

**FROM:** Secretary to Lloyd's Disciplinary Board  
**LOCATION:** 58/SE1  
**EXTENSION:** 5530  
**DATE:** 29 February 2000  
**REFERENCE:** 25/2000  
**SUBJECT:** **ROGER INGLES**  
  
**SUBJECT AREA(S):** Formal Disciplinary Proceedings – Case No.  
LDB/9909/23c  
**ATTACHMENTS:** Notice of Censure  
**ACTION POINTS:** **For information**  
**DEADLINE:** **None**

Roger Ingles has admitted three charges of conducting himself in a discreditable manner. At the relevant time Mr Ingles was a director of the Lloyd's broker, JA Chapman & Co Limited ("Chapco"). Between 1989 and 1993 he was the finance director and was Chapco's compliance officer from September 1991 until mid-1993.

As a result of these proceedings the following penalties have been imposed on Mr Ingles.

- a) That his right to transact or be concerned or interested in the transaction of, the business of insurance at Lloyd's or any class or classes of such business be suspended for a period of 2 years;
- b) That his right of admission to the Room and other parts of the premises of the Society be suspended for a period of 2 years; and
- c) That he be Censured in the terms of the attached Notice.

Mr Ingles has also provided undertakings required by Lloyd's which have the effect, following the two year suspension orders, of prohibiting him from transacting or being concerned or interested in the transaction of the business of insurance at Lloyd's without Lloyd's permission.

Mr Ingles has also been ordered to pay the costs of the Council in the sum of £10,000.

Details of the events giving rise to the charges against Mr Ingles are set out in the Notice of Censure.

This case was determined by the Lloyd's Disciplinary Board and its decision gives effect to a settlement of these proceedings 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)).

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

AP Barber  
Secretary to Lloyd's Disciplinary Board.

**NOTICE OF CENSURE**

**ROGER REX INGLES**

Roger Ingles, a director of JA Chapman & Company Limited ("Chapco"), has admitted three charges of conducting himself in a discreditable manner. At all relevant times Mr Ingles was a director of Chapco. Between 1989 and 1993 he was the finance director and was Chapco's compliance officer from September 1991 until mid 1993. As a director of Chapco, Roger Ingles was authorised to sign cover notes and payment authorisations on behalf of Chapco.

Chapco is a Lloyd's broker albeit now in liquidation. Prior to September 1991 it operated in the Lloyd's market under an umbrella arrangement. It specialised in, inter alia, arranging insurance and reinsurance in respect of marine liability risks.

Chapco arranged cargo and crew reinsurance on behalf of the Liverpool & London P&I Association Limited for 1994 and 1995. In respect of the crew accounts Mr Ingles was the day to day administrator reporting to the account director. Chapco deliberately inflated the premiums to be paid by its client as compared to the premiums agreed by underwriters on, inter alia, the 1994 cargo and crew accounts and the 1995 crew account. This was done without the client's knowledge or consent. The total excess premium charged in respect of those accounts was approximately US\$3,200,000. The relevant cover notes were each signed by Mr Ingles and another Chapco director. The decision to inflate deliberately the premiums was taken by others. Mr Ingles ought to have taken steps but failed properly or at all to check from all of the documentation attached to the office file or otherwise that the level of premium to be charged corresponded with the premium agreed with underwriters.

Chapco then arranged for approximately US\$880,000 of excess premiums paid on the Liverpool & London accounts to be paid to Swiss and Cypriot bank accounts. The beneficiaries of those accounts were not entitled to any of the premiums generated on the Liverpool & London account. Roger Ingles, on the instructions of others, was responsible for arranging approximately US\$280,000 of that amount to be paid to certain of those bank accounts. Mr Ingles was aware that the payments were being made to persons who had no legitimate connection with the insurance policies concerned. He could, and ought to have, prevented it.

Following the inquiry by Lloyd's it was also established that in respect of certain other major accounts of Chapco, Chapco had substantially inflated the premiums as quoted by underwriters. Mr Ingles had no role in the inflation of those premiums.

However, Mr Ingles arranged, under the instructions of the account director, for approximately US\$297,000, which constituted part of the excess premium generated on those accounts, to be paid to a Liberian company which held a bank account in Jersey. That Liberian account had no connection with the business placed and was not entitled to receive any such commissions. The clients did not know that these payments were being made.

It is no part of the case against Mr Ingles that he was dishonest or received personally the benefit of the grossed up premiums or offshore payments. Nevertheless Mr Ingles seriously failed in his duties as a director. He took no steps to ensure that the correct premium was being charged and to ensure that Liverpool & London had consented to the inflation of premiums. In addition, Mr Ingles was responsible for authorising offshore payments to companies which he knew had no legitimate connection with the insurance business placed.

As a result the following penalties have been imposed on Mr Ingles;

- i) That his right to transact, or be concerned or interested in the transaction of, the business of insurance at Lloyd's or any class or classes of such business be suspended for a period of two years;
- ii) That his right of admission to the Room and the other parts of the premises of the Society be suspended for a period of two years; and
- iii) That he be Censured in the terms of this Notice.

Having regard to the fact of the suspension and to Mr Ingles' limited personal means, a fine was not considered to be appropriate

Mr Ingles has also provided undertakings required by Lloyd's which prohibit him from transacting or being concerned or interested in the transaction of the business of insurance in the Lloyd's market indefinitely. Mr Ingles has liberty to apply to the Council of Lloyd's to have this undertaking set aside or amended in the future.

Finally, Mr Ingles is also to contribute £10,000 towards the costs of Lloyd's arising from these proceedings.

### **LLOYD'S DISCIPLINARY BOARD**