

MARKET BULLETIN

REF: Y4497

Title Economic Capital Assessment (ECA) Process for 2012 Underwriting year

Purpose To set out the ECA Process for the 2012 underwriting year, including arrangements for notification of indicative movement in syndicate benchmark ECAs and distribution of the Member Modelling Software ('Member Modeller')

Type Scheduled

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Date 13 June 2011

Deadline 29th July 2011 – Deadline for return of Member Modeller Authorisation

Related links 2012 ICA Process (Market Bulletin Y4467)

Key Points to Note

- The setting of member capital requirements for 2012 will follow the approach adopted for 2011 and will be based on either the agreed uplifted 2012 syndicate ICAs or final agreed 2011 uplifted ICAs, adjusted to reflect the impact of submitted business plans and reserve updates on Lloyd's benchmark.
- Economic capital uplift of 35% will continue to be applied to all syndicate ICAs in determining syndicate ECA requirement, subject to Franchise Board approval.
- Member capital will be determined using the Member Modeller, accessed via Lloyds.com, for the 2012 modelling year. It will be made available on 5 August 2011, at which point it will merely reflect an initial view based on submitted, but unreviewed SBFs and ICAs.
- The 2011 modelling year position is also available via the Current Year (CY) option in the Member Modeller, reflecting mid-year Coming into Line (CIL) and enabling the modelling of mid-year syndicate pre-emptions and start-ups. All updates will be notified to members' agents via e-mail and recorded on the home page notice board.
- There will be an initial release to managing agents of indicative syndicate benchmark movements on 5 August 2011, based on either the proposed 2012 business plans or rolled forward 2011 approved business plans. This Bulletin sets out the options open to different categories of syndicates (originally notified in market Bulletin Y4467).
- There will be regular updates to the Member Modeller throughout the capital setting cycle at intervals agreed with main users.

Introduction

This bulletin confirms the process around setting and modelling member capital for 2012 during calendar year 2011. Practical arrangements are described and a summarised business timetable provided at Appendix 1.

The Capital Setting Process for the 2012 Year of Account

The ECA Member Modelling Software ('Member Modeller') will be distributed to managing and members' agents in accordance with the normal broad timetable, which reflects Auction and CIL commitments. Additional updates will be scheduled as appropriate. It should be noted that the Auctions have been pushed back one week from previous years.

August: Release of Member Modeller

The Member Modeller (2012 underwriting year) will be made available to registered users on 5 August 2011, based on the preliminary input data described below under benchmark movement. MRC will discuss with members' agents the possibility of trialing the model in advance of this, on a roll-over basis, in order to provide familiarity with functional improvements made to the model since last year. It would not be appropriate, however, to rely on data within the model prior to 5 August. Key functional improvements to the Member Modeller are set out in Appendix 2.

All existing users (members' agents, managing agents and members) will be able to continue accessing the software with their current password. Additional users within members' and managing agents can be added by making a request to Lloyds-MRC-Help@lloyds.com.

The software can be accessed via: www.lloyds.com / THE MARKET / TOOLS & RESOURCES / TOOLS (E-SERVICES) / MEMBER MODELLING SOFTWARE

Current Year (2011) capital requirements, i.e. members' mid year CIL and release test ECA requirements, can be viewed through the current year version of the Member Modeller (accessible via drop down selection on 'Home' page). From here, it will also be possible to model member participations on new syndicate current year start-ups and mid-year pre-emptions. Details of these arrangements will be included on the home page notice board and will also be e-mailed to members' agents as they are updated.

August: Indicative Benchmark movement Report

Managing agents will be notified on 5 August of the indicative movement in their syndicate ICA benchmark capital requirement from the 2011 final agreed position to the 2012 indicative position. A statement containing this information will be made available to each agent. The statement will assist Tier 1 syndicates (defined as syndicates with 2011 agreed ICA less than £125m) in deciding whether to elect to use the benchmark movement as the basis for setting member capital throughout the 2012 capital setting process, if they have not already done so via the election on 8 July.

The indicative movement will be based on either actual 2012 business plans or rolled-over 2011 approved business plans, depending on the 8 July ICA submission option taken by the managing agent (see below). The 2012 benchmark capital requirement will reflect Lloyd's view of prospective loss ratios and other parameters.

Non-aligned syndicates are required to submit an initial SBF on 8 July, and must submit a full ICA pro-forma on the same day based on this SBF submission, unless they are a Tier 1 syndicate and have made an irrevocable election by 8 July to base capital on the benchmark movement ('electing' syndicates). 'Electing' syndicates may submit reduced pro-forma (see below for details).

Aligned syndicates are not required to submit an SBF until 9 September, and are permitted to submit full ICA pro-forma on 8 July based on roll-over of final 2011 SBF. They may, however, opt to submit 2012 SBF on 8 July in which case they must submit full ICA pro-forma based on this submission. All aligned syndicates may submit reduced ICA pro-forma in July, where no SBF has been prepared. For electing Tier 1 syndicates this will be true for the remainder of the process, whereas, other syndicates must submit a full ICA pro-forma when submitting initial SBF.

The actual ultimate movement will depend on September 2012 submission of business plans, so the indication provided on 5 August should not be considered fixed. Tier 1 syndicates can make election on either 8 July or 9 September to use benchmark movement, and, once election is made, the syndicate is bound for the rest of the 2012 capital setting process, including mid-year CIL in June 2012.

Managing agents intending to propose **reserve margin** adjustments should tell MRC as soon as possible, and at any rate by no later than 29 July, that they intend to do so.

Every syndicate must submit an ICA pro-forma and, on Form 990, Tier 1 syndicates **must** specify whether they have elected to use benchmark movement by agreement of the Board, or not. Please also e-mail kevin.barnes@lloyds.com and state that you are electing to follow the benchmark movement. The reduced pro-forma requirements are:

- Create new return and complete only the following forms:
 - form 301 (lines 13, 14, 15)
 - form 305 (unearned premium provision only – line 4)
 - form 306 (full)
 - form 990 (election description)

August: Member Modeller Update

Initial ICA and SBF submissions (where submitted) will be reflected in the first release of the member modelling software made available on 5 August. It should be noted that neither business plan nor ICA are approved at this time and only a preliminary validation would have been carried out. An update to the member modeller will be made on 26 August, which will reflect any changes arising from a high level review of ICA submissions by Lloyd's.

September: Member Modeller Update

The Member Modeller will be updated on 20 September to reflect 'final' ICA and SBF submissions made by syndicates on 9 September, before any review has been carried out. Any matters which arise subsequently in discussions with Lloyd's, which the agent believes will lead to an adjusted ICA number, can be addressed, depending on timing, either by a resubmission of the ICA pro-forma or as an auction disclosure by the managing agent. It is recognised that final approved SBFs may differ from September submission, but this will generally be captured for mid-year CIL in June 2012, unless there is a material increase in volumes and/or risk, in which case, the final ICA for November CIL may be adjusted by adopting the benchmark movement.

Where a Tier 1 syndicate has provided an ICA and then elects to use Lloyd's benchmark movement on 9 September, the member modelling software will be updated to reflect this change. Member participations for 2012 will be based on 2011 No.1 Stamp (non-aligned) or SBF advised participation (aligned).

October: Final Member Modeller Update

The Member modeller will be updated to reflect the final CIL capital requirements on 28 October. Prior to this date, updates may be made for material changes to agreed non-aligned syndicate ICAs, by prior agreement with members' agents.

Member participations for non-aligned members will be based on the Lloyd's Stamp System, as notified by members' agents following the first three auctions, and, for aligned members, on SBF participation information, until finalised Stamp data is received in December. MAPA participations are based on notifications from members' agents and are not guaranteed to be up to date. Members' agents can, of course, model the latest participations themselves, together with MAPA constitution changes.

In the event of significant late-occurring insured or economic events, it may be necessary for some syndicates to re-submit ICAs after the September deadline to reflect the impact of such events on their ICA. Lloyd's will seek to adopt a pragmatic approach, but action and timetable will depend on the materiality and timing of any such event and the constitution of the syndicate's stamp. If required, instructions and revised timetable will be communicated at that time.

ICA Adjustments

The allocation of capital to members operates in a similar fashion to previous years, in that the syndicate benchmark is scaled up to equal the agreed ICA requirement, after uplift, for economic capital.

It is assumed that the economic capital uplift for 2012 will continue to be fixed at 35%. This needs to be ratified by Franchise Board and in the unlikely event of a change being recommended, this will be advised immediately.

Requirements for managing agents to submit ICAs and pro-forma information were set out in Market Bulletin Y4467 dated 2 February 2011.

Exchange Rates

The initial submission of SBFs and ICAs will be made at the provisional exchange rates, notified in market bulletin Y4484. Any submissions on or after 1 August 2011 will be based on 30 June plan rate. Benchmark movement indications, issued in August, will be at the plan rate.

As in previous years Lloyd's will adjust the final ECA requirements post year end, where there is a material change in exchange rates compared to the business plan rate.

Responsibilities

Market Reserving & Capital (MRC) continues to be responsible for the member capital setting process, hosted on Lloyd's Integrated Capital Platform (ICP), comprising the Syndicate Benchmark, Member Capital Allocation Tool and Member Modelling Software. This responsibility extends to recommending capital requirements for new syndicates. The Relationship Management Department will facilitate the authorisation of new syndicates and should be approached by agents requiring information on the admission process. The Business Plan Steering Group is responsible for approving syndicate business plans, including mid-year pre-emptions. ICA Steering Group is responsible for approving syndicate ICA submissions and agreeing new syndicate capital requirements.

Member Modelling Software ('Member Modeller')

Lloyds.com is used as the portal to access the Member Modeller. If any assistance is required in gaining access or adding users then please email: Lloyds-MRC-Help@lloyds.com

Member Modeller Application Form

Please print and complete Appendix 3, which is a conditional requirement of agent's using the member modelling software. A handful of applications were received in 2010, so we need to repeat the process to capture all agents this year (agents that completed the form last year do not need to resubmit). Access to the software may be revoked if the form is not received at Lloyd's by 29th July 2011. The form needs to be signed by a Director on behalf of the firm and returned to Lloyd's as part of the Registration process.

The form can be scanned and sent electronically to the help email (listed above) or sent by post to: Kevin Barnes (MRC/G5), Lloyd's of London, One Lime Street, London, EC3M 7HA. The application form can also be sent out electronically, should you require it, and requests should be made by email to the help desk for a word version of the form.

This is a one-off requirement to acknowledge that the firm agrees to be bound by the user Terms and Conditions that are accepted by individual users upon access to the software. The online user Terms and Conditions for individual users replace the previous annual paper-based Software Licence Agreement and will facilitate speedier access to the software going forward.

Users will be required to accept the Terms and Conditions as part of the initial login process (copy of terms and conditions attached at Appendix 4 for information only).

System Requirements

Users are advised to access the software through Internet Explorer 7/8 (and above) or Firefox 3.5.3 (and above). Other portals may be used, but have not been tested by Lloyd's and may result in a loss of user functionality or performance.

Internet Explorer users are advised to add the member modeller software to their list of trusted sites in the Internet Options section. This allows exporting and importing of data to be completed without pop-up blockers and delays occurring. From within the site select the following:

“Tools” → “Internet options” → “Security” → “Trusted Sites” → “Sites” → “Add”

Help & Support

All users are advised to review the Member Modeller user manual and FAQ section on Lloyds.com before directing queries to Lloyds.

All agent queries should be co-ordinated through an Administrator, to improve the efficiency of the support function. If the Administrator is unable to resolve the query, the initial first line of support is the e-mail helpline (Lloyds-MRC-Help@lloyds.com) which will be manned by the MRC team.

Further Releases of the Software

The key dates for data updates are summarised in Appendix 1. Lloyd's may, however, make more regular updates to the Member Modeller as required, and by agreement with members' agents, outside of the stated timetable. Such updates will be advised, with details and reason, on the home page notice board. We will also post warnings on the notice board, giving advanced notice of any times when it is necessary to make the system unavailable. The downtime for updates will generally be no longer than 1 hour and would normally be performed outside of core working hours.

Training and Support

An e-mail helpline will be in operation to deal with queries on the ECA process and software, and with other ECA related questions. Agents with a Market Mail connection should access “Lloyds-MRC-Help”; the full e-mail address is: Lloyds-MRC-Help@lloyds.com

The helpline will be staffed by MRC and will provide assistance with all software and member-specific queries as quickly as possible. Any problems relating to lloyds.com or member modeller software access should be directed to: the Lloyd's support line on 0207 327 5333.

Any user that would like some additional training on use of the Member Modeller should contact MRC via: Lloyds-MRC-Help@lloyds.com and we can discuss the best way to meet those needs.

If you require any more information regarding capital setting process and Member Modeller, please contact:

Neil Wells (ext. 6034) neil.wells@lloyds.com

Kevin Barnes (ext. 5683) kevin.barnes@lloyds.com

Tim Cragg (ext. 5152) tim.cragg@lloyds.com

and for further information on syndicate benchmark movement, please contact:

Harjit Saini (ext 5787) harjit.saini@lloyds.com

Summary of Action Points

9 July	Tier 1 syndicates to complete ICA Form 990, confirming whether they are electing to use benchmark movement by agreement of the Board
29 July	Final date for firms to submit Member Modeller application form
5 August	First official release of 2012 Member modeller
9 September	Last chance for Tier 1 syndicates to elect to use benchmark movement via ICA Form 990

Henry Johnson
 Head,
 Market Reserving & Capital

Economic Capital Assessment Timetable

Deadline	Topic	Activity
30-Jun-11	Coming into line	Members to provide additional Funds at Lloyd's (FAL) and supporting documents to clear mid year coming-into-line (CIL) shortfalls.
08-Jul-11	ICA	Managing agents to submit for Non-Aligned syndicates: (1) syndicate Individual Capital Assessment (ICA) pro-forma in full if providing a Syndicate Business Forecast (SBF) with 2012 plan; or (2) irrevocable election to follow Lloyd's benchmark for Tier 1 syndicates and reduced pro-forma, including reserve projections.
08-Jul-11	ICA	Managing agents to submit for Aligned syndicates: (1) syndicate ICA pro-forma in full if based on 2012 plan alongside SBF submission (2) irrevocable election to follow Lloyd's benchmark for Tier 1 syndicates and reduced pro-forma including reserve projections via Core Market Returns (CMR) website or (3) reduced pro-forma including reserve projections if no developed 2012 plan.
08-Jul-11	SBF	Managing agents to submit, by 12.00, non-aligned SBF for 2012 via the CMR website
08-Jul-11	SBF	Managing agents to submit, by 12.00, aligned SBF for 2012 via the CMR website where preparing a full pro-forma and ICA based on 2012 plans
29-Jul-11	SBF	Managing agents to submit non-aligned SBF for 2012 by 12:00, via the CMR website (only required where there is a change to the previously submitted plan)
05-Aug-11	ECA	Economic capital assessment (ECA) indicative data available to managing agents (based on 2011 YOA individual capital assessment (ICA) submissions and benchmark movement)
05-Aug-11	ECA	ECA Indicative Member Modelling Software Release (based on benchmark movement or preliminary 2012 ICA submissions - pre-review)
26-Aug-11	ECA	Member Modelling Software update (based on benchmark movement or preliminary reviewed 2012 ICA submissions)
09-Sep-11	ICA	Managing Agents to submit (1) syndicate ICA pro-forma in full; or (2) having elected irrevocably to follow Lloyd's benchmark for Tier 1 syndicates, reduced pro-forma including reserve projections + (3) submission of analysis of change for all Tier 2 syndicates.
09-Sep-11	SBF	Managing agents to submit non-aligned and aligned syndicate business forecasts for 2012 by 12:00, via CMR website
13-Sep-11	Auction 1	Day one of Lloyd's capacity auction number one
20-Sep-11	Auction 2	Day one of Lloyd's capacity auction number two
20-Sep-11	ECA	ECA member modelling software update (based on September submitted ICAs and SBFs - pre-review)
04-Oct-11	Auction 3	Day one of Lloyd's capacity auction number three
21-Oct-11	SBF	Syndicate business plans approval deadline for non-aligned syndicates
28-Oct-11	ECA	Final ECA member modelling software update (including final agreed syndicate ECAs)
09-Nov-11	Auction 4	Day one of Lloyd's capacity auction number four
25-Nov-11	SBF	Syndicate business plan approval deadline for aligned syndicates
30-Nov-11	CIL	All members' agents to confirm their names are in line by the coming into line deadline.

Key Changes to Member Modelling Software

Changes to the new Member Modelling Software

Following feedback from main users, MRC have implemented a number of enhancements to the system for 2012 modelling, below, which are expected to be available when Proposed Year 2012 data is first made available. Members' agents expecting to start a new MAPA for 2012 are particularly directed to the first item.

Subject	Description
Dummy MAPAs <i>(Process change)</i>	Members' Agents are requested to advise MRC of the intention to operate a new MAPA in the Proposed Year, as soon as the MAPA Number is confirmed. MRC will then ensure that the new MAPA is available as a "true" MAPA. Dummy MAPAs should NOT continue to be used beyond this point, because of the difficulties caused when "true" MAPA allocation data becomes available.
Dummy Members	Agents will now be able to import lists of Dummy Members (Dummy code, and name) from a designated csv file. The ability to add members individually will remain.
Dummy Members	Members' Agents will now be able to amend back-year participations for Dummy Members. This functionality had been previously available only by importing a new participation set for the Member.
View Members	On the "View members" webpage, agents will now be able to sort on the valid status of members' active participation sets. Data releases can invalidate active sets, and, should this happen, it will now be easier to review the extent, and likely cause, of sets becoming invalid.
View Members	On the "View members" webpage, the use of the check box to select all members has been improved, so that selections on each page persist while the webpage is active. Previously selections made on the first page, for example, were dropped when moving to another page of the member list. It will now be easier to work with groups of Names without needing to add them to a selected list
Modelling Year	With the first-time availability of a CY model, the system will display different coloured headers for PY and CY, for easy identification.
Reports	It is now possible to generate a report for proposed conversions from the results tab of the conversion. Previously, this report had been only available from the Reports section of the system. Additionally, a number of small changes have been made to reports to improve formatting, and consistency of presentation.

Application Form**MEMBER MODELLING SOFTWARE
APPLICATION FORM (one per Agent)**

In order to be provided with access to the Member Modelling Software, please ask a Director (or equivalent) to complete and send this form to Kevin Barnes, Market Reserving and Capital, Lloyd's, One Lime Street, London EC3M 7HA. Electronic copies will be accepted (please send to Lloyds-MRC-Help@lloyds.com).

Members' / Managing Agents Details:

Firm's name:	
Address:	
City:	
Postcode:	

I certify that I am authorised on behalf of the Firm named above to execute this application form. I further certify and confirm that the Firm will be bound by the Member Modelling Software User Terms and Conditions (attached) as amended from time to time.

Signed		Date	
Print name		Director	

Example of User Terms & Conditions

MEMBER MODELLING SOFTWARE USER TERMS AND CONDITIONS

IMPORTANT: THESE TERMS AND CONDITIONS (“TERMS”) APPLY TO THE MEMBER MODELLING SOFTWARE (“THE SOFTWARE”), AVAILABLE ON THE LLOYD’S WEBSITE (www.lloyds.com). YOU WILL BE ASKED TO READ AND ACCEPT THESE TERMS BEFORE ACCESSING THE SOFTWARE. THESE TERMS ARE ISSUED BY LLOYD’S.

1. Definitions and Interpretation

1.1 In these Terms:

“**Applicable Regulations**” means all applicable legislation, laws, regulations, rules, codes of practice with which a Firm or User must comply when using the Software;

“**Firm**” means a Lloyd’s Managing Agent or Members’ Agent that has been given permission by Lloyd’s to access and use the Software;

“**Firm User**” means an individual registered at Lloyd’s to use the Software on behalf of a Firm;

“**Individual User**” means a Member of Lloyd’s registered to use the Software;

“**Information**” means any data submitted to the Software by a User;

“**Intellectual Property Rights**” means all rights including but not limited to trade marks, names, logos, copyright, database rights, patents and know-how;

“**Software**” means the Member Modelling Software;

“**User**” means a Firm User or an Individual User;

a clause or schedule, unless the context otherwise requires, is a reference to a clause of or a schedule to these Terms;

the singular includes the plural and vice versa, unless the context otherwise requires.

2. Terms and conditions of use

2.1 By completing and signing the Member Modelling Software Application Form, the Firm agrees that it is bound by these Terms.

2.2 By accessing the Software, Users accept and are bound by these Terms.

2.3 A Firm or User who has neither accepted nor been deemed to have accepted these Terms has any right to enforce them.

2.4 Lloyd’s reserves the right to grant, restrict or revoke access of Users or prospective Users to the Software at any time.

2.5 Lloyd's or its agents or suppliers may monitor usage of a User's username and password and unusual patterns of use may be investigated.

3. Firm Responsibilities

3.1 A Firm is responsible for:

3.1.1 providing Lloyd's with details of Firm Users who will have access to the Software in accordance with these Terms;

3.1.2 ensuring persons are appropriate to be added as Firm Users and that the level and nature of the access rights granted are appropriate to the Firm User's role and normal business activities;

3.1.3 ensuring that Lloyd's is notified immediately so that the Firm User's username and password can be disabled to prevent them from accessing the Software if a Firm User ceases to be authorised by the Firm to use the Software for any reason, including but not limited to change of function, termination, departure or any other action which ought to prevent them from having access to the Software; and

3.1.4 monitoring Firm Users' conduct to ensure that they comply with these Terms.

4. Use of the Software

4.1 Users must only use the Software in accordance with these Terms.

4.2 Users must not provide any other individual or company with their user names and passwords.

4.3 A Firm User must only use the Software for the purpose of calculating indicative funds at Lloyd's ratios on an economic capital assessment basis for Members of Lloyd's for which the Firm acts and Individual Users for themselves. Users may for these purposes download data from the Software.

4.4 Users must comply with the Applicable Regulations within the jurisdiction from which they are accessing the Software.

4.5 Users must not:

4.5.1 use the Software for any purpose that is unlawful or prohibited by any applicable law, regulation, rule or legislation;

4.5.2 post, transmit or disseminate any information on or via the Software which is or may be harmful, obscene, defamatory or otherwise illegal;

4.5.3 use the Software in a manner which causes or may cause an infringement of the rights of Lloyd's and/or any other person;

4.5.4 use any software, routine or device to interfere or attempt to interfere electronically or manually with the operation or functionality of the Software including but not limited to uploading or making available files containing corrupt data or viruses via whatever means;

- 4.5.5 deface, alter or interfere with the “look and feel” of the Software or the underlying software code;
 - 4.5.6 take any action that imposes an unreasonable or disproportionately large load on the Software or related infrastructure;
 - 4.5.7 obtain or attempt to obtain access, via whatever means, to any part of the Software or the Lloyd’s networks for which it is not authorised.
- 4.6 Lloyd’s reserves the right to remove, modify or alter any data submitted to the Software by a User in breach of clause 4.5 but this shall not affect any other remedy which may be available to Lloyd’s.
- 4.7 Firms and Individual Users undertake to put systems in place to minimise the risk of viruses being transmitted or distributed over the Software including the use of and regular updating of commercially available virus detection software.

5. Intellectual Property

- 5.1 All Intellectual Property Rights in the Software, including but not limited to the underlying software code existing now or in the future shall be and remain the property of Lloyd’s.
- 5.2 The content published on the Software and all Intellectual Property Rights in it are owned by Lloyd’s or that content is made available to Lloyd’s under licence from third parties.
- 5.3 All Intellectual Property Rights in the Information shall remain in the ownership of the Firm or Individual User and the Firm or Individual User grants Lloyd’s a perpetual licence to use the Information for its lawful business purposes.

6. Updates

- 6.1 Lloyd’s may make improvements or changes to the Software. Changes or improvements that are material will be notified to Firms and Individual Users by Lloyd’s.
- 6.2 Lloyd’s may also modify these Terms at any time and such modification shall be effective immediately upon posting of the modified Terms on www.lloyds.com. Accordingly, continued access or use of the Software is deemed to be acceptance of the modified Terms. Material modifications to the Terms as determined in Lloyd’s sole discretion will be notified to Firms and Individual Users by Lloyd’s.

7. Data Protection

- 7.1 Where any personal data, as defined in the Data Protection Act 1998 (“the Act”), is provided by a Firm or a Firm User to Lloyd’s, the Firm confirms that:
- 7.1.1 it has the consent of the owner of the personal data to provide such data to Lloyd’s; and
 - 7.1.2 it has complied with its obligations as set out in the Act.
- 7.2 Lloyd’s will process any personal data provided by a Firm or User in accordance with the Privacy and Security Statement attached to these Terms.

8. Security

- 8.1 Lloyd's will use all reasonable endeavours to ensure that the Software is secure. Details of the security measures for the Software are set out in the Lloyd's Website Security Statement attached to these Terms. Lloyd's cannot guarantee that information displayed on the Software has not been interfered with.
- 8.2 If a Firm or User chooses to send any electronic communications to Lloyd's (whether by email or otherwise), they do so at their own risk. Lloyd's cannot guarantee that such communications will not be intercepted or changed or that they will reach the intended recipient safely.

9. Warranties

- 9.1 The Software is provided "as is" and Lloyd's gives no warranties in respect thereof. Specifically, but without limitation, Lloyd's does not warrant that:
- 9.1.1 Firms or Users will be able to use the Software or that the Software will continue to be made available in its current or any other form;
 - 9.1.2 the Software or any software or material of whatever nature available on or downloaded from it will meet a Firm's or User's data processing requirements, be uninterrupted or free from errors, defects or viruses, or compatible with a Firm's or User's equipment or fit for any purpose. It is the Firm's and the Individual User's responsibility to use suitable anti-virus software and to ensure compatibility with its equipment; or
 - 9.1.3 any content or information published on the Software is accurate or complete.
- 9.2 Any warranties which would otherwise be implied by law (including, without limitation, warranties as to satisfactory quality, fitness for purpose or skill and care) are hereby excluded.

10. Content warranty

- 10.1 Whilst Lloyd's and other third parties may provide certain data and information on the Software, Firms and Users shall be entirely responsible for the content and accuracy of data and information on the Software.

11. Liability

- 11.1 Lloyd's accepts no responsibility or liability for any loss of or corruption of data or information, unauthorised access to, alteration of, or use of any records, programs or files on the Software, the Firm's or Users' use of or inability to use the Software, out-of-date or inaccurate or incomplete data or information held on the Software or any communications, missed or delayed or otherwise, between the Firm or Users and Lloyd's.
- 11.2 Lloyd's shall not be liable for any failure or delay in performing its obligations under these Terms that arises as a result of circumstances beyond its reasonable control.

- 11.3 Lloyd's shall not be liable to the Firm or a User whether for negligence, breach of contract, misrepresentation or otherwise, for (i) any direct loss or damage; (ii) loss or damage arising from third party claims; (iii) loss of profit or goodwill suffered by the Firm or a User; or (iv) indirect or consequential loss or damage suffered by the Firm or a User.
- 11.4 Except as set out in these Terms, all conditions, warranties and representations, whether express or implied by statute, common law or otherwise are expressly excluded.
- 11.5 Nothing in these Terms shall operate to limit Lloyd's liability for (i) fraud, or (ii) death or personal injury caused as a result of negligence on the part of Lloyd's or its employees.

12. Termination

- 12.1 Lloyd's reserves the right to terminate at any time the Firm's or a User's access to the Software immediately for any reason, including but not limited to, the Firm and/or Users' abuse or misuse of the Software as determined by Lloyd's in its sole discretion.
- 12.2 Termination of these Terms will not affect any obligations that accrue before such termination.

13. Severability and inconsistency

- 13.1 If any provision in these Terms shall be unlawful, void or for any reason unenforceable, that provision shall be deemed severable from the rest of the Terms and shall not affect the validity and enforceability of the remaining provisions of these Terms.

14. Entire Agreement

- 14.1 These Terms constitute the whole agreement between the parties and supersede all previous agreements between the parties relating to their subject matter. Each party acknowledges that, in entering into these Terms, it has not relied on, and shall have no right or remedy in respect of, any statement, representation, assurance or warranty (whether made negligently or innocently) other than as expressly set out in these Terms.

15. Notices

- 15.1 Notices which may be required to be given under these Terms by either party to the other shall be in writing and sent by email, facsimile or by prepaid first class post, to the following addresses:

Lloyd's: Market Reserving & Capital, Lloyd's, One Lime Street, London EC3M 7HA;
and

Firm or User: the address of the registered office or such other addresses as may be notified to Lloyd's in writing from time to time.

In the case of a notice sent by email or facsimile it shall be confirmed by sending a copy of such notice by first class post. Any notice sent by email or facsimile shall be deemed to be received on the same day of despatch, and any notice sent by prepaid

first class post shall be deemed to be received three (3) days after the date of posting.

16. Governing Law and Jurisdiction

- 16.1 These Terms and all matters arising from or in connection with them shall be governed and construed in accordance with English law and the parties hereby irrevocably submit to the exclusive jurisdiction of the courts of England and Wales.

17. Third Party Rights

- 17.1 No person who is not a party to these Terms shall have any right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of these Terms.

18. Enforcement

- 18.1 The failure by either party to enforce any provision of these Terms shall not be deemed as a waiver of the right to enforce such term or condition.

PRIVACY & SECURITY STATEMENT

Lloyd's has taken steps to safeguard the confidentiality of information which identifies the Users ('personal information') against unauthorised access, amendment or deletion and to ensure access is only granted to authorised Users and only to the extent necessary. This Privacy and Security Statement covers our treatment of the personal information we collect when Users are registered for or visit the Software.

1 Information collection and use

When Users register, Lloyd's may ask for their name, email address and other contact details, as well as details about their status and role as an insurance professional. When Users use the Software they are not anonymous to Lloyd's.

Lloyd's may also automatically receive and record information on our server logs from Users' browser, including their IP address and the page they requested. Lloyd's may set and access Lloyd's cookies on Users' computers.

2 Information sharing and disclosure

Lloyd's will not sell Users' personal information to anyone.

Lloyd's may disclose personal information about Users to its business associates and other professional advisers, Lloyd's employees and agents, suppliers and providers of goods or services, financial organisations and advisers, ombudsmen and regulatory authorities, and as required by law or regulation.

Users' personal information may be transferred to the above individuals and organisations located in countries which may not provide legal protection of information equivalent to that in the United Kingdom or the jurisdiction from which Users are visiting the Software. Details of the individuals, organisations and countries involved in a particular User's case will be provided on request.

Lloyd's only retains personal information for as long as is necessary for the purposes described above.

3 Getting in touch with us

If you have any questions or concerns about privacy and security or your dealings with us, please contact Lloyd's, One Lime Street, London, EC3M 7HA, UK, or email: infosecurity@lloyds.com.

LLOYD'S WEBSITE SECURITY STATEMENT

In order to provide Users of the Software with a personalised and secure experience, Lloyd's requires all Users to authenticate to the Software using a unique user ID and password. Once authenticated, all information passed over the Internet between the User and the Software is protected by Secure Socket Layer encryption technology.

Lloyd's continually reviews its systems and processes to ensure that the Software provides the highest practicable level of protection. All information submitted to the Software is passed to Lloyd's secure internal servers for processing and the following security measures are in place to ensure its protection:

- Comprehensive firewalling to shield Lloyd's internal computer systems from external threats
- System monitoring to identify any unusual activity
- Data processing and storage facilities sited in secure locations to prevent unauthorised access
- Data stored and handled at all times in a manner that maintains its confidentiality, integrity and availability.

If you have any questions or concerns or would like further information please contact Lloyd's Information Protection & Continuity team at infosecurity@lloyds.com.