

# Lloyd's Insurance Company S.A.



## Claims Handling Guidelines

This guidance document is owned by Lloyd's Insurance Company S.A. (referred to below as 'Lloyd's Brussels'). It describes the processes and procedures of the claims function of Lloyd's Brussels. Lloyd's Brussels outsources claims handling to Lloyd's Managing Agents (referred to below as 'Managing Agents') and Managing Agents are required under the Outsourcing Agreement with Lloyd's Brussels to follow these Guidelines. These Guidelines should supplement and support managing agents own internal claims procedural documents.

Whilst Lloyd's Insurance Company S.A. endeavours to ensure that the material in this document set is correct, Lloyd's Insurance Company S.A. may make changes to the material in this document at any time without notice.

## DOCUMENT INFORMATION

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# 1 Introduction

## 1.1 Background

Lloyd's Insurance Company S.A. ('**Lloyd's Brussels**') is a fully regulated insurance company, with a robust corporate structure and processes and procedures that are compliant with the regulator's requirements. Lloyd's Brussels will:

- Maintain the subscription model and current Lloyd's market principles
- Maintain the current distribution network.
- Support continued trading under the Lloyd's brand and benefit from Lloyd's robust financial ratings
- Provide the Lloyd's market with a solid solution for future growth in Europe
- Minimise changes to existing processes and systems

## 1.2 Claims Model

Lloyd's Brussels' claims model has been designed to ensure that

- efficient and effective systems and processes are in place to deliver to Lloyd's Claims Standard
- Lloyd's Brussels, as an insurer, meets all regulatory requirements

Lloyd's Brussels outsources its claims handling to Lloyd's Managing Agents under the terms of an Outsourcing Agreement. Managing Agents are required to handle claims in accordance with

- the Outsourcing Agreement and Lloyd's Brussels Guidelines (including these Guidelines)
- Managing Agents' internal processes, procedures and service levels
- Lloyd's applicable Minimum Standards (see Outsourcing Agreement – Guidance for Managing Agents)

Lloyd's Brussels will monitor its claims function through a combination of:

- Management information derived from its claims data
- Reports and information referred to in these Guidelines
- Oversight by the Lloyd's Performance Management team
- Any additional information requested to address issues or concerns identified

Lloyd's Brussels' Claims Manager has primary responsibility for oversight of the Lloyd's Brussels claims function and adherence to these Guidelines and reports to the Lloyd's Brussels Chief Underwriting Officer. In overseeing the claims function the Lloyd's Brussels Claims Manager will place reliance on the skills and resources of the relevant Lloyd's Performance Management teams.

Communications from Managing Agents to the Lloyd's Brussels Claims Manager should be addressed to BrusselsClaims@lloyds.com.

## 1.3 Purpose of Guidelines

The purpose of this document is to explain the Lloyd's Brussels claims model to Lloyd's Brussels' staff and Managing Agents. It highlights the key claims provisions in the Outsourcing Agreement and should be read as a companion to that Agreement. It also identifies additional requirements of Managing Agents. Where the Guidelines

do not stipulate how Managing Agents should deliver these requirements, Managing Agents should adopt an approach which best suits their own internal processes and procedures.

This document will be kept under regular review and will be amended as necessary to ensure claims handling processes and procedures are efficient and effective and clearly articulated. Managing Agents will be given the opportunity to provide input into any proposed changes which will materially impact them.

## 1.4 Additional claims documentation

Lloyd's Brussels has developed a number of operational processes that are documented in a suite of operational guidance documents. Appendix A identifies the documents that describe operational processes that are relevant to the claims function.

# 2 Claims Handling

This section sets out the general processes and procedures for the handling of claims notified to policies written by Lloyd's Brussels.

## 2.1 FNOL, acknowledgment, investigation and settlement

Managing Agents have authority from Lloyd's Brussels to determine a claim from notification through to final settlement, subject to the terms of the Outsourcing Agreement and these Guidelines. This authority includes agreeing and negotiating settlements of claims within the applicable policy terms and denying claims, or parts of claims, that Managing Agents consider do not fall within the policy terms (see section 2.3 below).

### 2.1.1 Communication with policyholders

All communication with policyholders in relation to claims must come from Lloyd's Brussels, an authorised intermediary or otherwise be in compliance with applicable law and the instructions of Lloyd's Brussels.

The policyholder should be kept informed throughout the life of the claim of the status of the claim and the reason for any requests for additional information.

In order to avoid delay in communications with the policyholders, Lloyd's Brussels will aim to reply to or, where appropriate forward, all claims related communications within two working days and will expect Managing Agents to do the same.

### 2.1.2 Appointing experts

All third party experts instructed to assist in the resolution of a claim against a Lloyd's Brussels policy, for example loss adjusters or lawyers, should be informed that their services are being provided to Lloyd's Brussels, the insurer. Service providers should be asked to address their invoices to Lloyd's Brussels at Lloyd's Insurance Company S.A., 14<sup>th</sup> Floor, Bastion Tower, Marsveldplein 5, 1050 Brussels, Belgium and informed that Lloyd's Brussels VAT number is BE0682594839. See section 6 below re third party Claims Handlers

### 2.1.3 DXC systems (ECF and CLASS)

All claims should be handled and documented via the Electronic Claims File system ('ECF') in so far as the claims are within the scope of that system.

All claims payments and recoveries made by Managing Agents, including both indemnity and fee payments, must be made via CLASS and Central Settlement. No non-cash payments will be permitted by DXC.

Managing Agents are responsible for ensuring that accurate and up to date data is captured for all claims in XCS CLASS in accordance the responsibilities of Managing Agents as set out in their processing contract with XCS and

the 2010 Claims Scheme Guidelines. Any ECF claim should be handled via ECF in accordance with Lloyd's System, Processes and Procedures.

#### 2.1.4 Urgent claims payment

Where an urgent payment of a claim is required by a policyholder, the Managing Agent should contact DXC to request an urgent settlement, copying in the Lloyd's Brussels Claims Manager. The Managing Agent should not pay the claim directly to a policyholder. A Managing Agent should therefore try to anticipate as far as possible any urgent demands for claims payments and ensure that advance payments are made to TPAs, Coverholders or brokers, to ensure that a policyholder is not deprived of claims payments when they are urgently needed.

## 2.2 Fee payments and VAT (see also Appendix B)

Lloyd's Brussels will be liable to the Belgian tax authority to pay VAT on services it has received from suppliers outside Belgium. This is commonly referred to as reverse charge VAT payable on cross border services. Reverse charge VAT payments made by Lloyd's Brussels will be recovered on a monthly basis from the Managing Agents that bound the relevant risk on its behalf.

In order that it is able to meet this VAT liability Lloyd's Brussels will need a record of fees paid for services that have been provided to it during the claims process, and any associated VAT payments.

For open market business Managing Agents should ensure that whenever the payment of a fee for a service provided to Lloyd's Brussels during the course of a claim is to be processed, clear instructions are given to DXC to capture the fee and any VAT amounts to be paid.

For business written under CAAs, Lloyd's Brussels will rely on DASATs data to calculate its VAT liability on services provided during the claims process.

In addition, for open market business claims processed via ECF, all fee invoices should be uploaded onto the IMR either by the broker, the Managing Agents or DXC.

Where managing agents delegate claims handling to a third party (for example Coverholders or TPAs), invoices over €50,000, or any other threshold advised by Lloyd's Brussels from time to time, should be provided to Lloyd's Brussels. These should be provided via SecureStore within 10 days of the end of a calendar month for all invoices dated in the previous calendar month.

Note that:

- Lloyd's Brussels will identify from CLASS data all fee payments against Lloyd's Brussels business that do not have any associated VAT amounts recorded. Belgian VAT will be paid on these amounts and recovered from Managing Agents.
- Managing Agents will be able to view this fee and VAT payment data within the Claims Reporting Suite.
- Lloyd's Brussels will not be liable to pay VAT on fees for services provided to the insured, such as legal fees incurred in defending the policyholder in any proceedings, Managing Agents should therefore ensure that these fees are not captured in the fee field in CLASS with zero VAT amount paid.
- The requirement to capture VAT amount paid in CLASS does **not** apply to fees paid in relation to claims notified under risks written under Coverholder Appointment Agreements. Lloyd's Brussels will rely on DASATs data for this information and will ignore any fee payments recorded in CLASS for Coverholder business.
- A single movement in CLASS for the payment of fees must not contain a combination of both fees with and fees without VAT. If this happens Lloyd's Brussels will not be able to identify fees on which no VAT has been paid and will not be able to meet its VAT liability. Therefore, Managing Agents claims adjusters must instruct DXC accordingly. Fees on which VAT has been paid can, however, be aggregated in a single transaction, and fees on which no VAT have been paid can also be aggregated into a single transaction.
- Instructions to DXC to capture fee payments and VAT amounts should be provided either on ECF (in the Comments field) or by email. See scenarios and suggested narratives for these instructions in Appendix B
- Instructions as to how capture fees and VAT will also have to be provided to DXC where the fee is collected by a fee collection agency.

Managing Agents are expected to have in place their own internal controls to ensure fee data is being captured accurately. Lloyd's Brussels will also carry out spot checks of transactions in order to check that fee and VAT payment amounts are being recorded accurately. Where errors are identified, Managing Agents will be asked to correct the record and improve their internal controls over this data accuracy. In addition, the number of claim transactions checked for the Managing Agents in question will increase.

## 2.3 Declinature

Managing Agents have authority to decline claims on behalf of Lloyd's Brussels where in the Managing Agent's opinion Lloyd's Brussels is not liable to pay the claim or any part of it. Where the Managing Agent considers that the decision to deny a claim is likely to damage Lloyd's Brussels brand or threaten its regulatory status, the Managing Agent should contact the Lloyd's Brussels Claims Manager at least two clear days prior to communicating to a broker or policyholder that the claim will not be paid in part or in whole. This communication should include a summary of the circumstances and claim and the rationale for the proposal to deny all or part of the claim. Lloyd's Brussels will aim to respond within two clear days but in the absence of any response the Managing Agent should proceed as proposed.

## 2.4 Fraud detection and sanctions

Managing Agents are responsible for carrying out all required sanctions checks and to monitor for any fraudulent activity during the course of claims handling activities. Managing Agents are also responsible for ensuring that any appointed third parties are also carrying out all required sanctions checks and monitoring for fraudulent activity. Any bribery, corruption, money laundering or terrorism financing activity identified should be passed on to the Lloyd's Brussels Head of Compliance in accordance with instructions provided from time to time.

# 3 Risks bound by different carriers

This section deals with three different scenarios where different Managing Agents bind Lloyd's Brussels to the same risk (whether under the same policy or otherwise). In these or any other scenarios where different Managing Agents have sold insurance, on behalf of Lloyd's Brussels, to the same policyholder, Lloyd's Brussels will provide to that policyholder a single or consistent response and will require Managing Agents to assist it in delivering this consistent response.

## 3.1 Lloyd's Claims Scheme

Where a policy has been bound on behalf of Lloyd's Brussels by more than one Managing Agent ('a subscription policy'), the modified provisions of the Lloyd's Claims Scheme set out in Schedule 9 of the Outsourcing Agreement apply.

Under the incorporated provisions of the Claims Scheme, standard claims (as defined in Schedule 9) will be determined on behalf of Lloyd's Brussels by the lead Managing Agent, and complex claims (as defined in Schedule 9) will be determined jointly by the lead and second lead Managing Agents .

Where the lead and second lead, or the following managing agents, have different views on how to determine a Lloyd's Brussels claim, they are required to follow the Lloyd's Claims Scheme process for resolving these differences (as described in Schedule 9). This process includes the holding of a market meeting and the following steps.

The lead Managing Agent is required to invite the Lloyd's Brussels Claims Manager to attend all market meetings held to resolve these differences.

The lead and all Managing Agents with opposing views should try to ensure that the information required for the meeting is available to Lloyd's Brussels at least 5 working days prior to the market meeting.

In attending the market meeting, the Lloyd's Brussels Claims Manager will assist Managing Agents in arriving at a consensus. Where it is not possible to achieve a consensus, the Lloyd's Brussels Claims Manager will make a decision on how the claim should be determined, and subject to the prevailing circumstances, will generally aim to communicate this decision to Managing Agents within 7 days of the market meeting. In arriving at a decision the Claims Manager will

- take into account legal merits,
- take into account regulatory requirements
- take into account the reputation of Lloyd's Brussels
- usually adopt the position of the lead Managing Agent
- rely on Lloyd's Corporation Claims and Legal Teams

Timeframes that are specified above in relation to market meetings will apply unless there are specific circumstances which necessitate either shorter or longer periods. Where either the Managing Agents or the Claims Manager believe different periods should apply, this should be communicated to all parties attending the meeting, together with the supporting reasons.

### 3.2 SCAP

Where Lloyd's Brussels has been bound to a risk by more than one Managing Agent and the policy is also written by non-Lloyd's carriers, the Managing Agents and non-Lloyd's carriers may agree to adopt the Single Claims Agreement Party provisions (LMA 9150). In this scenario claims notified to that policy will be handled in accordance with those provisions, including the delegating by Lloyd's Brussels of claims handling authority, in the specified circumstances, to a non-Lloyd's lead carrier.

### 3.3 Same policyholder or claim, different Managing Agents

On occasion a policy might be renewed on behalf of Lloyd's Brussels by different Managing Agents to the expiring year. Similarly, Lloyd's Brussels might participate on more than one layer of a risk, with different Managing Agents having bound the different policies/layers on behalf of Lloyd's Brussels. Managing Agents should seek to co-ordinate with each other and adopt and provide on behalf of Lloyd's Brussels a consistent response to the policyholder's claims in these circumstances. Where Managing Agents are unable to agree a consistent response, Lloyd's Brussels should be notified, and Lloyd's Brussels will seek to assist Managing Agents in arriving at a consistent response. If Managing Agents are unable to reconcile their differences, Lloyd's Brussels will make a decision on what response should be adopted on its behalf.

## 4 Large losses

### 4.1 Large loss or catastrophic event

In the event of a national catastrophe warning or catastrophic event that might impact Lloyd's Brussels' policyholders, the Lloyd's Brussels Claims Manager will immediately contact the Lloyd's Performance Management team to discuss and agree appropriate actions. These discussions will form part of the wider Lloyd's catastrophe response planning process. Subject to the outcome of that discussion, and in conjunction with the Performance Management team, the Claims Manager will investigate the nature and impact of the catastrophe event so that Lloyd's Brussels is in a position to respond to claims-related enquiries from policyholders, brokers, press, regulators, Managing Agents or Lloyd's in London. The Lloyd's Brussels Claims Manager will provide ad hoc or regular reports on the event and the resolution of claims arising from the event as appropriate.

### 4.2 Large movements

Using CLASS data via the Claims Reporting Suite or reports from PAS, the Lloyd's Brussels Claims Manager will monitor claims incurred movements on a monthly basis, and any incurred movements over €10 million will be discussed with the finance team so that a decision can be made as to whether to request from the Managing Agents responsible for handling the claim a summary of the claim in question. The purpose of this discussion will be to ensure that Lloyd's Brussels has an adequate understanding of potential liability and its exposure to claims that are likely to have a significant impact on its reputation.

### 4.3 Claim reserves

Where a Managing Agent has assessed Lloyd's Brussels' liability for a claim that has been notified at more than €10m more than the amount recorded in CLASS (Lloyd's Brussels' share), the Lloyd's Brussels Claims Manager should be informed of this.

## 5 Contentious claims

### 5.1 Policyholder dissatisfaction

#### 5.1.1 Claims enquiries received by Lloyd's Brussels

Any enquiries received by Lloyd's Brussels from its policyholders in relation to its claim against a Lloyd's Brussels policy will be dealt with by the Lloyd's Brussels Claims Manager who will acknowledge the query within one working day and where necessary ask the Managing Agent with authority to determine the claim to draft an appropriate response for Lloyd's Brussels to send to the policyholder.

#### 5.1.2 Regulated complaints

See complaints processes and procedures.

#### 5.1.3 Dissatisfied policyholders

Where a Managing Agent becomes aware that a policyholder is not satisfied with the claims service it is receiving or the outcome of its claim, and the Lloyd's Brussels process for regulated complaints does not apply, the Managing Agent will be responsible for ensuring that an appropriate response is provided to the policyholder (via an authorised intermediary) to ensure that Lloyd's Claims Standard is met.

Managing Agents should refer any matter to Lloyd's Brussels Claims Manager where a policyholder remains unsatisfied and the issue is, in the opinion of the Managing Agents, likely to damage the reputation of LBS with public, brokers or regulators. On receipt of this information, the Lloyd's Brussels Claims Manager will decide what action should be taken to protect Lloyd's Brussels reputation and regulatory status, in conjunction with the Lloyd's Performance Management team. See section 5.3 below for requirements where the claim is the subject of formal proceedings.

### 5.2 Ex gratia claims

Managing Agents do not have authority under the Outsourcing Agreement to agree claims on an ex gratia basis, in other words claims that are in the opinion of the Managing Agents clearly not covered by the terms and conditions of the policies written on behalf of Lloyd's Brussels.

If a Managing Agent wishes to pay a claim that is not covered, for example to support a commercial relationship, it should take the following steps:

- Where the claim was notified to a policy bound on behalf of Lloyd's Brussels by more than one Managing Agent, the agreement of all other Managing Agents and the broker should first be obtained
- In all cases the Managing Agent should first inform Lloyd's Brussels Claims Manager, either by phone or in writing, explaining briefly the rationale for making the payment, including the commercial benefits. Where Lloyd's Brussels has concerns that the commercial benefits of paying the claim do not support the payment of the claim, approval of the payment will be withheld. Lloyd's Brussels will aim to make this decision

within two working days. Where Lloyd's Brussels does not respond to the request for authority to make the payment within two working days, the payment should be deemed authorised.

## 5.3 Formal proceedings

### 5.3.1 Under the Outsourcing Agreement Managing Agents are granted authority to instigate and conduct proceedings

Managing Agents are authorised to instigate, defend and settle legal proceedings on behalf of Lloyd's Brussels including:

- Instigate and conduct legal proceedings against policyholders
- Instigate and conduct legal proceedings against any other third party in connection with a policy
- Defend legal proceedings that have been brought by policyholders
- Defend legal proceedings that have been brought by another third party in connection with a policy

### 5.3.2 Lloyd's Brussels assistance

In order to assist Managing Agents in the conduct and resolution of legal proceedings brought or defended on behalf of Lloyd's Brussels, Lloyd's Brussels shall provide Managing Agents with any:

- powers of attorney
- consents
- authority
- any other assistance

that are reasonably required.

Your requests for the above should be sent to the Lloyds' Brussel's Claims Manager or the Lloyd's Brussels EU representative in the relevant country.

Lloyd's Brussels will respond to such requests within 2 working days.

### 5.3.3 Lloyd's Brussels' EU representatives

Lloyd's Brussels' general representatives are authorised to receive service of suit on behalf of Lloyd's Brussels and will maintain documented process for responding to services of suit and recording/dealing with information and forwarding formal court documents immediately to Lloyd's Brussels and to the relevant Managing Agent, or their nominated local contacts (Coverholder, lawyer or loss adjuster).

### 5.3.4 Information on proceedings to be provided to Lloyd's Brussels

Under the Outsourcing Agreements Managing Agents are required to provide a report to Lloyd's Brussels of all potential and ongoing legal proceedings commenced or defended on behalf of Lloyd's Brussels. The information that Managing Agents are required to report, some of which is mandatory and some of which is optional, is included in Appendix C.

Lloyd's Brussels will provide to Managing Agents a structured template which Managing Agents should use to report the required information either monthly for amounts in dispute not exceeding €250,000 or as soon as reasonably practicable for amounts in dispute exceeding €250,000.

Where a Managing Agent appoints a Coverholder or TPA to handle legal proceedings on behalf of Lloyd's Brussels, the Managing Agent should ensure that it is in a position to include those proceedings in the report. See also paragraph 15 in the Outsourcing Agreement.

### 5.3.5 Regulatory action

Managing Agents should inform the Head of Compliance of Lloyd's Brussels in writing as soon as it becomes aware of any potential or actual regulatory action that may be taken against Lloyd's Brussels in relation to a policy, and from that point the responsibility for dealing with that action going forward shall pass to Lloyd's Brussels.

## 6 Appointing third parties to determine claims

### 6.1 Appointing and overseeing third parties

Managing Agents are entitled under the Outsourcing Agreement to appoint the following third party Claims Handlers to handle claims on behalf of Lloyd's Brussels:

- a director or employee of the Managing Agent or any individual engaged to provide claims handling services
- another Managing Agent
- a qualified and authorised lawyer or firm of lawyers
- approved Coverholders and Third Party Administrator ('TPAs')
- an approved run-off company
- a Lloyd's Claims Settlement Agent

Where the Managing Agent intends to make any such an appointment it should assess the ability of the entity to perform the obligations required by the appointment, taking into account the nature of the product to be serviced and the requirements of the policyholders.

#### 6.1.1 Appointment of Coverholder or TPA

The appointment of a coverholder on behalf of Lloyd's Brussels should be made in accordance with the Coverholder Appointment Agreement in the form LBS0001, which includes the limits of the claims handling authority of the Coverholder and the level of service that the Coverholder should provide to policyholders. Under the terms of the Outsourcing Agreement, the appointment of a TPA must be done under a Claims Handler Agreement that complies with the Claims Handler Agreement Requirements.

All agreements with Coverholders and TPAs should provide clear reporting requirements, compliant with Lloyd's Coverholder Reporting Standards and requiring data or reports to be delivered via DASATs. Claims reports should be provided to Lloyd's Brussels from all Claims Handlers at least monthly unless otherwise agreed by Lloyd's Brussels. In considering requests to reduce reporting frequency, Lloyd's Brussels will assess the risks associated with reduced reporting, and the risk factors that will be considered will include the value and volume of claims being handled.

#### 6.1.2 Copy of Claims Handler Agreement to Lloyd's Brussels

Except where the claims are to be handled by another Managing Agent or a qualified lawyer or firm of lawyers, Managing Agents are required under the Outsourcing Agreement to notify Lloyd's Brussels of the appointment of any third party Claims Handler within 5 days and send to Lloyd's Brussels Delegated Authority Manager the document agreement appointing the third party. The Lloyd's Brussels Claims Manager may also ask for evidence of due diligence and/or applicable conduct risk assessments supporting the appointment. Any such requests will be made on a risk basis, taking into account the nature of the product and the likely volume of claims.

#### 6.1.3 Loss funds

Where a Managing Agent is to provide a loss fund to a third party Claims Handler on behalf of Lloyd's Brussels, the arrangement should enter into a loss fund agreement as required by the Outsourcing Agreement. This should include

- the amount of the loss fund to be provided
- the risks to which the loss fund is to be applied, including the reference number of the CAA where the funds relate to risks bound under a CAA
- how and when the loss fund will be reviewed, replenished or repaid

The Lloyd's Brussels Loss Fund Agreement, which incorporates the provisions above, should be used for Coverholders that are provided with loss funds. Similar provisions should be included in agreements with TPAs.

The payment and recovery of any loss funds by Managing Agents should be made via the bureau and Central Settlement systems. The record of the loss fund payment or recoveries of the loss fund within CLASS should reflect

the risks or CAA to which the loss fund relates. Therefore a loss fund can only be used for one CAA and a new loss fund payment should be created for each new CAA.

Managing Agents are responsible for ensuring that loss funds paid on behalf of Lloyd's Brussels are regularly monitored (usually at least annually) and are recovered where no longer needed by the third Party Claims Handler.

#### 6.1.4 4th Motor Insurance Directive

Lloyd's Brussels will procure the services of a claims handling firm to represent Lloyd's Brussels for the purposes of the 4th Motor Insurance Directive who will be asked to meet specified service levels.

#### 6.1.5 Green Card Correspondent

Lloyd's Brussels will, as appropriate, also procure the services of a Green Card Correspondent in all EU jurisdictions and monitor and manage the services of this firm against agreed service levels.

#### 6.1.6 Legal expense and assistance claims

For certain classes, including legal expense and assistance claims, Lloyd's Brussels will establish a panel from which all third party Claims Handlers must be selected. The claims performance of the panel service providers will be reviewed by the Lloyd's Brussels Claims Manager on at least an annual basis and where the service providers are not meeting required standards, Managing Agents will be asked to strengthen controls. If required improvements are not delivered, the service provider will be removed from the panel.

#### 6.1.7 Oversight of Claims Handlers

The performance of all of third party Claims Handlers should be monitored by Managing Agents against the service levels in appointment agreements and against Managing Agents' own internal requirements. Lloyd's Brussels will rely on the information set out in Section 7 to satisfy itself that Managing Agents' oversight is adequate and will raise any concerns directly with Managing Agents.

Where any performance issues arise from the performance of a particular Coverholder or TPA, the Lloyd's Brussels Claims Manager will discuss with the relevant Managing Agent and also Lloyd's Customer Consents team, with a view to deciding the most appropriate action to address the issue. This may include meeting the relevant broker, Coverholder, or TPA to gain a greater understanding of the issue and where appropriate to request action from that third party Claims Handler to address the issues identified.

Where Lloyd's Brussels concludes from evidence available that the services provided to its policyholders are inadequate, or a third party Claims Handler's activities pose a threat to the Lloyd's brand, it will require a Managing Agent to increase the controls around the arrangement, or in extreme circumstances to terminate the arrangement with the Claims Handler and make alternative arrangements for the handling of claims.

## 6.2 Bordereaux

Claims reports, or bordereaux, from Coverholders or TPAs should be submitted in accordance with brokers' and Managing Agents' usual procedures, provided that all financial information is processed, and claims payments from Managing Agents are made, via the Bureau including ECF where the business is in scope of ECF. Non-cash movements within DXC systems for Lloyd's Brussels business are not permitted.

In addition, claims data or reports should be provided via DASATs at least monthly and in accordance with Lloyd's Coverholder Reporting Standards.

It is the Managing Agents' responsibility to ensure that the data submitted by third party Claims Handlers is complete and accurate and that any gaps or quality issues in the data provided by Appointed Coverholders or Claims Handlers are addressed promptly.

## 7 Lloyd's Brussels oversight

The Lloyd's Brussels Claims Manager, with the advice and support of Lloyd's Policyholder and Third Party Oversight team (PTPO), will oversee the claims performance of MAs, Coverholders and TPAs in handling Lloyd's Brussels claims.

Lloyd's Brussels will review the following information, as appropriate, to inform its claims oversight:

- Syndicate business plans for Lloyd's Brussels business (to understand the plans for writing business on behalf of Lloyd's Brussels to ensure planned resources are adequate)
- CRS – the Lloyd's Brussels Claims Manager will monitor ECF on a weekly basis, in particular the life cycle, static and reserving performance and identify instances where Managing Agent performance appears to be outside their own tolerance levels, or Lloyd's tolerance levels (set by PTPO).
- Output of Lloyd's central Claims File Review process
- Audit findings and recommendations
- Complaints data, particularly to review the analysis of complaints that arise from the handling of claims, against the metrics set by Lloyd's Complaints Team.
- Operational reports from DASATs, relating to the quality and completeness of claims reporting from Coverholders and TPAs
- Management information from DASATs, and in particular indicators around customer experience including time to pay claims and claim denials.
- Commentary on Managing Agent claims capability from Lloyd's of London teams, overseas representatives, Coverholders, brokers and policyholders.

The Lloyd's Brussels Claims manager will review the above information on a regular basis, and where appropriate will liaise with the PTPO team in London to agree an assessment of the issues identified and an appropriate action plan to address.

**In addition**, where Lloyd's Brussels has any material concerns about how a claim, including litigation about a claim, is being handled, it will ask for further information from the Managing Agent handling the claim. Where the Claims Manager believes it necessary in order to protect its regulatory status or to avoid significant reputational damage, it may ask to be kept informed of all material developments in a claim, or litigation about a claim. In exceptional circumstances Lloyd's Brussels may either direct the Managing Agent to take specific action or may directly intervene. In any such circumstances Lloyds Brussels would expect to work very closely with the Managing Agent and would also rely on the expertise within Lloyd's Claims and Legal teams.

# APPENDICES

## Appendix A: other claims related documents

Document Name	Description
Lloyd's Brussels Reporting Operational Guidance	Includes information on claims reporting requirements
Lloyd's Brussels Operational Guidelines - Query Handling	Includes information on the process for complaints notification.
Claims Operational Guidance	

## Appendix B: Fees and VAT

This appendix has been created to provide Value Added Tax (VAT) guidance on claims related costs incurred in relation to Lloyd's Brussels ('LBS') business. It includes a brief overview of VAT liability arising from services received during the claims handling process and practical guidance on how managing agents should capture fee and VAT payments in order that Lloyd's Brussels can meet its tax liability arising from these services. VAT is a complex area and it is not possible to provide practical guidance for all situations.

### General overview of VAT

Where LBS obtains services in connection with a claim investigation or handling (e.g. legal services or an assessment from a loss adjuster), the supply of the services is to LBS as the insurer and such amounts will be referred to as "fees" within this appendix.

It is important to establish who is receiving these supplies made in connection with or in settlement of insurance claims ("fees") because this will determine which jurisdiction's VAT should be applied (i.e. the place of supply of the service), whether or not VAT must be "reverse charged" (in a cross-border scenario) and who could have the right to recover any VAT charged on those supplies.

Where a policy is issued by LBS in Belgium and the claim investigation or handling is carried out in another country (i.e. outside of Belgium), this is a cross-border scenario and it may be necessary for LBS to self-assess Belgian VAT on "fees" associated with the claim investigation or handling under something called the "reverse charge" mechanism.

The EU has a harmonised VAT system which is designed to prevent distortion of competition between EU countries. The reverse charge rules aim to ensure that VAT is only charged once on a supply and that, in most circumstances, it is charged at the same VAT rate regardless of which country the supplier (e.g. the lawyer or loss adjuster) belongs in.

The basic rule for VAT purposes is that the place of supply (i.e. the place where VAT is due) is where the customer is located. There are certain exceptions to this rule and the main one that is relevant for claims is that for land-related services, the place of supply is where the land/property is located. The scenarios set out later in this appendix will address this in further detail.

#### **Invoices (VAT)**

Where a supply is made to LBS, the invoice should be issued using LBS name and address. The invoice should also show LBS Belgian VAT number BE0682.594.839. Where a supply is for legal services to the insured or to a third-party claimant, the invoices should be issued to the insured/third party claimant as applicable.

As a general rule, if an EU (but non-Belgian) supplier issues an invoice to LBS for a non-property related service, we would not expect to see VAT charged on such an invoice. If VAT is charged in such cases, this should be queried.

#### **Discharging VAT liability**

For open market claims LBS will analyse the data in CLASS, using the Claims Reporting Suite, to identify fee payments and VAT payments that have been made during the claims process. Where a fee has been paid and there is no record of VAT having been paid on that fee, LBS will account to the Belgian Tax authority 21% reverse charge VAT. Managing Agents will also be able to view fee and VAT payment data directly via the Claims Reporting suite.

For claims notified to policies written under a Coverholder Appointment Agreement, LBS will use the data reported via DASATs to calculate its VAT liability.

See below for guidance on how managing agents should ensure that fee and VAT payments are accurately captured. LBS will carry out spot checks on fee transactions to ensure that they have been recorded correctly.

## Open market claims

This sub-section applies to all claims notified to policies that were not bound under Coverholder Appointment Agreements.

Claims Handlers should provide VAT instructions to DXC when communicating their agreement to pay the fees, which will generally be either via ECF (see settlement screen below) or by email to the DXC Fees Direct/ Expert Fee team.

Lloyd's Brussels will meet its VAT tax liability in respect of fees paid on open market claims by identifying all 'fee' payments within CLASS that have no VAT amount recorded in the same transaction and paying 21% "reverse charge" VAT on these sums.

### ECF settlement screen

**Lloyd's Response** PDF Response Tab

0609 [REDACTED] 100.00000000% [REDACTED]

Select/Deselect All

XCS to agree  Yes  No

**Financials**

USD

100% Share  Your Share  Bureau Share

Original Currency :  
 Outstanding Qualifier :  
 Outstanding (Orig Ccy) :  
 Previously Paid (Orig Ccy) :  
 Settlement(Orig Ccy) :  
 Incurred(Orig Ccy) :  
 Lead Reserve Indemnity: [REDACTED]  
 Lead Reserve Fees: [REDACTED]  
 Settlement Currency :  
 Rate of Exchange :  
 Settlement(Sett Ccy) :  
 VAT : [REDACTED]

**Comments**

**Public Comments**

[REDACTED]

Public Comments Lines: 0/15

**Private Comments**

[REDACTED]

Private Comments Lines: 0/15

**Expert Fee/Fees Direct service**

The DXC Expert Fee/Fees Direct team, when obtaining agreement from the Lloyd's lead managing agent for a fee payment, will obtain instructions as to what VAT payments should be recorded and whether any defence fees are to be processed.

**Instructions to DXC**

Whenever they agree to pay a fee a non-binder LBS claims, whether via ECF or by email to DXC, managing agents must ensure that the following instructions are given to DXC for processing the fee:

1. ALL insurer fee amounts (including any VAT) MUST be captured in the 'fee' field in CLASS. No other fees should be captured in this field. The insured's defence fees, for example, should not be captured in the fee field. Defence fees should be captured in the 'expense' field.
2. Any VAT paid on insurer's fees must be captured in the 'VAT amount' field
3. Where VAT is being paid, the VAT rate should be advised to DXC
4. If VAT has been paid on some but not all of the fees to be settled, separate transaction must be created; one for fees including VAT and the other for fees with no VAT

In all cases the invoice supporting the fee payment should be made available to Lloyd's Brussels. For claims processed via ECF, the invoice should be loaded onto the IMR. Where a single payment transaction comprises more than one invoice, the invoices can be loaded onto the IMR as a single document. If the claim is not an ECF claim the invoice should be submitted to Lloyd's Brussels via SecureStore.

**Billing scenarios and guidelines**

We provide examples below of what instructions should be given to DXC, via ECF or to the DXC Fees Direct/Expert Fee team, in the following scenarios.

Scenario 1: LBS indemnity/loss payment only, ie does not include any fees.

Scenario 2: LBS' fees for service from non-Belgian supplier, no VAT charged

Scenario 3: LBS' fees for service from non-Belgian supplier, VAT charged

Scenario 4: LBS fees for service from Belgian supplier, VAT charged

Scenario 5: Indemnity/loss plus defence fees

Scenario 6: LBS' fees for service from two non-Belgian suppliers, with and without VAT

Scenario 7: LBS' fees for service supplied, no VAT charged, out of scope/exempt from VAT

In all the scenarios that refer to the expert as 'non-Belgian', the instruction to DXC as to how to capture the fee and VAT will be the same, regardless of where outside Belgium the supplier is from.

In scenarios 2,3,4 and 6, it is assumed that the service is subject to VAT. It is expected that in the vast majority of cases VAT will be payable on services provided during the claim. We have included Scenario 7 for the exceptional cases where the service provided is out of scope or exempt from VAT.

### Scenario 1: LBS indemnity/loss payment only, ie does not include fees

A broker creates a settlement transaction of €25,000 on ECF for an LBS claim. This is for loss incurred by the insured, e.g. damage to property. There are no fees included in this settlement request.

**Claims Handler** agrees settlement. As there are no fees being collected there is no entry required in VAT amount field or comments field.

### Scenario 2: Settlement for LBS fees of non-Belgian supplier, no VAT charged

A non-Belgian lawyer collects €25,000 fees via ECF (either via broker, directly using a parallel UCR or via a fee collection agent). The lawyer is billing for services provided to LBS (eg defending LBS in coverage proceedings or monitoring counsel). The invoice, which should be addressed to LBS, does not include VAT as it a service provided to a Belgian insurance company and is therefore a cross border supply of service.

**Claims Handler** agrees the settlement via ECF, no entry required in VAT amount field as no VAT is to be paid to the supplier. In the private comments field in ECF the Claims Handler adds 'Please enter €25,000 in the fee field'.

The Claims Handler may also want to upload onto the IMR the following completed template:

LBS fee entry instructions				
Loss	Fee (incl VAT)	VAT amount	VAT rate	Expense
	€25,000			

**Fees Direct** If, in this example, the managing agent had received this invoice directly from the non-Belgian lawyer (rather than via ECF), and submitted the invoice to the DXC Fees Direct team by email for collection, the managing agent will need to indicate in the submission form to the Fees Direct team that no VAT amounts are to be recorded.

**VAT reverse charge?** In this example, LBS will pay 21% reverse charge Belgian VAT on €25,000 and recover this amount from the managing agents that bound the relevant risk on its behalf.

### Scenario 3 LBS fees from non-Belgian supplier, VAT charged

A non-Belgian loss adjuster (e.g. French or UK loss adjuster) collects €3,000 fees via ECF (either via broker, directly using a parallel UCR or via a fee collection agent). The loss adjuster is billing for loss adjusting services in relation to a property (e.g. in France or the UK).

From a VAT technical perspective, a supply of services in connection with land (property) is made where the land is situated. The services must relate directly to specific sites of land; therefore, this rule does not apply if there is only an indirect connection with land or if the land-related service is only an incidental part of a more comprehensive service.

Therefore, although this is a cross border service, because it relates directly to property, the non-Belgian expert includes local VAT (e.g. French or UK VAT) on its invoice to LBS. The fee is therefore broken down into €2,500 fees and (for example) 20%, i.e. €500, VAT.

**Claims Handler** agrees the settlement via ECF, adding €500 in the 'VAT' field and in the private comments field adds 'Please enter €3,000 in the fee field'.

The Claims Handler may also want to upload onto the IMR the following completed template:

**LBS fee entry instructions**

Loss	Fee (incl VAT)	VAT amount	VAT rate	Expense
	€3,000	€500	20%	

**Fees Direct** If, in this example, the managing agent had received this invoice directly from the non-Belgian loss adjuster (rather than via ECF), and submitted the invoice to the DXC Fees Direct team by email for collection, the managing agent will need to indicate in the submission form to the Fees Direct team that €500 VAT amount is to be recorded.

**VAT reverse charge?** In this example, as LBS has already paid local VAT, no reverse charge will usually be made of Belgian VAT. There may be rare instances where LBS will need to pay reverse charge VAT in addition to the local VAT paid. This will be when the supply has been received from certain countries outside the EU/EEA. However, LBS will identify these instances and it will not be the responsibility of the managing agent to identify additional VAT due.

**Scenario 4: LBS fees from Belgian supplier, VAT charged**

A Belgian lawyer (or loss adjuster) collects €3,025 fees via ECF (either via broker, directly using a parallel UCR or via a fee collection agent). The invoice includes Belgian VAT of 21% and should be addressed to LBS. The invoice is broken down into €2,500 fees and 21%, ie €525, VAT.

**Claims Handler** agrees the settlement via ECF, adding €525 in the 'VAT' field and in the private comments field adds 'Please enter €3,025 in the fee field'.

The Claims Handler may also want to upload onto the IMR the following completed template:

**LBS fee entry instructions**

Loss	Fee (incl VAT)	VAT amount	VAT rate	Expense
	€3,025	€525	21%	

**Fees Direct** If, in this example, the managing agent had received this invoice directly from the Belgian lawyer (rather than via ECF), and submitted the invoice to the DXC Fees Direct team by email for collection, the managing agent will need to indicate in the submission form to the Fees Direct team that €525 VAT amount is to be recorded.

**VAT reverse charge?** In this example, as LBS has already paid VAT, no reverse charge will be made of Belgian VAT

Note that the capture of VAT paid is the same whether LBS' expert is non-Belgian (scenario 3) or Belgian (scenario 4).

**Scenario 5: Indemnity/loss plus defence fees**

The broker raises a settlement collection on an LBS liability claim via ECF for €8,500. €6,000 is for the sum that the policyholder has been found liable to pay in, say, Spanish proceedings, to pay a third party claimant. €2,500 is the policyholder's defence/legal fees and is inclusive of VAT.

As previously mentioned, whether a supply is received by LBS or the insured has implications both for the place of supply of the services provided and for the recovery of VAT. Where a lawyer is defending the insured, the supply is seen as to the insured or the third-party claimant for VAT purposes. Invoices should be addressed to the insured or the third party as applicable.

**Claims Handler** agrees settlement via ECF. No entry required in the VAT amount field because no VAT has been paid on behalf of LBS for services provided to LBS; ie the service was provided to the insured, not to LBS. In the comments field add 'Please enter €6,000 in the loss field and €2,500 in the expense field'.

The Claims handler may also want to upload onto the IMR or attach to the email the following completed template:

LBS fee entry instructions				
Loss	Fee	VAT amount	VAT rate	Expense
€6,000				€2,500

**VAT reverse charge?** In this example, as LBS is not the recipient of these services (the supply is to the insured and not to LBS) no reverse charge Belgian VAT will be due.

### Scenario 6: LBS fees from two non-Belgian suppliers, with and without VAT

The broker raises a settlement collection on an LBS claim via ECF for a total of £12,000. This is a collection of two invoices, one from a non-Belgian property loss adjuster in the sum £3,000, being £2,500 fees plus 20% VAT in the sum of £500, and the other from a non-Belgian engineering expert in the sum of £9,000 without any VAT.

Claims Handler agrees settlement via ECF. £500 is entered in the VAT field. In the private comments field add 'Please create two transactions. In one transaction enter £3,000 in the fee field and £500 in the VAT field, selecting a VAT rate of 20%. In the second transaction please enter £9,000 in the fee field and nothing in the VAT field.'

The Claims handler may also want to upload onto the IMR or attach to the email the following completed template:

LBS fee entry instructions				
Loss	Fee	VAT amount	VAT rate	Expense
	£3,000	£500	20%	
	£9,000			

**VAT reverse charge?** In this example LBS will pay 21% reverse charge VAT on £9,000 and recover this amount from the managing agents that bound the relevant risk on its behalf.

### Scenario 7: LBS fees, no VAT charged, supply out of scope or exempt from VAT

A supplier collects €5,000 fees via ECF (either via broker, directly using a parallel UCR or via a fee collection agent). The supplier is billing for services that are not subject to VAT (either due to an exemption in Belgium VAT law, or due to the supply being outside the scope of VAT altogether, e.g. a 'disbursement').

The EU VAT Directive allows certain payments to third parties to be treated as disbursements and outside the scope of VAT if certain conditions are met in relation to the payment/supply. In these situations, those providing claims related services will pay third parties for supplies on LBS' behalf and pass on the costs to LBS – it will be important to consider whether these satisfy the conditions for disbursement treatment. See disbursements section below. Note that many items included in a supplier's invoice under a description of 'disbursement', for example travel and accommodation expenses, may not satisfy the definition of 'disbursements' for VAT purposes.

**Claims Handler** agrees the settlement via ECF, adding €1 in the 'VAT' field and in the private comments field adds 'Please enter €5,000 in the fee field. Service out of scope/exempt from VAT'.

The Claims Handler may also want to upload onto the IMR the following completed template:

LBS fee entry instructions				
Loss	Fee (incl VAT)	VAT amount	VAT rate	Expense
	€5,000	€1	1%	

**Fees Direct** If, in this example, the managing agent had received this invoice directly from the supplier (rather than via ECF), and submitted the invoice to the DXC Fees Direct team by email for collection, the managing agent will need to indicate in the submission form to the Fees Direct team that €1 VAT amount is to be recorded.

**VAT reverse charge?** In this example no reverse charge will be made of Belgian VAT on the basis of this fee entry.

### Fees Direct and Expert Fees service

**Fees Direct Service** – DXC provide a service by which managing agents send an email to the DXC team, attaching an invoice and submission form, requesting the team to process and collect the invoice from carriers. The cost of this service is also collected from carriers. The submission form requires managing agents to indicate whether any tax is to be recorded and whether the fees are defence fees.

**Expert Fees Service** – DXC also provide a service to experts who submit their invoices supported by a submission form to the Expert Fees Service team. This team then asks the lead carrier to confirm by email whether the fee is to be paid and will also ask the managing agent whether VAT is to be recorded.

**Disbursements** A disbursement is money paid by an agent to another party on behalf of his client while acting as the client's agent (eg, money paid by a TPA to a third party service provider on behalf of LBS).

The Belgian tax authorities allow a supplier to treat a payment to a third party as a disbursement if:

- he acted as the agent of his client (ie, LBS) when he paid the third party;
- his client (ie, LBS) actually received and used the goods or services provided by the third party;
- the client (ie, LBS) was responsible for paying the third party and the payment was made for the account of and on behalf of the client;;
- The goods or services provided must be invoiced by the third party service provider to the customer ie, to LBS (ie, the third party must issue the invoice in the name of LBS, but the related payment is made by the agent).

One such example might be where a lawyer or adjuster pays a court fee or a land registry fee. In such a scenario, where the lawyer or adjuster pays such fees and LBS is in fact the true recipient, the cost may be passed on to LBS as a disbursement that is out of scope of VAT (subject to the conditions above being met). In such case the amount paid should be entered as shown in Scenario 7 above. Where such disbursements are incurred by a TPA or coverholder they should be entered in field CR1254.

Many items included in a supplier's invoice under a description of 'disbursement', for example travel and accommodation expenses, will not satisfy the definition of 'disbursements' for VAT purposes.

## Coverholder claims

For all claims notified to policies written under Coverholder Appointment Agreements Fee and VAT information should be provided to Lloyd's in the applicable fields that are mandatory for LBS business within the Lloyd's Coverholder Reporting Standards. All claims bordereaux containing this information should also be submitted via the DASATs service.

LBS will use this data (CR1255) to identify fee payments on which no EU VAT has been paid and pay 21% reverse charge Belgian VAT on these sums, where applicable.

Managing Agents should ensure that all audits of coverholders and TPAs include a review of the accuracy of this data and steps are taken to promptly address any issues identified.

See below an extract from the Lloyd's Coverholder Reporting Standards explaining the fields into which the relevant fee and VAT data should be provided.:

<b>CR1252</b>	<b>Field</b>	<b>NEW! Paid this month fees – EU VAT applied</b>
CR1252	Definition	Breakdown of total fees reported (CR0127) - The gross amount of fees invoiced to the insurer which have had EU VAT applied to the invoice. EU VAT is VAT paid anywhere in the EU.
CR1252	Claims	A breakdown of fees is mandatory for any claims on any risks incepting on <del>coverholder</del> appointment agreement, or binding authority agreements with Lloyd's Brussels Subsidiary. All appropriate fields to be completed. Where there is no breakdown of the fees reported, Belgian VAT (currently 21%) will be applied to the total paid this month fees (CR0127).
<b>CR1253</b>	<b>Field</b>	<b>NEW! Paid this month fees – EU VAT Amount</b>
CR1253	Definition	Breakdown of total fees reported (CR0127) - The EU VAT amount which was invoiced to the insurer on the fees captured in additional field Paid this month fees – EU VAT applied (CR1252). EU VAT is VAT paid anywhere in the EU.
CR1253	Claims	A breakdown of fees is mandatory for any claims on any risks incepting on <del>coverholder</del> appointment agreement, or binding authority agreements with Lloyd's Brussels Subsidiary. All appropriate fields to be completed. Where there is no breakdown of the fees reported, Belgian VAT (currently 21%) will be applied to the total paid this month fees (CR0127).
<b>CR1254</b>	<b>Field</b>	<b>NEW! Paid this month fees – exempt Belgian VAT</b>
CR1254	Definition	Breakdown of total fees reported (CR0127) - The total amount of fees invoiced to the insurer which are exempt from Belgian VAT.; for example: claims handling fees charged by a <del>coverholder</del> who was involved in the placing of the insurance policy with Lloyd's Brussels.
CR1254	Claims	A breakdown of fees is mandatory for any claims on any risks incepting on <del>coverholder</del> appointment agreement, or binding authority agreements with Lloyd's Brussels Subsidiary. All appropriate fields to be completed. Where there is no breakdown of the fees reported, Belgian VAT (currently 21%) will be applied to the total paid this month fees (CR0127).
<b>CR1255</b>	<b>Field</b>	<b>NEW! Paid this month fees – no EU VAT applied</b>
CR1255	Definition	Breakdown of total fees reported (CR0127) - The total amount of fees invoiced to the insurer, which have not had any EU VAT applied to the invoices, and, are not exempt from Belgian VAT (CR1254). These fees will be subject to Belgian VAT as services being supplied cross border to LBS. EU VAT is VAT paid anywhere in the EU.
CR1255	Claims	A breakdown of fees is mandatory for any claims on any risks incepting on <del>coverholder</del> appointment agreement, or binding authority agreements with Lloyd's Brussels Subsidiary. All appropriate fields to be completed. Where there is no breakdown of the fees reported, Belgian VAT (currently 21%) will be applied to the total paid this month fees (CR0127).

## Appendix C: Litigation report

Information	Mandatory or optional	Drop down options and frequency of reporting (*/**)
Lloyd's Brussels Policy number	Mandatory	
Name of Policyholder	Mandatory	
Name(s) of Claimant(s)	Mandatory (if applicable)	
Name(s) of Defendant(s)	Mandatory (if applicable)	
Name of Claims Handler entity managing litigation (ie MA, CH or TPA)	Optional	
Name of lawyer representing Lloyd's Brussels	Optional	
Formal court proceedings reference number	Optional	
Court where proceedings have been issued (if any)	Optional	
Status	Mandatory	<ul style="list-style-type: none"> <li>• MA considering instigating proceedings against policyholder *</li> <li>• MA considering instigating proceedings against third party*</li> <li>• MA has commenced proceedings against policyholder*</li> <li>• MA has commenced proceedings against third party*</li> <li>• MA is aware of complaint/claim likely to give rise to legal proceedings against it or LBS by policyholder *</li> <li>• MA is aware of complaint/claim likely to give rise to legal proceedings against it or LBS by</li> </ul>

		<p>third party *</p> <ul style="list-style-type: none"> <li>• MA is aware of legal proceedings commenced against it or LBS by third party *</li> <li>• MA is aware of complaint/claim likely to give rise to legal proceedings against LBS by third party *</li> <li>• Proceedings resolved*</li> <li>• Proceedings discontinued*</li> </ul>
Date proceedings commenced	Mandatory if proceedings have been commenced	
Amount in dispute (LBS share) €	Mandatory	
Brief description of issue	Optional	
Next significant milestone	Optional	
Order (non-procedural), decision, judgment, settlement	Mandatory if LBS party to proceedings	<ul style="list-style-type: none"> <li>• Order (non-procedural) which may require LBS action **</li> <li>• Order which does not require LBS action*</li> <li>• Decision which may require LBS action**</li> <li>• Decision which does not require LBS action*</li> <li>• Judgment which may require LBS action **</li> <li>• Judgment which does not require LBS action*</li> <li>• Settlement which may require LBS action **</li> <li>• Settlement which does not require LBS action*</li> <li>• N/A*</li> </ul>
What action is required by Lloyd's Brussels, with timeframe	Mandatory if action might be required	

\* To be reported monthly unless amount in dispute (Lloyd's Brussels share) is over €250,000 in which case to be reported as soon as reasonably practicable

\*\* To be reported as soon as reasonably practicably, regardless of amount in dispute