



## Historical Background

Underwriters owning Brokers  
Brokers owning Underwriters  
Divestment following Henry Fisher report  
Sasse – Overwriting income  
Service Companies  
Tribunalisation

## CSP Group



- **CSP – Lloyd’s Broker**
  - St Clare Underwriting
  - Accident & Health Facilities
  - Galleon
- **Apex – Lloyd’s Broker**
  - ARC
  - SISS
- **P J Hayman – UK Travel Broker**
- **TIF – Travel MGA**

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## CSP Associate Companies



- **Management Services**
  - Accountancy and Financial
  - Compliance and Regulatory
  - Accommodation and Office Services
  - Binding Authority and ATLAS management

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## What is a Broker?



- UK legal definition
- Regulated by FSA
  - Different level and approvals
- Acts solely for its clients
- Trades with Underwriters under a TOBA
- Has E&O protection suitable to trading

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## What does a Broker do?



- Produces the business directly or indirectly
- Assesses the opportunities and targets key areas or classes
- Arranges quotations from markets suitable for the client
- Sells the cover on an “advised” or “non-advised” basis
- Effects the risk or risks
- Collects and pays valid claims for its clients

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## Types of Risks

- Treaty Reinsurance
- Direct & Facultative
- Binding Authorities
  - Full Binder
  - Limited Binder or Rated Binder
  - UK Restricted
- Line Slips

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## New Coverholder

- Business Plan
- Matching with Lead Underwriter
- Coverholder application and approval with Managing Agent support
- Application to Lloyd's
- Due Diligence and Investigation

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## Existing Coverholder



- Seeking new Broker or an alternative in another class
- Access to the ATLAS information
- Internal FSA and Company approvals
- Reconfirm the information is still valid
- Upload new Business Plan and create new BAR with new Lead Syndicate

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## ATLAS



- Repository online
- Coverholder or CSP upload:-
  - Business Plans
  - Wordings Schedules Applications Key Facts and other documentation
  - Professional Indemnity
  - CV's for named persons responsible
  - Report & Accounts – Financials
  - Licences
- BAR
- Update and monitor plus annual review

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## Placing a Binding Authority



- The Broker initially assesses the Underwriting and Compliance information in advance
- Matching the client's requirements with suitable markets and leaders in the classes desired
- Build the Binding Authority along with the appendices with all the rates, terms, conditions and documentation
- Obtain 100% written support, all pages signed and no subjectivities
- Arrange for Coverholder and Leader sign prior to commencement of quotes or binding business
- Liaison with Lloyd's, the Markets and the Coverholder

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## Broker's Job's to do list



- Servicing quotes and special acceptances
- Brokering new risks and extensions to the Binding Authority
- Processing Premiums, Claims and Bordereaux in formats suitable to all parties
- Managing and maintaining income limits and aggregate monitoring

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## Maintenance during the year



- Client visits to Lloyd's
- Underwriter visits to the Coverholder
- Regular and Quarterly reviews with client and Underwriters
- Treating Customers Fairly – TCF
- Updated ATLAS
- Renewal

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## Signing & Accounting



- Processing bordereaux through Xchanging
- Managing surplus lines and other taxes and declarations required to enable Lloyd's to trade internationally
- Addressing Underwriter and Xchanging queries
- Calculations & Settlements of Profit Commissions

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## Claims



- Monthly Bordereau
- Special or Large collections including WP and Ex Gratia
- TPA's fees and management along with audit's of them
- SLA's
- Complaints log
- Complaints processes changed to single point of contact
- Floats with TPA's or Coverholders

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## Audit



- Annual Third Party audit
- Information for the appointed auditor in advance
- Handling the recommendations and requirements and liaison back to Underwriters
- Settlement of the fees

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## Managing the cycle



- Once a Coverholder has a Binding Authority what's next?
- Changes in personalities
- Changes in Underwriters desires and direction – annual Syndicate business plans
- Underwriting Syndicates open and close
- It's a Market and changes are inevitable!

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## Summary



Brokers are pivotal in the development and maintenance of Coverholders and their business whether these are Service Companies, MGU's, MGA's, Lloyd's Brokers themselves or the many approved Coverholders in the UK and around the globe.

**We are here to help you!**

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