

LOSS FUND AGREEMENT

(Hereinafter “the Agreement”)

Between

LLOYD’S INSURANCE COMPANY S.A.

(Hereinafter “the Company”)

And

.....

(Hereinafter, the “Appointed Coverholder”)

Agreement Number -

Date:

This Agreement is made by the Company acting by its agent, [name] “the Managing Agent”).

This Agreement is made pursuant to Section 21.1 of the Coverholder Appointment Agreement with the Agreement Number set out above (“CAA”), made between the Company (acting by the Managing Agent) and the Appointed Coverholder, and shall apply in respect of claims under insurance contracts bound on behalf of the Company by the Appointed Coverholder pursuant to authority granted to it under the CAA. If a table of security is attached to the CAA, each managing agent identified in that table agrees that the lead managing agent (being “the Managing Agent” hereunder) may enter into this Agreement with the Appointed Coverholder.

The Managing Agent is authorised to act for and on behalf of the Company under this Agreement, and except where otherwise stated all functions to be performed by the Company under this Agreement will be performed by the Managing Agent on its behalf. The Appointed Coverholder therefore need only deal with the Managing Agent in order to discharge its obligations under this Agreement.

This Agreement shall be effective as of the date shown above and shall continue in full force and effect until terminated in accordance with the terms hereof.

1. PAYMENT AUTHORITY AND LOSS FUND ADMINISTRATION

1.1 Funds in the amount set out in the Appendix will be provided by the Company to the Appointed Coverholder for deposit into separate non-interest-bearing bank accounts, or, if appropriate, individual sub-accounts, for each CAA and each year of account as set out on the Appendix (hereinafter “Loss Funds”).

1.2 All Loss Fund accounts shall require dual signatures.

- 1.3 The Loss Funds are to be established and maintained in trust by the Appointed Coverholder for the sole purpose of settling claims and related loss expenses on behalf of the Company and shall not be commingled with funds belonging to other parties including the Appointed Coverholder. The Appointed Coverholder may only make payments from the Loss Funds in accordance with the limits of its authority to settle claims as determined under the CAA or where expressly authorised by the Company. In addition, with the Company's prior written authorisation, the Appointed Coverholder may settle its own fees and expenses from the Loss Funds.
- 1.4 The Company and the Appointed Coverholder will keep the amount of the Loss Funds under review, and the Company will from time to time make further payment into the Loss Funds (including for the purposes of replenishment thereof) as required. It is understood and agreed that the Appointed Coverholder will have no obligation to pay claims or loss expenses except from the Loss Funds.
- 1.5 Upon termination of this Agreement, or as otherwise reasonably requested by the Company, the Appointed Coverholder shall provide a full accounting of the Loss Funds and shall return the balance of all Loss Funds to the Company within thirty (30) days or forward them as otherwise instructed by the Company.
- 1.6 The Appointed Coverholder will acknowledge in writing its receipt of all such funds provided by the Company (or paid by any insured or any third-party on the Company's behalf), and it agrees to return any unused or excess funds to the Company from time to time, as requested by the Company, when the amount of funds in the Loss Fund is periodically reviewed in accordance with this Agreement.
- 1.7 All payments to and from the Loss Funds will be made via the DXC and Central Settlement Systems.

2. TERMINATION

- 2.1 Subject to paragraph 2.2, this Agreement may be terminated by the Company or the Appointed Coverholder upon thirty (30) days' prior written notice, for any reason.
- 2.2 If the CAA is terminated in accordance with the provisions thereof, this Agreement shall terminate with effect from the date of termination of the CAA.
- 2.3 The provisions of Sections 36 of the CAA shall apply to any termination of this Agreement.

3. OTHER PROVISIONS

- 3.1 The following provisions of the CAA are incorporated by reference into this Agreement and shall apply in relation thereto:
 - (a) Section 32 (Confidentiality);
 - (b) Section 33 (Conflicts of Interest);
 - (c) Section 34 (Compliance with the Law and Financial Crime);
 - (d) Section 35 (Data Protection);
 - (e) Section 38 (General Interpretation);

- (f) Section 39 (Enforceability Clause);
- (g) Section 40 (Rights of Third Parties);
- (h) Section 41 (Several Liability); and
- (i) Section 42 (Jurisdiction and Governing Law).

APPENDIX

Coverholder Appointment Agreement No:

Year of Account:

Amount of Loss Funds:

THE COMPANY
(as defined herein)

By: [name of MA].....

Name:

Title:

Date

Lead managing agent on the CAA

APPOINTED COVERHOLDER
(as defined herein)

Address:

By:

Name:

Title:

Date: