

Writing risks with Lloyd's Brussels

Coverholders are Lloyd's trusted distribution partners and an integral part of our business strategy. Since the outcome of the UK Brexit referendum, Lloyd's has been working to ensure that whatever the outcome of the Brexit negotiations, the Lloyd's market can continue doing business with our coverholders in the EEA.



Lloyd's Brussels Subsidiary

We have established a new insurance company based in Brussels (Lloyd's Insurance Company S.A., known as Lloyd's Brussels), to ensure we will continue to write risks across the EEA countries.

Authorised and regulated by the National Bank of Belgium, and fully Solvency II compliant, Lloyd's Brussels will start writing business from 1st January 2019 to ensure you continue to have seamless access to the Lloyd's market.

Lloyd's Brussels will continue using the coverholder model. There will be some changes to how you do business with us, but you will still be able to work with the same brokers and underwriters as you do now, and your policies will continue to benefit from the security provided by our Central Fund, strong financial ratings, and the expertise of our claims service.

Licences

- Lloyd's Brussels is licenced to write non-life risks from all EEA countries, ensuring that you can continue to do business with Lloyd's just as you do now.
- If you currently have a worldwide binding authority, you will need to separate your EEA and UK/Rest of World risks. In principle, EEA coverholders will not be licensed to bind non-EEA risk.

The binding authority contract

- All new or renewing EEA risks will need to be written through Lloyd's Brussels from 1/1/2019. This means that existing binders with Lloyd's syndicates for EEA risks will need to be replaced with a binder on behalf of Lloyd's Brussels.
- A new Coverholder Appointment Agreement (CAA) wording has been created, based on the existing binder terms, and the commercial terms will need to be negotiated and agreed in advance, effective on 01/01/19.
- Your Lloyd's broker or managing agent will be able to assist and guide you in setting up the new arrangements. The new agreement will continue to be placed by your Lloyd's broker.
- The commercial terms and conditions should be agreed between the managing agent (on behalf of Lloyd's Brussels), you and your broker. The negotiation should start as early as possible as notice of cancellation will need to be issued on existing policies subject to tacit renewal, either ahead of or alongside an offer of cover from Lloyd's Brussels.

Binding risks/declarations

- Certificates and policy wordings issued by coverholders on behalf of Lloyd's Brussels after 31 December 2018 must clearly identify "Lloyd's Insurance Company S.A." and not "Lloyd's underwriters" as the security. The certificate/policy may be "co-branded" with the identity of the managing agent/reinsuring syndicate.
- Coverholders should continue to use the risk locator available at Crystal to assist in ensuring risks are bound correctly to Lloyd's Brussels.

Paying claims

- Paying claims is at the core of what we do, and Lloyd's Brussels will ensure the Lloyd's claims standard is met. The claims process will remain the same as it is today, with managing agent claims teams being responsible for managing the process on behalf of Lloyd's Brussels.

Coverholder oversight and approval

- Existing Lloyd's coverholders that currently underwrite EEA risks will be "grandfathered" as approved coverholders of Lloyd's Brussels.
- Any new coverholder that proposes to underwrite EEA business on behalf of Lloyd's Brussels will need to be approved. The approval process will be the same as it is today.
- Day to day coverholder management and compliance will continue to be managed by managing agents but Lloyd's Brussels will be responsible for oversight of these arrangements.

Legacy business

- Lloyd's continues to work with the UK government for a political solution that will ensure policies written before Brexit are fully serviced once the UK leaves the EU. However, we know that our customers want certainty, and we continue to investigate suitable arrangements to ensure the interests of policyholders can continue to be protected.

Data submission

- Risk, premium and claims information will need to be submitted via the Delegated Authority data service endorsed by Lloyd's Brussels, namely DA SATS.
- Instead of multiple portals, you will be submitting data through one portal only.
- The data to be submitted will need to comply with the existing Common Coverholder Data Standards Version 5, a consistent data set, which is already mandatory.

LLOYD'S

For more information on how Lloyd's Brussels will operate and what that means for you, please visit:

lloyds.com/crystaleurope
or email: brexit@lloyds.com

lloyds.com/brussels

Brussels January 2019

