

Chapter 4

Lloyd's Firms

4.4 FINANCIAL RESOURCE REQUIREMENTS

- 4.4.1** **D** The *Society* must maintain appropriate and effective arrangements to require *members' agents* to meet and continue to meet financial resource requirements at least equivalent to the requirements set out in Lloyd's Capital and Solvency Requirements 2001, as they are in force immediately before *commencement*.
- 4.4.2** **D** The *Society* must give the *FCA* a report on each *members' agent's* compliance with the financial resource requirements referred to in **■ IPRU-INV 4.4.1D** as at the end of each quarter (determined by reference to each underwriting agent's *accounting reference date*).
- 4.4.3** **D** The report referred to in **■ IPRU-INV 4.4.2D** must reach the *FCA* within two months of the end of the relevant quarter and must state:
- (1) whether the *Society* has any information indicating or tending to indicate that, during the quarter to which the report relates, the *members' agents* failed to meet the financial resource requirements referred to in **■ IPRU-INV 4.4.1D**;
 - (2) whether, at the end of the quarter to which the report relates, the *members' agents* failed to meet the financial resource requirements referred to in **■ IPRU-INV 4.4.1D**; an
 - (3) the nature and extent of any failure to comply reported under (1) or (2) and the actions taken or to be taken by the *Society* in response to this.
- 4.4.4** **D** In addition to the reports required under **■ IPRU-INV 4.4.2D**, the *Society* must give the *FCA* an annual report on each *members' agents* compliance or non-compliance with financial resource requirements as at the end of that *members' agent's* financial year.
- 4.4.5** **D** The report in **■ IPRU-INV 4.4.4D** must reach the *FCA* within seven months of that *members' agent's* accounting reference date and must:
- (1) confirm that:
 - (a) the *Society* has received from that *members' agent* in respect of the financial year to which the report relates, all relevant attachments to the Annual Financial Return that the *members'*

agent is required to make to the *Society* under the requirements identified in ■ IPRU-INV 4.4.1D;

(b) that *members' agent* met the applicable financial resource requirements at the end of the financial year to which the report relates; and

(c) the *Society* is not aware of any matters likely to be of material concern to the *FCA* relating to that *members' agent's* compliance with financial resource requirements during the year to which the report relates, or arising from the attachments referred to in (a); or

(2) if the *Society* is unable to give any of the confirmations required under ■ IPRU-INV 4.4.5D (1)(a), (b) or (c), set out in each case the reasons why it is unable to give that confirmation.

4.4.5A **D** The *Society* must submit the reports in ■ IPRU-INV 4.4.2D to ■ IPRU-INV 4.4.5D in accordance with the *rules* in ■ SUP 16.3 (General provision on reporting).

4.4.6 **R** A *members' adviser* must comply with the requirements of IPRU-INV 3-60(3) and IPRU-INV 3-62.