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LLOYD'S

25 February 2005

LMP BINDING AUTHORITY SLIP REPORT

I am writing to you with the first report of LMP Binding Authority Slip quality comprises two distinct sections:

1. The first relating to the quality of LMP Binding Authority slips;
2. The second offering detailed guidance on how to ensure LMP are not rejected by Xchanging.

In the area of binding authorities, Lloyd's has made significant steps towards contract certainty. This is achieved through the use of LMA model binding authority wordings and LMP Binding Authority slips.

Both of these recent significant changes require internal processes to adjust, which will take time. Although slips have performed well, the need for process adjustment is particularly evident in the rejections area. Please draw the report to the attention of your teams

To help brokers and managing agents to satisfy the new requirements Lloyd's has developed, with Xchanging support, a quality assurance tool which documents current XIS Binding Authority checks. This enables the market to carry out quality assurance (QA) checks on binding authorities to ensure that they meet regulatory, fiscal and contract certainty requirements prior to submission to XIS. Details are available on the Lloyd's website¹.

In addition, to further clarify the requirements under the Delegated Underwriting Byelaw Lloyd's have arranged 2 presentations to be held in the Adam Room at Lloyd's.

These will take place at 9:30am – 11:00am on Friday 11 March and Monday 14 March 2005 respectively. They will help your staff responsible for the quality of binding authority submissions to be more efficient and improve service to coverholders.

Attendance will be limited to 2 members of staff per managing agent or Lloyd's broker and places will be allocated on a first come, first served basis. To book², please contact Lisa Sweeney on 020 7327 6177 or lisa.sweeney@lloyds.com.

Yours sincerely

Iain Saville
Head of Business Process Reform

¹ <http://www.lloyds.com/index.asp?itemid=9130>

² Please state whether a Lloyd's pass will be required and which session you would like to attend