Lloyd's issues on using the Lloyd's name and brand.
- 1.4 We will only describe or hold ourselves out as a Lloyd's **approved coverholder** while we remain on the register of **approved coverholders** and are a party to a **binding authority**.

## 2 Underwriting authority

- 2.1 We will enter into contracts of insurance on behalf of **members** of a **syndicate** managed by a **Lloyd's managing agent**, or issue quotations or insurance documents or determine claims, only in accordance with the terms of a **binding authority**.
- 2.2 We will not exercise any authority we have under a **binding authority**, including entering into contracts of insurance and issuing quotations or insurance documents, until that **binding authority** has been registered at Lloyd's.
- 2.3 We will not sub-delegate our authority to enter into contracts of insurance, or our authority to issue documents evidencing contracts of insurance or our authority to determine claims, to any third party other than when given permission by Lloyd's, if any, and in accordance with the terms of our **binding authority**.

## 3 Administrative arrangements (including insurance monies)

- 3.1 We will take reasonable care to organise and control our affairs responsibly and effectively.
- 3.2 We will make sure that all monies received or payable by us, from or on behalf of the Lloyd's **managing agent** ('insurance monies'), are held in accordance with the requirements set out

in the **binding authority**. We will also comply with any other rules Lloyd's may issue about the way insurance monies must be held.

- 3.3 We will also comply with any requirements of the jurisdiction in which we are domiciled, or in which we trade, provide services or do business, or in any other jurisdiction as required, about the way insurance monies must be held.

#### 4 Dealing with customers

- 4.1 We will deal with customers and clients (including policyholders and prospective policyholders) ('customers') openly and in good faith.
- 4.2 We will charge premiums and fees, and retain any commissions, discounts or brokerage, only in accordance with the terms of a **binding authority** or any relevant regulatory requirements.
- 4.3 We will pay due regard to the information needs of our customers and communicate information to them in a way which is clear, fair, prompt and not misleading. We will also handle all complaints from customers in a fair, prompt and orderly way and in compliance with Lloyd's and any relevant regulatory requirements.
- 4.4 Where we have authority under the terms of a **binding authority** to administer or agree claims we will do so in a fair, prompt and orderly way and in compliance with Lloyd's and any relevant regulatory requirements.
- 4.5 We will manage any conflicts of interest, between ourselves, our customers and Lloyd's **managing agents** in a fair and open way.

#### 5 Dealings with the Lloyd's market

- 5.1 We will deal with Lloyd's **managing agents** and **Lloyd's brokers** openly and in good faith. We will report to them, and account for all monies received or paid, accurately, fairly, promptly and, where relevant, account in accordance with any local settlement systems.
- 5.2 We will always comply with the terms of the **binding authority** we enter into with the Lloyd's **managing agent** unless we are directed otherwise by Lloyd's.

#### 6 Compliance with local requirements

- 6.1 We will always comply with all relevant local, fiscal and taxation laws, regulations and requirements of the jurisdiction in which we are domiciled, or in which we trade, provide services or do business, or in any other jurisdiction as required. This will include maintaining any necessary local licences, permits or other authorisations.
- 6.2 If we cease or fail to comply with any relevant laws, regulations or requirements, or cease or fail for whatever reason to maintain any necessary local or required licences, permits or other authorisations, we will immediately take all appropriate action and notify Lloyd's, our **sponsor** and the Lloyd's **managing agent** of the lead **syndicate** that delegated its authority to us under a **binding authority**.

#### 7 De-registration or immediate suspension of the firm

If:

- Lloyd's revokes our approval, or suspends us in accordance with the rules; or
- Lloyd's makes or issues an instruction, condition or direction that we or the Lloyd's **managing agent** must cease entering into contracts of insurance and determining claims under the **binding authority**;

we will, subject to any specific instruction, condition or direction made or issued by Lloyd's, do the following:

- i Immediately cease exercising any authority conferred upon us under a **binding authority**.

- ii Promptly destroy or return (to Lloyd's, the Lloyd's **managing agent** or the **Lloyd's broker**) all unused documents that would indicate or imply, if used, that contracts of insurance we accept are entered into on behalf of **members** of Lloyd's.
- iii Promptly remove from our electronic, back-up and printing systems any ability to use any stamp, mark or other thing that would indicate or imply that contracts of insurance we accept are entered into on behalf of **members** of Lloyd's.
- iv Handle the run-off of the business (including claims) in a fair, prompt and orderly way (unless a third party has been appointed by the Lloyd's **managing agent** or Lloyd's has appointed a third party to handle the run-off (the 'third party')).
- v Co-operate fully with any third party, including providing the third party access to our premises and providing relevant books, records and other documents.

and

- vi Comply with the **binding authority's** provisions in relation to expiry, cancellation or termination of the **binding authority**.

## 8 Lloyd's powers

When requested by Lloyd's (or its representative or agent) we will do the following:

- i Answer any questions and provide any information, documents, books, records and other materials which, in the opinion of Lloyd's (or its representative or agent) relates or purports to relate either to the operation of a binding authority or to our ongoing approval as an approved coverholder.
- ii Give Lloyd's (or its representative or agent) all reasonable facilities in our premises in order to examine such materials including by providing any necessary access to our electronic systems.
- iii Provide to Lloyd's any undertakings or declarations which, in the opinion of Lloyd's (or its representative or agent) Lloyd's believes to be necessary or appropriate.

## 9 Miscellaneous

- 9.1 We will immediately notify the Lloyd's **managing agent**, **Lloyd's broker** and Lloyd's (as appropriate) of any material changes to the information provided in support of this application and of any other matters which relate to us and of which the Lloyd's **managing agent**, **Lloyd's broker** or Lloyd's would reasonably expect notice.
- 9.2 We acknowledge that any failure by us to comply with the terms of the rules or this undertaking may affect our continuing suitability to be an **approved coverholder**.
- 9.3 We agree that Lloyd's (including its representative or agent) shall not be liable for breaches on our part of any provision in this undertaking and we further agree to indemnify Lloyd's against all costs, claims, demands or losses (including without limitation consequential losses and all interest, penalties and legal and other professional costs and expenses) which Lloyd's may incur as a result of breach of this undertaking by us.

## 10 Data protection

- 10.1 In relation to the business and personal data that we control and/or process in connection with our Lloyd's business, we confirm that:
  - i. We will ensure compliance with any and all applicable data protection legislation at all times that applies to us, and that all personal data is processed lawfully, fairly and in a transparent manner.
  - ii. If it is necessary for us to register with our national data protection supervisory authority, we will obtain and maintain such valid registration as required by such data protection supervisory authority.

- iii. We will process, and ensure others involved in the processing, including but not limited to sub-processors wherever situated, shall process all data safely and securely, and shall apply to such processing the appropriate technical and organisational measures necessary to ensure the safety and security of such data, including during its transmission, at all times.
- iv. We will disclose to Lloyd's any personal data breach involving Lloyd's data we may suffer and, acting reasonably and in good faith at all times, will cooperate with Lloyd's to mitigate the effects of any such breach.
- v. We will cooperate with Lloyd's should it receive a subject access request or other subject request (within the terms of the Data Protection Act 2018), other query by a data subject, or a query by a data protection supervisory authority or regulator.

10.2 We acknowledge that where we provide personal data to Lloyd's, Lloyd's may process that personal data in accordance with the Privacy Notice (as updated from time to time) which can be found on Lloyd's website at <https://www.lloyds.com/common/privacy-notice> or by searching on Lloyd's website for 'privacy notices'. Where we provide Lloyd's with personal data, we confirm that we have the necessary consents from the data subjects, or satisfied another legal basis, to provide that data and we have made them aware of the Privacy Notice.

## 11 Third party contract rights

None of the provisions of this undertaking shall be enforceable by any third party in accordance with The Contracts (Rights of Third Parties) Act 1999, or any other law which may be applicable in other jurisdictions, which would otherwise give a person who is not a party to a contract the right to enforce any of the provisions under this undertaking. Further, any failure to comply with this undertaking shall not invalidate or call into question any contract of insurance we enter into on behalf of a Lloyd's **managing agent**. The authority to enforce compliance with this undertaking will rest solely with Lloyd's.

## 12 Governing law

We irrevocably agree that this undertaking and all matters relating to our application to be an **approved coverholder** shall be subject to the laws of England and irrevocably agree that the courts of England shall have exclusive jurisdiction to settle any dispute or controversy (of whatever nature) arising out of or relating to this undertaking or our application for approval. Accordingly, any suit, action or proceedings arising out of or relating to this undertaking or our application shall be brought in such courts. The foregoing shall apply unless Lloyd's, in its absolute discretion, elects that the governing law and applicable courts shall be those of the jurisdiction in which we are domiciled or do business.

This undertaking must be signed by the managing director, chief executive or the principal of the **applicant**. The signatory must be authorised to sign this undertaking on behalf of the **applicant**.

Name of Applicant (company name):	
Signature:	
Name of person signing the undertaking (in BLOCK CAPITALS):	
Position in your firm:	
Date (day/month/year):	