

DRAFT
Lloyd's Brussels Claims Q&As
15 March 2019

Information to be provided to Lloyd's Brussels

Do MAs have to notify Lloyd's Brussels of all reserves over €10m?	Lloyd's Brussels will have access to reserve amounts created within CLASS from SCM data. MAs only need to notify Lloyd's Brussels of reserves >€10m estimated by the lead MA on a claim where these claim reserves are not recorded in CLASS. This notification should include the risk location and the MA's assessment of the likelihood of Lloyd's Brussels becoming liable for the reserve. This information should be provided by email to LloydsBrussels.claims@lloyds.com
Do MAs need to notify Lloyd's Brussels of all denials?	MAs only have to notify Lloyd's Brussels of denials where the denial has or is likely to impact Lloyd's Brussels's reputation publicly or with the regulator, in which case an email should be sent to LloydsBrussels.claims@lloyds.com . If the MA considers it likely that the claim will be subject to litigation, the matter should also be reported in a litigation report via SecureStore.
Do MAs need to notify Lloyd's Brussels of loss funds paid?	No, but they should be correctly coded in the CLASS data (ie using 'LF' fil codes). Lloyd's Brussels will be able to identify loss fund payments using this data.
Do MAs need to notify Lloyd's Brussels of an intention to pay ex gratia claims?	Yes, MAs do not have authority to pay ex gratia claims. Any intention to pay an ex gratia claim should be notified to LloydsBrussels.claims@lloyds.com . If more than one MA has bound the risk on behalf of LB, all MAs binding the risk will need to come to an agreement to pay the claim before Lloyd's Brussels' approval is sought. If no response is received from Lloyd's Brussels within 2 working days, its approval will be deemed to have been given. For example if the request is made any time on Tuesday and no response is received on Wednesday or Thursday, first thing on Friday approval is deemed granted and the ex gratia payment could be made.
How do we contact the Brussels Head of Compliance?	Send an email to LloydsBrussels.compliance@lloyds.com
If we are the Lead, are we reporting the Large Movement via KEP?	MAs do not need to advise Lloyd's Brussels of large movements unless a case reserve on a single claim of >€10m is not in CLASS (see above).
Regarding the requirement to upload expert invoices over €50k from binders to SecureStore, is that \$50k Lloyd's Brussels share or 100%?	Lloyd's Brussels' share.

Where in Securestore do we file these invoices?

Invoices should be submitted to the 'invoices' sub-folder within the 'Lloyd's Brussels Underwriting for Managing Agents' folder available in SecureStore.

What is the time frame for submitting invoices?

Invoices agreed by MAs should be submitted (on the IMR or to SecureStore) within 3 working days of agreeing the invoice. Invoices over €50k agreed by other Claims Handlers (eg Coverholders or TPAs) should be submitted to SecureStore within 10 working days after the end of the month in which the invoice was dated.

Regarding the "Litigation report" in the Claims handling guidelines, is this report available in non PDF format so we can populate the reports? Have you a centralised email address for these reports?

The template to be completed is available within the Guidance for uploading LBS claims documents in the 'Lloyd's Brussels Underwriting for Managing Agents' folder available in SecureStore. The reports should be submitted to the same folder in SecureStore, not by email.

Bordereaux

Are there SLAs for uploading bordereaux to DASATS?

2019 Q1 monthly bordereaux should be submitted within 20 working days of the month end and approved within 32 working days of month end. 2019 Q2 monthly bordereaux should be submitted within 15 working days of the month end and approved within 23 working days of month end. After that monthly bordereaux should be uploaded into DASATs within 10 days after the end of the month, and confirmed as compliant within 15 days of the end of the month.

What will be the consequences if bordereaux are late or not complete (ie with gaps vs V5.1 of the coverholder reporting standards)?

Lloyd's Brussels will ask the lead MA for an explanation for any missing bordereaux or data and for the steps being taken to fill the gaps. Where appropriate, Lloyd's Brussels may also contact brokers, coverholders or TPAs directly to investigate the cause of the omissions. Lloyd's Brussels will provide practical assistance or guidance, where possible, to overcome barriers.

Codes and data

Will Lloyd's Brussels have a different cat coding process to London market?

No. MA claims handlers should instruct DXC to use any cat codes published by DXC, in the same way they do for London business

Will LF fil code remain the same?

Yes, except that the 4th character will become '2'

If an MA asks DXC to correct the record in CLASS, will the MA need to inform Lloyd's Brussels of this request?

There will be no need for MAs to inform Lloyd's Brussels of any changes in CLASS. DXC has controls in place to ensure both the direct and the reinsurance records are corrected at the same time.

TPAs and CAAs

When do we have to submit TPA agreements to Lloyd's Brussels?	Within 5 working days of the Agreement being signed. From March 2019, Lloyd's Brussels will start chasing for TPA Agreements that have not been submitted.
Who do we submit TPA agreements to?	TPA Agreements should be submitted to the TPA Agreements sub-folder within the 'Lloyd's Brussels Underwriting for Managing Agents' folder within SecureStore.
Does the agreement need to make reference to Lloyd's Brussels?	Yes. The TPA Agreement should be between Lloyd's Brussels and the TPA, signed on behalf of Lloyd's Brussels by the MA. LBS0065 can be used as a standard.
Can TPAs communicate directly with and pay policyholders?	Yes, subject to authority granted by the Managing Agent.
Is there a Lloyd's Brussels Loss Fund agreement?	A loss fund agreement has been published for use with CAAs (LBS0066). It is expected that the TPA agreement would include loss fund provisions (the LMA have published a proposed TPA Agreement for Lloyd's Brussels business, LBS0065, based on the LMA standard LMA Agreement).
If there is a binder which has EU and non-EU sections, will a separate loss fund have to be set up for each section?	Yes. Any loss funds to be provided for Lloyd's business should be set up and allocated either to a Lloyd's Brussels CAA or the section of a binder relating to Lloyd's Brussels business.
Can the Vitesse service be used for Lloyd's Brussels business?	Lloyd's Brussels is considering whether and if so how it would be appropriate for this service to be used for its business. Vitesse should not be used in the meantime.
How do MAs request approval for changes to a CAA, for example to obtain agreement for coverholders not to have complaints authority?	Any request for approval of changes to a CAA should be sent by email to: coverholders@lloyds.com , with a cc to brexit@lloyds.com . The email should include the proposed amended CAA, with proposed changes marked.
For new binders with existing European TPAs, what if any documentation should be provided? Assume you don't need the TPA agreement again?	All agreements with TPAs for Lloyd's Brussels business should be sent to Lloyd's Brussels. The agreements do not need to be sent more than once, but any amendments or declarations should be provided.
Does 'TPA' include those without authority to settle claims. Does it include a firm appointed other than under a binder?	'TPA' is limited to entities with claims agreement authority and includes any firm appointed to agree claims, whether or not under a binder.
If a Managing Agent is writing a motor liability CAA and needs to incorporate the 4 th Directive Representative and Green Card Correspondent into that arrangement, who	Julia Neville: Julia.neville@vanameyde.com Craig Hollier: craig.hollier@vanameyde.com and to enquiries.uk@vanameyde.com

should they contact at an Ameyde?

What is the process for informing LBS of termination of Claims Handler's appointment? (para 5.7 of outsourcing agreement)

Send an email to LloydsBrussels.claims@lloyds.com.

Managing Agents contacting policyholders

Is there any further news on when guidance will be given regarding the licensing/claims handling requirements per territory?

Guidance is available on Crystal.

Lloyd's Brussels claims resources

Are Lloyd's Brussels fully resourced to handle the amount of queries/issues likely to be generated from MAs?

Claims queries and issues will generally be dealt with the Lloyd's Brussels Claims Manager. Depending on the nature of the query, the DA manager, the Ops team and the CUO will also address queries and issues raised. It will be very important that all queries are dealt with promptly and we will keep the adequacy of resources under review.

Additional process

Will DXC SLAs for urgent payments be reviewed?

There is a 2 day SLA for DXC to process payments. There is no current intention to introduce additional SLAs for urgent payments. Requests to DXC for a payment to be made urgently should be sent to XCSCathamBinders@Xchanging.com, confirming the sequence is urgent and provide the UCR & TR and a brief confirmation of request – cash call etc

What is the process for handling salvage?

MAs have the authority to handle salvage and subrogation activities on behalf of Lloyd's Brussels. Lloyd's Brussels will provide assistance reasonably required to progress salvage recoveries and subrogation actions.

Non-Lloyd's Brussels EU business

Will clarity be given for the handling of run off/legacy including, including how we deal with VAT post Brexit for such legacy business?

Further guidance around paying claims on legacy business will be given in due course. Lloyd's Brussels wont have any VAT liability for business written by syndicates.

Can MAs pay third party in the EU in relation to risk written outside the EU?

This will depend on the country where the payment is to be made.

VAT

Will VAT amounts be available in SCMs?

No. These amounts will, however, be available in the claim movements tab in CRS within the Claims Portfolio View and Expert Spend apps.

Sometimes VAT/Tax is not payable as the survey is done in the port area and in some countries this does not attract a tax liability. How should this be reported?

If the survey is on a building in a port and there is a local exemption for VAT because it is in a port, the fee should be recorded in field CR1254, which is for fees that are exempt from VAT. If the survey is not done on a building (but, for example, on a piece of machinery in a port), the fee would be liable to reverse charge VAT in Belgium in which case the fee should be entered in field CR1255.

Should CR1252 include VAT amount?

Yes this field should include fee plus VAT amount.

Is it correct that no VAT invoices are required for payments that are out of scope of ECF (VAT amounts are not reportable either)?

No, this is not correct. Invoices are required for all open market claims. These should be provided in the IMR if it is an ECF claim and via SecureStore otherwise. Fee and VAT amounts should be recorded on **all** claims where fees related to services provided to Lloyd's Brussels: in CLASS for open market business claims and on bdx and via DASATs for binder business claims.

What if the invoice was from a UK service provider addressed to a slip lead that is a UK insurer so was not cross border and so included VAT, and Lloyd's Brussels is follower?

MAs should ask for a separate invoice to be issued for Lloyd's Brussels' share without VAT.

Dissatisfied policyholders

Under the heading 'Policyholder dissatisfaction' in paragraph 5.1.1 of the Claims Handling Guidelines, there is reference to a query being received by Lloyd's Brussels. What sort of queries does this paragraph refer to?

This is any claims related query that is not an expression of dissatisfaction (regulated or otherwise). It could be, for example, an enquiry as to who a claim should be notified to, or how to obtain an update on a claim status. (Guidelines to be clarified).

Are "Dissatisfied policyholders" (as per paragraph 5.1.3 of the Claims Handling Guidelines are equivalent to "ineligible Complaints"?

A dissatisfied policyholder is a policyholder that has expressed dissatisfaction.

Sanctions, bribery and fraud

Following internal checks should any suspected or identified bribery, corruption, money laundering or terrorism financing go through MA's procedures first or be referred straight to

MAs should determine the appropriate internal process for reporting these incidents to Lloyd's Brussels.

Lloyd's Brussels.

If we have to pay outside central settlement, because DXC, as a US entity can't pay due US sanctions, how do we show the transaction going through Lloyd's Brussels System?

Managing agents should inform LloydsBrussels.compliance@lloyds.com of the need to process this payment. More details, of how the claim will be paid, to follow.

In terms of fraud, will you expect us to discuss fraud strategies with your legal team or, are you expecting us simply to keep you updated/notified of issues?

Lloyd's Brussels should be kept informed of strategy for dealing with material or significant fraud and will let MAs know on a case by case basis if more involvement will be required. (Guidelines to be clarified).

MA's liability

Would MA's liability be discharged when we have paid a claim(s) ?

MAs liability is determined by the terms of the Reinsurance Agreement with Lloyd's Brussels.

What if money has to go via a broker and MA worries about broker passing money on, is this a risk of the MA?

Yes, this is a risk of the MA. If an MA has concerns about a particular payment, this should be discussed with Lloyd's Brussels' Claims Manager.

Slip Wording

What wording is to be used in Basis of Claims Agreement in Slips, ie reference to Claims Scheme?

The Market Reform Contract (Open Market) Implementation Guide (Version 1.9, Sept 2018) includes model Basis of Claims Agreement and Claims Agreement Parties wording. This wording remains suitable for inclusion in MRC contracts on which Lloyd's Brussels participates. It should be noted however, that LIC falls within the category of 'a company that has specifically elected to agree claims in respect of its own participation'. Brokers may therefore wish to identify the leading and second managing agent for Lloyd's Brussels' claims under sub-paragraph iv) of Claims Agreement Parties. This may be done by inserting the following wording: "For claims to be agreed by Lloyd's Insurance Company SA, the leading managing agent is [insert] and the second managing agent is [insert]."