

**FROM:** The Secretary to Lloyd's Disciplinary Board  
**LOCATION:** 58/NW1  
**EXTENSION:** 5530  
**DATE:** 16 February 2001  
**REFERENCE:** 009/2001  
**SUBJECT:** **SUMMARY DISCIPLINARY PROCEEDINGS**  
**SUBJECT AREA(S):**  
**ATTACHMENTS:** None  
**ACTION POINTS:** **For Information**  
**DEADLINE:** **None**

Hampden Agencies Limited ("Hampden"), a Lloyd's members' agent, has admitted one charge of misconduct and has been ordered to pay a fine of £10,000 and Lloyd's costs of £500. The charge relates to a contravention of the coming-into-line requirements made pursuant to the Membership Byelaw (No.17 of 1993).

The coming-into-line requirements required all members who were to underwrite for the 2000 year of account to have complied with the requirements relating to the level of funds at Lloyd's by 12<sup>th</sup> November 1999.

On 26<sup>th</sup> November 1999 Hampden signed the "Member's Agent Confirmation Form". This form confirmed to Lloyd's that all its members who were to underwrite on the 2000 year of account had either complied with the coming-into-line requirements or had sought extensions of time from Lloyd's.

However, a corporate member represented by Hampden did not provide the necessary funds to Lloyd's until 22<sup>nd</sup> December 1999. Three other members did not provide the necessary increased letters of credit to Lloyd's until 14<sup>th</sup> December 1999. The funds and letters of credit were required to comply with the coming-into-line requirements. Furthermore, these members had not sought extensions of time from Lloyd's.

At the time of signing the confirmation form, Hampden knew or ought to have known that the information contained in that form was incorrect, in that four of its members had not

complied with the coming-into-line requirements nor sought an extension of time in which to do so.

This case was determined by the Lloyd's Disciplinary Board and its decision gives effect to settlement of these summary disciplinary proceedings agreed between the Defendant and the Council pursuant to paragraph 3 of the Lloyd's Disciplinary Rules (Schedule 2 to the Disciplinary Committee Byelaw (No.31 of 1996).

This bulletin has been sent to all underwriting agents, Lloyd's brokers, corporate members, market associations the ALM and recognised accountants.

AP Barber  
Secretary, Lloyd's Disciplinary Board