
From Andrew Barnes (020 7327 5231)

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To Lloyd's QA Tool & Wordsensa QA users

CC LMA
LMBC
Market Reform Group

Subject **Open Market QA Tool v3.0 and Wordsensa QA rules - guidance note and changes summary released 6th March 2008**

1. Purpose

This communication summarised the content changes contained in version 3.0 of the Lloyd's Open Market QA tool and Lloyd's WordsensaQA rules, released on 6th March 2008.

http://www.lloyds.com/Lloyds_Market/Tools_and_reference/Quality_assurance_tool/

2. Summary of Changes to the QA Tool checks and Wordsensa QA rules

Embedded Countries and Classes of Business

To assist users in identifying appropriate checks we have amended all check wordings to include the class of business and country they specifically relate to.

For example: "*TYPE - Accident and Health - Australia: Ensure that the contract does not cover life. Lloyd's is not authorised to write life insurance or reinsurance.*"

This applies to all checks which relate to a specific country and/or class of business.

International Checks

We have performed a review of all of the regulatory checks in the Open Market QA Tool. The aim of this review was to ensure that the QA tool is consistent with the regulatory information held in Crystal and that the tool contains mandatory checks for the Lloyd's market to comply with rather than guidance which can be found in Crystal.

Tax Changes

A series of checks have been amended to take account of the changes to tax rates. Three new checks have been created to cover premium tax in Sweden and fire brigade tax in Poland and in Hungary

Fraudulent Claims

Prior to the publication of the LMA3044 policy form (jacket), the generic policy forms in use in the non-marine and aviation markets contained a clause voiding the contract in the event of false or fraudulent claims.

The LMA3044, and subsequent replacement LMA3044a, do not contain such a clause. Instead, a separate Fraudulent Claims Clause has been published as LMA5062. As a result of a request received from the LMA, new checks have been added to prompt users to consider the inclusion of a suitable clause voiding the contract in the event of false or fraudulent claims in circumstances where such a clause is not already included within the policy form or wording. Users are reminded that in some countries, local legislation may forbid the inclusion of such a clause.

Check references: 9_000265, 9_000266, 9_000267, 9_000249, 9_000250, 9_000251

Radioactive Contamination and Nuclear Exclusions

Market bulletin Y4057 dated 26th September 2007 informed the market of Lloyd's expectations in respect of the incorporation of radioactive contamination and nuclear incident exclusion clauses.

[http://www.bulletins.lloydsolondon.com/bulletins/mktdcirc.nsf/mktBulletins/Y4057/\\$file/Y4057.pdf](http://www.bulletins.lloydsolondon.com/bulletins/mktdcirc.nsf/mktBulletins/Y4057/$file/Y4057.pdf)

In line with the market bulletin, QA Tool checks relating to the need for such clauses have been deleted and replaced with a new check reflecting (a) Lloyd's understanding that radioactive contamination and nuclear incident exclusion clauses are omitted from contracts where the perils of radioactive contamination and/or nuclear incident are considered not to be relevant to the scope of coverage, and (b) that syndicates wishing to underwrite nuclear perils may do so provided that they are able to demonstrate to Lloyd's Franchise Performance Directorate that they have the necessary expertise in insuring such perils and the systems in place to monitor and control nuclear aggregations and the matching of inwards and outwards reinsurance.

Check references: 9_000255, 1_170230

Payment of Claims and Return Premiums under Marine Policies

The changing landscape with regard to insurer contract documentation has prompted the LMBC to advise brokers to revise the letters of undertaking that they provide to mortgagees on marine risks. In order to ensure that brokers do not compromise their commitments given in these letters of undertaking, the LMBC have published a model clause LSW1599 that may be used, when the first three sections of the MRC are provided to insureds as insurer contract documentation, to ensure that claims and return premiums are only collected by, or with the permission of, the London broker. In order to assist in this transition, new checks have therefore been added to ensure that consideration is given as to whether to include such a clause.

Check references: 9_000252, 9_000253, 9_000254

Associated Country and Tax Links

We have increased the number of links that appear at the bottom of the results screen to provide further appropriate links to Crystal

Additional Changes

- We have made a series of changes to optimise how rules work in Wordsensa.
- We have corrected some spelling and grammatical errors in the QA Tool.
- We have rectified some http link issues in the QA Tool.

3. Full Details of QA Tool check updates

Full details of all check changes included in this release are detailed in 'OM QA Tool v3.0 Check Changes - 6 March 2008.xls' available in the Downloads section of the [QA tool homepage](#). This contains four worksheets detailing all new, amended and deleted checks as well as to a list of all checks contained in the tool.

4. QA Tool Check Downloads

Full details of the checks contained in this release of the QA tool are available for download as an Excel spreadsheet in the 'See Also' section of the [QA tool homepage](#).

'Open Market Download Version 3.0 – 6 March 2008.xls'

5. Wordsensa QA Manual Rules Download Instructions

If you are running the latest version of the Wordsensa QA software it has the capability of automatically picking up latest rules library, however for those users who have opted to manually download the rules, please visit

<http://update.adsensa.com/update/wordsensaqa/ver1.0/rules.zip>

You will need to replace any existing rules.zip files on your system with this downloaded version. The rules.zip file can be found in one of two places, depending on Wordsensa version.

[Drive]\Program Files\Wordsensa Professional\rules or
[Drive]\Documents and Settings\All Users\Application Data\Wordsensa
[Drive]\Program Files\Apache Software Foundation\Tomcat 5.5\conf\Wordsensa

Or, for a Vista install

[Drive]\Program Data\Wordsensa

6. Wordsensa QA Software Installation/Upgrade Instructions

If you are not running the latest version of the Wordsensa QA software and would like to upgrade you should follow the instructions below. This version has the capability of automatically picking up latest rules library.

Licensed firms - go to <http://www.adsensa.co.uk/download/lloydsmagents/>
Using your firm's login details

Remove the existing installation with Windows Control Panel Add Remove Programs. Using Windows Explorer remove any residual application files from the following folder locations:

- [Drive]\Program Files\Wordsensa Professional
- [Drive]\Documents and Settings\[username]\Application Data\wordsensa
- [Drive]\Documents and Settings\All Users\Application Data\wordsensa

[Drive] would typically be C: but may differ [username] would be the Windows username

Install the new software version which is fingerprinted and should not require a licence key
If using a proxy server, edit [Drive]\Documents and Settings\All Users\Application Data\Wordsensa\updater-config.xml with the appropriate proxy server details

7. Feedback

Any questions or feedback you may have on the QA Tool checks or operation of the rules in Wordsensa QA can be sent either to WordsensaQAQueries@lloyds.com or submitted online using the QA Tool feedback form on Lloyd's.com.

Regards,

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