

*Regulatory Bulletin*

**FROM:** Secretary to Lloyd's Disciplinary Board  
**LOCATION:** 58/NW1  
**EXTENSION:** 5530  
**DATE:** 22 December 1997  
**REFERENCE:** 122/97  
**SUBJECT:** ANTHONY FROST

**ACTION POINTS:** For Information  
**DEADLINE:** None

Anthony Frost has admitted 5 charges of misconduct, namely conducting insurance business in a discreditable manner within the meaning of the Misconduct, Penalties and Sanctions Byelaw (No. 5 of 1983).

At the time material to the proceedings, Mr Frost was a member of the Society and was the Chairman of a Lloyd's Broker, Citicorp Insurance Brokers Limited, which subsequently became Nelson Hurst Marine Limited, an agency of Nelson Hurst Insurance Brokers Limited. The allegations against him related to the taking of a secret profit by NHIB in relation to an account for which he was responsible throughout the relevant period. Mr Frost admitted that his knowledge that a secret profit was being taken amounts to the conduct of insurance business in a discreditable manner.

Details of the events giving rise to the charges are contained in the attached Notice of Censure.

Mr Frost received the following penalties in respect of his admitted misconduct:

- 1 That his right of admission to the Room and the other parts of the premises of the Society of Lloyd's be suspended for 6 months.

- 2 That his right to transact the business of insurance at Lloyd's in person be suspended for 6 months. This penalty shall not prevent Mr Frost:
  - (a) from transacting insurance business through a registered Lloyd's Broker in compliance with Lloyd's Byelaws and Regulations; or
  - (b) from transacting business as an individual underwriting member of Lloyd's purely for his own account or through an underwriting agent.
- 3 That he pay a fine of £10,000.
- 4 That he be censured.

It was also ordered that he pay Lloyd's costs of £40,000.

This case was determined by a Lloyd's Disciplinary Tribunal and its decision gives effect to a settlement of these proceedings on terms agreed between the Council and the Defendant and approved by the Disciplinary Tribunal.

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

A P Barber  
Secretary to Lloyd's Disciplinary Board