

# **MS Amlin & Brexit**

Creating opportunity from uncertainty



## A new chapter

With the UK due to formally leave the European Union (EU) on 29 March 2019, we have put a number of steps in place to ensure MS Amlin is fully prepared for what lies ahead.

This guide will help you to understand what Brexit means to our insurance business, who is likely to be affected and how we intend to support you through the proposed changes.

**“As a leading global insurer, we are used to adapting to new situations, facing new challenges and seeking out new opportunities. Brexit is no different. Although we are entering uncharted territory, we believe we have the right people, products and processes in place to provide a seamless service, before, during and after the UK withdraws from the European Union.”**

**Tom Clementi**  
CEO  
MS Amlin Underwriting Limited

## Background

**As there is still uncertainty around the terms for the UK’s departure from the EU, we have based our plans on the working assumption of a Hard Brexit – in other words the UK exiting the EU, the EU single market and the EU Customs Union with no bilateral deal in place. This approach allows us to prepare for almost every scenario and ensure our partners are adequately supported.**

After the 29 March 2019, the UK will not have the passporting rights required to solicit, intermediate and write European Economic Area (EEA) business. This means that insurers, brokers and coverholders with EU/EEA exposures will need to make a number of regulatory and practical changes to their respective businesses.

By redomiciling our European operation and aligning our Lloyd’s of London business to the new Brussels subsidiary, we believe this creates the most effective foundation, so we can continue to support our partners throughout the UK and Europe with the same products and high level of service as we do today.

Although the UK isn’t officially due to withdraw from the EU until 29 March 2019, we will be ready for new business and renewals for 1 January 2019.

# Business structure changes

**MS Amlin’s insurance operations currently trade through two legal entities, which are both registered in London.**

In order to facilitate Brexit, we are making the following changes to these operations:

**Amlin Insurance S.E. (AISE), which supports our activities in both Europe and the UK**

To ensure continuity of cover on EEA based risks, we have decided to re-domicile our AISE operation from the UK to Belgium. This will allow us to retain our passporting rights across the EU and EEA in the post-Brexit era.

From 1 January 2019, our AISE operation will be based in Brussels, authorised and regulated by both the National Bank of Belgium (NBB) and the Belgian Financial Services and Markets Authority (FSMA). We will continue to operate with branches of AISE in the Netherlands, France, Germany and the UK.

As part of the re-domiciling process, we have also taken the opportunity to update the name of our insurance company from Amlin SE (AISE) to MS Amlin Insurance SE (MS AISE).

The new registered address for MS AISE will be:

**MS Amlin Insurance SE**  
 Koning Albert-II laan 37  
 1030 Brussels  
 Belgium

**MS Amlin Underwriting Limited (MS AUL), which supports our presence at Lloyd’s in the UK and overseas**

Although our MS AUL business will continue to operate from the UK, we will still be able to cover risks based in the EU/EEA. To accommodate Brexit, we have signed an outsourcing agreement that allows us to trade through the new Lloyd’s Insurance subsidiary based in Brussels (LBS).

If you require cover from both Lloyd’s of London (through Syndicate 2001) and through LBS, for example for cover involving EU/EEA exposure and exposures elsewhere in the world our underwriters will simply use dual stamps. These risks can be submitted on the same slip, with specific sections relating to the EU/EEA vs. non-EU/EEA elements, or on separate slips.

Both our legal entities enjoy strong ratings, from the major rating agencies.

Syndicate 2001	Amlin Insurance SE
<b>A</b> (Excellent) AM Best	<b>A</b> (Strong) S&P
<b>A1</b> (Stable) Moody’s	
<b>A+</b> (Strong) S&P*	
<b>AA-</b> (Very Strong) Fitch*	

\*Lloyd’s Market Rating (which applies to MS Amlin managed syndicate)

By utilising our legal structure in this way we can continue to give our clients, brokers and ourselves greater flexibility to maintain, or offer cover, at a time when there is great uncertainty in the market.

# Contract changes

**While we have tried to keep any impact on our contracts to a minimum, there are some important considerations to be aware of as a result of operational changes.**

## Contracts affected by Brexit

Insurance contracts can be affected by Brexit if the risk is located within the EU/EEA, as well as the location of the broker or coverholder. The table below shows how different contracts are likely to be affected.

Coverholder/open market location	Risk Location		
	UK	EEA/EU	Worldwide (Ex. UK & EEA)
UK / Lloyd's	No Change	Affected	No Change
EU / EEA (Excluding Netherlands, Cyprus & Norway)	Affected	Affected	Affected
Worldwide (Ex. UK & EEA)	No Change	Affected	No Change
Netherlands, Cyprus & Norway	No Change	Affected	No Change

For Lloyd's coverholders and brokers, you can also use the Lloyd's [Risk Locator Tool](#) or [Crystal tool](#) to check which of your policies are exposed to EEA risk.

## MS AISE

The primary change for those trading with us through AISE, is the change in location. Whilst we will be updating our documentation to reflect the change in address, if you underwrite, or produce documentation on our behalf, it is important to update your information with the appropriate name and address change, in readiness for 1 January 2019. If you are unsure about what this means for you specifically, you should get in touch with your usual MS Amlin contact as soon as possible.

## MS AUL

We know that contract continuity is a priority for our business partners and we want to reassure you that we fully endorse the position taken by Lloyd's on this issue. [Click here](#) for more information. From 1 January 2019, all EU/EEA risks will simply be written via LBS, and then reinsured back to Syndicate 2001 in Lloyd's of London.

For coverholders, all our existing Binding Authority Agreements will remain active and in place for all risks outside of the EU/EEA. For coverholders and/or risks located within the EU/EEA from 1 January 2019: these must be facilitated under the new Coverholder Appointment Agreements (CAA's), which are contracts to govern the relationship between the coverholder and LBS. Your Managing Agent can arrange this for you. If you have not spoken to MS Amlin either about your new CAA, or to understand the process and implications for you and your clients, please get in touch as soon as possible.

The table below will help to outline the differences in terms of how contracts will be affected by Brexit, depending on whether the risks are bound through LBS, or directly at Lloyd's.

Lloyd's syndicate (London)	Lloyd's Brussels Subsidiary (LBS)
The syndicate will continue to be the insurer, with risks underwritten directly by Lloyd's underwriters or through Service Companies and Coverholders.	LBS will be the insurer, with the Managing Agent acting as an outsourced agent, underwriting and handling claims on behalf of LBS.
Existing agreements with TPAs, Brokers and Coverholders will remain in place.	Third Party Administrators, brokers & coverholders will need to sign a new agreement with LBS.
All risks will continue to sit with the syndicate, with no added costs.	All risks insured by LBS will be reinsured back to the syndicate, minus a reinsurance commission.
The syndicate will be able to write UK and Rest of the World risks, but will no longer be able to write EEA risks directly.	LBS will have full authorisation to write EEA risks, but will only be able to write UK risks through the UK branch of LBS.
Coverholders will be able to submit existing bordereaux templates into Managing Agents as they currently do for non-EEA business.	Coverholders will be required to produce V5 bordereaux and commit to DA SATS.
Syndicates will not need to forward endorsements to Lloyds. They can continue to manage endorsements as they currently do.	All endorsements on LBS contracts will need to be forwarded to LBS

To help make the impact as clear as we can, we have mapped out the following scenarios for coverholders and brokers, detailing the changes at both 1 January 2019, and 1 April 2019.

	Lloyd's Coverholders		Non-Lloyd's Coverholders		
	I am a Lloyd's coverholder with clients with EU/EEA exposures	I am a Lloyd's coverholder with clients with UK exposures	I am an EU/EEA based, non-Lloyd's coverholder with clients with EU/EEA exposures	I am an EU/EEA based, non-Lloyd's coverholder with clients with UK exposures	I am a UK based, non-Lloyd's coverholder with clients with UK exposures
Is the client currently insured through Lloyd's or Amlin Insurance SE?	Lloyd's	Lloyd's	Amlin Insurance SE	Amlin Insurance SE	Amlin Insurance SE
What happens at 1 January 2019	You can continue to operate under the terms of your existing BAA for non EU/EEA risks You will require a new CAA between you and LBS for new and renewing EU/EEA & Monaco based risks Risks will need to be submitted through DA SATS in V5.1 bordereaux format	Nothing will change	The name of the insurer changes from AISE to MS AISE. The registered address details and regulators change to the NBB and BFSMA	The name of the insurer changes from AISE to MS AISE. The registered address details and regulators change to the NBB and BFSMA	The name of the insurer changes from AISE to MS AISE. The registered address details and regulators change to the NBB and BFSMA New and renewing risks can be presented to the UK branch of MS AISE
What happens at 1 April 2019	Subject to a transitional agreement being agreed between the UK and the EU, processes should continue until 31 December 2020	Nothing will change	Nothing will change	For UK risks, you can continue as usual, until 31 December 2020, under the Temporary Permissions Regime	Nothing will change

	Lloyd's Brokers		Non-Lloyd's Brokers			
	I am a Lloyd's Broker with clients with EU/EEA exposures	I am a Lloyd's Broker with clients with UK exposures	I am a non-Lloyd's broker with clients with EU/EEA exposures	I am a non-Lloyd's broker with clients with EU/EEA exposures	I am a non-Lloyd's broker with clients with UK exposures	I am a non-Lloyd's broker with clients with UK exposures
	Lloyd's	Lloyd's	Amlin Insurance SE	Lloyd's	Amlin Insurance SE	Lloyd's
	You will need a new TOBA with LBS You will need to split out any EU/EEA risks from other risks so they can be processed separately	Nothing will change	The name of the insurer changes from AISE to MS AISE. The registered address details and regulators change to the NBB and BFSMA	Please contact us to discuss your situation	The name of the insurer changes from AISE to MS AISE. The registered address details and regulators change to the NBB and BFSMA New and renewing risks can be presented to the UK branch of MS AISE	Please contact us to discuss your situation
	Subject to a transitional agreement being agreed between the UK and the EU, processes should continue until 31 December 2020. In the event of a 'Hard Brexit', brokers based in the UK or EU/EEA, currently placing cross-border risks between the UK and EU/EEA or vice-versa, may lose their ability to place such risks, and may require additional licences to enable the continued placement of such risks.	Nothing will change	Nothing will change		If you are based in the EU/EEA, you can continue as usual, until 31 December 2020, under the Temporary Permissions Regime	

## Broker and coverholder responsibilities

**While we are happy to offer help, support and guidance on the changes required for Brexit, there are certain responsibilities that lie specifically with brokers and coverholders:**

### EU/EEU Licenses

As part of our due diligence process, underwriters will usually check that exposures are being introduced appropriately. But ultimately, it will be up to brokers and coverholders to make sure they have the correct licences in place to write EU/EEA business.

### Up-to-date agreements

Coverholders will need new agreements in place in order to write business with LBS. For example, a CAA is required to bind on behalf of LBS, as well as a BAA for non EU/EEA risks. If you require a CAA with us, please get in touch urgently. Additionally, brokers must ensure they have a valid Terms of Business Agreement with LBS in place, to introduce affected clients' risks, into LBS, from 1 January 2019.

### Client communications

Although we will keep our partners fully updated on any contract changes relating to Brexit, we will not communicate directly with policyholders. Brokers and coverholders may need to send out a change of insurer notice to update any relevant clients if they are insured by AISE due to a change of address; or for coverholders underwriting on our behalf, as LBS will become the underwriter of these policies, and policyholders may need to be updated accordingly, particularly if they have a tacit renewal in place. A confirmation letter should also be sent to the relevant MS Amlin underwriter.

### Bordereaux and DA SATS

For the first year of trading with LBS, Coverholders, brokers and managing agents should submit their bordereaux in the prescribed V5.1 format, directly to MS Amlin. We will then process this into DA SATS to ensure that data is uploaded in a consistent format. But please be aware that this is not a long-term solution and may change in the future.

### Security

While it's the Underwriter's responsibility to make sure that the correct security is written on the slip, brokers are responsible for placing the correct security on any signing pages before the cover note goes to the client. To check this has been done correctly, underwriters may ask a wordings technician to review the securities before placing their stamp on the slip.

**“Despite all the uncertainty around Brexit, we are fully prepared for whatever lies ahead. By working together, we're confident we can turn every challenge into a new opportunity.”**

**Rudy Benmeridja**  
CEO  
MS Amlin Insurance SE

## Any questions?

We hope you find this guide to Brexit helpful. We have created a separate set of Questions & Answers, which is available online. [Click here](#) to view them or visit our Brexit Hub at [www.msamlin.com/en/about-us/brexit-hub](http://www.msamlin.com/en/about-us/brexit-hub)

If you have any further questions about Brexit or the information contained in this guide please speak to your usual MS Amlin contact or email [Brexit.project@msamlin.com](mailto:Brexit.project@msamlin.com)



MS Amlin  
The Leadenhall Building  
122 Leadenhall Street  
London  
EC3V 4AG

Tel: +44 (0)20 7746 1000

[msamlin.com](http://msamlin.com)

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MS Amlin Insurance SE, Boulevard Roi Albert-II 37, 1030 Brussels. Tel +32 (0)2 894 70 00 [www.msamlin.com](http://www.msamlin.com)  
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RPR/RPM Brussels – VAT BE0644 921 425