

# MARKET BULLETIN

REF: Y3992

<b>Title</b>	War on land risks written under delegated authority
<b>Purpose</b>	To inform Lloyd's Managing Agents that war on land risks may be written under delegated authority provided that they are subject to prior agreement by the leading underwriter.
<b>Type</b>	Event
<b>From</b>	Rolf Tolle, Director of Franchise Performance
<b>Date</b>	30 March 2007
<b>Deadline</b>	None, to take effect immediately
<b>Related links</b>	<a href="#">Market Bulletin 120/97, 18 December 1997</a> <a href="#">Market Bulletin Y2825, 28 June 2002</a>

Market Bulletin 4083 of 18 December 1997 contained a provision that war on land risks (allocated to risk code WL) should not be written via delegated authority. This was subsequently made clear in Market Bulletin Y2825 of 28 June 2002. It has become apparent that confusion has arisen as a result of risk code WL being an allowable class under the Binding Authority Registration (BAR) scheme and a number of binding authorities contain provisions allowing war on land business to be underwritten under them.

This matter has been considered and it has been determined that the original intention of the provision, to ensure that managing agents are in a position to monitor and control their aggregate liabilities being underwritten under WL risk code, remains valid. However, it is recognised that this can be achieved if such risks are submitted for agreement of the leading underwriter prior to acceptance under the binding authority concerned (i.e. a limited binding authority arrangement). Accordingly, Managing Agents are asked to note that WL risks may be accepted via delegated authority provided that there are provisions to ensure that such risks have prior agreement of the leading underwriter. Leading underwriters should ensure that there are arrangements in place to promptly inform any following underwriters of such acceptances so that they are in a position to monitor and control their own aggregates.

Xchanging Insure Services (XIS) are being informed of this provision and asked not to reject binding authority agreements where they comply with the provisions of this bulletin.

Any queries regarding the content of this bulletin should be directed in the first instance to Bill Rendall, [bill.rendall2@lloyds.com](mailto:bill.rendall2@lloyds.com) or 020 7327 5810.

Rolf Tolle,  
Director of Franchise Performance