

MARKET BULLETIN

From Director, Worldwide Markets (extn 6677)

Date 29 December 2006

Reference Y3937

Subject **AUSTRALIA: NEW GENERAL INSURANCE CODE OF PRACTICE**

Subject areas

Attachments Appendix 1: LSW649b; Mandatory Wording for use with binding authorities authorised to accept Australian business.
Appendix 2: LMA3049; Australian retail binder certificate
Appendix 3: LMA3050; Australian wholesale binder certificate
Appendix 4: NMA2741; Australia Policy Jacket J (A)
Appendix 5: NMA2752; Australia Policy Jacket J
Appendix 6: LMA5066; Australian non-dispute resolution endorsement
Appendix 7: LMA5067; Australian dispute resolution endorsement
Appendix 8: Wording summary

Action points **Underwriters and brokers to note accordingly**

Deadlines **With effect from 22 January 2007**

Purpose and Scope of Bulletin

The purpose of this bulletin is to advise that Lloyd's has signed up to the Insurance Council of Australia's (ICA) General Insurance Code of Practice (the Code). Lloyd's has signed up to the Code in respect of all direct insurance policies issued under a binding authority by an Australian coverholder but has negotiated an exemption for business written outside of Australia and binding authority claims which are above the coverholder's claims handling authority and adjusted in London. Australian coverholders will be required to comply with the new Code upon inception/renewal of all Lloyd's binding authorities with effect from 22 January 2007.

The Australian mandatory wording for use with binding authorities has been amended to include the requirements of the new Code and renamed as LSW649b. Furthermore, the

Australian certificates of insurance, NMA2837 and NMA1856a, have been retired and replaced with LMA3049 and LMA3050 accordingly.

ICA General Insurance Code of Practice

The General Insurance Code of Practice is said to have set a major precedent for Codes of Practice in that it not only applies to retail¹ business but to wholesale² business as well. A full copy of the Code and its requirements can be viewed at the following website: <http://www.codeofpractice.com.au>. However, as previously noted, Lloyd's has negotiated a position for Lloyd's underwriters which means that the Code will apply to direct insurance policies issued under a binding authority by an Australian coverholder only, excluding binding authority claims which are above the coverholder's claims handling authority and adjusted in London. Australian business written outside of Australia is excluded from the Code.

It should be noted that the Code covers situations where an Australian domiciled claims administrator has been appointed by underwriters to handle binder claims. The Code defines these situations as a "Claims Authority" and requires each claims authority to include a requirement by underwriters that the Australian domiciled claims administrator will comply with the Code.

It should also be noted that, although the Code applies only to policies issued under binding authorities placed from 22 January 2007, **it applies to all existing and future claims from that date**, whether handled or adjusted by the coverholder or the claims administrator.

Australian mandatory wording for use with binding authorities

LSW649b (see appendix 1) encompasses all requirements for Australian binding authority business, including those currently set out in LSW649a. As a result LSW649a will be withdrawn from 22 January 2007 and LSW649b must be attached to all binding authorities permitted to accept Australian business incepting/renewing from this date.

The wording sets out certain duties that the coverholder must perform on behalf of underwriters in order to demonstrate compliance with Australian laws, regulations, codes and fiscal requirements.

Xchanging Ins-sure Services has been instructed to refer back to underwriters, via the Lloyd's broker, any applicable binding authorities incepting/renewing on or after 22 January 2007, where the correct wording has not been included.

1. Retail means a natural person or a business employing fewer than 20 people, or 100 people if a manufacturing business, with personal policies (or policies to be used in connection with the small business) for motor vehicle, home building, home contents, sickness and accident, consumer credit, travel, and personal and domestic property.

2. Wholesale means all policies of insurance not covered by the above definition.

Australian Certificates and Policy Jackets

Australian certificates of insurance, NMA2837 and NMA1856a, are being retired and will be replaced with LMA3049 and LMA3050 (appendices 2 and 3) from 22 January 2007. The certificates have been revised to allow underwriters to comply with the Code and include reference to the appropriate dispute resolution process. The certificates should be used in the following circumstances:

- LMA3049 is to be used by Australian coverholders for retail binder policies. The Code applies, so an internal dispute resolution process is required (i.e. Lloyd's Australia). Retail business is also subject to an external dispute resolution service, i.e. the Insurance Ombudsman Scheme (IOS).
- LMA3050 is to be used by Australian coverholders for wholesale binder policies. The Code applies, so an internal dispute resolution process is required (i.e. via Lloyd's Australia to Lloyd's Complaints Dept), but access to the IOS is not permitted.

Australian open market policy jackets, NMA2741 and NMA2752 (appendices 4 and 5) remain unchanged. However, the policy must be accompanied by LMA5067 (appendix 7) for retail business or LMA5066 (appendix 6) for wholesale business, to reflect the correct position in terms of the Code and the dispute resolution requirements. Certificates issued to Australian insureds by coverholders not domiciled in Australia must also include either LMA5066 or LMA5067 accordingly.

Appendix 8 provides a useful summary of when each certificate/policy jacket may be used.

General

If you have any queries, please contact either of the following:

Lloyd's Worldwide Markets:

Market Services

Tel: 020 7327 6677

E-mail: market.services@lloyds.com

Lloyd's General Representative in Australia:

Keith Stern

Tel: 00 61 2 9223 1433

E-mail: keith@lloydsaustralia.com.au

This bulletin has been sent to active underwriters and the Compliance Officers of Lloyd's brokers and managing agents and for information, to the LMBC and LMA.

The information contained in this market bulletin is provided in order to support managing agents in meeting their commitment '**to protect Lloyd's licences and authorisations to conduct insurance business in the UK and overseas**'. The information will also help underwriters decide, prior to binding, how a risk can be underwritten in compliance with Lloyd's trading rights in the country concerned.

More detailed information on Lloyd's trading rights may be found on www.loyds.com/worldwide. Select the appropriate country from the Lloyd's trading status box (located on the left hand side of the web page) which will take you to the appropriate Quick Reference Guide. More detailed information may then be obtained for certain countries by selecting 'Manual' from the menu on the left hand side of the screen. You will be asked to input a password. Please contact the Worldwide Market Services (contact details as above) in order to obtain this information.

Julian James
Director
Worldwide Markets

AUSTRALIAN BINDING AUTHORITY ENDORSEMENT
(for use in conjunction with Binding Authority Wordings)

The Coverholder agrees to comply with the following provisions of this endorsement:

1. Licence Requirements:

- (a) It is a condition of the Agreement that the Coverholder holds the proper licence, licences, approval or approvals as the case may be, according to Australian regulatory requirements unless the Underwriters have been provided with written evidence (acceptable to the Underwriters) of any appropriate exemptions.
- (i) where the Coverholder is located in a territory outside of Australia, it is a condition of the Agreement that the Coverholder holds the proper licence, licences, approval or approvals as the case may be that are appropriate to that territory.
- (b) Without limiting the previous paragraphs, if under the Agreement the Coverholder makes any offer to a retail client to arrange for the issue, variation or disposal of a financial product by the Underwriters:
- (i) the Coverholder must hold an Australian Financial Services Licence that covers the relevant offer; and
- (ii) it is acknowledged by the Coverholder that the Agreement is an *intermediary authorisation* under section 911A(2)(b) of the Corporations Act 2001 (Cth).
- (c) The Coverholder acknowledges that the Underwriters do not (or might not) hold an Australian Financial Services Licence. The Coverholder undertakes not to do anything, or omit to do anything, which results in the Underwriters providing any financial service for which the Underwriters are required to hold an Australian Financial Services Licence.
- (d) The Coverholder and the Underwriters agree that Sections 16.3 and 16.4 of the Agreement are varied to provide as follows:

“16.3 The Underwriters and Coverholder specifically agree that the Underwriters reserve the right to cancel the Agreement at any time with immediate effect upon the occurrence of any of the events set out in 16.3.1 to 16.3.4 inclusive;

The Underwriters shall give written notice of such cancellation and the Agreement shall terminate at the date specified in the notice;

16.3.1 The Coverholder fails to comply with any of the provisions of the Agreement;

16.3.2 Any past or present director, officer, partner or employee of the Coverholder or any individual named in the Agreement is convicted of or charged with any criminal offence involving fraud or dishonesty or any other criminal offence that may materially affect the operation of the Agreement;

16.3.3 The Lloyd's Broker is suspended as a Lloyd's Broker or ceases to have permission to transact insurance business at Lloyd's as a Lloyd's Broker unless an alternative Lloyd's Broker is mutually agreed in writing by the Underwriters and the Coverholder;

16.3.4 The Coverholder breaches the Corporations Act or any condition of its Australian Financial Services Licence;

16.4 The Coverholder shall inform the Underwriters immediately upon becoming aware of the occurrence of any of the events set out in 16.2, 16.3.1, 16.3.2 and 16.3.4 above. Any failure by the Coverholder so to advise shall not affect the automatic termination of the Agreement under 16.2 or the Underwriters' rights under 16.3;

The Underwriters shall advise the Coverholder immediately upon becoming aware of the occurrence of any of the events in 16.3.3;"

- (e) Where, as a condition of any application made for an Australian Financial Services Licence (or any application for exemption), the Coverholder is required to have established an Internal Disputes Resolution (IDR) process and also required to be a member of an External Disputes Resolution (EDR) scheme, then in respect of those classes of business which are covered by The Insurance Ombudsman Service and which are underwritten at Lloyd's, the Coverholder must agree to comply with the IDR Process administered by Lloyd's Australia Ltd. As a result, in respect of those classes of business the Coverholder shall participate in the EDR Process only via Lloyd's Australia Ltd's Membership of The Insurance Ombudsman Service, even though the Coverholder may also be required to be a member of The Insurance Ombudsman Service in its own right.
2. Clients' money account: The Coverholder and the Underwriters agree that despite the provisions of Section 33 of the Agreement ("Section 33"):
- (a) if the Corporations Act and the Corporations Regulations ("Corporations Act and Regulations") require the Coverholder, in particular circumstances, to deal with or hold monies referred to in Section 33 in a manner that conflicts with Section 33, Section 33 is taken to be varied, in respect of those circumstances, to the extent necessary to enable the Coverholder to comply with the Corporations Act and Regulations; and
 - (b) for the purposes of Corporations Regulation 7.8.05, the Underwriters consent to the Coverholder holding money referred to in that regulation on trust for the Underwriters.
3. The Coverholder's General Responsibilities: The Coverholder shall not perform any duties as a Coverholder if not approved to do so by Lloyd's and/or the Underwriters and for which the Coverholder does not have an appropriate level of expertise and knowledge.

In all communications arising out of or relating to the Agreement, the Coverholder shall ensure that it is clearly stated that the Coverholder acts as agent of Lloyd's underwriters. In particular, and without limiting the operation of the obligations set out in the previous sentence, the Coverholder shall: (a) advise third parties, including but not limited to brokers, Insureds, intending Insureds and government authorities, of its status as agent of the Lloyd's underwriters for whom it is acting; and (b) not purport to act, or represent to any third party that it is acting, in the capacity of a Principal in respect of any matter arising out of or relating to the Agreement.

If the Underwriters are held responsible for the conduct of the Coverholder, its agents or employees by virtue of the operation of Australian law or otherwise, where such conduct was not within the scope of the Coverholder's authority, as set out in the Agreement, the Coverholder shall fully indemnify the Underwriters for the entire sum which the Underwriters are ordered or held liable to pay and in addition, all legal costs on a solicitor and own client basis which the Underwriters may incur.

If the Underwriters are held to have committed offences against Australian law or any other law by reason of acts or omissions of the Coverholder, its agents or employees, the Coverholder shall fully indemnify the Underwriters the entire sum which the Underwriters are ordered or held liable to pay and, in addition, all related legal costs on a solicitor and own client basis which the Underwriters may incur.

4. Certificates: It is a condition of the Agreement that the format of any Certificate issued by the Coverholder shall:
 - (a) in respect of insurances within the scope of the Insurance Ombudsman Service, be based on LMA3049 Standard Outline Certificate (Australia — Retail Lines);
 - (b) in respect of wholesale insurances, be based on the LMA3050 Standard Outline Certificate with the service of suit clause deleted and replaced by LSW1145 Alternative Disputes Resolution Clause, where inclusion of the latter has been agreed by the Underwriters;
 - (c) in respect of applicable classes of business under the Insurance Contracts Act 1984, include Expiry/Renewal Notice NMA1996.

5. Code of Practice: It is a condition of the Agreement that an Australian based Coverholder undertakes:
 - (a) to comply with the General Insurance Code of Practice ("the Code").
 - (b) to comply with the provisions of the Code as if each reference in those sections to the "insurer" were a reference to the Coverholder, unless the context otherwise requires.
 - (c) in connection with performing its obligations in paragraphs (a) and (b) above:
 - (i) to use the document titled "Checklist for Review of Compliance with the General Insurance Code of Practice " [as set out in the Lloyd's Australian procedures manual] (as may be amended from time to time by Lloyd's under guidance from the Insurance Ombudsman Service and/or the Insurance Council of Australia) as a guide to formulating the Coverholder's internal procedures for compliance with those aspects of the Code relevant to the Coverholders' business; and
 - (ii) to do all things reasonably necessary in order to ensure compliance with the Code and any direction of the Lloyd's General Representative in Australia and/or the Insurance Ombudsman Service, including participating in any review of compliance with the Code requested by the Insurance Ombudsman Service; and
 - (iii) to complete the Insurance Ombudsman Service's Code Self-Assessment document for the Code [as set out in the Lloyd's Australian procedures manual] within 15 working days of entering the Binding Authority Agreement, and return to the Lloyd's General Representative; and
 - (iv) to complete the Insurance Ombudsman Service's Code Review document for the Code [as set out in the Lloyd's Australian procedures manual] within 15 working days of renewal of the Binding Authority Agreement, and return to the Lloyd's General Representative.
 - (d) to furnish a statement to the Lloyd's General Representative, in the form prescribed by the Lloyd's General Representative, reporting compliance with the obligations stated in (a), (b) and (c) above and providing adequate detail as to how such obligations have been satisfied, by the date specified by the Lloyd's General Representative each year.

6. Privacy Act: It is a condition of the Agreement that the Coverholder ensures that it is aware of its obligations under the Privacy Act 1988 as amended by the Privacy Amendment (Private Sector) Act 2000, where appropriate. The Coverholder shall process data regarding Insureds in accordance with the Privacy Act Principles and for the purposes only of providing insurance to Insureds and prospective Insureds and of handling claims to the extent allowed by the Agreement.

7. Taxes: It is a condition of the Agreement that the Coverholder shall:
 - (a) if above the registration threshold, be registered for Goods and Services Tax (GST) and shall be responsible for accounting for GST on business bound under the Agreement to the Australian Taxation Office in accordance with the relevant provisions of the Australian tax law.

- (i) where the Coverholder is located in a territory outside of Australia the requirement to register for GST as described in the previous paragraph will not apply unless the last act necessary to make the contract of insurance binding takes place in Australia.
 - (b) be responsible for administering stamp duty, withholding (non-resident) tax and fire services levies (where they apply).
 - (i) where the Coverholder is located in a territory outside of Australia it shall ensure that appropriate alternative arrangements are made to administer the taxes and charges referred to in the above paragraph if it is not practical to do so itself.
 - (c) report New South Wales premiums separately in their monthly reporting to the Underwriters in order that the central tax system can properly record this information for Insurance Protection Tax (NSW) purposes.
8. Complaints: It is a condition of the Agreement that the Coverholder shall:
- (a) comply with the complaints procedures under the General Insurance Code of Practice.
 - (b) in respect of disputes falling under the Insurance Ombudsman Service, respond to the Lloyd's Australia office within 10 working days of the lodgement of a disputed claim.
9. Statutory renewals during the period of Agreement – section 58 Insurance Contracts Act: In addition to Section 15 of the Agreement the Coverholder shall take appropriate action to prevent the renewal of any certificate during the period of the Agreement by reason of the operation of section 58 of the Insurance Contracts Act.
10. Statutory renewals after expiry, cancellation or termination of Agreement - section 58 Insurance Contracts Act: In addition to Section 15 of the Agreement the Coverholder shall take appropriate action to prevent the renewal, after the effective date of expiry, cancellation or termination of the Agreement, of any certificate by reason of the operation of section 58 of the Insurance Contracts Act.
11. Indemnities continue: It is a condition of the Agreement that:
- (a) each indemnity contained in the Agreement is a continuing obligation despite:
 - (i) any settlement of account; or
 - (ii) the occurrence of any other thing,

and remains in full force and effect until all money owing, contingently or otherwise, under the indemnity has been paid in full; and
 - (b) each indemnity contained in the Agreement:
 - (i) is an additional, separate and independent obligation and no one indemnity limits the generality of any other indemnity; and
 - (ii) survives the termination of the Agreement.

LSW649b

LLOYD'S CERTIFICATE OF INSURANCE

effected through

(hereinafter called the Coverholder)

THIS CERTIFICATE OF INSURANCE confirms that in return for payment of the Premium shown in the Schedule, certain Underwriters at Lloyd's have agreed to insure you, in accordance with the wording attached to this Certificate.

You or your representative can obtain further details of the syndicate numbers and the proportions of this Insurance for which each of the Underwriters at Lloyd's is liable by requesting them from the Coverholder shown above. In the event of loss, each Underwriter (and their executors and administrators) is only liable for their own share of the loss.

In accepting this Insurance, the Underwriters have relied on the information and statements that you have provided on the Proposal Form (or Declaration) the date of which is stated in the Schedule. You should read this Certificate carefully and if it is not correct contact the Coverholder. It is an important document and you should keep it in a safe place with all other papers relating to this insurance.

SCHEDULE

<p>Agreement Number:</p> <p>Certificate Number:</p> <p>The Insured (you):</p> <p>Address of the Insured:</p> <p>Premium payable by the Insured:</p>	<p style="text-align: center;">Date of Proposal Form or Declaration:</p> <p style="text-align: right;">(including all commissions and charges but excluding taxes and duties)</p>
<p>Stamp Duty (if any):</p>	

Other taxes and
duties (if any):

**Total Amount
Payable:**

Period of Insurance: From: _____ To: _____ (both days at 4 p.m.
Local Time).

This Certificate is Insurance Council of Australia's General Insurance Code of Practice compliant, apart from any claims adjusted outside Australia. Underwriters at Lloyd's proudly support the General Insurance Code of Practice. The purpose of the Code is to raise standards of practice and service in the general insurance industry. Any enquiry or complaint relating to this Insurance should be referred to the Coverholder shown above in the first instance. If this does not resolve the matter or you are not satisfied with the way a complaint has been dealt with, you should write to:

Lloyd's Underwriters' General Representative in Australia
Suite 2, Level 21
Angel Place
123 Pitt Street
Sydney NSW 2000

Telephone Number: (02) 9223 1433
Facsimile Number: (02) 9223 1466

If your dispute remains unresolved you may be referred to the **Insurance Ombudsman Service Limited** under the terms of the General Insurance Code of Practice. For other disputes you will be referred to other proceedings for resolution. Details are available from Lloyd's Underwriters' General Representative in Australia at the address above.

The Underwriters accepting this Insurance agree that:

- (i) if a dispute arises under this Insurance, this Insurance will be subject to Australian law and practice and the Underwriters will submit to the jurisdiction of any competent Court in the Commonwealth of Australia;
- (ii) any summons notice or process to be served upon the Underwriters may be served upon:

*Lloyd's Underwriters' General Representative in Australia
Suite 2, Level 21
Angel Place
123 Pitt Street
Sydney NSW 2000*

who has authority to accept service and to appear on the Underwriters' behalf;

LLOYD'S CERTIFICATE OF INSURANCE

effected through

(hereinafter called the Coverholder)

THIS IS TO CERTIFY that in accordance with the authorisation granted under Contract No.

to the undersigned by certain Underwriters at Lloyd's, whose definitive numbers and the proportions underwritten by them, which will be supplied on application, can be ascertained by reference to the said Contract, and in consideration of the premium specified herein, the said Underwriters are hereby bound, severally and not jointly, each for his own part and not one for another, their Executors and Administrators, to insure in accordance with the terms and conditions contained herein or endorsed hereon.

SCHEDULE

Certificate No:

The Assured:

Rate:

Premium:

Stamp Duty:

Charges:

Address of the Assured:

Period of Insurance:

from

to

(both days at 4 p.m. Local

Time).

This Certificate is Insurance Council of Australia's General Insurance Code of Practice compliant, apart from any claims adjusted outside Australia. Underwriters at Lloyd's proudly support the General Insurance Code of Practice. The purpose of the Code is to raise standards of practice and service in the general insurance industry. Any enquiry or complaint relating to this Insurance should be referred to the Coverholder shown above in the first instance. If this does not resolve the matter or you are not satisfied with the way a complaint has been dealt with, you should write to:

Lloyd's Underwriters' General Representative in Australia
Suite 2, Level 21
Angel Place
123 Pitt Street
Sydney NSW 2000

Telephone Number: (02) 9223 1433

Facsimile Number: (02) 9223 1466



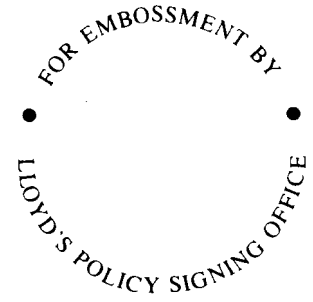
Lloyd's Policy

We, Underwriting Members of the syndicates whose definitive numbers and proportions are shown in the Table attached hereto (hereinafter referred to as 'the Underwriters'), hereby agree, in consideration of the payment to Us by or on behalf of the Assured of the premium specified in the Schedule, to insure against loss, including but not limited to associated expenses specified herein, if any, to the extent and in the manner provided in this Policy.

The Underwriters hereby bind themselves severally and not jointly, each for his own part and not one for another, and therefore each of the Underwriters (and his Executors and Administrators) shall be liable only for his own share of his syndicate's proportion of any such loss and of any such expenses. The identity of each of the Underwriters and the amount of his share may be ascertained by the Assured or the Assured's representative on application to Lloyd's Policy Signing Office, quoting the Lloyd's Policy Signing Office number and date shown in the Table.

In Witness whereof the General Manager of Lloyd's Policy Signing Office has signed this Policy on behalf of each of Us.

LLOYD'S POLICY SIGNING OFFICE
General Manager



J(A) Australia NMA2741 (1/1/97)

Form approved by Lloyd's Underwriters' Non-Marine Association Limited

Lloyd's Policy



Lloyd's, London
1 Lime Street
London EC3M 7HA

The Assured is requested to **read this Policy** and, if it is incorrect, return it immediately **to your broker** for alteration. **In all communications** the Policy Number appearing in line one of the Schedule should be quoted.

[]
[]
J(A) Australia



The Table of syndicates referred to in the Policy follows :-



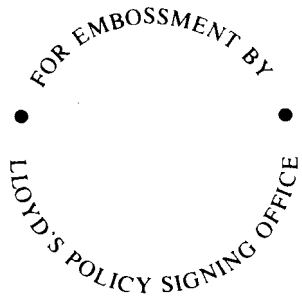
Lloyd's Policy

We, Underwriting Members of the syndicates whose definitive numbers and proportions are shown in the Table attached hereto (hereinafter referred to as 'the Underwriters'), hereby agree, in consideration of the payment to Us by or on behalf of the Assured of the premium specified in the Schedule, to insure against loss, including but not limited to associated expenses specified herein, if any, to the extent and in the manner provided in this Policy.

The Underwriters hereby bind themselves severally and not jointly, each for his own part and not one for another, and therefore each of the Underwriters (and his Executors and Administrators) shall be liable only for his own share of his syndicate's proportion of any such loss and of any such expenses. The identity of each of the Underwriters and the amount of his share may be ascertained by the Assured or the Assured's representative on application to Lloyd's Policy Signing Office, quoting the Lloyd's Policy Signing Office number and date shown in the Table.

Notwithstanding anything to the contrary contained herein this Policy does not cover loss, damage or liability directly or indirectly occasioned by, happening through or in consequence of war, invasion, acts of foreign enemies, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, military or usurped power or confiscation or nationalisation or requisition or destruction of or damage to property by or under the order of any government or public or local authority.

In Witness whereof the General Manager of Lloyd's Policy Signing Office has signed this Policy on behalf of each of Us.

<p>LLOYD'S POLICY SIGNING OFFICE <i>General Manager</i></p> <p>J Australia NMA2752 (1/4/97)</p> <p>Form approved by Lloyd's Underwriters' Non-Marine Association Limited</p>	
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Lloyd's Policy



Lloyd's, London
1 Lime Street
London EC3M 7HA

The Assured is requested to **read this Policy** and, if it is incorrect, return it immediately **to your broker** for alteration. **In all communications** the Policy Number appearing in line one of the Schedule should be quoted.

[]
[]
J Australia



The Table of syndicates referred to in the Policy follows :-

AUSTRALIAN NON-DISPUTE RESOLUTION ENDORSEMENT

This insurance does not comply with the Insurance Council of Australia's General Insurance Code of Practice.

The Underwriters hereon agree that:

- (i) In the event of a dispute arising under this Insurance, the Underwriters at the request of the Assured will submit to the jurisdiction of any competent Court in the Commonwealth of Australia. Such dispute shall be determined in accordance with the law and practice applicable in such Court.
- (ii) Any summons notice or process to be served upon the Underwriters may be served upon:

who has authority to accept service and to enter an appearance on the Underwriters' behalf, and who is directed at the request of the Assured to give a written undertaking to the Assured that he will enter an appearance on the Underwriters' behalf.

- (iii) If a suit is instituted against any one of the Underwriters, all Underwriters hereon will abide by the final decision of such Court or any competent Appellate Court.

The amount of Premium specified herein is the amount due to the Underwriters and any commission allowed by them is to be regarded as remuneration of the Coverholder placing this Insurance.

In the event of a claim arising under this Insurance IMMEDIATE NOTICE should be given to:

LMA5066

21 December 2006

AUSTRALIAN DISPUTE RESOLUTION ENDORSEMENT

This insurance does not comply with the Insurance Council of Australia's General Insurance Code of Practice. Any enquiry or complaint relating to this insurance should be referred to

in the first instance. If this does not resolve the matter or you are not satisfied with the way a complaint has been dealt with, you should write to:

Lloyd's Underwriters' General Representative in Australia
Suite 2, Level 21
Angel Place
123 Pitt Street
Sydney NSW 2000

Telephone Number: (02) 9223 1433

Facsimile Number: (02) 9223 1466

If your dispute remains unresolved you may be referred to the Insurance Ombudsman Service Limited under the terms of the General Insurance Code of Practice. For other disputes you will be referred to other proceedings for resolution. Details are available from Lloyd's Underwriters' General Representative in Australia at the address above.

LMA5067

21 December 2006

SUMMARY

	Direct Insurance Wholesale		Direct Insurance Retail		Reinsurance
	Open market	Binder	Open Market	Binder	
Is a dispute resolution or service of suit clause required? †	YES	YES	YES	YES	RECOMMENDED
Can NMA 1854 be used? **	YES	NO	NO	NO	YES
Can LMA 3049 be used? *	NO	NO	NO	YES	NO
Can LMA 3050 be used? *	NO	YES	NO	NO	NO ✘
Can an alternative dispute resolution or service of suit wording be used? †	YES	YES	YES ❖	YES ❖	YES
Can NMA 2752 with endorsement LMA5066 be used? **	YES	NO	NO	NO	YES
Can NMA 2741 with endorsement LMA5066 be used? **	YES	NO	NO	NO	YES
Can NMA 2752 with endorsement LMA5067 be used? **	NO	NO	YES	NO	NO
Can NMA 2741 with endorsement LMA5067 be used? **	NO	NO	YES	NO	NO

- ❖ Retail contracts are provided for within the Insurance Ombudsman Service Scheme, an existing alternative method of dispute resolution and therefore reference to this Scheme should be used in conjunction with, or be included in, any service of suit wording. NMA 3049 includes a suitable form of words that can be adopted in conjunction with NMA 1854 or incorporated within any other service of suit wording used.
- ⚡ XIS will query where there are conflicting provisions within the same policy or wording.
- ⊗ Other than where it forms the basis of reinsurance certificates issued under a binding authority.
- * Only to be used by an Australian coverholder.
- ** Only to be used by a syndicate.