

Lloyd's Co-Lead Claims Agreement

**LMA9186A
27 April 2023**

1. INTRODUCTION

Lloyd's Claims Lead Arrangements provide that where an insurance is written by two or more syndicates managed by different managing agents, the managing agent of the leading Lloyd's syndicate has authority to determine standard claims and the managing agents of the leading and second Lloyd's syndicates have joint authority to determine complex claims on behalf of all the other Lloyd's syndicates that underwrote the insurance.

The parties set out in the Insurer Schedule (Section 10) and the Broker Schedule (Section 11) below have entered into this Co-Lead Claims Agreement (CLCA) to allow for the efficient management and determination of claims made on policies entered into pursuant to multiple co-insurance binding authorities on which Lloyd's syndicates participate compliant with the requirements of the Claims Lead Arrangements. It does this by agreeing (1) the Lloyd's syndicates that will be the leading Lloyd's syndicate and, for complex claims, the second Lloyd's syndicate for the purposes of applying the Claims Lead Arrangements and (2) various related provisions to as how the parties will deal with the handling of the Binder Claims.

2. DEFINITIONS

In this Agreement, the following words shall have the following meanings:

Agreement means this Co-Lead Claims Agreement

Binder claim(s) means claim(s) arising from policies which are insured by the Underwriters under the Binding Authority Agreements

Binding Authority Agreement(s) means the agreements granting delegated underwriting and other authority to a Coverholder and identified at Section 4

Binding Authority Leader means the managing agent of the leading Lloyd's syndicate on each Binding Authority Agreement

Broker means the Lloyd's Broker on record or other intermediary engaged in the broking and placing of the Binding Authority Agreement(s)

Claims Agreement Party(ies) means the Binding Authority Leaders with authority to determine a Binder Claim in accordance with the Claims Lead Arrangements. The Claims Agreement Parties will be determined as provided by section 5 below

Claims Lead Arrangements means the Lloyd's Claims Lead Arrangements as supplemented by the Guidance and as each may be amended or updated from time to time.

Claims Management Selection Process means a meeting or exchange of communication between the Broker and Binding Authority Leaders, called by the Broker to determine and select the Underwriters to coordinate and act as the Claims Agreement Parties

Coverholder means a Lloyd's approved coverholder which has been granted delegated underwriting authority under a Binding Authority Agreement

Delegated Claims Administrator (DCA) means a Lloyd's approved delegated claims administrator or a Coverholder with claims handling authority delegated to it by an Underwriter

Follower means any Underwriter which is not a Claims Agreement Party

Guidance means the 'Guidance on the Lloyd's Claims Lead Arrangements - Guidance and additional requirements for managing agents' and 'Specialist Guidance - Co-Lead Binder Claims', each published by Lloyd's.

Lead means, in respect of a Binder Claim, the Binding Authority Leader of the syndicate that has been designated as the Leading Lloyd's Syndicate for the purposes of the Claims Lead Arrangements by the Claims Management Selection Process

Leading Lloyd's Syndicate has the meaning given in the Claims Lead Arrangements

Second Lead means, in respect of a Binder Claim, the Binding Authority Leader of the syndicate that has been designated as the Second Lloyd's Syndicate for the purposes of the Claims Lead Arrangements by the Claims Management Selection Process

Second Lloyd's syndicate has the meaning given in the Claims Lead Arrangements

UMR is the unique market reference number allocated to each Binding Authority Agreement

Underwriter(s) means any Lloyd's syndicate that subscribes to a Binding Authority Agreement and, where the context so requires, their managing agent.

3. PROGRAMME DETAILS / AUTHORITY

Coverholder	
Broker	
DCA Name & Address, where applicable	
DCA Claims Authority Limit (100% of any claim), where applicable	
DCA Non-Financial Authorities, where applicable	As per the Lead's DCA Agreement
Loss Fund Amount, where applicable	
Method for reporting claims	Standard - Email / ECF Complex - Email / ECF

4. THE BINDING AUTHORITY AGREEMENT(S)

This Agreement is entered into between the Binding Authority Leaders of the following Binding Authority Agreements on behalf of all subscribing Underwriters to the Binding Authority Agreements listed below, with the Claims Agreement Parties being identified in the table below:

UMR	Binding Authority Leader	Lead or Second Lead (leave blank if neither)	Contact Details

5. CLAIMS AGREEMENT PARTIES

- 5.1. The Claims Agreement Parties, or the basis for establishing the Claims Agreement Parties, will be agreed as part of the Claims Management Selection Process and shall be recorded in writing.
- 5.2. In respect of Binder Claims that fall within the Claims Lead Arrangements:
 - 5.2.1. Underwriters agree that should they be appointed as a Claims Agreement Party, they will handle all Binder Claims arising from policies written under the Binding Authority Agreements on which they participate, in accordance with the Claims Lead Arrangements (to the extent that the Binder Claim is within the scope of the Claims Lead Arrangements) fulfilling the roles of the managing agents of the Leading Lloyd's Syndicate and (for complex claims) Second Lloyd's Syndicate, respectively.
 - 5.2.2. The Followers agree to assume the role of following Lloyd's syndicates for the purposes of the Claims Lead Arrangements.
- 5.3. In the event that a claim arises from a policy in respect of which the Lead or Second Lead does not participate, the provisions for choosing the party that shall act as Leading Lloyd's Syndicate or Second Lloyd's Syndicate for the purposes of the Claims Lead Arrangements shall be those in the Guidance under the heading "Default CAPS in the absence of a CLCA".
- 5.4. Where a Binder Claim is out of scope of the Claims Lead Arrangements, the Lead shall immediately notify the Broker and the Binder Claim will be determined by all Underwriters that underwrote the policy to which the Binder Claim attaches or as otherwise determined by Lloyd's.

6. ROLES & RESPONSIBILITIES

- 6.1. The Claims Agreement Parties and the Followers acknowledge that the handling of Binder Claims by the Lead and (on complex claims) the Second Lead shall take account only of the policy issued by the Coverholder and will not consider the terms of the underlying Binding Authority Agreements as to whether such policy was issued in compliance.
- 6.2. The Binding Authority Leaders will in good faith seek to agree an appropriate level of loss fund as part of the Claims Management Selection Process or within 30 days of entering into this Agreement whichever is later, in default of which the Lead will be responsible for setting an appropriate level of loss fund.
- 6.3. The Lead will be responsible for reporting complaints to Lloyd's in accordance with the Lloyd's Code for Complaints Handling.
- 6.4. The Broker shall ensure that the first notice of all proceedings against Underwriters are communicated to all Binding Authority Leaders.
- 6.5. The Lead should ensure that the DCA records litigation against Underwriters in bordereaux.
- 6.6. The Claims Agreement Parties should make information available to Followers in response to all reasonable requests, including requests for reports from lawyers, relating to proceedings against Underwriters.
- 6.7. The Lead shall issue material development communications in accordance with the Guidance as appropriate.

- 6.8. The Binding Authority Leaders and the Broker will endeavour to have periodic market meetings to discuss the handling of Binder Claims under the Agreement. Where Binder Claims are delegated to a DCA, the parties will require the DCA to attend such meetings. The frequency of such meetings will be determined by various factors, including but not limited to performance of the DCA, or any changes in circumstances which have or could materially affect claims handling of the Binder Claims.
- 6.9. Should a catastrophe loss (a **cat loss**) occur that will or may result in significant claims being made to the policies issued under the Binding Authority Agreement(s), the Broker will reconvene the Claims Management Selection Process in order to select the most appropriate Binding Authority Leaders to act as the Lead and, for complex claims, the Second Lead for the purposes of handling claims arising out of the catastrophe only. The selection of such Leads and Second Leads shall take into account the relative exposures. In the event that the Binding Authority Leaders and the Broker are unable to agree, then the Lead and Second Lead for the purposes of handling the cat loss claims shall be the same as for non cat loss claims. The parties shall also agree the establishment of a cat loss fund and an appropriate level of funding for such cat loss fund as part of the reconvened Claims Management Selection Process, in default of which the Lead (or Lead for the purposes of adjusting cat loss claims) will be responsible for setting an appropriate level of cat loss fund.
- 6.10. The Broker agrees to ensure that all files are seen by the Lead (and Second Lead where the Binder Claim is complex) promptly.
- 6.11. The Broker will upload this Agreement onto the IMR, at UMR level for all Binding Authority Agreements.
- 6.12. The Broker agrees to upload onto the IMR evidence of the Lead agreement (and Second Lead agreement where the Binder Claim is complex) to cash calls or loss fund increases at the same time as processing the collection of such funds.
- 6.13. The Brokers signature is required on this Agreement as confirmation that it understands its terms and the pivotal role it plays in its facilitation.

7. DELEGATION OF DETERMINATION TO A THIRD PARTY

- 7.1 The Claims Agreement Party(ies) may not sub-delegate any of their duties, including to a DCA, other than as permitted by the Claims Lead Arrangements unless agreed by all Binding Authority Leaders.
- 7.2 Binding Authority Leaders must have a contract with any DCA referred to in section 3. Binding Authority Leaders that are not a Claims Agreement Party on a Binder Claim shall take all steps necessary to ensure that nothing in their contract with the DCA shall prevent the DCA acting as DCA on behalf of the Lead and/or Second Lead in accordance with the terms of any contract the DCA has with the Lead and/or Second Lead and in accordance with the level of authorities set out in Section 3.

8. TERMINATION

- 8.1 If a Claims Agreement Party(ies):
 - 8.1.1 becomes the subject of voluntary or involuntary rehabilitation or liquidation proceedings;
 - 8.1.2 becomes the subject of an action in bankruptcy;
 - 8.1.3 makes or proposes any composition with its creditors or makes any assignment for the benefit of its creditors or otherwise acknowledge its insolvency;

8.1.4 has imposed by a court of competent jurisdiction the appointment of an administrator or administrative receiver or equivalent office holder;

8.1.5 has a receiver or equivalent office holder appointed for the whole or any part of its business;

the Broker shall reconvene the Claims Management Selection Process for the Binding Authority Leaders and the Broker to jointly determine if the Claims Agreement Party(ies) are able to continue in their roles as the *leading Lloyd's Syndicate* and/or *second Lloyd's Syndicate*, and to select new Claims Agreement Party(ies) if necessary.

9. CHOICE OF LAW AND JURISDICTION

9.1. Notwithstanding anything to the contrary contained in the Insurance, the provisions of this Agreement shall be construed and governed in accordance with the laws of England and Wales and the Courts of England and Wales shall have exclusive jurisdiction to determine any dispute concerning the operation, meaning or construction of this Agreement or any part thereof.

10. INSURER SCHEDULE

The Binding Authority Leaders below confirm their agreement of this Agreement for the Binding Authority Agreement which they lead on behalf of all subscribing insurers to that Binding Authority Agreement:

Name:	Signature:	Date:
For and On Behalf of:		
Name:	Signature:	Date:
For and On Behalf of:		
Name:	Signature:	Date:
For and On Behalf of:		
Name:	Signature:	Date:
For and On Behalf of:		
Name:	Signature:	Date:
For and On Behalf of:		
Name:	Signature:	Date:
For and On Behalf of:		
Name:	Signature:	Date:
For and On Behalf of:		

Name:	Signature:	Date:
For and On Behalf of:		
Name:	Signature:	Date:
For and On Behalf of:		
Name:	Signature:	Date:
For and On Behalf of:		
Name:	Signature:	Date:
For and On Behalf of:		

11. BROKER SCHEDULE

The Broker named below understands its obligations in the facilitation of this Agreement and therefore agrees to the terms of this Agreement.

Name:	Signature:	Date:
For and On Behalf of:		

April 2023