

November 2018

MS Amlin and Brexit – Creating opportunity from uncertainty

Dear MS Amlin Coverholder,

Further to our recent communications regarding the plans for 'Brexit', we wanted to provide a subsequent update to ensure readiness for 1st January 2019.

What has happened so far?

As previously advised, Lloyd's has confirmed to all Managing Agents, including MS Amlin ("MS AUL") that EU/EEA risks incepting or renewing on or after 1st January 2019, must be placed with the Lloyd's Brussels Subsidiary ("LBS"), rather than into Lloyd's of London.

Therefore, MS Amlin will no longer be able to enter into Binding Authority Agreements ("BAA's) for such risks incepting on or after 1st January 2019. This applies to Coverholders domiciled in Europe or UK Coverholders writing risks within the EU. Existing BAA's will need to be replaced with new Coverholder Appointment Agreements ("CAA's") between LBS and the Coverholder.

What this means for you.

To support you, please find enclosed a checklist to help you ensure that all the key steps have been taken prior to 1st January 2019. This will also assist with your obligations to be compliant with local regulations.

The checklist covers a variety of important elements, including:

- Clarity on what qualifies as an EU/EEA risk;
- Notification re: the change of insurer, as per previous communication, [click here](#) to view;
- The new LBS CAA's;
- The use of DA SATS;
- Premium and claims settlement.

We can confirm that on the basis that all Coverholders have followed the appropriate steps and the relevant agreements are in place, we shall be in a position to offer comparable terms to your existing binder in time for 1st January 2019.

Next steps

If you have questions about Brexit and you wish to submit a question to us, please get in touch with your usual MS Amlin contact, or email us with your query at Brexit.project@msamlin.com.

We shall continue to communicate our plans and progress whenever it is appropriate to do so.

Thank you for your continued support.

Yours sincerely,

MS Amlin

Checklist

For all Lloyd's policies affected by the loss of 'passporting' rights as a result of Brexit, please review the checklist below to ensure that you have complied with minimum trading requirements. You are expected to comply with all contractual obligations. This checklist is non-exhaustive.

Checklist:

- Location: Please ensure that the risk has been assessed for EEA exposures. The guidelines from Lloyd's: An insurance risk is located in a European Union (EU) or European Economic Area (EEA) member state if it is for :
- A building (and its contents issued under the same policy) situated in that member state
 - A motor vehicle, ship, yacht or aircraft registered in that member state
 - A travel policy for four months or less taken out in that member state
 - Other types of insurance are an EU/EEA risk if the insured is habitually resident in an EEA/EU member state or, in the case of a business / organisation, if the establishment to which the contract relates is situated in that member state.

The Lloyd's Risk Locator Tool and Crystal are tools that can be used to determine risk locations.

- Notice of change of insurer: Please ensure that a notice of change of insurer is sent to all policyholders and a confirmation of the same is sent to the underwriter. This may include a full cancel and re-write of policy to reflect LBS as the insurer. Please consider Tacit renewal periods.
- Coverholder Licences: As you will be aware, Brexit impacts our ability to operate in the EEA and Coverholders may require additional licenses to write EEA business.
- Agreements in place: Please ensure that you have the relevant and up to date agreements in place to write EEA business. For example, depending on your location as a Coverholder and the location of the risk(s), a Coverholder Appointment Agreement (CAA) may be required to enable Coverholders and service companies to bind on behalf of LBS. In the case of twin binders, the CAA will apply for the LBS section and the Binding Authority Agreement (BAA) will apply for the rest of the contract. Please continue to work closely with your Broker and Managing Agent(s) to ensure the appropriate agreements are in place.
- Bordereaux Submissions: All LBS binder business is mandated to be submitted through DA SATS as per the prescribed V5.1 bordereaux format. MS Amlin will be submitting these on behalf of the all Coverholders. To enable MS Amlin to submit on your behalf please ensure that the following bordereaux are submitted in the prescribed V5.1 format:
- Risk Bordereau
 - Premium Bordereau
 - Claims bordereau
- Xchanging Settlement: Non-cash direct settlements of LBS premiums are not permitted. Please be aware that all premiums and claims process will need be processed through Xchanging as a direct insurance for LBS and reinsured back to the syndicate

The above list is an addendum to any other business items that are considered during renewals or when dealing with new Coverholders and should not be considered exhaustive. Please also take independent legal advice.