

# Lloyd's COVERHOLDER GUIDE

**DELEGATED AUTHORITIES  
MARCH 2021**

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The [Third Party Oversight \(Delegated Authority\) section of the Lloyd's website](#) is a central resource for all Coverholder related information. Links to further information can be found at the end of this document.

# 1 Background to Lloyd's

Our unique insurance market has an unrivalled concentration of specialist underwriting expertise and every day, more than 50 leading insurance businesses, over 200 registered Lloyd's brokers and a global network of over 4,000 local coverholders operate in and bring business to the Lloyd's market.

The business written at Lloyd's is placed with specialist syndicates, who price and underwrite risk. Syndicates at Lloyd's consist of one or more members of Lloyd's, who join together to form syndicates for the purposes of writing insurance at Lloyd's. Syndicates will appoint a Managing Agent, which will employ the specialist underwriters to assess the risks and which is responsible for the day to day operations of the syndicate. Syndicates may underwrite the whole of a risk or, often, they will accept part of the risk on a subscription basis, with several syndicates joining together to provide the cover. Business may be placed with syndicates by brokers or can be underwritten on behalf of the syndicates by coverholders appointed by the managing agent under delegated underwriting arrangements.

Overseeing the Lloyd's market is the Lloyd's Corporation (also known as the Society of Lloyd's), not itself an insurer but tasked with operating and regulating the Lloyd's market, providing central services, maintaining the market's international licences, providing insight and intelligence and looking after the Lloyd's brand, amongst other things.

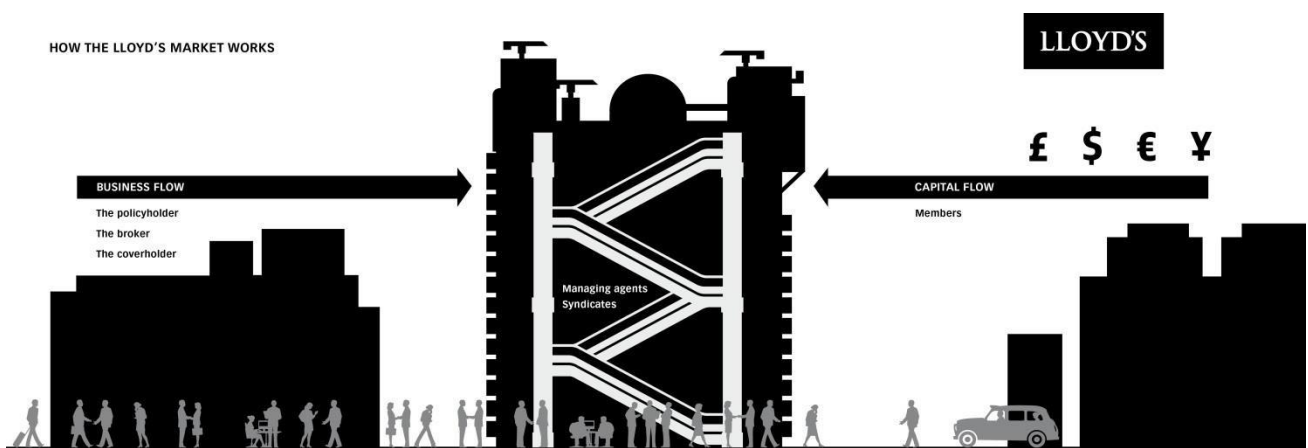
## DELEGATED AUTHORITIES IN LLOYD'S

Managing Agent's may delegate underwriting and claims handling to a third party entity approved by Lloyd's, commonly referred to at Lloyd's as a Coverholder. This is a contractual arrangement which is known as a binding authority and the terms of the arrangement will be set out in the binding authority agreement.

Once approved by Lloyd's, a Coverholder may have multiple binding authority agreements with several Managing Agents. All of the Lloyd's permissions required and the registration of the relationships with Managing Agents are managed through our systems and approval processes. A Coverholder may also have authority to issue insurance documents. Insurance documents include certificates of insurance, and other documents acting as evidence of contracts of insurance.

Coverholders may be known under different titles around the world. For example, in the USA they are commonly known as managing general agents (MGAs). In some parts of Europe they can be described as Underwriting Agents or Multi-Agents. At Lloyd's they are known as Coverholders. Coverholders are a vital part of Lloyd's distribution network, enabling Lloyd's syndicates to have access to business around the world, to compete with local insurers and to provide local insight and expertise.

Within Lloyd's Corporation, the Delegated Authorities Team the involvement of Coverholders in the Market, reviewing applications for new Coverholders, post-approval changes to permissions, and to facilitate the co-ordination of Coverholder audits.



## 2 Trading Regulations

### WHO REGULATES LLOYD'S?

Lloyd's is authorised under the UK Financial Services and Markets Act 2000 and is regulated by the Financial Conduct Authority and the Prudential Regulation Authority. The Financial Conduct Authority (FCA) regulates the financial services industry in the UK. Its role includes protecting consumers, enhancing the integrity of the UK financial system, and promoting effective competition between financial service providers. The Prudential Regulation Authority (PRA), a part of the Bank of England, the PRA is responsible for the prudential regulation and supervision of around 1,500 banks, building societies, credit unions, insurers and major investment firms.

### LLOYD'S LICENCES

The protection of the Lloyd's brand and licence network is vital to the success of the Lloyd's market. Lloyd's is able to underwrite business in over 200 territories subject to the laws and regulations of those territories. In many instances, Lloyd's is admitted to underwrite locally in the territory. Lloyd's is also able to accept risks from countries on a cross border, non-admitted basis.

Risk locations determine the territories whose laws, regulations and tax rules apply to an insurance contract but establishing the correct 'location of a risk' is not always as straightforward as it may first appear. The Risk Locator Tool assists in this regard. Alternatively, further information regarding Lloyd's international regulatory and taxation requirements can be found on Crystal, another market tool used to assist with territorial information (please see chapter 6).

*For international trading advice please contact [LITA@lloyds.com](mailto:LITA@lloyds.com)*

### TAXES

Almost all jurisdictions require the payment of tax on insurance contracts, usually calculated by reference to the premium charged. It is important that all taxes due are settled with the relevant authority and Coverholders will often play an important part in arranging this. The calculation and allocation of tax often requires an expert understanding of local rules. Where an insurance contract covers risks in a number of different territories (for example, under a global contract) this may give rise to tax exposures in a number of different jurisdictions. Compliance with tax requirements in these cases will normally require the premium to be apportioned between jurisdictions and may result in more than one country's tax being applied to the same premium. Tax liabilities may also be triggered by factors other than the location of a risk including, residence of insured, route of the business into Lloyd's and Lloyd's status in a jurisdiction.

Lloyd's provide assistance with various [taxation](#) enquiries.

## 3 Coverholder responsibilities

### WHAT IS A BINDING AUTHORITY?

The binding authority agreement sets out all of the Coverholder's contractual responsibilities, including any authority to handle premiums, issue insurance documentation and handle claims. Establishing the exact terms and conditions of the binding authority will ensure that as a Coverholder you understand exactly what you can do and how you must act as an approved Coverholder.

### UNDERWRITING AUTHORITY

The binding authority agreement will set out the authority of the Coverholder to underwrite on behalf the syndicates on whose behalf the Managing Agent has appointed it to underwrite. It will specify the extent of the Coverholder's authority to bind risks without the prior agreement of the Managing Agent, the types of

risk that can be bound, the limits of cover that can be written and any deductibles. It will also provide details of the aggregate limits and premium that can be bound, amongst other terms. Any underwriting authority given to the Coverholder is limited to that Coverholder only and Coverholders cannot delegate their underwriting (or their authority to issue insurance documentation or handle claims) to others without the prior agreement of the Managing Agent.

### **COVERHOLDERS PREMIUM HANDLING RESPONSIBILITY**

When Coverholders are given authority to write risks on behalf of one, or more, Lloyd's Syndicates, the Coverholder will usually be given responsibility for [collecting and reporting the premiums](#) for these risks and to regularly pay the premiums collected to the Managing Agent via the Lloyd's broker. In many territories, there are local obligations to pay taxes and to report to tax authorities and regulators. Please use Crystal to assist with this (further information regarding this tool is documented in section 6).

### **INSURANCE CONTRACTUAL DOCUMENTATION**

The contract of insurance (sometimes known as the 'certificate' or 'declaration') sets out the terms of the insurance between the policyholder and Lloyd's syndicates. As a Coverholder, the format and content of the insurance documents you issue must be agreed with the Managing Agent via the Lloyd's broker. There are often local requirements for what must be included in insurance contracts and Coverholders are responsible for ensuring that the contract wordings are compliant.

### **COVERHOLDERS WITH CLAIMS HANDLING AUTHORITY**

When delegating underwriting under a binding authority, a Managing Agent will decide whether to give any claims handling authority to the Coverholder or to another third party (referred to at Lloyd's as a Delegated Claims Administrator or 'DCA' and in the past referred to as a Third Party Administrator or 'TPA'). Additionally, a Loss Adjuster may be appointed to investigate the circumstances of a claim. The terms on which any other service providers are appointed should be documented in the binding authority agreement.

Sometimes the Managing Agent will handle all of the claims notified because it has decided not to grant any claims handling authority to the Coverholder or to a DCA, and sometimes the Managing Agent will only handle claims that fall outside the authority of the Coverholder or DCA. Typically claims of a high value, or more contentious claims will be handled by the Managing Agent. A Coverholder will very rarely have authority to decline a claim without referring the matter back to the Managing Agent.

### **COVERHOLDERS REPORTING OBLIGATIONS**

It is recommended that new Coverholders work with their Brokers, and Managing Agents, to ensure that their reporting meets the standards required. Coverholders are required to submit information to Lloyd's underwriters about risks, premiums and claims. Lloyd's vision is to make this flow of information consistent and seamless, by working with market participants to agree [reporting standards](#). The data standards are mandatory for new Coverholders.

Lloyd's provide guidance on [reporting standards and offer recommended templates](#).

### **COMPLAINTS HANDLING**

From time to time policyholders may express dissatisfaction with the policy they have been sold or the service they have received. While Lloyd's wants every policyholder to have a positive experience of dealing with the Lloyd's market, complaints are a normal part of business and where dealt with fairly and professionally they can enhance Lloyd's reputation for treating customers fairly and they provide valuable management information for underwriters about how their products and service can be improved. The Coverholder must therefore have clear complaints handling procedures in place. The complaints procedures must adhere to both local regulatory rules and [Lloyd's requirements](#) for the territory. The Managing Agent must advise what complaints handling authority is delegated to the Coverholder, and what their expectations are.

### **ONGOING COMPLIANCE OVERSIGHT (OCO)**

As part of being approved to be a coverholder at Lloyd's, Coverholders will be subject to a due diligence process overseen by Lloyd's. Once approved, Coverholders are required to share updated due diligence information with Managing Agent's through [the annual compliance process](#). Annual compliance is in place to provide assurance on your ongoing suitability as a Lloyd's Coverholder. There are six sections involved; these include stakeholders, professional indemnity, licences, financials, bank accounts and reputation and standing.

Many Coverholders conduct business with more than one Lloyd's Broker or over multiple binding authorities; however the annual compliance needs to only be completed once a year per Coverholder. This process is conducted using our online market system, ATLAS (please see section 6 for information on ATLAS).

## FINANCIAL CRIME

Coverholders have a responsibility for [managing financial crime risks](#). It is important that Coverholders understand what is required of them to ensure compliance with the relevant financial crime rules as imposed by both the UK and their own local legislative and regulatory requirements. Financial crime includes money laundering, bribery and corruption and failure to adhere to international sanctions regimes.

Lloyd's provides a "Financial Crime Prevention" training module for Coverholders. All Coverholders can [register](#) for the training. Lloyd's utilises a manual registration process, to ensure the person registering works for a Lloyd's approved entity. Therefore, access to the portal may not be granted immediately.

The module covers the following subjects:

- Sanctions;
- Bribery and Corruption; and
- Money laundering

The training has not been mandated by Lloyd's. However, based on a Managing Agent's risk appetite it may mandate completion of the training to a Coverholder. Lloyd's does require Coverholders and Managing Agents to implement proportionate systems and controls to manage financial crime risk within their business.

## LLOYDS ACTS AND BYELAWS

Coverholders are expected to be familiar with the [Lloyd's Acts and Byelaws](#) that apply to them specifically, the [Intermediaries Byelaw](#) and the [Requirements](#) made pursuant to the Byelaw. Please also be aware of the [Delegated Authorities Code of Practice](#). The Code provides an introduction to delegated underwriting in the Lloyd's market and sets out Lloyd's expectations of managing agents when delegating underwriting authority to a Coverholder (under a binding authority agreement) or another managing agent (under a line slip or consortium arrangement). This is currently being updated and can be expected to change so please refer to this document frequently to look for updates.

## 4 Lloyd's brand

Lloyd's brand is one of our most powerful assets. Lloyd's branding [guidelines for Coverholders](#) are designed to help you understand how to bring the Lloyd's brand to life in your communications. When using Lloyd's name or logos, it is important to ensure that the customer understands exactly who they are dealing with and who is insuring their risk.

You may refer to Lloyd's on your general and product promotional material. When referring to Lloyd's, it is important that you use specific phrases to clarify your relationship (or your product's relationship) with Lloyd's. Your Lloyd's broker or Managing Agent will help you make sure you get your branding right.

### Use of the Lloyd's logos and the Arms of Lloyd's:

Coverholder at

LLOYD'S

**1. On promotional material:**

You may use the

Coverholder at Lloyd's logo on the home page of your website, business cards and letterheads. You may also use it on product promotional material where the product has been 100% underwritten at Lloyd's.

**2. On Insurance policies and documentation:**

Arms of Lloyd's

LLOYD'S

Lloyd's Logo

You can use both the Arms of Lloyd's and the Lloyd's logo on official insurance documentation. These may not be edited or changed in any way.

Where a document also refers to an intermediary, the relationship between the intermediary and Lloyd's underwriters must be made clear on the face of the document.

The coverholder brand guidelines do not address local insurance regulatory requirements, including advertising restrictions and prohibitions, which may be imposed in some jurisdictions (including the US), on market participants, capital providers and others. Certain use of the Lloyd's name and Lloyd's logo which might be permissible under these general guidelines might nevertheless constitute a violation of local law. In such cases local legal requirements will always prevail.

Such material can **only** be obtained by emailing [marketing@lloyds.com](mailto:marketing@lloyds.com). Please do not copy and paste logos from this document. Further branding enquiries should also be directed to [marketing@lloyds.com](mailto:marketing@lloyds.com).

## 5 Coverholder audit

### LLOYD'S COORDINATED AUDITS

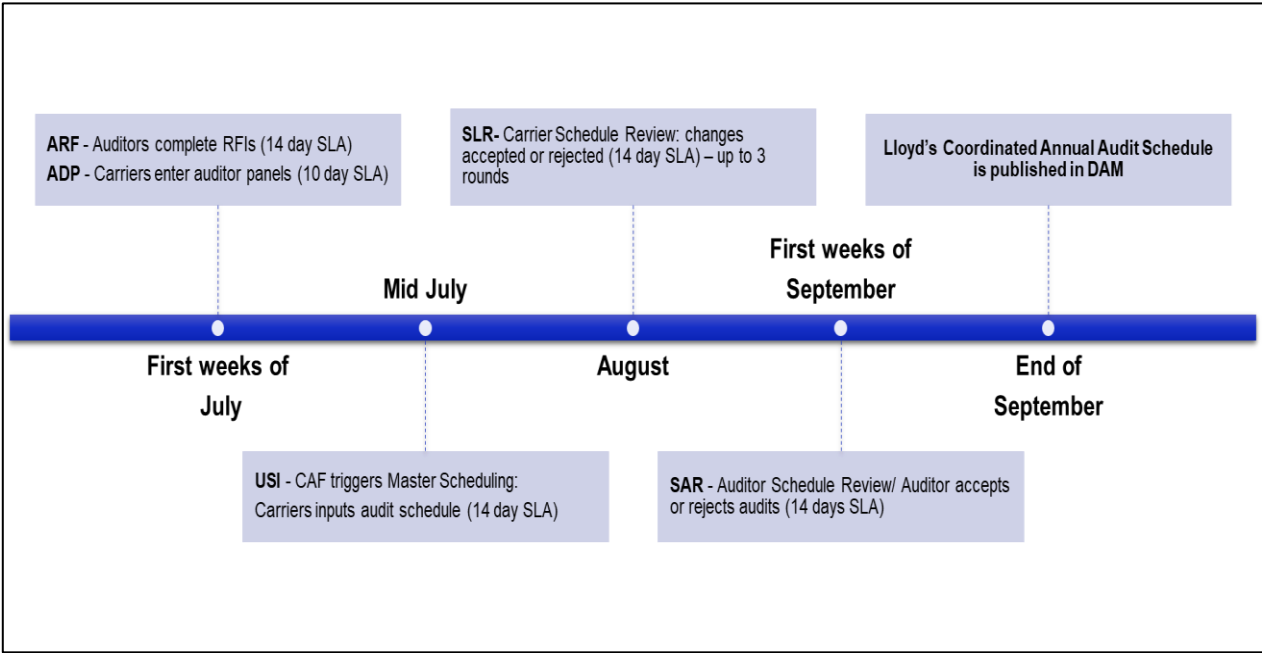
Lloyd's is dedicated to promoting high standards and consistency in the audit of its Coverholders and DCAs. To ensure consistency of approach, Lloyd's has worked with the Lloyd's Market and the Lloyd's Market Association (which represents Managing Agents) to produce a common Coverholder and DCA Audit Scope. Furthermore, Lloyd's facilitates the coordination of audits on behalf of Managing Agents when there are two or more Managing Agents with a lead binding authority agreement. This minimises the regulatory burden of multiple annual audits. Since 2018, the Lloyd's coordinated process has been automated via an online platform called Delegated Audit Manager (DAM). The Lloyd's Audit team oversees on average 800 Coverholder and DCA coordinated audits annually.

### WHY IS A COVERHOLDER / DCA AUDITED AND WHAT DOES IT INVOLVE?

A risk-based approach to auditing helps the Managing Agent ensure that the Coverholder is underwriting and where given authority, handling claims, in accordance with the binding authority agreement. An onsite visit by an audit specialist will help to ensure that company policies and procedures provided by the Coverholder are being adhered to and that the terms of the binding authority agreement are being complied with. Audits will also identify areas where the Coverholder can reduce risk or improve efficiency.

### DAM WORKFLOW - ANNUAL SCHEDULING PROCESS:





**DAM WORKFLOW – END TO END PROCESS:**

The Lloyd’s annual coordination process and its SLAs were agreed by Managing Agents and are set to ensure that the end to end audit assignment process (as presented on the diagram below) is delivered within a maximum of six months, starting with the scoping and ending with post audit actions issuance. Timely delivery of the annual plan allows effective planning of future audits and provides enough time to adequately close one assignment before the next one is arranged.

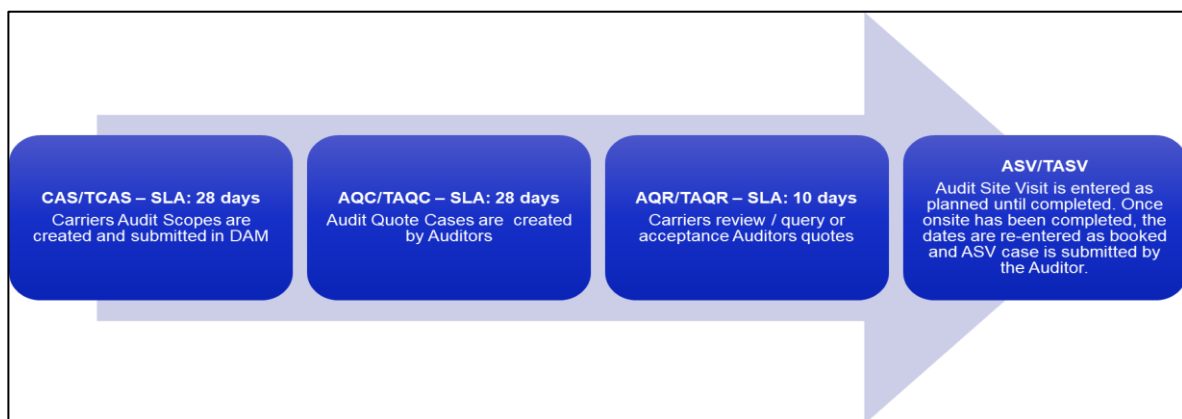


**THE LMA AUDIT SCOPE AND FREQUENCY OF THE AUDIT**

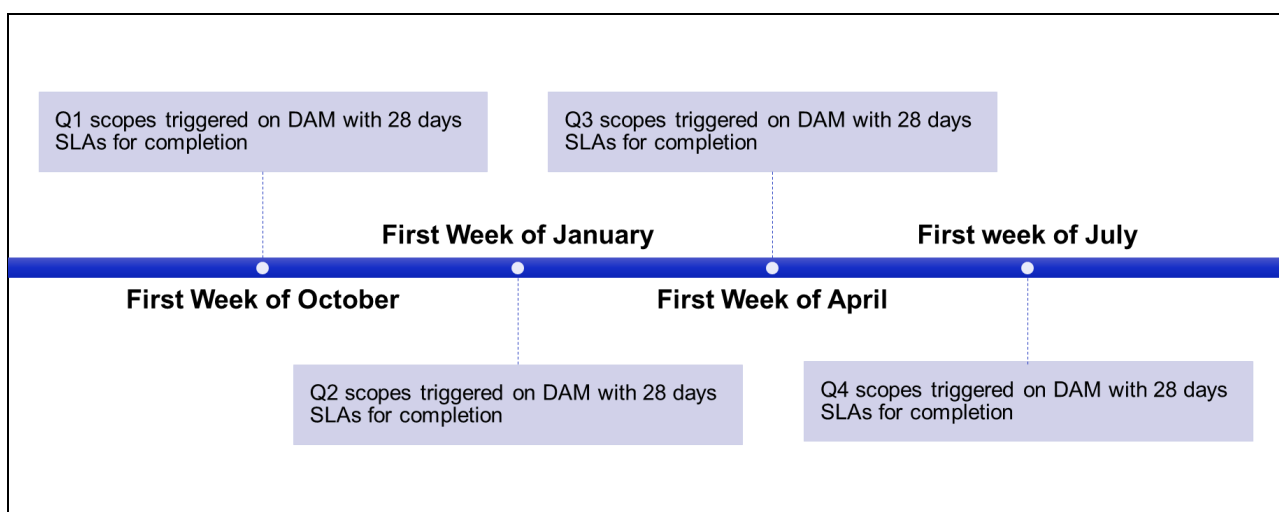
The LMA Audit Scope is embedded in DAM which provides a template for audit requirements for Managing Agents to pick and choose which sections of the scope they would like to use for each audit. Managing Agents may also have their own specific requirements and these can be selected under the bespoke scope function in DAM. The LMA Audit Scope facilitates the coordination of audits, enabling multiple Managing Agents to audit the same Coverholder at the same time, avoiding duplication and multiple audits.

The LMA Audit Scope is provided by the Managing Agents to the auditor via DAM at specific times throughout the year as per the timeline presented below. It is recommended that a new Coverholder is audited in the first year and Managing Agents should join the scheduled Lloyd’s coordinated audit to do this. Thereafter, the frequency will depend on a number of factors, including class of business, type of insurance product, customer type, premium income, level of authority delegated, ongoing compliance of the Coverholder with the terms of the binding authority agreement including the provision of risk, premium and claims bordereaux. Similar rules can be applied to DCA audits.

**DAM WORKFLOW - PRE – AUDIT:**



**DAM WORKFLOW – AUDIT SCOPES SUBMISSION TIMELINES:**

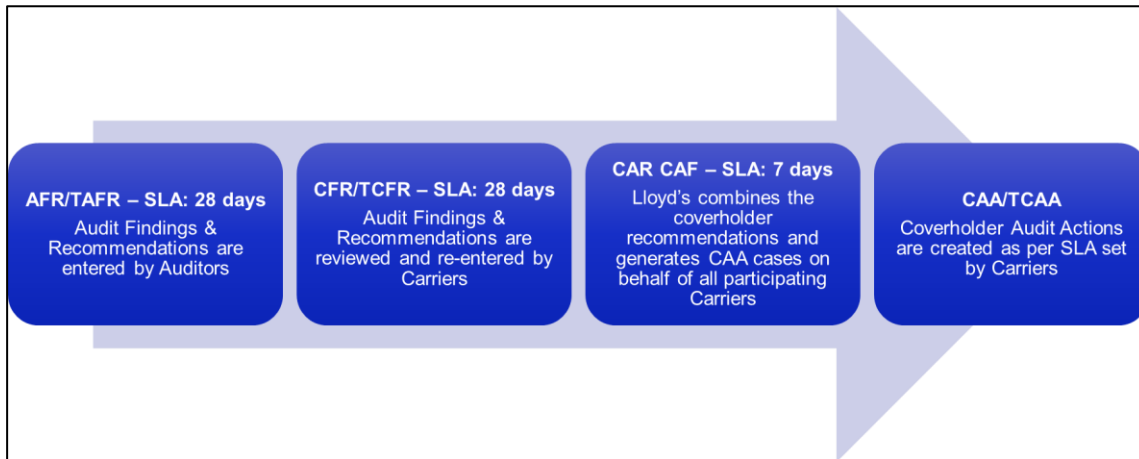


**WHAT HAPPENS WHEN THE AUDIT IS COMPLETED?**

- The auditor will have a wrap up meeting with the Coverholder to discuss their initial findings and provide an opportunity to see if there are any immediate solutions.

- The auditor will provide a report to the Managing Agent detailing their findings and audit recommendations will be entered in DAM under the audit assignment.
- The Managing Agents will provide feedback, any recommendations and timescales for completion via the DAM task. If the audit was coordinated on behalf of several Managing Agents, Lloyd's Audit team will consolidate the general recommendations to minimise duplication and will issue final Coverholder Audit Actions via DAM. Please see the workflow below for a detailed timeline including SLA's for each task.
- The Coverholder will then be expected to provide a response and any supporting evidence to the Managing Agents via their DAM portals to enable them to close the recommendations.

## DAM WORKFLOW – POST AUDIT:



For further information please contact the Lloyd's Audit Team at [delegatedauditmanager@lloyds.com](mailto:delegatedauditmanager@lloyds.com) or by calling +44 (0)20 7327 5105\*.

\*Please note that this inbox is monitored between 9AM and 5PM UK time Monday to Friday and we prioritise emails depending on content. We will attempt to respond to any emails within 2 business days, however, some technical queries might take longer to action, depending on complexity.

## 6 Tools

Registering a [Lloyds.com account](#) gives you the opportunity to request access to a number of tools such as the ATLAS, Crystal, Delegated Data Manager, MOCHA, DoPrint, Lineage, Market Communications and Market Bulletins. You can also sign up for emails and newsletters.

### ATLAS

ATLAS is a core system used by Lloyd's to manage Delegated Authority activity across the Lloyd's market. This is a secure web-based system that acts as an electronic filing and online application system for Coverholders. ATLAS is used initially in the Coverholder application process, and throughout your duration of being a Coverholder at Lloyd's. This tool is:

- A system of record
- A central place of record for Managing Agents, Brokers, Coverholders, Lloyd's
- For continuous monitoring of your tasks/extension requests (please see section 7 for information regarding post-approval changes that are submitted on ATLAS).
- Used to record any conditions on your Lloyd's approval

You can request access to ATLAS if you have a [registered for a Lloyds.com account](#). Within the 'Information for Coverholders' box you will find the application form in order to submit a request to the Delegated Authorities team, who will send a confirmation email upon approval

## CRYSTAL

Crystal is a database containing comprehensive international trading information for each of the territories in which Lloyd's is licensed. Crystal provides an overview of regulatory, fiscal, insurance legislation, trade sanctions and controls by location. This tool:

- Provides quick and easy access to territorial information
- Offers support for writing international business
- Allows you to perform multiple country and category tailored searches
- Has an interactive map that provides a high level summary of Lloyd's trading status worldwide

To gain access to [Crystal](#), log in to your [Lloyds.com account](#). Under the 'add tools' section you will find the option of Crystal and Risk Locator Tool. Ensure you click submit after your selection is made. If access is granted, you will receive a confirmation email shortly after.

### Canada Specific

#### **ATTORNEY IN FACT SIGNING PROCESS SYSTEM (ASPS)**

Any business where the risk, insured or reinsured is located in Canada must be processed through [ASPS](#).

#### **LINEAGE**

[Lineage](#) is a cost effective online tool used for the reporting and settlement of Canadian binding authority business. It also generates reports for regulatory reporting.

#### **DELEGATED DATA MANAGER (DDM)**

Delegated Data Manager (previously DA SATS) is a central bordereaux processing platform. It was developed in partnership with the market to standardise the collection and validation of Delegated Authority data across the market, enabling efficient global business transactions. The data that you are expected to report is specific to your location and class of business. If you do not already have this data set please discuss this with your lead Managing Agent and broker.

Current functionality includes:

- The processing of bordereaux data
- The ability to generate reports

Future functionality will include:

- Automated contractual validation
- Support Lloyd's reporting systems
- Integration with other market-wide systems
- Integration with Lloyd's Delegated Contract Manager

### Italy Specific

#### **MOCHA**

[MOCHA](#) is a web based system designed by Lloyd's to assist Lloyd's Coverholders in the issuance of Lloyd's insurance documentation in Italy.

#### **DOPRINT**

[DOPRINT](#) enables Lloyd's Coverholders to print insurance documentation in Italy.

#### Benefits for Coverholders:

- Reduction in re-keying of data
- Single set of reporting standards for all carriers
- Ability to submit data into Delegated Data Manager in various formats
- Data is transformed, mapped, cleansed, validated and stored in a single place available for all relevant parties on the contract
- Easier to report delegated authority business in the London Market

#### MARKET COMMUNICATIONS AND MARKET BULLETINS

Lloyd's regularly issues important communications to the Lloyd's market including regulatory updates, market bulletins and information about upcoming events. This can be found on the [Market Communications](#) page on the Lloyd's website. [Market Bulletins](#) can also be accessed via this page. Coverholders can also [subscribe](#) to receive these market bulletins when available.

## 7 Post approval changes

Following approval, Coverholders may wish to change the scope of the approval given by Lloyd's (for example to change the territories they have approval to write in). They may also need to update the due-diligence information submitted to Lloyd's. [Post-approval changes](#) should be notified to Lloyd's via [ATLAS](#) by the Coverholder or sponsoring Broker or Direct Deal Managing Agent (DDMA) (where there is no Lloyd's Broker).

#### [Bank Accounts](#)

This section details key criteria and processes should you wish to update details of the Coverholder's bank accounts.

#### [Class of Business](#)

This section details key criteria and processes should Coverholder's wish to extend the Classes of Business which they are approved to write.

#### [Company Information](#)

This section details key criteria and processes should Coverholders wish to make any changes to company information, such as trading address or legal name.

#### [Financials](#)

This section details key criteria and processes should Coverholders wish to update financials or to add a new set of financials.

#### [Key Staff](#)

This section details key criteria and processes should Coverholders wish to notify us of any updates to key personnel.

#### [Ownership](#)

This section details key criteria and processes should Coverholders wish to update the ownership details.

#### [Professional Indemnity](#)

This section details key criteria and processes should Coverholders wish to update or to add a new policy of professional indemnity insurance held.

#### [Regions](#)

This section details key criteria and processes should Coverholders wish to extend regional permissions. This refers to the territories in which the Coverholder is approved to trade in line with Lloyd's licences (for further information on licensing please see section 2).

#### [Relationships](#)

This section details key criteria and processes should Coverholders wish to add any additional Broker or Direct Deal Managing Agents relationships, if they wish to see the Coverholders details on ATLAS.

#### [Reputation and Standing](#)

This section details key criteria and processes should Coverholders wish to update any declarations the Coverholder has made with regards to their reputation and standing.

#### [Underwriting and Claims](#)

This section details key criteria and processes should Coverholders wish to change the level of delegation authority, or authority to handle claims for the Coverholder.

## 8 Helpful Contacts

### Lloyd's Contacts:

#### **Lloyd's Delegated Authorities Team:**

General enquiries: +44 (0)20 7327 6275

Fax: +44 (0)20 7327 6688

Email: [coverholders@lloyds.com](mailto:coverholders@lloyds.com)

#### **Coverholder Audit Team:**

General enquiries: +44 (0)20 7327 5388

Email: [covaudit@lloyds.com](mailto:covaudit@lloyds.com)

#### **Lloyd's International Trading Advice (LITA):**

General enquiries: +44 (0)20 7327 6677

Fax: +44 (0)20 7327 5718

Email: [LITA@Lloyds.com](mailto:LITA@Lloyds.com)

#### **Lloyd's Country Representatives:**

Lloyd's have presence around the world.

Website: <https://www.lloyds.com/lloyds-around-the-world>

#### **Taxation enquires:**

General enquiries: +44 (0)1634 392433

Email: [tax-operations@lloyds.com](mailto:tax-operations@lloyds.com)

Website: <https://www.lloyds.com/resources-and-services/tax-information/tax-contacts>

### Trade Associations:

#### **Managing General Agents' Association (MGAA)**

The Managing General Agent Association a trade association

Website: [www.mgaa.co.uk](http://www.mgaa.co.uk)

#### **Lloyd's Market Association (LMA)**

The LMA provide representation, information and technical services to underwriting businesses in the Lloyd's community

Website: [www.lmalloyds.com](http://www.lmalloyds.com)

## 9 Glossary

### Annual Compliance

Coverholders provide required information to Managing Agents through the annual compliance process.

### ATLAS

ATLAS is an online market system that makes the process of managing Coverholders faster and more efficient whilst raising standards.

### Audit Scope

Lloyd's is keen to promote both high standards and consistency in the audit of its Coverholders. The audit consists of a suitably qualified person attending the Coverholders offices and undertaking an assessment of the Coverholders adherence of the terms and conditions of the binding authority as well as the suitability of the Coverholders business systems, governance and controls over the risks.

### Binding Authority

An agreement between a Lloyd's Managing Agent and a Coverholder under which the Lloyd's Managing Agent delegates its authority to enter into a contract or contracts of insurance to be underwritten by the members of a syndicate.

### Bordereaux

A list of premiums payable and claims paid or due which is prepared by a Coverholder for a Managing Agent or by a reassured for its reinsurer. Bordereaux are commonly produced on a monthly or quarterly basis. They breakdown block premium payments that are made to underwriters and detail claim payments made on behalf of or due from Underwriters.

### Claim

Depending on the context this term may refer to: (a) a demand made by a policyholder on his insurer(s) for payment or some other contractual benefit under an insurance policy; (b) a demand made by an insurer on its reinsurer(s) to be paid under a reinsurance contract; or (c) a demand made by a third party on a policyholder to be compensated for some injury, damage or loss for which the third party blames the policyholder. A claim is payable under an insurance or reinsurance contract if it is caused by an insured peril and it is not excluded under the terms of that contract.

### Class of Business

A description of a type of insurance or reinsurance business based on the risks being covered. The Lloyd's market underwrites various classes of business. Details of which can be found [here](#). Each of these main classes consists of a number of sub-classes. In accordance with PRA rules, all business written in the life class is written by separate life syndicates and the premium is held in separate premium trust funds.

### Code of Practice

The code of practice outlines the obligations of a Managing Agent when entering into a binding authority.

### Corporation of Lloyd's

Tasked with the oversight and operation of the Lloyd's Market (also known as the Society of Lloyd's).

### Coverholder

A company or partnership authorised by a Managing Agent to enter into a contract or contracts of insurance to be underwritten by the members of a syndicate managed by it, in accordance with the terms of a binding authority.



**Crystal**

Crystal provides Lloyd's market participants with quick and easy access to international regulatory and taxation requirements.

**Delegated Claims Administrator (DCA)**

A company that specialises in handling insurance claims. DCAs are instructed by the Managing Agent to handle claims on behalf of Managing Agents and Coverholders, often at the request or on the recommendation of the Coverholder.

**Delegated Data Manager (DDM)**

A central bordereaux processing platform. Developed to standardise the collection and validation of Delegated Authority data across the market, enabling efficient global business transactions.

**Direct Deal Managing Agent** A direct deal Managing Agent (DDMA) relationship is requested when a Managing Agent intends to deal with a Coverholder without a Broker.

**DoPrint**

A web service designed by Lloyd's to enable Lloyd's Coverholders to print insurance documentation in Italy.

**Lineage**

Lineage is an online system for reporting and transacting Canadian Dollar Binding authority business.

**Lloyd's**

Depending on the context this term may refer to - (a) the society of individual and corporate underwriting members that insure and reinsure risks as members of one or more syndicates. Lloyd's is not an insurance company; (b) the market in which Managing Agents underwrite insurance and reinsurance on behalf of their syndicate members.; or (c) the Corporation of

Lloyd's which regulates and operates the Lloyd's market.

**Lloyd's Broker**

A firm that is listed in the register of Lloyd's brokers maintained under the Intermediaries Byelaw which is permitted to broke insurance business at Lloyd's.

**Lloyd's International Trading Advice**

LITA provides international trading advice and assistance. Provision of up-to-date information and advice on legal, fiscal and regulatory issues is an important ingredient in the transaction of international business.

**Lloyd's Market Association** The LMA provides representation, information and technical services to Managing Agents in the Lloyd's market

**Loss Adjuster**

A person who is appointed to investigate the circumstances of a claim under an insurance policy and to advise on the amount that is payable to the policyholder in order to settle that claim. Loss adjusters are generally appointed by underwriters but sometimes policyholders appoint their own loss adjusters to negotiate claims on their behalf.

**Managing Agent**

An underwriting agent which has permission from Lloyd's to manage a syndicate and carry on underwriting and other functions for a member.

**Managing General Agents** An alternative term for a Coverholder (see Coverholder).

**Managing General Agents Association**

Association who provide representation for MGAs.

**Members**

A person (either individual or corporate) admitted to membership of the Society.

**MOCHA**

MOCHA is a web-based system designed by Lloyd's to assist Lloyd's Coverholders in the issuance of Lloyd's insurance documentation in Italy.

**Policyholder**

A policyholder is a person who is insured under a contract of insurance.

**Prudential Regulation Authority**

The Prudential Regulation Authority (PRA), a subsidiary of Bank of England, is in charge of prudential regulation of all deposit-taking institutions, insurers and investment banks.

**Reporting Standards**

Coverholders, also known as MGAs, have to report on risks, premiums and claims transacted under their binding authority contracts to Lloyd's syndicates. This page includes various tools to assist with this reporting.

**Service Company**

A Service Company which Lloyd's has agreed can be classified as a "service company" by reason of it being a wholly owned subsidiary of either a Managing Agent or of a Managing Agent's holding company and which is normally only authorised to enter into contracts of insurance for members of its associated syndicate and/or associated insurance companies.

**Society of Lloyd's**

The Society was incorporated by Lloyd's Act 1871 by the name of Lloyd's.

**Syndicate**

A member or group of members underwriting insurance business at Lloyd's through the agency of a Managing Agent or a substitute agent to which a syndicate number is assigned by the Council. Except where it is expressly otherwise provided the several groups of members to which in different years a particular syndicate number is assigned by or under the authority of the Council shall be treated as the same syndicate, notwithstanding that they may not comprise the same members with the same individual participations.

## 10 References

<b>Annual Compliance:</b>	<a href="https://www.lloyds.com/conducting-business/delegated-authorities/compliance-and-operations/annual-compliance">https://www.lloyds.com/conducting-business/delegated-authorities/compliance-and-operations/annual-compliance</a>
<b>ASPS:</b>	<a href="https://www.lloyds.com/en-ca/lloyds-around-the-world/market-conduct">https://www.lloyds.com/en-ca/lloyds-around-the-world/market-conduct</a>
<b>ATLAS:</b>	<a href="http://www.lloyds.com/ATLAS">www.lloyds.com/ATLAS</a>
<b>Audit:</b>	<a href="https://www.lloyds.com/conducting-business/delegated-authorities/compliance-and-operations/audit">https://www.lloyds.com/conducting-business/delegated-authorities/compliance-and-operations/audit</a>
<b>Branding:</b>	<a href="https://www.lloyds.com/market-resources/requirements-and-standards/lloyds-brand/brand-guidelines">https://www.lloyds.com/market-resources/requirements-and-standards/lloyds-brand/brand-guidelines</a>
<b>Complaints:</b>	<a href="http://www.lloyds.com/complaintshandling">www.lloyds.com/complaintshandling</a>
<b>Crystal:</b>	<a href="http://www.lloyds.com/The-Market/Tools-and-Resources/Tools-E-Services/Crystal">www.lloyds.com/The-Market/Tools-and-Resources/Tools-E-Services/Crystal</a>
<b>Delegated Authorities:</b>	<a href="http://www.lloyds.com/the-market/i-am-a/delegated-authority">www.lloyds.com/the-market/i-am-a/delegated-authority</a>
<b>DOPRINT:</b>	<a href="https://www.lloyds.com/tools-and-systems/doprint">https://www.lloyds.com/tools-and-systems/doprint</a>
<b>Financial Crime:</b>	<a href="https://www.lloyds.com/conducting-business/delegated-authorities/compliance-and-operations/financial-crime-and-sanctions">https://www.lloyds.com/conducting-business/delegated-authorities/compliance-and-operations/financial-crime-and-sanctions</a>
<b>Lineage:</b>	<a href="https://www.lloyds.com/tools-and-systems/lineage">https://www.lloyds.com/tools-and-systems/lineage</a>
<b>Lloyd's Account:</b>	<a href="https://secure.lloyds.com/Registration">https://secure.lloyds.com/Registration</a>
<b>MOCHA:</b>	<a href="https://www.lloyds.com/tools-and-systems/mocha">https://www.lloyds.com/tools-and-systems/mocha</a>
<b>Post Approval Changes:</b>	<a href="https://www.lloyds.com/conducting-business/delegated-authorities/applications-and-processes/post-approval-changes">https://www.lloyds.com/conducting-business/delegated-authorities/applications-and-processes/post-approval-changes</a>
<b>Regulation of Lloyd's:</b>	<a href="https://www.lloyds.com/about-lloyds/regulation-of-lloyds">https://www.lloyds.com/about-lloyds/regulation-of-lloyds</a>
<b>Reporting Standards:</b>	<a href="https://www.lloyds.com/conducting-business/delegated-authorities/compliance-and-operations/reporting-standards">https://www.lloyds.com/conducting-business/delegated-authorities/compliance-and-operations/reporting-standards</a>
<b>Taxation:</b>	<a href="https://www.lloyds.com/market-resources/tax/taxation-contacts">https://www.lloyds.com/market-resources/tax/taxation-contacts</a>