

**FROM:** Secretary to Lloyd's Disciplinary Board  
**LOCATION:** 58/NW1  
**EXTENSION:** 5530  
**DATE:** 3 October 2000  
**REFERENCE:** 072/2000  
**SUBJECT:** CNA UNDERWRITING AGENCIES LIMITED  
**SUBJECT AREA(S):** Disciplinary Proceedings  
**ATTACHMENTS:** None  
**ACTION POINTS:** **For information only**  
**DEADLINE:** **None**

CNA Underwriting Agencies Limited ("CNA"), a Lloyd's managing agent, has admitted two charges of misconduct and has been ordered to pay a fine of £10,000 and Lloyd's costs of £2,000. Both charges relate to breaches of the Related Parties Byelaw (No. 2 of 1986) by failing to obtain consent from Lloyd's before placing reinsurance business with a related party.

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

The penalty took into account the fact that CNA reported these matters to Lloyd's, has admitted the charges and co-operated fully with Lloyd's, and has taken considerable steps to rectify the weaknesses which led to these breaches, including a new management structure and the bringing of the compliance function "in house".

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

A P Barber  
Secretary to the Lloyd's Disciplinary Board