

Chapter 8

General provisions applying INSPRU and GENPRU to Lloyd's

8.2 Special provisions for Lloyd's

8.2.2 **R**

Management of risk

8.2.11 **R**

The *Society* must establish and maintain effective arrangements to monitor and manage risk arising from:

- (1) conflicts of interest (including in relation to (2) to (4));
- (2) inter-*syndicate* transactions, including *reinsurance to close* and *approved reinsurance to close*;
- (3) related party transactions; and
- (4) transactions between *members* and itself.

8.2.12 **R**

8.2.13 **R**

8.2.17 **R**

8.2.18 **R**

Insurance receivables to be carried to trust funds

8.2.19 **R**

The *Society* must take all reasonable steps to ensure that each *member*:

- (1) executes the appropriate *Lloyd's trust deeds*; and
- (2) carries to the appropriate *Lloyd's trust fund* all amounts received or receivable by the *member*, or on its behalf, in respect of any *insurance business* carried on by it.

8.2.20 **R**

The *Society* must carry all amounts it receives on behalf of any *member* in respect of that *member's insurance business* to the appropriate *Lloyd's trust fund*.

8.2.21 **R** A *managing agent* must carry all amounts it receives on behalf of any *member* in respect of that *member's insurance business* to the appropriate *Lloyd's trust fund*.

8.2.22 **R** In complying with ■ INSURU 8.2.19 R to ■ INSURU 8.2.21 R, the *Society* and *managing agents* must take all reasonable steps to ensure that amounts received or receivable by a *member* in respect of *general insurance business* and *long-term insurance business* are carried to separate *Lloyd's trust funds*.

Amendments to byelaws, trust deeds and standard form letters of credit and guarantees

8.2.23 **R** The *Society* must, as soon as it is practical to do so, notify the *appropriate regulator* of its intention to approve the form of any new *Lloyd's trust deed*.

8.2.24 **R** The *Society* must, as soon as it is practical to do so, notify the *FCA* of its intention to make any amendment which may alter the meaning or effect of any *byelaw*, including:

- (1) any *Lloyd's trust deed*;
- (2) any standard form letter of credit prescribed by the *Society* from time to time; or
- (3) any standard form guarantee agreement prescribed by the *Society* from time to time.

8.2.25 **R** The *Society* must provide the *FCA* with full details of:

- (1) the form of any new *Lloyd's trust deed* it intends to approve, as described in ■ INSURU 8.2.23 R and
- (2) any amendments falling within ■ INSURU 8.2.24 R.

8.2.26 **R** The *Society* must consult interested parties in relation to any new *Lloyd's trust deed* and in relation to any amendment falling within ■ INSURU 8.2.24 R.

8.2.27 **G** Except in urgent cases, the *Society* should consult in relation to any new *Lloyd's trust deed* or amendments before the new deed or amendments take effect.

8.2.28 **R** The information provided to the *FCA* by the *Society* under ■ INSURU 8.2.25 R must include:

- (1) a statement of the purpose of any proposed amendment or new *Lloyd's trust deed* and the expected impact, if any, on *policyholders, managing agents, members, and potential members*; and

(2) a description of the consultation undertaken under ■ INSPRU 8.2.26 R including a summary of any significant responses to that consultation.

8.2.29

G

The FCA would normally expect to receive the information required under ■ INSPRU 8.2.25 R and ■ INSPRU 8.2.28 R not less than three months in advance of the proposed change.