

September 2018

MS Amlin and Brexit – Creating opportunity from uncertainty

With a little over 6 months until the UK formally leaves the European Union on 29th March 2019 (“Brexit”), we are updating you on some of our plans. We also wish to confirm our approach for renewing EU binding authorities, as well as the nature of our trading relationship with you.

Despite the fact we do not know the terms of any Brexit deal; we continue to develop solutions on the basis of a ‘Hard Brexit’, i.e. a situation where no deal is reached between the UK and the EU, to ensure we remain compliant with applicable laws and regulations post Brexit.

What has happened so far?

In order to maintain access to the EU market, Lloyd’s of London (“Lloyd’s”) has established an insurance company, Lloyd’s Insurance Company S.A, also known as Lloyd’s Brussels Subsidiary (“LBS”) in Belgium.

Lloyd’s has confirmed to all syndicates, including MS Amlin, that European risk incepting on or after 1st January 2019 must be placed with LBS rather than Lloyd’s of London.

Therefore, MS Amlin will no longer be able to enter into binding authority agreements with policies incepting on or after 1st January 2019 with their European coverholders. This includes renewals and UK risks placed on European binders. Existing Binding Authority Agreements will need to be replaced with new Coverholder Appointment Agreements (CAA’s) between LBS and the coverholder.

What this means for you.

MS Amlin shall arrange the CAA through licensed brokers and will be responsible for the administration of the CAA’s it places on behalf of LBS.

Before the new CAA between LBS and European coverholders can be agreed there are certain contractual and logistical arrangements that need to be completed. We expect these will be finalised in the near future and we can then explain the process in more detail.

Since all EU/EEA domiciled risks will be underwritten by LBS, any risks currently underwritten by you on behalf of MS Amlin cannot automatically renew under their existing terms. Consequently, we request that you notify your policyholders, in accordance with any local regulatory requirements and deadlines, that there will be no automatic renewal of insurance policies with MS Amlin’s syndicate 2001 after 1st January 2019.

It is our expectation that we will be in a position to offer comparable terms for these policies, in time for 1st January 2019, to incept them as new policies, so they remain legally and regulatory compliant with the new requirements.

Next steps

We shall be in touch shortly, with more detail for how insurance may be written with Lloyd’s and MS Amlin soon, and the steps we all need to take to ensure we are ready for 1st January 2019.

If you have any questions regarding our approach to Brexit, please get in touch with your usual MS Amlin contact, or email Brexit.project@msamlin.com to send us your query. We will continue to communicate our plans and progress, whenever it is appropriate to do so.

Thank you for your continued support and I look forward to working with you in the years ahead.