

December 2018

## MS Amlin and Brexit – Creating opportunity from uncertainty

Dear Broker,

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

### What has happened so far?

As previously advised, Lloyd's has confirmed to all Managing Agents, that EU/EEA risks incepting or renewing on or after 1<sup>st</sup> January 2019, must be placed with the Lloyd's Brussels Subsidiary ("LBS"), rather than into Lloyd's of London. We have signed a new Outsourcing Agreement that allows us to trade with LBS, for EU/EEA risks from 2019, however it is essential you have a TOBA with LBS, to enable you to present relevant risks on behalf of your client.

The classes of insurance which we currently operate at Lloyd's, along with our line sizes and appetite for new and renewing business, will remain the same for risks placed through LBS.

To support brokers with clients and/or assets in the EU/EEA, our underwriters will use dual stamps should individual risks require cover from Lloyd's in London through Syndicate 2001, as well as LBS.

### 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 1<sup>st</sup> January 2019. This will also assist with your obligations to be compliant with new 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;
- Appropriate agreements;
- Premium and claims settlement.

### 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](mailto: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

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## Checklist

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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 affected policyholders at renewal and a confirmation of the same is sent to the underwriter. Please consider any policies with a tacit renewal, and associated pre-renewal notification periods.

- 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 and the location of the risk(s), a new Terms of Business Agreement or Coverholder Appointment Agreement (CAA) may be required to enable you to bind on behalf. Please continue to work closely with your Managing Agent(s) to ensure the appropriate agreements are in place.

- 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, and should not be considered exhaustive. Please also take independent legal advice.