

FROM: Head of Admissions EXTN: 5743
DATE: 21 July 2005 REF: Y3597
SUBJECT: **Individual Registration (IR)**
SUBJECT AREA(S): Reducing the scope of Lloyd's individual registration arrangements
ATTACHMENTS: None

ACTION POINTS: **Underwriting agents and approved run-off companies to note changes to Individual Registration and amend internal procedures as required**
DEADLINE(S): **21 July 2005**

With effect from 21 July 2005 Lloyd's is ceasing the requirement for individuals to be individually registered, **unless** in respect of underwriting agents and approved run-off companies (agents) they perform the role of:

- director (both executive and non-executive);
- active underwriter;
- run-off manager; or
- compliance officer.

Other individuals performing any of the 10 regulated functions set out in section 3.6 of IR Form A and reporting to a director are no longer required to be individually registered by Lloyd's.

The Admissions department (Admissions) will remove all individuals who no longer need to be registered from the register in July and a schedule will be supplied to the compliance officer of each agent detailing those individuals that have been removed from the register, and those that have been retained. Termination forms do **not** need to be completed for these individuals.

Continuing applications

The existing procedures will continue to apply for individual registration applications for directors, active underwriters, run-off managers and compliance officers. Agents are reminded that any individual who is also making an application to the FSA should submit a copy of their completed FSA Form A in conjunction with Lloyd's IR Form B. Where the individual is not required to be registered with the FSA, Lloyd's IR Form A should be used.

All applications should continue to be accompanied by a cheque for £200 made payable to 'Corporation of Lloyd's'.

Terminations and changes to details for those individuals that remain on the register should continue to be advised as they are currently.

Recruitment procedures

One of the checks performed by the individual registration process was to make sure that the applicant did not have any adverse employment history. As an FSA authorised firm, all agents are expected to take reasonable steps to obtain information about an individual's previous relevant activities and training. Lloyd's expects all agents to have effective recruitment procedures in place, to make proper enquiries into new employees and to take references.

Training and Development

Admissions considers an individual's suitability for the role before approving an individual registration application and some of the factors taken into account include relevant commercial experience and professional qualifications. If Admissions consider an individual not to have the relevant experience and / or professional qualifications the application will be discussed with the agent and a specific training and development plan may need to be supplied.

Managing Agents are reminded that as an FSA authorised firm all employees must be competent for the job they perform and must continue to be competent. Lloyd's expect all agents to have an overall Training and Development plan which provides sufficient training for all individuals to be competent at their job. Additionally, agents should be able to demonstrate the competence of each member of staff, which they should keep under review on a regular basis.

National Association of Insurance Commissioners (NAIC)

The NAIC will not require signed affidavits for individuals that fall outside the new requirements. For new applications directors, active underwriters, run-off managers and compliance officers should complete the NAIC / surplus lines business declaration (section 9 of IR Form A & section 8 of IR Form B) where the agent transacts insurance business in the United States.

Non-underwriting working members (NUWM)

Individuals who are having their registration terminated as a part of this process will not lose their NUWM status, and these changes will not affect further NUWM applications.

Next steps

During Q3 2005 Admissions will work with the LMA to:

- update the individual registration handbook; and
- review and streamline the forms, process and charging structure for registered individuals.

Further information & queries

Any questions on this bulletin should be directed to:

- Anthony Hipperson, tel: 020 7327 5622, email: anthony.hipperson@lloyds.com; or
- Tilly Langdon, tel: 020 7327 6309, email: tilly.langdon@lloyds.com

All IR forms can be found at <http://www.lloyds.com/ir>

This bulletin has been sent to all underwriting agents and approved run-off companies, Lloyd's market associations and recognised accountants.



Matthew Chandler
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