

## Coverholder's undertaking to Lloyd's ('the undertaking')

The undertaking must be given by the applicant under the terms of paragraphs 10, 15 and 16 of the Intermediaries Byelaw. Words and terms in bold type in this undertaking have the meanings given in the Intermediaries Byelaw or the Definitions Byelaw which can be found at <http://www.lloyds.com/coverholders>

A. In consideration of Lloyd's assessing our application, we, the **applicant**, confirm that after conducting reasonable enquiries, the information in this application form is accurate and complete to the best of our knowledge and belief. We acknowledge that if we have provided any false or misleading information in connection with this application, it may lead to the rejection of the application.

B. If Lloyd's approves us as an **approved coverholder**, then in consideration of being approved, we undertake and confirm to Lloyd's that:

### 1 General

- 1.1 We will deal with Lloyd's in good faith and in an open and co-operative way.
- 1.2 We will comply with, and act in accordance with, the rules, requirements and guidelines Lloyd's makes from time to time in relation to **binding authorities** and **coverholders** (the 'rules') and any direction given to us by Lloyd's. This includes complying with any applicable guidelines Lloyd's may from time to time make available on [www.lloyds.com](http://www.lloyds.com) regarding the manner in which **coverholders** will conduct their business under **binding authorities**.
- 1.3 We will conduct our business with integrity and with due care and skill. We will also take all reasonable steps to avoid harming the name, reputation and standing of Lloyd's. This will include complying at all times with the guidelines Lloyd's issues on using the Lloyd's name.
- 1.4 We will only describe or hold ourselves out as a Lloyd's **coverholder** while we remain on the register of **approved coverholders** and are a party to a **registered binding authority**.

### 2 Underwriting authority

- 2.1 We will enter into contracts of insurance on behalf of **members** of a **syndicate** managed by a **Lloyd's managing agent**, or issue quotations or insurance documents, only in accordance with the terms of a **binding authority**.
- 2.2 We will not exercise any authority we have under a **registered binding authority**, including entering into contracts of insurance and issuing quotations or insurance documents, until that **binding authority** has been registered at Lloyd's.
- 2.3 We will not sub-delegate our authority to enter into contracts of insurance, or our authority to issue documents evidencing contracts of insurance, to any third party.

### 3 Administrative arrangements (including insurance monies)

- 3.1 We will take reasonable care to organise and control our affairs responsibly and effectively.
- 3.2 We will make sure that all monies received or payable by us, from or on behalf of the Lloyd's **managing agent** ('insurance monies'), are held in accordance with the requirements set out in the **binding authority**. We will also comply with any other requirements Lloyd's may issue about the way insurance monies must be held.
- 3.3 We will also comply with any requirements of the jurisdiction in which we are **domiciled**, or in which we trade, provide services or do business, or in any other jurisdiction as required, about the way insurance monies must be held.

## Coverholder's undertaking to Lloyd's ('the undertaking')

### 4 Dealing with customers

- 4.1 We will deal with customers and clients (including policyholders and prospective policyholders) ('customers') openly and in good faith.
- 4.2 We will charge premiums and fees, and retain any commissions, discounts or brokerage, only in accordance with the terms of a **binding authority** or any relevant regulatory requirements.
- 4.3 We will pay due regard to the information needs of our customers and communicate information to them in a way which is clear, fair, prompt and not misleading. We will also handle all complaints from customers in a fair, prompt and orderly way.
- 4.4 Where we have authority under the terms of a **binding authority** to administer or agree claims we will do so in a fair, prompt and orderly way.
- 4.5 We will manage any conflicts of interest, between ourselves, our customers and Lloyd's **managing agents** in a fair and open way.

### 5 Dealings with the Lloyd's market

- 5.1 We will deal with Lloyd's **managing agents** and **Lloyd's brokers** openly and in good faith. We will report to them, and account for all monies received or paid, accurately, fairly, promptly and, where relevant, account in accordance with any local settlement systems.
- 5.2 We will always comply with the terms of the **binding authority** we enter into with the **Lloyd's managing agent** unless we are directed otherwise by Lloyd's.

### 6 Compliance with local requirements

- 6.1 We will always comply with all relevant local insurance, fiscal and taxation laws, regulations and requirements of the jurisdiction in which we are domiciled, or in which we trade, provide services or do business, or in any other jurisdiction as required. This will include maintaining any necessary local licences, permits or other authorisations.
- 6.2 If we cease or fail to comply with any relevant laws, regulations or requirements, or cease or fail for whatever reason to maintain any necessary local or required licences, permits or other authorisations, we will immediately take all appropriate action and notify Lloyd's, our **sponsor** and the **Lloyd's managing agent** of the lead **syndicate** that delegated its authority to us under a **binding authority**.

### 7 De-registration or immediate suspension of the firm

If:

- Lloyd's revokes our approval, or suspends us in accordance with the rules; or
- Lloyd's makes or issues an instruction, condition or direction that we or the Lloyd's **managing agent** must cease entering into contracts of insurance under the **binding authority**;

## Coverholder's undertaking to Lloyd's ('the undertaking')

we will, subject to any specific instruction, condition or direction made or issued by Lloyd's, do the following:

- i Immediately cease exercising any authority conferred upon us under a **binding authority**.
- ii Promptly destroy or return (to Lloyd's, the Lloyd's **managing agent** or the **Lloyd's broker**) all unused documents that would indicate or imply, if used, that contracts of insurance we accept are entered into on behalf of **members** of Lloyd's.
- iii Promptly remove from our computer, back-up and printing systems any ability to use any stamp, mark or other thing that would indicate or imply that contracts of insurance we accept are entered into on behalf of **members** of Lloyd's.
- iv Handle the run-off of the business (including claims) in a fair, prompt and orderly way (unless a third party has been appointed by the Lloyd's **managing agent** or Lloyd's has appointed a third party to handle the run-off (the 'third party')).
- v Co-operate fully with any third party, including providing the third party access to our premises and providing relevant books, records and other documents.

AND

- vi Comply with the **binding authority's** provisions in relation to expiry, cancellation or termination of the **binding authority**.

### 8 Lloyd's powers

When requested by Lloyd's (or its representative or agent) we will do the following:

- i Answer any questions and provide any information, documents, books, records and other materials which, in the opinion of Lloyd's (or its representative or agent) relates or purports to relate either to the operation of a **binding authority** or to our ongoing approval as an **approved coverholder**.
- ii Give Lloyd's (or its representative or agent) all reasonable facilities in our premises in order to examine such materials.
- iii Provide to Lloyd's any undertakings or declarations which, in the opinion of Lloyd's (or its representative or agent) Lloyd's believes to be necessary or appropriate.

### 9 Miscellaneous

- 9.1 We will immediately notify the Lloyd's **managing agent**, **Lloyd's broker** and Lloyd's (as appropriate) of any material changes to the information provided in this application form and of any other matters which relate to us and of which the Lloyd's **managing agent**, **Lloyd's broker** or Lloyd's would reasonably expect notice.
- 9.2 We acknowledge that any failure by us to comply with the terms of the rules or this undertaking may affect our continuing suitability to be an **approved coverholder**.
- 9.3 We agree that Lloyd's (including its representative or agent) shall not be liable for breaches on our part of any provision in this undertaking and we further agree to indemnify Lloyd's against all costs, claims, demands or losses (including without limitation consequential losses and all interest, penalties and legal and other professional costs and expenses) which Lloyd's may incur as a result of breach of this undertaking by us.

## Coverholder's undertaking to Lloyd's ('the undertaking')

### 10 Data protection

- 10.1 By providing this undertaking, we confirm that we are applying for approval as a Lloyd's **coverholder** and that we have read and accepted the terms regarding the use of personal and business sensitive data as set out in Appendix 1 of this form. We confirm that we are authorised by our employees or other individuals to provide their personal data as necessary, and to make statements on their behalf. We also confirm that the information provided is true, accurate and up to date, as at the time of this application. We will notify Lloyd's if there are any changes in the information given in this application form before the application is approved.
- 10.2 We understand and agree that Lloyd's may for the purposes described in Appendix 1, transfer personal data to individuals and organisations located outside the EEA in countries which may not provide legal protection of information which is equivalent to the protection provided in the United Kingdom. We hereby expressly consent to such personal data being disclosed to those parties identified in Appendix 1 and understand that details of the individuals, organisations and countries involved will be provided on request.
- 10.3 We acknowledge that if we are approved by Lloyd's, our name and address will be included in the public register of **approved coverholders**.

### 11 Third party contract rights

None of the provisions of this undertaking shall be enforceable by any third party in accordance with The Contracts (Rights of Third Parties) Act 1999, or any other law which may be applicable in other jurisdictions, which would otherwise give a person who is not a party to a contract the right to enforce any of the provisions under this undertaking. Further, any failure to comply with this undertaking shall not invalidate or call into question any contract of insurance we enter into on behalf of a Lloyd's **managing agent**. The authority to enforce compliance with this undertaking will rest solely with Lloyd's.

### 12 Governing law

We irrevocably agree that this undertaking and all matters relating to our application to be an **approved coverholder** shall be subject to the laws of England and irrevocably agree that the courts of England shall have exclusive jurisdiction to settle any dispute or controversy (of whatever nature) arising out of or relating to this undertaking or our application for approval. Accordingly, any suit, action or proceedings arising out of or relating to this undertaking or our applicant shall be brought in such courts. The foregoing shall apply unless Lloyd's, in its absolute discretion, elects that the governing law and applicable courts shall be those of the jurisdiction in which we are domiciled or do business.

## Coverholder's undertaking to Lloyd's ('the undertaking')

This undertaking must be signed by the managing director, chief executive or the principal of the **coverholder**. The signatory must be authorised to sign this undertaking on behalf of the applicant.

Name of Applicant  
(company name):

Signature:

Name of person signing the  
undertaking (in BLOCK  
CAPITALS):

Position in your firm:

Date (day/month/year):

## Appendix 1 – Important information about data protection

### Data protection notice

#### 1. Data controller

- a Any information related to delegated underwriting will be processed within the United Kingdom and so all personal information will be protected by the Data Protection Act 1998. For the purposes of this Act, Lloyd's is known as the data controller and holds information for the purposes set out in its notification to the Information Commissioner. You can view this notification at [www.ico.gov.uk/ESDWebPages/DoSearch.asp](http://www.ico.gov.uk/ESDWebPages/DoSearch.asp) (under the name Lloyd's of London).

#### 2. Proposed uses of personal information

- a Lloyd's will classify information it receives by way of this application and subsequent disclosures as either:
- class A information (which may be business-sensitive or personal information which will only be used by Lloyd's in line with the terms set out in b below); or
  - class B information (which will be made publicly available as per paragraph 3 below).
- b Class A information supplied to Lloyd's by the **applicant** and the **sponsor** will be used by the following.
- The Society including its representatives and agents. (This will include Lloyd's general representatives, attorneys of fact and Lloyd's agents.)
  - Interested third parties such as Xchanging ins-sure services, Xchanging claims services and the Lloyd's Market Association (among others).
  - Any **Lloyd's managing agent** and any **Lloyd's broker** which is a party to a **registered binding authority** or which arranged or broked that **registered binding authority**.
  - Any other **Lloyd's managing agent** or **Lloyd's broker** which has the express consent of the **applicant**.
- Lloyd's can use class A information for the purpose of processing the application and for monitoring the **applicant's** role as an **approved coverholder**.
- c Lloyd's may use all information provided in this form or elsewhere, or which is provided by **Lloyd's managing agents** and **Lloyd's brokers** or on the Coverholder's website (<https://www.coverholders.lloyds.com>), for any of the purposes set out in the Intermediaries Byelaw, the Underwriting Requirements, the Coverholder Handbook or the Handbook on Delegated Underwriting at Lloyd's and subject to part B of the Miscellaneous Provisions Byelaw (No 4 of 2006).
- d Lloyd's may check all the information it receives about the **applicant** or **sponsor** against the information held in Lloyd's records. In order to check the information, Lloyd's may need to contact the **applicant**, the **sponsor** and any other relevant **Lloyd's managing agent** or **Lloyd's broker**.

#### 3. Registers of coverholders

- a Lloyd's will maintain a password-protected register of class A information which will be made available only to any **Lloyd's managing agent** and any **Lloyd's broker** which is a party to a **registered binding authority** or which arranged or broked that **registered binding authority** in accordance with terms set out in the Intermediaries Byelaw and the Underwriting Requirements.
- b Lloyd's will keep a public register of class B non-sensitive business information on **approved coverholders**. This register will give the name and address of the **approved coverholder** and details of the jurisdiction in which the **approved coverholder** is **domiciled**. This public register is available on [www.lloyds.com](http://www.lloyds.com)

## Appendix 1 (continued)

### 4. Security and confidentiality of information

- a All information obtained from the **applicant** or the **sponsor** provided in this application, and any information about the **applicant** or the **sponsor** as a result of this or any other application the **applicant** or the **sponsor** has made to, or any other agreement the **applicant** or the **sponsor** may have with, Lloyd's or authorised parties, will be securely held by Lloyd's and its agents on paper or on computer (or both).
- b Information may be stored on a secure password-protected database which can be accessed through the internet or Lloyd's intranet. By virtue of the internet, the database may be accessed worldwide by authorised parties.
- c All information may also be passed to the **Lloyd's managing agents** at the lead **syndicates** and the **Lloyd's brokers** which are a party to a **registered binding authority** or which arranged or broked that **registered binding authority** who will be obliged to hold your information in a secure environment.
- d Lloyd's will treat personal information as confidential (even if the **applicant** ceases to be an **approved coverholder**). However, the information that appears on the Lloyd's register of **approved coverholders** (as set out in the Intermediaries Byelaw and Underwriting Requirements) will be publicly available (as explained at 3a and b on the previous page).

### 5. Disclosure

- a Except as previously explained, nothing about this application will be disclosed to anyone other than those listed in 2 of this appendix unless:
- the **requirements of the Council**, including part B of the Miscellaneous Provisions Byelaw (No 4 of 2006) permits such disclosure; or
  - the **applicant** or **sponsor** (as appropriate) requests, or consents to, Lloyd's disclosing the information.

### 6. Access to information

- a **Applicants, approved coverholders, sponsors** and their directors, partners and employees have the right of access to the personal data Lloyd's and its associates hold about them. They also have the right to prevent it from being used for direct marketing purposes.
- b Enquiries relating to the use of personal data should be addressed to:

Data Protection Officer  
Compliance  
Lloyd's  
One Lime Street  
London  
EC3M 7HA  
United Kingdom.