



# Binding Authority Agreement

(Excluding U.S.A. & Canada domiciled coverholders)

~~LMA3113~~

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Form approved by Lloyd's Market Association

## Table of Contents

Title	Section
<b>INTRODUCTION</b>	
<b>COVERHOLDER AUTHORITY</b>	
UNDERWRITERS TO RECEIVE AGREEMENT	1
PERIOD	2
PERSON(S) RESPONSIBLE FOR OPERATION AND CONTROL	3
GRANT OF AUTHORITY	4
DELEGATION OF AUTHORITY	5
OTHER CONDITIONS, REQUIREMENTS AND/OR AMENDMENTS RELATING TO THE OPERATION OF THE AGREEMENT	6
<b>SCOPE OF AUTHORITY</b>	
AUTHORISED CLASS(ES) OF BUSINESS AND COVERAGE(S)	7
EXCLUDED CLASS(ES) OF BUSINESS AND COVERAGE(S)	8
TERRITORIAL LIMITATIONS	9
MAXIMUM LIMITS OF LIABILITY OR SUMS INSURED	10
PREMIUMS, DEDUCTIBLES AND EXCESSES FOR INSURANCES BOUND	11
GROSS PREMIUM INCOME LIMIT	12
PERIOD OF INSURANCES BOUND	13
AUTOMATIC OR TACIT RENEWAL OF INSURANCES BOUND	14
PREMIUM FINANCE CONTRACTS	15
<b>COVERHOLDER COMMISSIONS AND EXPENSES</b>	
COMMISSION(S)	16
REFUND OF UNEARNED COMMISSION(S)	17
EXPENSES	18
<b>DOCUMENTATION FOR INSURANCES BOUND</b>	
APPLICATION OR PROPOSAL FORMS	19
CONTRACT DOCUMENTATION	20
<b>CLAIMS AND COMPLAINTS</b>	
PROCEDURE FOR THE HANDLING AND SETTLEMENT OF CLAIMS AND PURSUIT OF RECOVERIES	21
COMPLAINTS OR PROCEEDINGS	22
<b>REPORTING, RECORDS AND AGGREGATE EXPOSURES</b>	
RISKS WRITTEN BORDEREAU(X)/REPORTING AND AGGREGATE EXPOSURES	23
ACCOUNTING BORDEREAU(X)/REPORTING AND SETTLEMENTS	24
RECORDS, STATISTICAL INFORMATION AND AUDIT/INSPECTION	25
<b>ADVERTISING</b>	
ADVERTISING AND PROMOTIONAL MATERIAL	26
<b>BANK ACCOUNTS</b>	
SEPARATE BANK ACCOUNTS	27
<b>COMPLIANCE, REGULATORY AND GENERAL REQUIREMENTS</b>	
LICENCES AND TAXES	28
FEES AND CHARGES	29
INDEMNITY INSURANCE	30
BUSINESS CONTINUITY	31
CONFIDENTIALITY	32
CONFLICTS OF INTEREST	33
COMPLIANCE WITH THE LAW AND FINANCIAL CRIME	34
DATA PROTECTION	35
<b>TERMINATION AND NON-RENEWAL</b>	
TERMINATION	36
EFFECT OF TERMINATION OR NON-RENEWAL	37

MISCELLANEOUS	
GENERAL INTERPRETATION	38
ENFORCEABILITY CLAUSE	39
RIGHTS OF THIRD PARTIES	40
SEVERAL LIABILITY	41
JURISDICTION AND GOVERNING LAW	42
SCHEDULE	

## **BINDING AUTHORITY AGREEMENT**

### **INTRODUCTION**

This Binding Authority Agreement, the Schedule and table of security attached hereto and any endorsements hereon ('the Agreement') is made by and between the Underwriting Members of Lloyd's whose syndicate numbers and proportions are shown in the attached table of security ('the Underwriters'), and the Coverholder whose name and address is stated in the Schedule ('the Coverholder').

Subject to Section 36, all communications and settlements between the Coverholder and the Underwriters shall be made via the Lloyd's Broker whose name and address is stated in the Schedule ('the Lloyd's Broker').

Whereas the Coverholder has sought authority to bind insurances on behalf of the Underwriters and has negotiated the grant of such authority through the Lloyd's Broker and has agreed to co-operate with and assist the Underwriters, their representatives and where appropriate the Lloyd's Broker in all matters pertaining to the Agreement, it is mutually understood and agreed between the Underwriters and the Coverholder as follows:

### **COVERHOLDER AUTHORITY**

#### **SECTION 1**

##### **UNDERWRITERS TO RECEIVE AGREEMENT**

- 1.1 The Agreement and any amendment to the Agreement shall take effect only when the Underwriters have received a copy of the Agreement or amendment signed by both parties;
- 1.2 Any amendment to the Agreement shall be evidenced in writing and endorsed hereon.

#### **SECTION 2**

##### **PERIOD**

- 2.1 Subject to Section 1, the Agreement is effective during the period stated in 2.1 of the Schedule unless terminated in accordance with Sub-section 4.3 or Section 36;
- 2.2 The Agreement shall not be subject to or capable of automatic renewal.

#### **SECTION 3**

##### **PERSON(S) RESPONSIBLE FOR OPERATION AND CONTROL**

- 3.1 The person(s) responsible for the overall operation and control of the Agreement is(are) named in 3.1 of the Schedule;
- 3.2 The person(s) authorised to bind insurances is(are) named in 3.2 of the Schedule;
- 3.3 The person(s) with overall responsibility for the issuance of documents evidencing insurances bound is(are) named in 3.3 of the Schedule;
- 3.4 The person(s) authorised to exercise any claims authority granted by the Agreement is(are) named in 3.4 of the Schedule;
- 3.5 The Coverholder shall notify the Underwriters as soon as practicable after it becomes apparent that any of the persons named in 3.1 to 3.4 of the Schedule have ceased, or shall cease, to undertake their respective duties. This includes leave, holiday or sickness where such leave, holiday or sickness is likely to materially impair the Coverholder's performance of its duties under the Agreement unless in such case an alternative person will exercise the relevant authority and where that alternative person is named in the relevant sub-section of the Schedule.

## SECTION 4

### GRANT OF AUTHORITY

- 4.1 The Underwriters hereby authorise the Coverholder to:
  - 4.1.1 bind insurances and amendments thereto for the Underwriters' account;
  - 4.1.2 act as the Underwriters' agent in accordance with Section 27 for the purpose of receiving premiums from insureds, settling refunds and receiving claims monies prior to onward transmission to insureds;
- 4.2 The Coverholder may bind insurances and amendments using an automated electronic online system where the use of such system has been agreed in writing by the Underwriters;
- 4.3 The Coverholder shall comply with any direction, condition or requirement, including any direction to terminate the Agreement, given by Lloyd's to the Underwriters or by any other regulatory body with jurisdiction over the Underwriters or the Coverholder;
- 4.4 In respect of every insurance bound under the Agreement, the Coverholder shall:
  - 4.4.1 issue contract documentation, endorsements or such other documents evidencing cover as may be agreed in writing by the Underwriters;
  - 4.4.2 collect and process premiums and return premiums on the Underwriters' behalf promptly or where applicable in accordance with such terms as agreed with the Underwriters;
  - 4.4.3 if authorised in 21.1 of the Schedule, handle claims and/or settle claims in accordance with the Agreement;
- 4.5 It shall be the responsibility of the Coverholder to notify a prospective insured or a prospective insured's agent of any capacity in which it acts as agent for the Underwriters;
- 4.6 Nothing in the Agreement shall grant the Coverholder authority beyond that specifically granted by the Agreement nor shall the Coverholder act as or hold itself out as having authority on behalf of the Underwriters where such authority does not arise or no longer arises under the Agreement;
- 4.7 Nothing in the Agreement shall be construed as creating the relationship of employer and employee between the Underwriters and the Coverholder;
- 4.8 The Coverholder shall comply with all reasonable requests or requirements made in writing by the Underwriters in relation to the operation of the Agreement, the insurances bound under the Agreement or the claims arising thereunder;
- 4.9 The Coverholder shall not take any step(s) or undertake any act(s) or omit to do anything in relation to the services to be provided by it under the Agreement, including failing to act fairly to insureds, which is likely to be detrimental to the reputation of the Underwriters.

## SECTION 5

### DELEGATION OF AUTHORITY

- 5.1 The grant of authority to bind insurances and issue documents evidencing insurances bound shall not be delegated by the Coverholder to any other person, firm or company or be extended to any branch office;
- 5.2 If any authority(ies) or responsibility(ies) other than those described under Sub-section 5.1 is(are) delegated to any third party(ies), any such delegation must be in writing and the Underwriters must be a party to the written contract(s) of delegation to the third party(ies).

## SECTION 6

### OTHER CONDITIONS, REQUIREMENTS AND/OR AMENDMENTS RELATING TO THE OPERATION OF THE AGREEMENT

- 6.1 The Coverholder shall comply with any conditions, requirements and/or amendments to the Agreement as stated in 6.1 of the Schedule or endorsed hereon.

## **SCOPE OF AUTHORITY**

### **SECTION 7**

#### **AUTHORISED CLASS(ES) OF BUSINESS AND COVERAGE(S)**

- 7.1 The Coverholder is authorised to bind insurances only of the class(es) and for the coverage(s) stated in 7.1 of the Schedule, subject to the exclusions stated in Section 8.

### **SECTION 8**

#### **EXCLUDED CLASS(ES) OF BUSINESS AND COVERAGE(S)**

- 8.1 The following shall not be bound other than where specifically provided for in the Schedule:
- 8.1.1 war and civil war risks;
  - 8.1.2 nuclear risks;
  - 8.1.3 financial guarantee, financial default, bankruptcy or insolvency risks;
  - 8.1.4 master policies issued to a group, association, organisation or club for the benefit of its members under a group or mass marketed programme;
  - 8.1.5 any other class(es) of business and coverage(s) as stated in 8.1.5 of the Schedule.

### **SECTION 9**

#### **TERRITORIAL LIMITATIONS**

- 9.1 The Coverholder is authorised to bind insurances only for risks located in the territory(ies) stated in 9.1 of the Schedule;
- 9.2 The Coverholder is authorised to bind insurances only for insureds domiciled in the territory(ies) stated in 9.2 of the Schedule;
- 9.3 The Coverholder is authorised to bind insurances with territorial limits not greater than those stated in 9.3 of the Schedule.

### **SECTION 10**

#### **MAXIMUM LIMITS OF LIABILITY OR SUMS INSURED**

- 10.1 The Coverholder is authorised to bind insurances only up to the limits of liability or sums insured stated in 10.1 of the Schedule.

### **SECTION 11**

#### **PREMIUMS, DEDUCTIBLES AND EXCESSES FOR INSURANCES BOUND**

- 11.1 All gross premiums for insurances bound shall be calculated as stated in 11.1 of the Schedule;
- 11.2 The Coverholder shall incorporate deductibles and/or excesses in insurances bound as stated in 11.2 of the Schedule.

### **SECTION 12**

#### **GROSS PREMIUM INCOME LIMIT**

- 12.1 The Coverholder shall not bind total gross premium income in excess of the limit stated in 12.1 of the Schedule;
- 12.2 The Coverholder shall monitor the total gross premium income bound and shall promptly notify the Underwriters if it becomes apparent that the total gross premium income is likely to exceed the percentage of the limit stated in 12.2 of the Schedule;

- 12.3 For the purposes of this Section, gross premium income shall be defined as all premiums and additional premiums, less return premiums (before deductions of any commission and excluding any tax or policy or other charges).

## SECTION 13

### PERIOD OF INSURANCES BOUND

- 13.1 No insurance shall be bound for a period greater than that stated in 13.1 of the Schedule;
- 13.2 Every insurance bound shall incept during the period of the Agreement;
- 13.3 No insurance shall be bound further in advance of its inception date than the number of days stated in 13.3 of the Schedule;
- 13.4 Each insurance bound shall run to its contractual expiry date, unless cancelled or terminated in accordance with the insurance's cancellation or termination provisions;
- 13.5 In the event of cancellation or termination of any insurance bound the Coverholder shall comply with any applicable law relating to the cancellation or termination of such insurance and to the return of premium, commission, fees, charges and taxes.

## SECTION 14

### AUTOMATIC OR TACIT RENEWAL OF INSURANCES BOUND

- 14.1 No insurance shall be bound which is subject to or is capable of automatic or tacit renewal, unless otherwise agreed in writing by the Underwriters or where mandatory by reason of local law or regulation. Where automatic or tacit renewal has been specifically authorised or is mandatory the following provisions shall apply:
- 14.1.1 the Coverholder shall maintain adequate records to identify and monitor, such that it is able to comply with any applicable time frames, all insurances bound which provide for or by reason of local law or regulation are subject to automatic or tacit renewal or extension of the period;
- 14.1.2 the Coverholder shall review each insurance bound prior to its individual renewal date in order to offer renewal terms or to decline the renewal. This process shall be carried out in compliance with any applicable automatic or tacit renewal law;
- 14.1.3 the Coverholder is responsible for and shall issue in a timely fashion the necessary and proper notice of non-renewal for individual insurances bound to prevent their automatic or tacit renewal;
- 14.1.4 in the event of non-renewal or termination of the Agreement, the Coverholder shall provide the Underwriters with an initial report containing details of the following as soon as possible:
- 14.1.4.1 all insurances in force at the end of the period of the Agreement or the effective date of termination of the Agreement, which are or may be subject to automatic or tacit renewal;
- 14.1.4.2 all insurances for which terms have been offered prior to the end of the period of the Agreement or the effective date of termination of the Agreement, which could be bound and may be subject to automatic or tacit renewal;
- 14.1.4.3 all insurances where automatic or tacit renewal cannot be or has not been prevented;
- and the Coverholder shall thereafter provide monthly reports updating the information provided in the initial report until such time as the Underwriters confirm no further monthly reports are required.

## **SECTION 15**

### **PREMIUM FINANCE CONTRACTS**

- 15.1 The Coverholder shall not enter into or permit others to enter into premium finance arrangements in the name of or on behalf of the Underwriters;
- 15.2 If the Coverholder or any other party enter(s) into any premium finance arrangement(s) in respect of premium(s) for any insurance(s) bound, the arrangement(s) shall be solely in the name and entirely for the account of the Coverholder or such other party and the Underwriters shall not accept responsibility for any such arrangement(s).

### **COVERHOLDER COMMISSIONS AND EXPENSES**

## **SECTION 16**

### **COMMISSION(S)**

- 16.1 The Coverholder's Commission shall be as stated in 16.1 of the Schedule;
- 16.2 Any Profit Commission shall be calculated in accordance with the formula as stated in 16.2 of the Schedule.

## **SECTION 17**

### **REFUND OF UNEARNED COMMISSION(S)**

- 17.1 The Coverholder shall refund to the Underwriters commission(s) on all cancelled or terminated insurances and return premiums, at the same rates at which such commission(s) was(were) originally allowed to the Coverholder.

## **SECTION 18**

### **EXPENSES**

- 18.1 The Coverholder shall bear and pay all charges and expenses incurred by the Coverholder in the operation of the Agreement except as agreed under Sub-section 24.7.

### **DOCUMENTATION FOR INSURANCES BOUND**

## **SECTION 19**

### **APPLICATION OR PROPOSAL FORMS**

- 19.1 Application or proposal forms to be used by the Coverholder shall be agreed by the Underwriters prior to use and if appropriate identified in 19.1 of the Schedule.

## **SECTION 20**

### **CONTRACT DOCUMENTATION**

#### **Wordings, Conditions, Clauses, Endorsements, Warranties and Exclusions Applicable to Insurances Bound**

- 20.1 All insurances bound shall be subject to the wordings, conditions, clauses, endorsements, warranties and exclusions as stated in 20.1 of the Schedule;



### Requirement to Issue Contract Documentation

- 20.2 In respect of every insurance bound the Coverholder shall immediately issue to the insured or the insured's agent either:
- 20.2.1 appropriate confirmation of cover which makes reference to the agreed terms of the insurance;
  - or where practical,
  - 20.2.2 contract documentation (howsoever called, including "certificate", "combined certificate" or "policy");
- 20.3 Where the Coverholder has not already issued contract documentation as per Sub-section 20.2.2 the Coverholder shall issue contract documentation to the insured or the insured's agent no later than thirty (30) days from the inception date of the contract or the date on which the insurance is bound if such date is after inception or within such shorter period as may be required by any applicable law or regulation;
- 20.4 In respect of every change made to each insurance bound the Coverholder shall issue an endorsement within thirty (30) days or such shorter period as may be required by any applicable law or regulation.

### Format and Content of Contract Documentation

- 20.5 The format of any contract documentation to be issued by the Coverholder shall be as stated in 20.5 of the Schedule and agreed by the Underwriters prior to use.
- 20.6 All contract documentation (and any endorsements issued) shall comply with all applicable laws and regulations, contain all the agreed terms of the contract (or the endorsement) between the insured and the Underwriters and shall contain;
- 20.6.1 the full name and address of the Coverholder;
  - 20.6.2 a unique contract number and shall include the Unique Market Reference stated in the Schedule. (Endorsements shall include the same Unique Market Reference as for the contract to which it relates and shall be uniquely and consecutively numbered for the contract concerned);
  - 20.6.3 the full text of each wording, condition, clause, endorsement, warranty, exclusion and any other document(s) forming part of the individual contract of insurance;
  - 20.6.4 the law and jurisdiction applicable to the contract of insurance;
  - 20.6.5 the period of insurance;
  - 20.6.6 the limits of liability or sums insured;
  - 20.6.7 the deductible(s) or excess(es) if applicable;
  - 20.6.8 the amount of the premium;
  - 20.6.9 a Several Liability Notice/Clause in the form as stated in 20.6.9 of the Schedule;
  - 20.6.10 a statement to the effect that in the event of a claim the insured should notify the entity whose name and address is stated in 20.6.10 of the Schedule;
  - 20.6.11 a suitable complaints notice as agreed with the Underwriters;
  - 20.6.12 a statement to the effect that all enquiries (other than claims) should be addressed to the Coverholder;
  - 20.6.13 a statement to the effect that the Coverholder acts as agent for the Underwriters in performing its duties under the Agreement; and
  - 20.6.14 the signature, whether electronic or otherwise, of one or more of the persons identified in 3.1, 3.2 or 3.3 of the Schedule.

## Additional Requirements for Combined Certificates

- 20.7 For the purposes of the Agreement 'Combined Certificate' is a contract document or other document evidencing insurance bound for and on behalf of the Underwriters under the Agreement and which also evidences a proportion of the insurance accepted for insurers which are not Underwriting Members of Lloyd's ('the other insurer(s)');
- 20.8 Combined Certificates may be issued provided the Underwriters have granted permission in 20.8 of the Schedule and that:
- 20.8.1 the Underwriters have established the identity of the other insurer(s) which is(are) named in 20.8.1 of the Schedule;
  - 20.8.2 the Combined Certificate includes all the details that are required by Lloyd's to be included in contract documentation issued by a Coverholder;
  - 20.8.3 the proportion or amount of risk and scope of cover accepted by the Coverholder on behalf of Lloyd's Underwriters is expressly stated on the Combined Certificate and is specified separately from the proportion or amount of risk and scope of cover accepted by the Coverholder on behalf of the other insurer(s);
  - 20.8.4 the Combined Certificate contains the Several Liability Notice as stated in 20.6.9 of the Schedule;
- 20.9 Nothing in Sub-sections 20.7 and 20.8 shall permit a Combined Certificate to be issued in circumstances where that would contravene any requirements of the jurisdiction in which the Coverholder is domiciled or any other jurisdiction in which the Coverholder trades, provides services or does business.

## Retention, security and provision of documents

- 20.10 ~~The~~[Subject to Sub-section 35.5, the](#) Coverholder shall retain a copy of all documents issued and provide copies to Underwriters upon request.
- 20.11 All stocks of contract documentation, endorsements and other documents evidencing cover and any electronic method of storing and/or producing documentation shall be kept secure at all times. If requested by the Underwriters, the Coverholder shall promptly return or destroy all unused documents relating to the Agreement and ensure that any electronic storage and/or production of such documents by the Coverholder thereafter ceases.

## CLAIMS AND COMPLAINTS

### SECTION 21

#### PROCEDURE FOR THE HANDLING AND SETTLEMENT OF CLAIMS AND PURSUIT OF RECOVERIES

- 21.1 Where the Underwriters have agreed in 21.1 of the Schedule to grant the Coverholder authority to handle and/or settle claims and pursue recoveries on their behalf the following procedures shall apply unless replaced, amended or supplemented as stated in 21.1 of the Schedule:
- 21.1.1 the Coverholder shall have authority to adjust, agree and settle claims where the total value of the claim does not exceed the limit stated in 21.1.1 of the Schedule and shall review claims estimates for these claims;
  - 21.1.2 the Coverholder shall have no authority to agree or settle any claim or part thereof on an 'ex gratia' or 'without prejudice' basis or any similar basis;
  - 21.1.3 the Coverholder shall promptly notify the Underwriters for instructions on all claims which exceed or are likely to exceed the limit stated in 21.1.1 of the Schedule;
  - 21.1.4 the Coverholder shall refer to the Underwriters any claim which the Coverholder considers should be denied or which manifestly falls outside the terms of the insurance or if the Coverholder is in any doubt as to whether the claim is recoverable under the terms of the insurance;
  - 21.1.5 the Coverholder shall notify the Underwriters promptly of any claim or recovery which gives rise to or is likely to give rise to any litigation;

- 21.1.6 the Coverholder shall only instruct adjusters, surveyors, lawyers or any other third parties to assist in the handling of any claim, including in the pursuit of recovery as stated in 21.1.6 of the Schedule;
- 21.1.7 the Coverholder shall comply with such service levels and standards as may be required by the Underwriters in handling and/or settling claims and/or pursuing recoveries;
- 21.2 The Underwriters may at any time withdraw or vary the Coverholder's authority in respect of any particular claim and in such circumstances the Underwriters shall be entitled to make any decisions or take any action with regard to the claim which the Underwriters consider appropriate.
- 21.3 The Underwriters may at any time give written notice to the Coverholder to vary, suspend or withdraw the Coverholder's authority to handle and/or settle claims and pursue recoveries and the Coverholder agrees to comply with any instructions from the Underwriters with regard to claims handling. The Coverholder's authority to handle and/or settle claims and pursue recoveries shall cease or be varied in accordance with the terms of the written notice. In such circumstances the Underwriters shall be entitled to make any decisions or take any action with regard to the claims which the Underwriters consider appropriate.
- 21.4 Nothing in this Section 21 (or in any procedures as stated in 21.1 of the Schedule) shall in any way supercede, amend or replace any legal or regulatory obligations that apply to the Coverholder when it handles and/or settles claims.

## **SECTION 22**

### **COMPLAINTS OR PROCEEDINGS**

- 22.1 Subject to any specific procedures agreed under Sub-section 22.2, the Coverholder shall promptly notify to the Underwriters all complaints made in relation to insurances bound under the Agreement;
- 22.2 The Coverholder shall implement and maintain such procedures as may be required by the Underwriters to ensure that complaints can be dealt with in a prompt and reasonable way in compliance with all applicable laws and regulation;
- 22.3 In all cases the Coverholder shall notify the Underwriters promptly upon becoming aware of any matter arising out of the operation of or in connection with the Agreement which:
  - 22.3.1 is likely to adversely affect the reputation of the Underwriters or Lloyd's;
  - 22.3.2 may affect any legal or regulatory authorisations of Lloyd's or any authorisations which the Underwriters have to conduct insurance business; or
  - 22.3.3 may result in litigation or other legal or regulatory proceedings or action being commenced against Lloyd's, the Underwriters, the Coverholder or the Lloyd's Broker;
- 22.4 Where the Coverholder is aware of any legal or regulatory proceedings or actions commenced against Lloyd's, the Underwriters, the Coverholder or the Lloyd's Broker arising out of the operation of or in connection with the Agreement the Coverholder shall provide the Underwriters with full details of the same.

## **REPORTING, RECORDS AND AGGREGATE EXPOSURES**

### **SECTION 23**

#### **RISKS WRITTEN BORDEREAU(X)/REPORTING AND AGGREGATE EXPOSURES**

- 23.1 The Coverholder shall:
  - 23.1.1 record all details of insurances bound under the Agreement;
  - 23.1.2 send or make available to the Underwriters in a manner or format agreed by them the risks written details and any adjustments thereto within the maximum number of days from the end of the reporting intervals as stated in 23.1.2 of the Schedule. If there is no

activity during a particular reporting interval the Coverholder shall provide a statement to that effect;

- 23.2 The Coverholder shall:
- 23.2.1 record and monitor the aggregate exposures as defined in the 23.2.1 of the Schedule;
  - 23.2.2 send or make available to the Underwriters details of the aggregate exposures within the maximum number of days from the end of the reporting intervals stated in 23.2.2 of the Schedule;
  - 23.2.3 not bind total aggregate exposures in excess of the limits stated in 23.2.3 of the Schedule;
- 23.3 The Coverholder shall prepare statistical information as stated in 23.3 of the Schedule at the interval(s) stated in 23.3 of the Schedule until every insurance bound has expired or has otherwise been cancelled or terminated and where applicable until all claims have been paid or otherwise resolved. The Coverholder shall send or make available to the Underwriters such information within the maximum number of days of the end of each interval as stated in 23.3 of the Schedule.

## SECTION 24

### ACCOUNTING BORDEREAU(X)/REPORTING AND SETTLEMENTS

- 24.1 All premiums, paid claims, outstanding claims and expenses relating to insurances bound shall be allocated and declared to the Agreement;
- 24.2 The Coverholder shall report the paid premiums to the Underwriters by:
- 24.2.1 preparing paid premium bordereaux in a manner or format(s) agreed by the Underwriters; or
  - 24.2.2 making the accounting information available to Underwriters in an alternative manner agreed in advance by the Underwriters;
- The accounting information shall be reported at the interval stated in 24.2 of the Schedule until every insurance bound has expired or has otherwise been cancelled or terminated;
- 24.3 If the Coverholder is responsible for the production of claims bordereaux as indicated in 24.3 of the Schedule, the Coverholder shall report paid claims and outstanding claims to the Underwriters by:
- 24.3.1 preparing claims bordereaux in a manner or format(s) agreed by the Underwriters; or
  - 24.3.2 making the paid and outstanding claims information available to Underwriters in an alternative manner agreed in advance by the Underwriters;
- The claims information shall be reported at the interval stated in 24.3 of the Schedule until every insurance bound has expired or has otherwise been cancelled or terminated and all such claims have been paid or otherwise resolved;
- 24.4 All paid premium and, if applicable, claims information due from the Coverholder shall be sent, or made available, to the Underwriters within the number of days of the end of each reporting interval as stated in 24.4 of the Schedule.
- If there is no activity during a particular reporting interval, the Coverholder shall provide a statement to that effect to the Underwriters within the number of days of the end of such reporting interval as stated in 24.4 of the Schedule;
- 24.5 The Coverholder shall produce and send, or make available, to the Underwriters a summary account showing:
- 24.5.1 the paid premium declared for the period in question, gross and net of commission, taxes and any other deductions; and
  - 24.5.2 if the Coverholder is responsible for reporting claims information to Underwriters the amount of paid claims declared for the same period;
- 24.6 Settlements shall be remitted to the Underwriters within the maximum number of days of the end of each reporting interval as stated in 24.6 of the Schedule;

- 24.7 Any fees or charges that are agreed to be reimbursed by the Underwriters to the Coverholder as a deduction from the premium are as stated in 24.7 of the Schedule and shall be shown as part of the paid premium reporting.

## SECTION 25

### RECORDS, STATISTICAL INFORMATION AND AUDIT/INSPECTION

- 25.1 The Coverholder shall establish and maintain complete records relating to all insurances bound, claims handled and recoveries pursued under the Agreement. Such records shall be and shall remain the property of the Underwriters;
- 25.2 The Underwriters, external auditors or other representatives appointed by the Underwriters shall have the right at any time during normal business hours, without any restriction or limitation, to inspect and audit any records, statistical information, systems and processes (including electronic systems and processes) of the Coverholder relating to insurances bound and to the operation of the Agreement (including in relation to claims and recoveries) and shall have the right to make copies or extracts of any such records;
- 25.3 The Coverholder undertakes to deal openly and co-operatively with Lloyd's and any other applicable regulator or supervisory body in relation to the operation of the Agreement. The Coverholder shall permit Lloyd's and or any other regulatory body with jurisdiction over the Underwriters or the Coverholder to have access to any of its business premises where the Coverholder carries on business which is the subject of the Agreement to inspect and audit the records, statistical information, accounts and business processes relating to the operation of the Agreement. The Coverholder shall, unless prohibited by law, inform the Underwriters promptly in the event that Lloyd's or any other regulatory or supervisory body exercises or seeks to exercise any right to inspect or audit the records held by the Coverholder in relation to the Agreement;
- 25.4 ~~The~~ Subject to Sub-section 35.5, the Coverholder shall retain all records, including electronic, relating to all insurances bound, claims handled and recoveries pursued for a minimum period of seven (7) years or for such longer period as may be required by local law;
- 25.5 The Coverholder shall provide to the Underwriters any information as the Underwriters may reasonably require from time to time relating to insurances bound, claims arising and the operation of the Agreement.

## ADVERTISING

### SECTION 26

#### ADVERTISING AND PROMOTIONAL MATERIAL

- 26.1 Subject to all local legal and regulatory requirements the Coverholder may refer (or permit any other party to refer) to Lloyd's in any publicity, letterheads, directories or advertising material, whether in print, electronic or any other form or media, always in accordance with the rules and guidelines issued by Lloyd's and any additional requirements given by the Underwriters. Details of the current Lloyd's rules and guidelines are available to the Coverholder from the Lloyd's Broker or from Lloyd's or via Lloyd's website ([www.Lloyds.com](http://www.Lloyds.com));
- 26.2 The Coverholder must agree with the Underwriters any specific marketing or promotional material to be used in relation to the insurances to be bound under the Agreement, including on any internet website, portal or similar online system.

## BANK ACCOUNTS

### SECTION 27

#### SEPARATE BANK ACCOUNTS

- 27.1 All monies received by the Coverholder from or on behalf of the Underwriters shall be received by the Coverholder in a fiduciary capacity and:
- 27.1.1 shall be received by the Coverholder as assets of the Underwriters' Lloyd's Premiums Trust Funds (or, in the case of U.S. Dollar denominated business as assets of the Underwriters' Lloyd's Dollar Trust Funds or, in the case of Canadian Dollar denominated business as assets of the Underwriters' Lloyd's Canadian Trust Funds);
  - 27.1.2 shall on receipt be deposited immediately by the Coverholder into a premium monies account with assets standing to the credit of that account being held in a fiduciary capacity on behalf of the Underwriters (and/or other insurers or policyholders) for the purpose of the onwards transmission of those monies (for the purposes set out at Sub-section 27.1.4.2) and the monies shall not be otherwise held or retained;
  - 27.1.3 the premium monies account referred at Sub-section 27.1.2 shall be held at a bank (or other institution regulated for taking deposits as may be agreed by the Underwriters) ("the bank") which is:
    - 27.1.3.1 regulated, supervised and examined by the applicable local regulatory authority; and
    - 27.1.3.2 subject, where applicable, to any national deposit insurance scheme;
  - 27.1.4 the premium monies account shall be operated in accordance with any applicable local laws or regulatory requirements and:
    - 27.1.4.1 shall be clearly identified to the bank as a premium monies account;
    - 27.1.4.2 may not be used by the Coverholder for any purpose other than for the purpose of settling accounts with the Underwriters (or other insurers with whom the Coverholder does business) or the payment of commissions, premium refunds or claims to clients or any other transactions where expressly authorised by the Underwriters or in accordance with Sub-section 27.2. For the avoidance of doubt, and without prejudice to the generality of the foregoing, the Coverholder may not invest these monies in any way without the prior written consent of Underwriters;
    - 27.1.4.3 the assets held in the premium monies account may not be commingled with assets in respect of the Coverholder's general or operating account;
  - 27.1.5 shall be identified in the Coverholder's book of account, separately from other funds similarly held by the Coverholder for other insurers and/or the Underwriters, such book of account to be reconciled on a regular basis, not less than monthly, with records being retained for inspection by the Underwriters or their representatives, who shall have the right at any time, without restriction or limitation to inspect and audit such records, and to make copies or extracts of any such records;
  - 27.1.6 the Coverholder shall take all reasonable steps as may be requested by the Underwriters to put the bank on notice as to the nature of the premium monies account and that the bank is not to be entitled to any charge, encumbrance or lien, or right of set-off, combination, compensation or retention against monies standing to the credit of the premium monies account;
- 27.2 Where required by any statute, law, or regulation, this Section shall also provide authority from the Underwriters for the Coverholder to retain for their own use and benefit any interest which shall accrue, in accordance with the terms of the Agreement, to the account described in Sub-section 27.1.2.

## COMPLIANCE, REGULATORY AND GENERAL REQUIREMENTS

### SECTION 28

#### LICENCES AND TAXES

- 28.1 It is the responsibility of the Coverholder in respect of performing its duties under the Agreement:
- 28.1.1 to ensure that it (and where relevant its directors, officers, partners or other individuals named in the Agreement) maintains all necessary licences, authorisations, registrations and qualifications in order to perform its duties under the Agreement and where necessary to ensure that all insurances bound are accepted through a properly licenced intermediary; and
  - 28.1.2 to ensure the collection and forwarding to the Underwriters of any tax(es) due from insureds and disbursement of any refunds of such tax(es) due to insureds;
  - 28.1.3 where required by local law, to collect tax(es) due from insureds and pay tax(es) to the appropriate authorities and to make any necessary returns and to ensure any disbursements of refunds of such taxes are made to insureds;
- 28.2 All applicable tax(es) shall be shown separately on the documentation issued to the insured and not concealed from the insured or the Underwriters;
- 28.3 The Coverholder shall promptly notify the Underwriters of any tax inspection or audit in relation to the Agreement or any insurance bound under the Agreement and of the results of such inspection or audit.

### SECTION 29

#### FEES AND CHARGES

- 29.1 Policy, service and other fees and charges applied by the Coverholder shall not breach any local law(s) or regulation(s). All such policy, service and other fees and charges shall be shown separately on the documentation issued to the insured and not concealed from the insured or the Underwriters.

### SECTION 30

#### INDEMNITY INSURANCE

- 30.1 The Coverholder shall maintain, for the duration of the Agreement, indemnity insurance acceptable to the Underwriters providing coverage in connection with the operation of the Agreement for any liability arising out of negligent acts, errors or omissions by the Coverholder including any past or present director, officer, partner or employee of the Coverholder;
- 30.2 The Coverholder shall provide the Underwriters or their representatives with evidence acceptable to the Underwriters confirming such insurance if requested;
- 30.3 The Coverholder shall inform the Underwriters of any changes to the indemnity insurance providing coverage in connection with the operation of the Agreement.

### SECTION 31

#### BUSINESS CONTINUITY

- 31.1 The Coverholder shall maintain and implement an adequate business continuity and disaster recovery plan, a copy of which shall be made available to the Underwriters upon request. The plan shall ensure the Coverholder's ability to continue to perform its obligations under the Agreement. The Coverholder shall carry out regular testing and updating of the plan.
- 31.2 The Coverholder shall notify the Underwriters of:
- 31.2.1 any material deficiencies identified in the plan; or
  - 31.2.2 any significant changes the Coverholder makes to the plan;

that may have a serious impact on the Coverholder's ability to perform its duties under the Agreement.

## SECTION 32

### CONFIDENTIALITY

- 32.1 Each party (a "receiving party") undertakes that it shall not at any time disclose to any person and shall treat as confidential all information of a confidential nature received or obtained directly or indirectly as a result of entering into or performing the Agreement except as expressly permitted in writing by the other party or by Sub-section 32.2. Confidential information shall include (but not be limited to) information of a confidential nature relating to policies and policyholders and the business affairs, strategies, commercial and technical knowledge of the parties ("Confidential Information").
- 32.2 ~~The~~Subject to Sub-section 35.5, the receiving party may disclose Confidential Information:
- 32.2.1 to its employees, officers, external auditors, professional advisers, consultants or the Lloyd's Broker who need to know such information for the purposes of enabling the receiving party to carry out its obligations under the Agreement. The receiving party shall use all reasonable endeavours to ensure that its employees, officers, external auditors, professional advisers, consultants or the Lloyd's Broker to whom it discloses Confidential Information comply with this Section 32;
  - 32.2.2 where required by law, court order or any governmental or regulatory authority provided that, subject to any legal or regulatory obligations that apply to the receiving party, the receiving party shall give notice to the other party that it proposes to disclose the Confidential Information;
  - 32.2.3 where the Confidential Information is now in or comes into the public domain otherwise than as a result of a breach of this Section 32; and
  - 32.2.4 where the Confidential Information is already known by the receiving party in circumstances when it was not bound by any form of confidentiality obligation.
- 32.3 In the event of a breach or a suspected breach of its obligations under this Section 32 the receiving party must notify the other party promptly and use all reasonable endeavours, at their own cost, to remedy or mitigate the effects of such a breach.

## SECTION 33

### CONFLICTS OF INTEREST

- 33.1 The Coverholder must act in what it believes to be the interests of the Underwriters and ensure that it has no actual or potential conflicts of interests with the Underwriters which may impair the Coverholder's performance of its duties under the Agreement;
- 33.2 The Coverholder shall not be treated as contravening Sub-section 33.1 because of the existence of a conflicting interest if the existence, nature and extent of that interest has been fully disclosed to the Underwriters and the Underwriters have agreed that the Coverholder may continue to act for them despite that interest.

## SECTION 34

### COMPLIANCE WITH THE LAW AND FINANCIAL CRIME

- 34.1 Without prejudice to any of the rights or obligations otherwise specified in the Agreement, the Coverholder shall comply with all applicable laws for the legal and proper solicitation and handling of all insurances bound or intended to be bound, and shall use its best endeavours to ensure that any other parties with whom it deals in carrying out its duties under the Agreement comply with such laws where applicable;



- 34.2 The Coverholder shall not undertake any activity ~~in any way that~~which facilitates the evasion of taxes anywhere in the world or which would constitute a criminal act in the jurisdiction in which it is located or doing business, or which would expose the Underwriters to any criminal sanction;
- 34.3 The Coverholder shall conduct its business in accordance with all relevant ~~anti-money laundering~~financial crime and international economic, ~~financial~~ or ~~financial~~trade sanctions ~~legislation, laws and regulations~~. In addition, the Coverholder ~~will~~shall not act contrary to any additional ~~anti-money laundering or requirements concerning:~~ (i) international economic or, financial or trade sanctions requirements; (ii) the prevention of the facilitation of tax evasion; or (iii) financial crime set by the Underwriters and/or Lloyd's other than where compliance with those requirements would be contrary to local law;
- 34.4 The Coverholder, on behalf of the Underwriters, shall not provide cover or pay any claim or provide benefit hereafter to the extent that the provision of such cover, payment of such claim or provision of such benefit would expose the Coverholder and/or the Underwriters to any sanction, prohibition or restriction under any applicable international economic ~~or,~~ financial or trade sanctions ~~legislation~~laws or regulations;
- 34.5 The Coverholder shall not accept, offer or facilitate payment, consideration, or any other benefit, which constitutes an illegal or corrupt practice contrary to any applicable anti-bribery ~~legislation~~law;
- 34.6 The Coverholder shall maintain on an ongoing basis appropriate systems, procedures and controls designed to prevent any breach of this Section 34.

## SECTION 35

### DATA PROTECTION

- 35.1 ~~The Coverholder~~Unless otherwise expressly stated in 35.5 of the Schedule, the Coverholder and the Underwriters acknowledge and agree that where the Coverholder or an Underwriter processes personal data under or in connection with the Agreement it alone determines the purposes and means of processing as a controller;
- 35.2 In respect of the personal data the Coverholder or an Underwriter processes under or in connection with the Agreement, it:
- 35.2.1 shall comply at all times with its obligations under the relevant local data protection legislation, whether as data controller or data processor (as appropriate). The term "local law;
- 35.2.2 shall notify the other parties without undue delay after, and in any event within 24 hours of, becoming aware of a personal data breach; and
- 35.2.3 shall assist and co-operate fully with the other parties to enable each of them to comply with its obligations under the data protection legislation"law, including but not limited to in respect of keeping personal data secure, dealing with personal data breaches, complying with the rights of data subjects and carrying out data protection impact assessments;
- 35.3 In respect of the personal data the Coverholder processes under or in connection with the Agreement, the Coverholder shall only process such personal data for the purposes of (a) providing insurance to insureds and prospective insureds and (b) handling claims to the extent allowed in the Agreement;
- 35.4 The Coverholder and the Underwriters shall work together to ensure that each of them is able to process the personal data it processes under or in connection with the Agreement for the purposes contemplated by the Agreement lawfully, fairly and in a transparent manner and in compliance with the data protection law. This shall include all applicable statutes and regulations in any jurisdiction pertaining to the processing of personal data, including the privacy and security of personal data; but not be limited to entering into such other written agreements as may be required from time to time to enable the Coverholder and/or the Underwriters to comply with the data protection law;
- 35.2 ~~In addition to Sub-section 35.1 the Coverholder agrees that it shall:~~
- 35.2.1 ~~35.5~~ The activities of the Coverholder under or in connection with the Agreement in respect of which the Coverholder processes personal data as a processor on behalf of the Underwriters,

together with the data protection particulars for such processing, are stated in 35.5 of the Schedule. In addition to Sub-sections 35.2, 35.3 and 35.4, where, under or in connection with the Agreement, the Coverholder processes personal data as a processor on behalf of the Underwriters, the Coverholder shall:

35.5.1 subject to Sub-section 35.5.2, only carry out processing for the purposes of providing insurance to insureds and prospective insureds and of handling claims to the extent allowed in the Agreement;

35.2.2 only carry out such processing on the Underwriters' instructions from time to time when acting as data processor. The Coverholder shall immediately inform the Underwriters if, in its opinion, an instruction infringes the data protection law;

35.2.3 not 35.5.2 where it is required by applicable law to carry out processing otherwise than in accordance with Sub-section 35.5.1, inform the Underwriters' of the legal requirement before carrying out such processing (unless prohibited from doing so by applicable law);

35.5.3 not disclose the personal data to any person except as required or permitted by the Agreement or with the Underwriters' prior written consent;

35.5.4 without prejudice to Section 32, ensure that all persons authorised to process the personal data are under an appropriate contractual or other legal obligation to keep the personal data confidential;

35.5.5 taking account of the nature of the processing, implement appropriate technical and organisational measures (a) in a manner that ensures the processing meets the requirements of the data protection law and the protection of the rights of data subjects, (b) to keep the personal data secure and to protect against the risk of personal data breaches and (c) to assist the Underwriters to comply with their obligations under the data protection law to respond to requests for exercising the rights of data subjects;

35.5.6 not process the personal data, or disclose the personal data to any party who carries on business, outside of the European Economic Area except with the Underwriters' prior written consent and, where such consent is given, the Coverholder shall take such actions and enter into any contract with such agreements as the Underwriters may require to ensure that such processing or disclosure complies with the data protection law;

35.5.7 not enter into an arrangement with any sub-contractors who will contractor to process the personal data directly or indirectly on behalf of the Underwriters without the prior notification to written consent of the Underwriters and include in any, where such consent is given, the Coverholder shall enter into a written agreement with the sub-contract contractor that includes, as a minimum, provisions in favour of the Underwriters which are equivalent to those in this Section 35-. The Coverholder shall remain fully liable to the Underwriters for any sub-contractors' processing of personal data; and

35.2.4 implement appropriate technical and organisational measures to protect 5.8 at the Underwriters' option, delete or return to the Underwriters all the personal data against unauthorised or unlawful processing and accidental destruction or loss (each a "on termination of the Agreement and delete any existing copies of the personal data security breach");

35.2.5 notify the Underwriters promptly of it becoming aware of a except to the extent that the Coverholder is required to retain such personal data security breach in accordance with Sub-section 32.3; by applicable law;

35.2.6 at no additional cost, promptly provide such information The Coverholder shall make available to the Underwriters as they may reasonably require all information necessary to allow them to comply demonstrate its compliance with the rights of data subjects, including subject access rights, or with information notices served by any data protection authority; its obligations under this Section 35 and

35.2.7 at no additional cost, keep or cause to be kept full and accurate records relating to all processing of personal data in relation to the Agreement, and shall, during normal business hours, grant the Underwriters, external auditors or other representatives appointed by the Underwriters a reserve the right of access to and to take copies of such records and shall provide all reasonable assistance

~~to the Underwriters in exercising their to audit rights. the Coverholder's compliance with its obligations under this Section 35 in accordance with Section 25;~~

~~35.7~~ The Coverholder's obligations under this ~~Sub-section~~Section 35.2.7 shall continue throughout the Agreement and for a period of seven (7) years thereafter or such other period as the Underwriters may require or as may be required pursuant to any applicable law or regulation;

35.38 For the purposes of this Section 35 and the Schedule:

"~~data~~ controller" means the person which, alone or jointly with others, determines the purposes and means of the processing of personal data;

~~"data processor~~protection law" means all applicable statutes and regulations in any jurisdiction pertaining to the person which processes processing of personal data, including but not limited to the privacy and security of personal data;

"data protection particulars" means, in relation to any processing of personal data by the Coverholder under or in connection with the Agreement as a processor on behalf of the data controllerUnderwriters: (a) the subject matter and duration of the processing; (b) the nature and purpose of the processing; (c) the type of personal data being processed; and (d) the categories of data subjects;

"data subject" means the identified or identifiable natural living person to whom the personal data relates;

"personal data" means any information relating to the data subject;

~~"processing" means any operation or set of operations which is performed upon personal data, whether or not by automatic means, such as collection, recording, organisation, storage, adaptation or alteration, retrieval, consultation, dissemination or otherwise making available, alignment or combination, blocking erasure or destruction.~~

"personal data breach" means a breach of security leading to the accidental or unlawful destruction, loss, alteration, unauthorised disclosure of, or access to, personal data transmitted, stored or otherwise processed; and

"processor" means the person which processes personal data on behalf of the data controller.

## TERMINATION AND NON-RENEWAL

### SECTION 36

#### TERMINATION

##### Termination with Notice

36.1 Without prejudice to the terms of Sub-sections 36.2 and 36.3, the Agreement may be terminated at any time by either party giving notice to the other which is not less than:

36.1.1 the number of days' notice as stated in 36.1.1 of the Schedule; or

36.1.2 the minimum notice period, if any, required by local law.

##### Delivery of Notice

36.2 Any notice of termination shall be in writing and shall be delivered by hand or sent by pre-paid delivery service providing proof of delivery:

36.2.1 in the case of notice to the Coverholder, to the Coverholder's address as stated in the Schedule;

36.2.2 in the case of notice to the Underwriters, to the address(es) stated in 36.2.2 of the Schedule;

36.3 Any notice of termination shall be deemed to have been received:

36.3.1 if delivered by hand on signature of a delivery receipt or at the time the notice is left at the proper address; or

36.3.2 if sent by pre-paid delivery service at the time recorded by the delivery service;

- 36.4 The Underwriters shall send a copy of any notice to the Lloyd's Broker named in the Schedule at the same time that the notice of termination is sent to the Coverholder, such copy being for information only. The sending or not sending of such a copy of the notice shall not affect the validity of any notice served in accordance with the foregoing provisions of this Section 36;

#### **Automatic Termination**

- 36.5 Unless the Underwriters specifically agree to the contrary in writing, the Agreement will be automatically terminated in the event the Coverholder shall:
- 36.5.1 become the subject of voluntary or involuntary rehabilitation or liquidation proceedings;
  - 36.5.2 become the subject of an action in bankruptcy;
  - 36.5.3 make or propose any composition with its creditors or make any assignment for the benefit of its creditors or otherwise acknowledge its insolvency;
  - 36.5.4 have imposed by a court of competent jurisdiction the appointment of an administrator or administrative receiver or equivalent office holder;
  - 36.5.5 have a receiver or equivalent office holder appointed for the whole or any part of the Coverholder's business;
  - 36.5.6 being a partnership, be dissolved by agreement between the partners or by operation of law;
  - 36.5.7 cease, for whatever reason, to be regulated by their local regulatory body or has any relevant licence or authority to conduct business suspended, removed or impaired by any order or decree of any judicial authority or regulatory body having jurisdiction over the Coverholder;

#### **Right of Immediate Termination**

- 36.6 The Underwriters and the Coverholder agree that the Underwriters may terminate the Agreement at any time with immediate effect by giving written notice in accordance with Sub-section 36.2 upon the occurrence of any of the events set out in Sub-sections 36.6.1 to 36.6.6 inclusive:
- 36.6.1 the Coverholder fails to comply with any of the provisions of the Agreement;
  - 36.6.2 the Coverholder or any director, officer or partner of the Coverholder or any individual named in the Agreement:
    - 36.6.2.1 is convicted of a criminal offence or where the Underwriters become aware that such a person had been convicted of a criminal offence prior to the commencement of the Agreement which had not been disclosed to the Underwriters. For the purposes of this Sub-section 36.6.2.1 only, the criminal offence shall be one that involves fraud, dishonesty, financial crime or is any other criminal offence that may materially affect the operation of the Agreement; or
    - 36.6.2.2 causes the Underwriters to be subject to any criminal sanction;
  - 36.6.3 the Lloyd's Broker ceases to be registered as a Lloyd's Broker unless an alternative Lloyd's Broker is mutually agreed in writing by the Underwriters and the Coverholder;
  - 36.6.4 the Coverholder is merged with, acquired by or otherwise absorbed by any individual, corporation or other business entity or organisation of any kind;
  - 36.6.5 the Coverholder fails to comply with any relevant law or regulation in the jurisdiction in which it is located or in any other jurisdiction in which the Coverholder does business or otherwise fails to comply with the requirements of Section 34 of the Agreement; or
  - 36.6.6 the Coverholder's ability to carry out its obligations under the Agreement are likely to be materially impaired by circumstances or events other than those stated in Sub-sections 36.6.1 to 36.6.5;

#### **Duty to Inform Underwriters**

- 36.7 The Coverholder shall inform the Underwriters promptly upon becoming aware of the occurrence of any of the events set out in Sub-sections 36.5, 36.6.1, 36.6.2, 36.6.4, 36.6.5 and 36.6.6. Any

failure by the Coverholder so to advise shall not affect the automatic termination of the Agreement under Sub-section 36.5, or the Underwriters' rights under Sub-section 36.6.

## SECTION 37

### EFFECT OF TERMINATION OR NON RENEWAL

- 37.1 In the event that notice of termination of the Agreement is served by either party to the Agreement the Coverholder and the Underwriters agree that at any time during the period of such notice of termination of the Agreement:
- 37.1.1 the Coverholder shall have no authority to extend the period of insurance or cancel and replace under the Agreement insurances already bound without the prior written consent of the Underwriters;
  - 37.1.2 the Underwriters shall have the right to instruct the Coverholder, by written notice sent to the Coverholder, to cease forthwith to offer terms, hold covered or bind Insurances (other than insurances that the Coverholder is legally obliged to bind) or to act in whole or in part as the Underwriters' agent pursuant to the Agreement;
- 37.2 Once the Agreement has terminated (in accordance with Section 36 or by reason of non-renewal of the Agreement) the Coverholder:
- 37.2.1 except as stated in Sub-section 37.5 shall have no authority to offer terms, bind insurances, renew, cancel, extend, amend or alter in any way insurances already bound without the prior written consent of the Underwriters. Such written consent shall only be effective where it is not in contravention of local law;
  - 37.2.2 shall continue to perform its obligations in accordance with the terms and conditions of the Agreement until every insurance bound has expired or has otherwise been cancelled or terminated and, in respect of claims arising under such insurances, until all such claims have been paid or otherwise resolved unless otherwise instructed in writing by the Underwriters. The Coverholder shall co-operate with any instructions from the Underwriters including any instruction to transfer the servicing of the Agreement to the Underwriters or to such parties as the Underwriters may appoint;
  - 37.2.3 shall ensure that any electronic production of contract documentation and other documents evidencing cover ceases, and if such documents or other unused materials are provided as paper stocks by the Underwriters the Coverholder shall deliver all such documents it possesses in connection with the Agreement to the Underwriters or their appointed representative;
- 37.3 Where the Agreement has automatically terminated pursuant to Sub-section 36.5.7, and/or because the Coverholder otherwise ceases to have the required authorisation or right (or any relevant exemption therefrom), the Coverholder will not be under the duty referred to in Sub-section 37.2.2 if its obligations under the Agreement would, if performed, cause it to be in breach of any applicable regulatory prohibition. In such circumstances the Coverholder shall be under a duty to co-operate with and implement all reasonable instructions from the Underwriters to effect the transfer of servicing of the insurances bound by the Coverholder to the Underwriters or to such parties as the Underwriters may appoint;
- 37.4 The Underwriters' rights to receive monies due in respect of insurances bound shall not be impaired by any of the provisions of this Section 37 and the Coverholder agrees not to challenge these rights provided always that, if the Underwriters at their written option collect monies from insurance brokers or other insurance intermediaries, insureds or others from whom monies may be due in respect of insurances bound, the Underwriters shall give the Coverholder credit for such sums in account;
- 37.5 In the event of non-renewal of the Agreement, with effect from the date of non-renewal unless the Underwriters instruct the Coverholder otherwise, in writing, the Coverholder shall retain the authority under the Agreement to cancel, amend or alter (but not extend the period of or renew) insurances already bound until every such insurance has expired or has otherwise been cancelled or terminated and, in respect of claims arising under such insurances, until all such claims have been paid or otherwise resolved.

## MISCELLANEOUS

### SECTION 38

#### GENERAL INTERPRETATION

38.1 In the Agreement, words importing the singular shall include the plural and vice versa. Headings are included for ease of reference and convenience only and shall not affect the interpretation of the Agreement. References to "law" include references to any applicable, common or customary law and any treaty, constitution, statute, legislation, decree, rule, regulation, judgement, order, writ, injunction, determination, award or other legislative or administrative measure or judicial or arbitral decision in any jurisdiction which has the force of law or compliance with which is in accordance with the general practice of such jurisdiction and "legal" shall be interpreted accordingly.

### SECTION 39

#### ENFORCEABILITY CLAUSE

39.1 In the event any portion of the Agreement is found to be invalid or unenforceable under any applicable law, that portion of the Agreement shall be disappplied to the extent necessary to comply with such applicable law, and the remainder of the Agreement shall remain in full force and effect.

### SECTION 40

#### RIGHTS OF THIRD PARTIES

40.1 A person who is not a party to the Agreement has no right under the Contracts (Rights of Third Parties) Act 1999 or other equivalent legislation to enforce any term of the Agreement but this does not affect any right or remedy of a third party which exists or is available apart from that Act.

### SECTION 41

#### SEVERAL LIABILITY

41.1 The liability of the Underwriters is several and not joint and is limited solely to the extent of their individual proportions as shown in the attached table of security. The Underwriters are not responsible for the subscription of any co-subscribing underwriter or any other insurer or co-insurer who for any reason does not satisfy all or part of its obligations.

### SECTION 42

#### JURISDICTION AND GOVERNING LAW

42.1 The Agreement and any non-contractual dispute or obligation arising out of or in connection with it shall be subject to the law of England and Wales and to the exclusive jurisdiction of the courts of England and Wales save that the Underwriters may, at their discretion, determine that the applicable jurisdiction shall be that of the jurisdiction where the Coverholder is domiciled or does business.

LMA3113

~~1 July 2013~~

LMA3113A

2 March 2018

## SCHEDULE

This Schedule forms part of and incorporates by reference ~~LMA3113~~LMA3113A (the 'Agreement'), which Agreement is identified by the Agreement Number and Unique Market Reference Number stated below. For the purposes of interpretation, the contents of this Schedule shall have meaning only as provided for in the Agreement.

Agreement Number:	
Unique Market Reference Number:	
The Coverholder:	
Address:	
The Lloyd's Broker:	
Address:	

AGREEMENT SECTION NUMBER	NARRATIVE
Sub-section 2.1	PERIOD: From: <i>{Inception Date}</i>  To: <i>{Expiry Date}</i>  <div style="text-align: right;">Both days inclusive, any time zone</div>
Sub-section 3.1	THE PERSON(S) RESPONSIBLE FOR THE OVERALL OPERATION AND CONTROL:
Sub-section 3.2	THE PERSON(S) AUTHORISED TO BIND INSURANCES:
Sub-section 3.3	THE PERSON(S) WITH OVERALL RESPONSIBILITY FOR THE ISSUANCE OF DOCUMENTS EVIDENCING INSURANCES BOUND:

Sub-section 3.4	THE PERSON(S) AUTHORISED TO EXERCISE ANY CLAIMS AUTHORITY:
Sub-section 6.1	OTHER CONDITIONS, REQUIREMENTS AND/OR AMENDMENTS RELATING TO THE OPERATION OF THE AGREEMENT:
Sub-section 7.1	AUTHORISED CLASS(ES) OF BUSINESS AND COVERAGE(S):  (subject to the terms, conditions, exclusions and limitations of the Agreement)
Sub-section 8.1.5	OTHER EXCLUDED CLASS(ES) OF BUSINESS AND COVERAGE(S):
Sub-section 9.1	RISKS LOCATED IN:
Sub-section 9.2	INSUREDS DOMICILED IN:
Sub-section 9.3	TERRITORIAL LIMITS:
Sub-section 10.1	MAXIMUM LIMITS OF LIABILITY OR SUMS INSURED:
Sub-section 11.1	BASIS FOR THE CALCULATION OF GROSS PREMIUMS:
Sub-section 11.2	DEDUCTIBLES AND/OR EXCESSES:
Sub-section 12.1	GROSS PREMIUM INCOME LIMIT:
Sub-section 12.2	NOTIFIABLE PERCENTAGE OF THE LIMIT NOT TO EXCEED:
Sub-section 13.1	PERIOD OF INSURANCES BOUND: { } months MAXIMUM PERIOD OF INSURANCES BOUND: { } months including odd time
Sub-section 13.3	MAXIMUM ADVANCE PERIOD FOR INCEPTION DATES: { } days



Sub-section 16.1	THE COVERHOLDER'S COMMISSION:
Sub-section 16.2	PROFIT COMMISSION(S):
Sub-section 19.1	APPLICATION OR PROPOSAL FORMS:
Sub-section 20.1	WORDINGS, CONDITIONS, CLAUSES, ENDORSEMENTS, WARRANTIES AND EXCLUSIONS APPLICABLE TO INSURANCES BOUND:
Sub-section 20.5	FORMAT OF CONTRACT DOCUMENTATION:
Sub-section 20.6.9	SEVERAL LIABILITY NOTICE/CLAUSE: *LSW1001 / LMA5096  <i>*(Delete as applicable)</i>
Sub-section 20.6.10	THE NAME AND ADDRESS TO WHOM THE INSURED SHOULD DIRECT ALL CLAIMS:
Sub-section 20.8	COMBINED CERTIFICATES: Other Insurers (ie Not Underwriting Members of Lloyd's) *Permitted / Not permitted <i>*(Delete as applicable)</i>  (and subject always to the provisions of Sub-section 20.8)
Sub-section 20.8.1	IDENTITY OF OTHER INSURERS:
Sub-section 21.1	AUTHORITY TO HANDLE AND/OR SETTLE CLAIMS AND PURSUE RECOVERIES:  *Yes / No  <i>*(Delete as applicable)</i>  PROCEDURE FOR THE HANDLING AND SETTLEMENT OF CLAIMS AND PURSUING RECOVERIES TO REPLACE, AMEND OR SUPPLEMENT SECTION 21:
Sub-section 21.1.1	PER CLAIM LIMIT OF AUTHORITY:
Sub-section 21.1.6	NAMES AND ADDRESSES OF ADJUSTERS, SURVEYORS, LAWYERS OR OTHER THIRD PARTIES TO BE INSTRUCTED BY THE COVERHOLDER:

Sub-section 23.1.2	<p>RISKS WRITTEN REPORTING INTERVAL:  *monthly / quarterly  <i>*(Delete as applicable)</i></p> <p>MAXIMUM NUMBER OF DAYS FOR REPORTING/SUBMISSION OF RISKS WRITTEN BORDEREAU(x):  { } days</p>
Sub-section 23.2.1	BASIS OF MONITORING AGGREGATE EXPOSURES:
Sub-section 23.2.2	<p>AGGREGATE REPORTING INTERVAL:  *monthly / quarterly  <i>*(Delete as applicable)</i></p> <p>MAXIMUM NUMBER OF DAYS FOR REPORTING/SUBMISSION OF AGGREGATE EXPOSURES:  { } days</p>
Sub-section 23.2.3	MAXIMUM TOTAL AGGREGATE LIMIT(S):
Sub-section 23.3	<p>STATISTICAL INFORMATION REQUIRED BY THE UNDERWRITERS:</p> <p>REPORTING INTERVAL(s):  *monthly / quarterly  <i>*(Delete as applicable)</i></p> <p>MAXIMUM NUMBER OF DAYS:  { } days</p>

<p>Sub-section 24.2</p> <p>Sub-section 24.3</p> <p>Sub-section 24.4</p> <p>Sub-section 24.6</p> <p>Sub-section 24.7</p>	<p>PAID PREMIUM REPORTING INTERVAL:</p> <p>*monthly / quarterly</p> <p><i>*(Delete as applicable)</i></p> <p>CLAIMS BORDEREAX/REPORTING (PAID AND OUTSTANDING) TO BE PRODUCED/PROVIDED BY THE COVERHOLDER:</p> <p>*Yes / No</p> <p>CLAIMS REPORTING INTERVAL:</p> <p>*monthly / quarterly</p> <p><i>*(Delete as applicable)</i></p> <p>MAXIMUM PERIOD FOR REPORTING/SUBMISSION OF BORDEREAX:</p> <p>{ } days</p> <p>MAXIMUM PERIOD FOR REMITTANCE OF SETTLEMENTS:</p> <p>{ } days</p> <p>FEES AND CHARGES TO BE DEDUCTED BY THE COVERHOLDER:</p>
<p><u>Sub-section 35.5</u></p>	<p><u>ACTIVITIES OF THE COVERHOLDER IN RESPECT OF WHICH THE COVERHOLDER PROCESSES PERSONAL DATA AS A PROCESSOR ON BEHALF OF THE UNDERWRITERS:</u></p> <p>{ }</p> <p><u>DATA PROTECTION PARTICULARS FOR SUCH ACTIVITIES:</u></p> <p><u>The subject matter and duration of the processing:</u></p> <p>{ }</p> <p><u>The nature and purpose of the processing:</u></p> <p>{ }</p> <p><u>The type of personal data being processed:</u></p> <p>{ }</p> <p><u>The categories of data subjects:</u></p> <p>{ }</p>
<p>Sub-section 36.1.1</p> <p>Sub-section 36.2.2</p>	<p>NUMBER OF DAYS NOTICE OF TERMINATION:</p> <p>{ } days</p> <p>NAME(S) AND ADDRESS(ES) TO WHOM COVERHOLDER SENDS NOTICE OF TERMINATION:</p>



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Agreement Number:	
Unique Market Reference Number:	

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**SIGNATURE OF COVERHOLDER**

In accordance with Section 1 of ~~LMA3113~~ LMA3113A, the Agreement is signed on behalf of the Coverholder as acceptance of the terms and conditions of the Agreement inclusive of any attachments identified in the Schedule.

.....  
Signed and accepted on behalf of the Coverholder

.....  
Name and Position of Signatory

.....  
Date of Signature

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~~LMA3113~~  
~~1 July 2013~~

LMA3113A  
2 March 2018