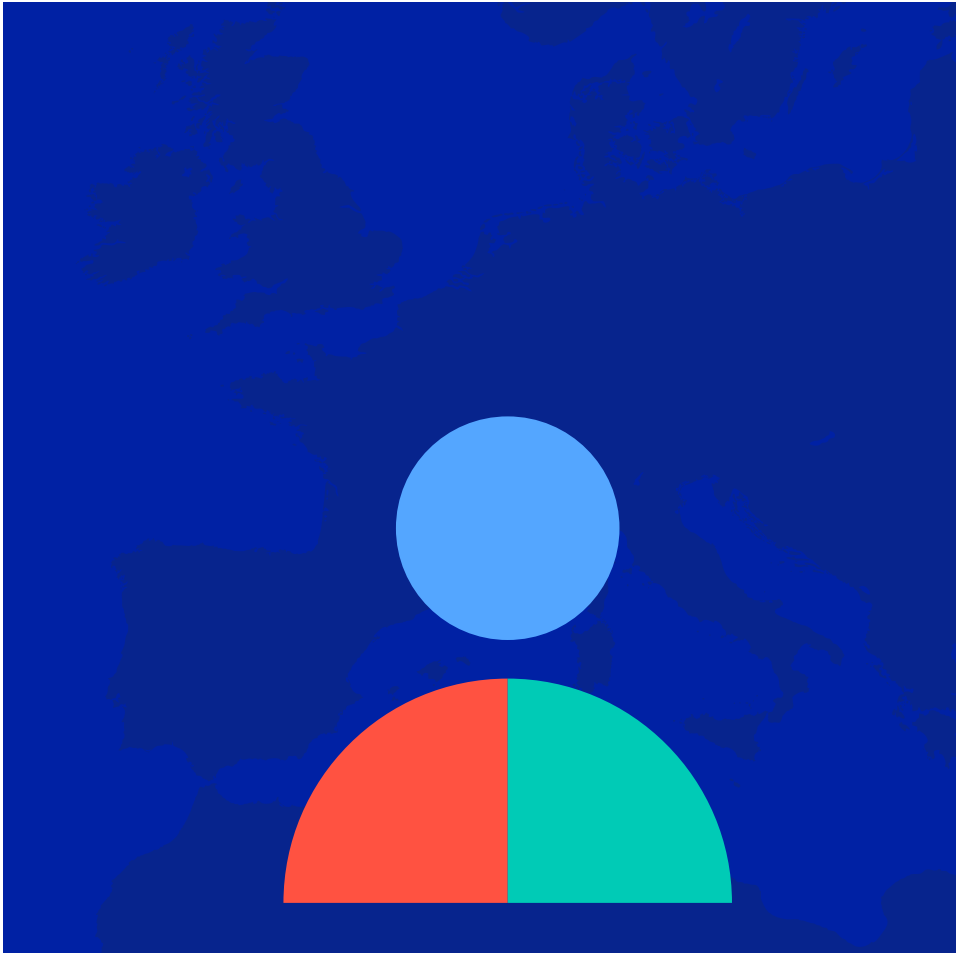


Accessing Lloyd's Europe.

A guide for Brokers.



This guide is for European brokers wishing to understand the most suitable options to access the Lloyd's market.

Lloyd's is the global centre for specialist insurance and reinsurance. We are committed to brokers being at the centre of our distribution chain.

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Benefits of working with Lloyd's

Lloyd's offers brokers a secure market of diverse participants, each with differing strategies and risk appetites, where policyholders benefit from Lloyd's financial security and unrivalled expertise.

Lloyd's Europe is Lloyd's first Europe wide operation, established to bring the scale, expertise and capacity of the world's specialist insurance market closer to its customers in Europe through a locally staffed and regulated insurer.

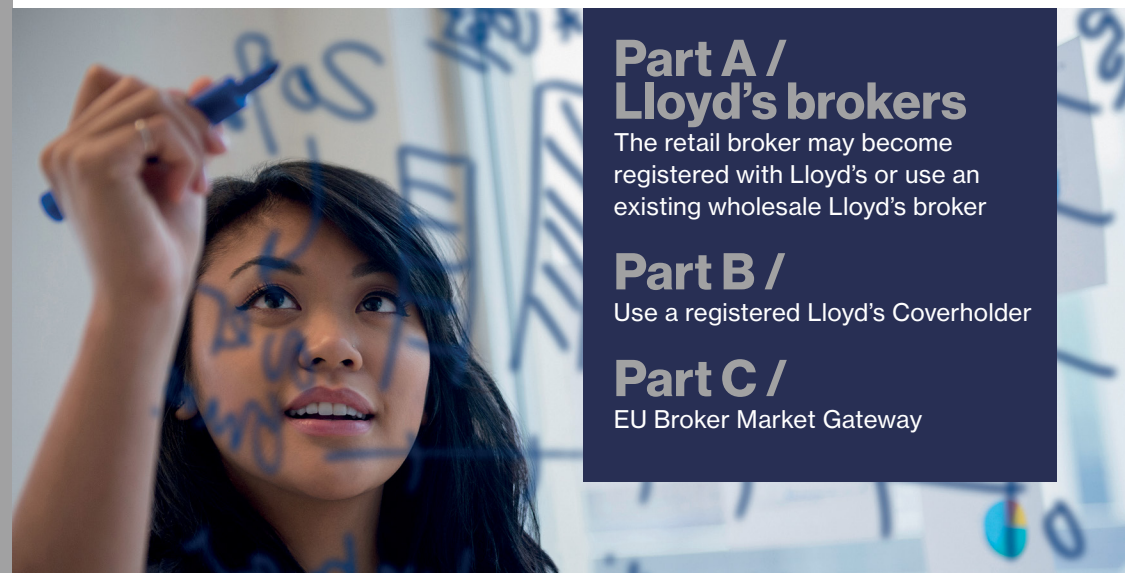
Lloyd's Europe's IDD-compliant model houses 280+ seconded underwriters based in London with regulatory status.

Lloyd's Europe can write business in 18 Solvency II classes of business across the European Economic Area, Monaco and the UK and provides access to innovative products of insurance.

Section 1 / Introduction – How to access Lloyd's

European retail brokers seeking access to the Lloyd's market have a number of options and each one offers different advantages and considerations. The choice will be determined by the level of direct access to Lloyd's a broker may wish to have.

The EU Broker Market Gateway option is the focus of this guide and is explored in detail in [Part C](#). [Part A](#) and [B](#) provide a high-level overview of their respective options and the reader will be invited to consult more complete sources of information or to contact relevant teams where appropriate.



Part A / Lloyd's brokers

The retail broker may become registered with Lloyd's or use an existing wholesale Lloyd's broker

Part B /

Use a registered Lloyd's Coverholder

Part C /

EU Broker Market Gateway

Part A / Lloyd's Broker

A registered Lloyd's broker has the ability to transact (re)insurance business directly with Lloyd's underwriters in London.

A broker seeking to access the Lloyd's market may:

1. Become a Lloyd's registered broker or
2. Collaborate with an existing Lloyd's broker.

Become a Lloyd's broker

To become registered with Lloyd's, the broker must meet process and compliance criteria in order to receive sign-off from Lloyd's.

Advantages of becoming a Lloyd's broker in Europe:

- One Terms of Business Agreement (TOBA) with Lloyd's Europe for all managing agents;
- Use of Lloyd's brand;
- Placement of binding authorities.

Considerations include:

- £10,000 Registration fee;
- 3 x letters of support from managing agents together with a robust business rationale for placing business at Lloyd's.

Lloyd's brokers are granted access to Lloyd's regulatory databases and tools, including Crystal+ as well as the Insights Hub.

The Insights Hub is Lloyd's next-gen data analysis platform, designed to save time and money on market analysis. It offers powerful data visualizations and benchmarks to boost performance. More information can be found here: <https://insights.lloyds.com/landing>.



Part A / Lloyd's Broker

The process and compliance criteria that must be satisfied as part of the registration process are available on the Lloyd's website at <https://www.lloyds.com/join-lloyds-market/broker>.

This includes the set-up of a Central Settlement Number (CSN) and [onboarding with Velonetic](#).

Use a wholesale Lloyd's broker

Where becoming a Lloyd's registered broker is not the preferred option, you may work together with an existing Lloyd's broker to access the Lloyd's market.

Lloyd's brokers have strong direct relationships with underwriters and a good understanding of how the Lloyd's market operates. They are familiar with the process of binding a risk as well as processing it on the Lloyd's market.

A complete listing of Lloyd's registered brokers is accessible on the Lloyd's Market Directory: <https://ldc.lloyds.com/market-directory>.

Part B / Lloyd's Coverholder

A coverholder is a company or partnership authorised by a Managing Agent to enter into a contract or contracts of insurance to be underwritten by the members of a syndicate managed by it in accordance with the terms of a Binding Authority.

A complete list of Lloyd's coverholders is accessible on the [Lloyd's Market Directory](#).

Become a Lloyd's Coverholder in Europe

For information on the Coverholder application process and requirements pre-approval and post-approval, visit this page: <https://www.lloyds.com/conducting-business/delegated-authorities/applications-and-processes>.

For any further queries regarding Lloyd's Europe coverholder applications please contact LloydsEurope.DelegatedAuthority@lloyds.com.

Part C / EU Broker Market Gateway

Next to Lloyd's brokers and coverholders, a broker has the option to sign a TOBA with Lloyd's Europe, allowing for direct access to 280+ Lloyd's Europe underwriters for key classes of business within their growth appetite.

Advantages of EU Broker Market Gateway:

- One TOBA with Lloyd's Europe for all managing agents;
- Ability to write EEA business;
- No registration fee;
- No letters of support from managing agents.

Considerations include:

- No placement of binding authorities;
- No multinational policies;
- No use of Lloyd's brand;
- No access to Lloyd's international regulatory database.

TOBA signing process

The broker must meet process and compliance criteria in order to sign a TOBA with Lloyd's Europe.

The 3 main phases to complete are:

1.

Business appetite discussion with Lloyd's teams

Initial discussion with the broker, Lloyd's General Representative and Lloyd's teams. The broker provides information on premium volumes and classes of business that would be placed with Lloyd's.

Where broker appetite is matching Lloyd's Europe underwriters' appetite for growth in the specified classes of business and territories, there is a rationale for the application.

The relevant Lloyd's General Representative must sponsor the broker's application in order to proceed to the next phase. Lloyd's team then provides the required due diligence criteria and the application form to be completed by the broker.

2.

Lloyd's due diligence process

This phase focuses on providing evidence that the broker has the appropriate regulatory authorisations, and meets the other criteria set by Lloyd's. Final confirmation is from the Lloyd's Europe team.

The broker must provide Lloyd's:

- Completed application form
- Ownership structure chart
- Evidence that client money funds are held in segregated accounts (or equivalent arrangements)
- Proof of adequate PI cover
- Registration with Velonetic and set-up of the Central Settlement Number

Lloyd's also performs a solvency, credit rating and financial crime check as part of this process.

3.

Onboarding with Velonetic

This phase runs in parallel with the Lloyd's due diligence process and the outcome is getting set up with Velonetic in order for premium and claims settlements to be processed.

We refer to the How to process business section of this guide for more information on Velonetic and processing.

The key stages in this phase are:

1. Allocation of a Central Settlement Number

These will be used to identify the broker on Velonetic systems.

2. Training and testing

Velonetic will provide training on both Accounting and Settlement (Premiums) and the Electronic Claims File (Claims) systems. After completion of training Velonetic will send a number of test cases to complete.

This establishes that the broker has understood how to use the systems and is familiar with processes in a live environment. User guidelines are also provided for future use.

3. Completion of bank mandates and Multi Banking Transaction Initiation (MBTI)

These are key to establishing access to central settlement and connectivity to the Velonetic systems.

Arrangement of an MBTI agreement enables Lloyd's to debit via Swift.

4. Sign-off

Once the previous steps have been completed, Velonetic will contact Lloyd's Europe who will provide the final approval and confirmation that the organisation may start trading with Lloyd's.

For more details on the onboarding process or processing of business with Velonetic, contact ServiceTeamCore@dx.com

Section II / How to place business at Lloyd's

Placement of risk

The typical process a broker goes through when binding a risk is explained below and variations are possible depending on the client, risk or approached markets.



EEA client

Step 1. EEA client instructs broker on the risk to be quoted. Broker collects risk information in an information sheet or in a [Market Reform Contract \(MRC\)](#).



Broker

Step 2. Broker submits the information sheet/MRC and other supporting documents to one or more Lloyd's Europe underwriters.

Lloyd's Europe teams may facilitate contact with underwriters as and when necessary.



Lloyd's
Europe
Underwriter

Step 3. Lloyd's Europe underwriters consider the risk and issue quotations indicating the terms and conditions under which they would be willing to underwrite the risk.

At this point, the broker may negotiate wording, terms and conditions to arrive at a final offer.



Agreement

Step 4. Broker communicates to client the final quotations provided by underwriters.

The risk is bound when the offer is accepted.



Velonetic

Step 5. Premium processing starts when the broker uploads the completed MRC and supporting documents on Velonetic systems.

More information on processing in [Section III/How to process business](#) in this Guide.



Insurance
policy

Step 6. Broker issues evidence of cover to the client, along with a premium invoice.

In the London Market, brokers typically use the completed MRC used for risk placement, excluding irrelevant sections, to furnish the amended document as proof of insurance policy to the client.

Electronic placing

The negotiation and presentation of the risk by the broker to the underwriter has traditionally been a face-to-face process. However, electronic placing offers the opportunity to remove the face-to-face negotiations when it adds no real value to the transaction.

Placement platforms can handle the whole binding process from quote, through binding the final risk and post bind endorsements, while providing a full audit trail and the opportunity to tie in with back office systems.

Placement platforms frequently used in the market include [PPL](#), [Whitespace](#), [OpenTwins](#) among others. A separate cost is required for their services.

Market Reform Contract

In the Lloyd's market, risks are placed using a standard document called a Market Reform Contract (MRC). This document describes the risk and related contractual, regulatory and administrative information in a standard file format.

The broker presents the MRC to the underwriters and one underwriter may take on 100% of the risk or a proportion of it, in which case the broker may approach further underwriters to fulfil the policyholder's total risk.

Guidance defining the layout and content of a standard MRC is available on The London Market Group (LMG)'s [website](#).

Wordings

Lloyd's Wordings Repository provides underwriters with access to established model wordings and clauses which are in current use, in all lines of business, against which slips/MRC can be referenced. The Repository includes all wordings developed by the LMA and wordings developed by other industry organisations, as well as many wordings from individual managing agents, other insurers and brokers.

In addition to the above, brokers and underwriters usually also maintain and can provide standardised wordings, however they are not rigid, and amendments can be discussed.

Underwriters may consult the Crystal+ tool to understand regulatory requirements in specific territories. However, the brokers should also be vigilant and flag any points of attention.

Translation in local language

Some jurisdictions require policy documents provided to the client to be translated in the local language. The underwriters may verify where this is required by consulting the Crystal+ regulatory tool.

In these cases, the underwriters will generally trust the producing broker to contact a trusted local law firm with expertise in this area and translate the policy wordings.

Section III / How to process business

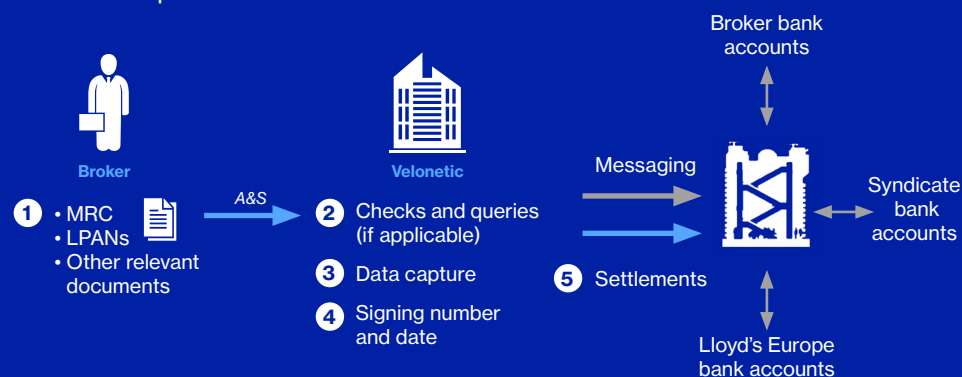
About Velonetic

Velonetic (previously known as Xchanging) is the company that manages the central market databases for both premiums (XIS) and claims (XCS), and also facilitates the movement of funds for the market through central settlement systems.

Once the risk is fully placed, the policy and supporting documents must be submitted centrally to Velonetic for recording on the central market database and the premium paid to the insurers. When executing the processing in-house, the broker uses a system known as Accounting and Settlement (A&S) to submit all the documents electronically to XIS.

Processing of premium

The typical process a broker follows when processing a risk in the Lloyd's market is explained below.



Step 1. The broker prepares the MRC, LPAN (London Premium Advice Note) and other relevant documents (such as tax schedules) and submits them to Velonetic using a system called A&S (Accounting and Settlement).

**Brokers are responsible for producing any tax schedules and/or calculating any relevant taxes/levies applicable to the premium.*

For more information or support on specific tax matters you may contact Lloyd's Tax Department at taxdept@lloyds.com.

Step 2. Velonetic checks that all mandatory fields have been correctly completed and addresses queries to the broker if necessary.

Step 3. When queries are resolved, Velonetic captures risk data and premium information (amounts, deductions and timing of payments) on the risk databases.

Step 4. A signing number and date are created and overnight messaging will update the managing agents' systems.

Step 5. At the appropriate time, Velonetic facilitates the movement of the premium from the brokers' accounts to the insurers' accounts.

Considerations

Some brokers may choose to outsource the back office processing to a third party.

In this case, a third party would administer the broker's CSN and perform certain services for the retail broker against a specified fee.

Third party services vary but generally include the below:

- Assist on preparing risk placement documents;
- Processing and uploading of risk placement documents onto the Velonetic systems;
- Attend and answer systems-related queries;
- Assist with market wordings, endorsements, prepare schedules and complete policies;
- Endorse processing;
- Process claims in the systems.
- Other third party service providers can be engaged to support brokers in the production of tax schedules and/or the calculation of any relevant taxes/levies applicable to the premium.

Section IV / Claims

The typical process a broker follows when an open market claim occurs is explained below and variations are possible depending on the type of risk, line of business, agreed policy terms and so on.

XCS and ECF are both key components of the process and play a central role in the processing of claims.



ECF stands for Electronic Claim File and enables brokers to load and submit claim documents, claim data and claim financials from their own internal systems to insurers anywhere in the world for their review and response. It is also used to collect the money from syndicates to settle claims.

ECF is comprised of two components: a data messaging system/database and a document repository.

More information and guidance on ECF can be found on this webpage: [Electronic Claims File \(ecfinfo.com\)](http://ecfinfo.com) and more useful information can be found on [Claims at Lloyd's - Lloyd's \(lloyds.com\)](http://lloyds.com) and [Claims Q and A - Brokers - Lloyd's \(lloyds.com\)](http://lloyds.com).

Processing restrictions may sometimes apply and as a result, claims will not be paid via ECF. In these situations, alternative processes might be put in place. For more information on these specific cases, please refer to the syndicate(s) in question.



XCS (Xchanging Claims Service) is a Velonetic company that provides claims processing services for the Lloyd's Market. It maintains the Lloyd's Market claims database, which includes entering of data, sending out overnight messages to Lloyd's syndicates and moving funds (indemnity and fees) from syndicates to brokers (or other destinations as appropriate).

XCS is the Lloyd's market's service provider and plays a vital role in processing claims once they have been reviewed by the lead syndicate(s). XCS's primary role is to supplement the information provided by the broker via ECF with additional lower-level information ranging from regulatory and taxation information (relating to trust fund codes, which foreign insurance legislation is applicable to the claim, and so on) to capturing the names and details of any experts appointed to the claim and their associated fees. Essentially it provides the details behind the claim that the broker is not expected to provide – the Lloyd's market does it instead.

Once XCS has enriched the claims information, an automated message is sent to all syndicates involved in the claim which feeds directly into their internal system ensuring all parties have the same detailed data.

1.

First notification

The broker will generally be the first to be notified of any claims by the insured. Sometimes experts will be first notified in certain types of insurance where clearly stipulated by the syndicate.

In these cases, syndicates would have inserted the details of the named experts into the policy.

From the moment of first notification, the broker will gather as much information as they can about the loss to send it to all syndicates.

The broker may submit the claim information to syndicates via paper files, email presentations or Electronic Claim File (ECF).

It is recommended that claims are submitted as soon as possible using the ECF process. One of the main advantages of ECF is that syndicates' response is available to the broker much quicker than when the claim is handled by paper, which ensures that the customer receives a more rapid response.

When the claim is submitted to ECF, it is assigned a Unique Claim Reference (UCR) and is linked to the policy and supporting documents that were introduced into Velonetic as part of the risk processing.

2.

Claim submission

The broker will then work out from which syndicates they need to obtain instructions (agreement parties).

The Lloyd's Claims Lead Arrangements, the Lloyd's Claims Scheme, and the Single Claims Agreement Party (SCAP) are interconnected frameworks that govern claims handling in the Lloyd's market. Each serves specific purposes, and their applicability depends on the nature of the claim and the agreements in place.

Lloyd's Claims Scheme is the overarching framework for claims handling in Lloyd's, which establishes minimum service standards, the roles of the lead and following underwriters, and thresholds for when multiple underwriters or agreement parties are involved (Lloyd's Claims Lead Arrangements). This ensures uniformity and a high standard of claims handling across the market.

The Scheme applies to all claims unless superseded by specific agreements like Single Claims Agreement Party (SCAP).

The 'Lloyd's Claims Scheme Process Guidelines' determine which combination of syndicates can make the decisions on claims (agreement parties) and is available at [Lloyd's Claims Scheme - Lloyd's \(lloyds.com\)](https://www.lloyds.com/lloyds-claims-scheme). These will be the syndicates who will review the claims file and decide whether the claim is valid, not valid or if further investigation is required.

Lloyd's Claims Lead Arrangements are part of the broader Lloyd's Claims Scheme and define the role of the lead underwriter in managing claims. They are applicable to all policies written in the Lloyd's market under the Lloyd's Claims Scheme and emphasize efficiency by allowing the lead underwriter to take primary responsibility for claims decisions on behalf of all following underwriters.

- Standard Claims are typically handled by the lead underwriter. The lead typically manages the claim's investigation, negotiation, and settlement process on behalf of all subscribing syndicates. The follow syndicates subscribe to the risk after the lead, generally agreeing to follow the lead's terms. In the event of a claim, they usually defer to the lead's decision, simplifying the process for the policyholder.
- Claims exceeding certain financial thresholds or complexity levels will require the agreement of multiple claims agreement parties, ensuring a balanced decision.

Single Claims Agreement Party (SCAP): This is a specific, optional agreement designed to simplify the handling of lower-value, non-complex claims across the London Market (not just Lloyd's but also involving company markets).

Under SCAP, one lead underwriter (the SCAP Lead) is given sole authority to manage and agree claims on behalf of all underwriters on a policy, regardless of whether they are from Lloyd's or the company market. This can be used when there is a mix of Lloyd's and non-Lloyd's capacity to streamline the process.

This only applies to claims that meet SCAP criteria, such as being below a certain financial threshold (£250,000 for most claims) and must be explicitly agreed upon during policy placement by including the relevant clause (i.e. LMA 9150) in the agreement.

Claims that do not fall under SCAP (e.g., high-value, complex and/or controversial claims) revert to the Lloyd's Claims Scheme and the established Lead Arrangements and may therefore involve input from more syndicates. It is at the slip leader's discretion to decide whether a claim is complex or controversial and they have the final decision on whether any claim is handled under the rules.

More details on this initiative can be found at

[Single Claims Agreement Party - Lloyd's.](#)

3.

Claim review and instructions

The lead syndicate or the agreement parties will consider the file and ask relevant questions, appoint experts if necessary and/or might decline the claim if there is enough information to indicate the claim is not valid or that the loss is not covered by the policy.

4.

Claim processing

At this point the broker provides the claim data to Velonetic (XCS) to input it into its claims database (ECF). This sends a workflow trigger to the claims agreement parties to populate their systems. This process is repeated for each subsequent claim update.

5.

Claim settlement

Once all the agreement parties have agreed on a claim, payments for indemnity and fees are done centrally.

Settlement information is entered onto XCS database and the movement of funds is triggered by Lloyd's Central Settlement from the syndicates' accounts to Lloyd's Europe and from there to that of the broker.

Queries regarding claims should be directed first to the syndicate(s) in question and then to Lloyd's Europe Claims Mailbox:

Lloyd's Europe Claims: LloydsEurope.Claims@lloyds.com

Section V / Complaints

1.

Definitions

Lloyd's Europe provides insurance services to its policyholders. Whilst we believe that the majority of policyholders will have a positive customer experience, it is inevitable that some complaints will arise. When they do, Lloyd's Europe aims to resolve complaints from complainants (policyholders, assureds or third parties) fairly and promptly.

Having an effective complaint management procedure in place helps to ensure the efficient handling of complaints, control the risks related to complaints and provides Lloyd's Europe with an opportunity to turn a complaint into a positive experience.

What exactly is a complaint, and who is considered a complainant?

Any definitions related to complaints handling shall follow, where applicable, the definitions provided by the regulation of each EEA country.

The definitions for each EEA country are available on Crystal+, under the Lloyd's Europe Complaints section or on the Lloyd's website, under the Complaints Handling page.

The definitions of complaint and complainant in the EIOPA Guidelines will be applicable for all those countries where no local definitions are available.

Definition EIOPA Guidelines definition (BoS 12/069 14 June 2012)	
Complaint A statement of dissatisfaction addressed to an insurance undertaking by a person relating to the insurance contract or service he/she has been provided with. Complaints handling should be differentiated from claims handling as well as from simple requests for execution of the contract, information or clarification.	Complainant A person who is presumed to be eligible to have a complaint considered by an insurance undertaking and has already lodged a complaint (e.g. a complainant, insured person, beneficiary and in some jurisdictions, injured third party). Lloyd's understands that this applies to individual persons and commercial entities.

Lloyd's Europe is an insurance company and distributor, which means it falls under the Insurance Distribution Directive (IDD).

As a result, Lloyd's Europe must comply with the Product Oversight and Governance (POG) requirements. If Lloyd's Europe fails to do so, it will be held accountable.

Therefore, any complaints against local/retail brokers representing the insured, such as issues with policy sales or broker services, should be promptly reported to Lloyd's Europe, in accordance with the process outlined below.

2.

Complaints Handling Management

Lloyd's Europe's complaints handling model is designed to ensure that:

A high standard of complaints handling is maintained by the implementation and distribution of an efficient and effective process to its stakeholders;

- During complaints handling, all regulatory requirements are met under each regulatory scheme provided by the EEA countries, UK Lloyd's Europe branch and Monaco and those regulatory requirements that Lloyd's Europe must comply with, in its role as an insurance company authorised and regulated by the National Bank of Belgium and capitalized under Solvency II rules.
- Lloyd's Europe outsources services to Lloyd's Managing Agents (MAs) for complaints investigation under the terms of an Outsourcing Agreement (MAOA).

The MAs will conclude agreements with Coverholders (CHs) and Delegated Claims Administrators (DCAs) for handling complaints.

Depending on MA's analysis and decision, the authority to handle complaints is either granted to a CH/DCA or not.

CHs/DCAs are required to handle complaints in accordance with:

- Coverholders Appointment Agreement (CAA) and Delegated Claims Appointment Agreement (DCAA).
- IC Operational Guidelines and Lloyd's Europe's EEA complaints handling video trainings available on Workday Learning.
- CHs/DCAs' internal processes, procedures and service levels agreed with the MA.

Lloyd's Europe monitors its complaints function through a combination of:

Management information derived from its complaints data;

- Oversight by the Lloyd's Europe Complaints Team;
- Quarterly Complaints Discussion Group with MAs;
- Individual Performance meetings with MAs on a risk-based approach;

Any additional information requested to address issues or concerns identified.

The Lloyd's Europe Head of Complaints has primary responsibility for the oversight of the Lloyd's Europe complaint's function, and adherence to the above-mentioned guidelines.



**More information can
be found on:**
[https://lloydseurope.com/
market-resources/complaints](https://lloydseurope.com/market-resources/complaints)

3.

Complaints Process



1.

Complaint notification:

To determine where to raise the complaint, please refer to the Complaint section in the policy wording.

If the complaint is about a claim, contact the person handling the claim in order to express your dissatisfaction.

If you cannot find the contact details in the policy, you can reach out to Lloyd's Europe - Complaints team, using the following information.

Head of Complaints management
Lloyd's Insurance Company S.A.
Bastion Tower
Marsveldplein 5
1050 Brussels
Belgium

LloydsEurope.Complaints@lloyds.com

Following details must be provided:

- Full name, address and postcode
- Email contact details
- UMR
- Policy wording / Schedule / T&C
- Full details of what has caused the complaint
- How the complaints would like to be resolved



2.

Complaint acknowledgement:

After registering the complaint, an acknowledgement letter will be issued to the complainant, within the country specific timeframes.

For more information about the deadlines to acknowledge a complaint in each country, please refer to our website: <https://lloydseurope.com/market-resources/delegated-authorities/compliance-operations/complaints-handling>.



3.

Investigation: The complaint will be investigated thoroughly and fairly to prepare a final response that addresses all concerns and provides a clear, customer-oriented reply.



4.

Final response: The final response will be issued to the complainant within the country specific timeframes.

For more information about the deadlines to respond a complaint in each country, please refer to our website: <https://lloydseurope.com/market-resources/delegated-authorities/compliance-operations/complaints-handling>.



5.

Escalation: If the complainant is not satisfied with the final response, or if no response has been provided within the required local time frame, they have the right to escalate the complaint to an external dispute resolution organisation.

This could be a regulator, an ombudsman service or another type of external dispute resolution scheme that will independently review the complaint.

For the contact details of external dispute resolution in each country, please refer to our website <https://lloydseurope.com/market-resources/complaints>.

Frequently Asked Questions

Can a EU Gateway Broker present themselves as a Lloyd's broker?

EU Gateway Brokers and Lloyd's brokers are two different options to access the Lloyd's market and they each come with different advantages and considerations. One of the considerations for the EU Gateway Brokers is that they may not present themselves as a Lloyd's broker and as consequence may not use the Lloyd's brand either.

Can a EU Gateway Broker place a binding authority?

EU Gateway Brokers may only place business on an open market basis.

Can EU Gateway Brokers obtain a Lloyd's pass?

The expectation is that a managing agent will arrange a day pass to enable an employee of an EU Gateway Broker to access the Lloyd's building. Where the level of interaction justifies a permanent pass then the relevant managing agent

may, if it thinks appropriate, sponsor an application for a Lloyd's Annual Subscriber pass, which entitles the passholder to undertake insurance business in the Room at Lloyd's.

More information on this process, together with the applicable Lloyd's Annual Subscriber pass application form, can be obtained from the website www.lloyds.com. Lloyd's has the right to refuse to issue a pass or withdraw a pass that has been issued.

Can a European Lloyd's broker or a EU Gateway Broker conduct insurance distribution activities within the UK?

European Lloyd's brokers and EU Gateway brokers have direct access to Lloyd's Europe underwriters for European business. However, brokers wishing to extend their activities beyond Europe may do so as long as they behave in accordance with the local regulation. Concerning

Frequently Asked Questions

insurance distribution activities conducted within the UK, brokers are strongly encouraged to secure a legal opinion providing clarification on the activities that are out of scope of UK regulation and those that would require an authorisation.

What is a EU Gateway Broker allowed to do in the UK?

EU Gateway Brokers might perform activities in the UK that do not fall under the category of 'regulated activities' and would therefore not require an FCA authorisation. There are certain circumstances in which a broker may rely on the Overseas Persons Exemption or the Large Risks exemption. However, brokers are strongly encouraged to secure a legal opinion to understand which activities are out of scope of UK regulation and which would require an authorisation.

Can a EU Gateway Broker obtain a Central Settlement Number with Velonetic in its own name?

Every broker accessing Lloyd's via the EU Gateway channel should set up a Central Settlement Number with Velonetic in its own name. This unique number will be mentioned on all policies placed on the Lloyd's Market and will ensure that corresponding premium and claims can be traced back to the relevant broker.

Can processing at Lloyd's be outsourced?

Every broker will make a business decision to either (1) handle the processing with Velonetic in-house or (2) outsource this activity to an external, more specialised party. Each choice comes with its advantages and considerations and should be carefully considered.

Does a EU Gateway Broker need to hold a British bank account to trade with Lloyd's?

Lloyd's checks that the broker holds segregated bank accounts for client premium and other operational money. There are no limitations regarding the bank(s) with whom the broker should hold accounts.

Is there any ongoing transaction cost for brokers?

There is no ongoing Lloyd's charge to brokers for placing and processing business at Lloyd's.

Are European Lloyd's brokers or EU Gateway Brokers required to sign separate Terms of Business Agreements (TOBA) with each Managing Agent they wish to work with?

European Lloyd's brokers and EU Gateway Brokers must complete a due diligence process with Lloyd's Europe at the end of which they are able to sign a European TOBA with Lloyd's Europe. This TOBA covers all Managing Agents for European business transacted through Lloyd's Europe and no other separate TOBAs are required for this type of business.

Need more information?

For more information on specific insurance terms and acronyms used in the Lloyd's Market, please visit the Lloyd's Glossary and Acronyms page available on Lloyd's website: <https://www.lloyds.com/help/glossary-and-acronyms>.

Email:
LloydsEurope.TOBA@lloyds.com
Lloydseurope.brokerregistration@lloyds.com
Telephone: 02 227 39 39

YouTube @Lloydsinsurance
LinkedIn lloyds.com/linkedin
Instagram @LloydsOfLondon

Velonetic
velonetic.co.uk

This guide does not address local insurance regulatory requirements, which may be imposed in some jurisdictions and may contradict certain statements in this guide. For details of such requirements, please contact Lloyd's Europe or your Lloyd's General Representative.

This is Version 2 of the **Accessing Lloyd's Europe. A guide for Brokers** and was last updated April 2025.