

## **Lloyd's Market Association Operational Resilience Committee (LMA OpRes Committee)**

The OpRes Committee is part of the LMA committee structure, made up of senior Ops leaders (typically SMF24 roles or reporting into SMF24 roles, with the Committee's membership representing the Lloyd's Ops community's interests, reporting to the [LMA Operations Committee]. These Terms of Reference ("ToR") shall automatically incorporate the LMA Core Terms of Reference ("Core Terms") which can be found here. In the event of any conflicts between these ToR and the Core Terms, the Core Terms will prevail. The Core Terms will be updated from time to time, and at such time the most recent version will be deemed incorporated into these ToR.

### **1. Purpose**

- 1.1 The Committee operates for Operational Resilience requiring the membership to discuss policies, strategic objectives, and the delivery of excellence, whilst promoting and enhancing the brand, performance and reputation of Operational Resilience in the Lloyd's market.

### **2. Responsibilities**

- 2.1 The Committee shall have the following responsibilities:
  - 2.1.1 Responding to requests from insurance practitioners, the LMA Board and LMA Leadership, LMA committees and panels for guidance and recommendations.
  - 2.1.2 Promoting positive interaction between the Committee, the LMA and its committees, Lloyd's, and other interested parties.
  - 2.1.3 Working with third parties to provide expertise to support the Lloyd's market.
  - 2.1.4 In relation to any LMA model wordings or model agreements, to consult with practitioners in the relevant sectors or classes of business
  - 2.1.5 Being constituted so as to be representative of the interest of the Operational Resilience sector.
  - 2.1.6 Meeting on a regular basis with planned agendas and a record of proceedings ("record").
  - 2.1.7 Publishing a summary of its work from time to time on the LMA's website.
  - 2.1.8 In fulfilling its objectives the Committee may appoint, maintain and oversee sub-committees or working parties to consider specific matters.
  - 2.1.9 In relation to any Operational Resilience wordings or guidance agreed by the committee, the committee is to, where appropriate, consult with practitioners. These may be LMA members, external persons or organisations in the relevant sectors. The committee is then to publish such wordings or guidance on the LMA website or circulate by other means to the market, in order to promote the highest level of market efficiency and standards for the benefit of LMA members, practitioners, policyholders and their representatives and other counterparties of LMA members;
  - 2.1.10 To promote good communications between the OpRes Committee the LMA and its other committees, Lloyd's, LIIBA, LIMOSS, the UK and overseas regulatory authorities, and other interested parties such as ISORG
  - 2.1.11 Assist in the co-ordination, development, planning and execution of market-wide testing exercises
  - 2.1.12 Work with Lloyd's to review lessons learned and performance improvement plans following any major market-wide incidents, including the effectiveness of incident communications
  - 2.1.13 Provide a focal point for cross-market discussion with LIIBA and IUA where the implementation of Operational Resilience has interdependencies requiring a co-ordinated market approach
  - 2.1.14 Provide managing agent representation to whom Lloyd's will consult on any proposed changes to Operational Resilience in their oversight regime

- 2.1.15 In fulfilling its objectives the Committee may appoint, maintain and oversee sub-committees or working parties to consider specific matters.

## 3. Chair(s)

- 3.1 The Committee shall elect a Chair(s), by a simple majority of the members of the Committee.
- 3.2 The Committee may elect to have two Chairs in order to share workload. Alternatively, the Committee may elect to have a Deputy Chair, in which case, all references to Chair(s) in these ToR apply equally to Deputy Chair(s).
- 3.3 The duties of the Chair(s) are as follows:
  - 3.3.1 The Chair(s) will oversee the efficient and effective operation of the Committee in accordance with these ToR.
  - 3.3.2 In fulfilling their duties, the Chair(s) will act independently and with due regard for the interests of all LMA members in accordance with all applicable legal and regulatory requirements.
  - 3.3.3 The Chair(s) (with the assistance of the Secretary) shall ensure that the Committee conducts its business in accordance with the requirements of applicable competition law.
- 3.4 The term of a Chair(s) shall be for a period of two years, (subject to them being able to continue to carry out that role) as supported by the Secretary.
- 3.5 Chair(s) can serve a maximum of two terms.

## 4. Secretary

- 4.1 The Committee shall have a Secretary who shall be an employee of the LMA. The duties of the Secretary are as follows:
  - 4.1.1 Efficient administration of the Committee, including the convening of meetings, preparation and circulation of agendas and record of meeting, timely follow-up of agreed actions, management of agreed projects and reporting to the Committee and the LMA membership.
  - 4.1.2 Monitoring of compliance by the Committee with the LMA's Competition Compliance Guidelines, bringing any potential breaches to the attention of the Legal Director.
  - 4.1.3 Appointing an alternate to attend a Committee meeting on their behalf. Such an alternate shall be an LMA employee and shall act in accordance with these ToR.
  - 4.1.4 Perform, an annual assessment of the effectiveness of the Committee and these ToR. See section 10.

## 5. Membership

### 5.1 General

- 5.1.1 The Committee shall consist of up to 20 members.
- 5.1.2 Members of the Committee shall be employees (permanent or fixed term) of LMA members
- 5.1.3 There shall be only one Committee member from any one LMA member unless otherwise agreed by the Committee.
- 5.1.4 The term of membership of each Committee member shall be three years.
- 5.1.5 Committee members may put themselves forward for re-selection up to a maximum of three terms.
- 5.1.6 The criteria for membership is as follows:
  - Preferably holds the role of SMF24 (or reports into), or holds an aligned job function e.g. Head of Operational Resilience (or equivalent), or
  - Holds a senior role which adds additional skills, balance, perspectives and strength to the work of the Committee, e.g. Chief Risk Officer,
  - Ability to represent practitioners' interests to external bodies.
  - Reputation for fairness and integrity.
  - The addition of balance, strength and diversity to the Committee.

## 5.2 Admittance

- 5.2.1 Committee membership is based on a selection process.
- 5.2.2 Annually, the Secretary shall notify the relevant LMA members of potential vacancies on the Committee.
- 5.2.3 Applications/notifications of interest shall be collated by the Secretary and presented to the Committee.
- 5.2.4 Committee members shall select the successful applicants by way of consensus.
- 5.2.5 The Secretary shall notify all applicants of the outcome and provide successful applicants with details of future meetings, previous minutes of meetings and a copy of these ToR's.

## 5.3 Co-option

- 5.3.1 The Secretary may invite individuals to become members of the Committee from time to time on a co-opted basis, to provide specialist knowledge.
- 5.3.2 Such co-opted members will be selected on the basis of appropriate technical expertise and experience and co-option will terminate when that expertise and experience is no longer required.
- 5.3.3 Co-opted members are not eligible to vote on Committee business.

## 5.4 Cessation of membership

- 5.4.1 Other than cessation due to maximum tenure membership may be revoked by notice from the secretary should any Committee member:
  - 5.4.1.1 Cease to fulfil the membership requirements.
  - 5.4.1.2 Become incapable of participating fully on the Committee.
  - 5.4.1.3 Breach the requirements of these ToR, in particular, the requirements relating to competition law (section 3), confidentiality (section 4) and conduct/culture (section 9).
  - 5.4.1.4 Fail to attend sufficient meetings. Committee members should make every effort to attend all meetings. Should a Committee member fail to attend at least 50% of scheduled meetings, the Secretary may, at their discretion, require the Committee member to resign.
- 5.4.2 Committee members can resign their membership at any time simply by notifying the Secretary in writing.
- 5.4.3 Where a standing member's representative leaves the Committee that standing member shall retain the right to replace that member with an alternative representative.
- 5.4.4 When a Committee member leaves a Committee, that Committee member shall not retain any materials or work product of that Committee and, at the request of the Secretary, confirm that they have destroyed all such materials or work product.

## 6. Organisation and Operation of Committee meetings

### 6.1 Meetings

- 6.1.1 The Committee shall typically meet monthly
- 6.1.2 Meetings shall be scheduled in advance and may be a combination of in-person and virtual, i.e. hybrid
- 6.1.3 Committee members attending by VC are deemed to be present for attendance purposes.

### 6.2 Quorum

- 6.2.1 The quorum for a meeting of the Committee is 50% present.

## **6.3 Voting**

- 6.3.1 All matters requiring a vote by the Committee shall be decided by simple majority excluding the Chair(s).
- 6.3.2 In the case of a tie, the Chair(s) shall have the casting vote.

## **6.4 Agendas and record of meeting**

- 6.4.1 Agendas and supporting material will be provided to committee members in advance of meetings.
- 6.4.2 A record of each meeting will be captured by the way of key discussions, decisions and actions. The record will be approved by the committee at a subsequent meeting

## **6.5 Reporting**

- 6.5.1 The Secretary and Chair(s) shall be accountable to the LMA Operations Committee (and other governance groups as are required for specific projects / initiatives) to whom it shall report when required. An account of its work through the Secretary will also be communicated regularly to the wider market and LMA membership.