Market Reform Contract

(Open Market)

Template

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| Version 3.0 |
| 28 April 2023 |

**This template is for illustration purposes only. It is a template of an Open Market MRC v3.0 and it does not replace the MRC OM guidance. Please see** [**Market Reform Contract (Open Market) Implementation Guide**](https://lmg.london/document/2023-03-29-mrc-om-guidance-v3-0/) **on the LMG Website.**

*This template includes all headings listed within the Open Market MRC v3.0 – some of which are mandatory headings and some of which are conditional mandatory headings. Please refer to the* [***Market Reform Contract (Open Market) Implementation Guide***](https://lmg.london/document/2023-03-29-mrc-om-guidance-v3-0/) *where the heading-specific guidance defines the conditionality at a heading and subheading (keyword) level.*

*Please also note that where information relating to a specific heading needs to be repeated (e.g., with multiple instalments, multiple loss payees, multiple limits etc), subheadings should be repeated for each repeating group. Please refer to Chapter 3 – Market Reform Contract Layout in the* [***Market Reform Contract (Open Market) Implementation Guide***](https://lmg.london/document/2023-03-29-mrc-om-guidance-v3-0/) *for further guidance.*

# **RISK DETAILS**

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| --- | --- |
| **UNIQUE MARKET REFERENCE** | **Unique Market Reference:**  **Placing Broker Unique Market Identifier:** |
| **ATTACHING TO DELEGATED UNDERWRITING CONTRACT REFERENCE** | **Contract Reference**: |
| **SECTIONS** | **Section 1**  **Section Description:**  **Placing Broker Section Reference:**  **Section 2**  **Section Description:**    **Placing Broker Section Reference:** |
| **TYPE** | **Contract Classification:**  **Treaty or Facultative:**    **Proportional on Non-Proportional:**  **Reinsurance** **Type**:  **Retrocession:**  **Description**: |
| **POLICYHOLDER** | **Name:**    **Street No. and Street:**  **City:**    **Postcode**:    **Country Sub-Division:**    **Country:** |
| **ORIGINAL INSURED** | **Name:**  **Street No. and Street:**  **City:**  **Postcode**:  **Country Sub-Division:**  **Country:** |
| **PERIOD** | **From:**  **To:**  **Cancellation Provisions:** |
| **INTEREST** |  |
| **SUM (RE)INSURED** | **Sum (Re)Insured:**  **Excess of:** |
| **EXCESS** | **Excess:**  **Deductible:**  **Excess Percentage:**  **Deductible Percentage:**  **Co-Insurance Share:** |
| **SITUATION** |  |
| **CLAIMS BASIS** | **Claims Basis:**  **Retroactive Date:**  **Continuity Date:**  **Prior and Pending Litigation Date:** |
| **CLAIMS EXPERT(S)** | **Name:**  **Street No. and Street:**  **City:**  **Postcode**:  **Country Sub-Division:**  **Country:**  **Contact Name:**  **Contact Telephone Number:**  **Contact Email Address:** |
| **CONDITIONS** | ***[Insert any specific conditions (including clauses and endorsements) here]***  Where (re)insurers have the right to give notice of cancellation, in accordance with the provisions of the contract, then  To the extent provided by the contract, the Slip Leader is authorised to issue such notice on behalf of all participating (re)insurers; or  If the Slip Leader is not so authorised or has not issued notice, any (re)insurer may issue such notice in respect of its own participation. |
| **LOSS PAYEE** | **Name:**  **Street No. and Street:**  **City:**  **Postcode**:  **Country Sub-Division:**  **Country:** |
| **SUBJECTIVITIES** | **Condition:**  **Due Date:**  **Terms Which Apply Until Subjectivity is Satisfied:**  **Consequences:** |
| **NOTICES** | ***[Insert any applicable notices here]***  Please refer to the [LMG Core Uses Notice](https://lmg.london/document/data-protection-insurance-market-core-uses-information-notice/) for information on how personal data is processed by (re)insurer(s) who are members of the London Market Group. |
| **CHOICE OF LAW AND JURISDICTION** | **Choice of Law:**  **Choice of Jurisdiction:**  **Dispute Resolution Clause:**  **Service or Suit Clause:** |
| **PREMIUM** | **Premium:**  **Premium Less Discount(s) Applicable At Inception:**  **Deposit Premium:**  **Minimum Premium:**  **Minimum Premium Percentage:**  **Minimum and Deposit Premium:**  **Premium Adjustment Rate:**  **Instalment Amount:**  **Instalment Percentage:**  **Instalment Due Date:** |
| **FEE(S) PAYABLE TO (RE)INSURER(S)** | **Type:**  **Amount:**  **Percentage:**  **Payable To:**  **Payable:** |
| **PREMIUM DISCOUNT(S), COMMISSION(S) AND/OR DEDUCTION(S) PAYABLE TO THE POLICYHOLDER** | **Category:**  **Type:**  **Amount:**  **Percentage:**  **Applied:** |
| **PREMIUM PAYMENT TERMS** | **Payment Terms:** |
| **CONTRACTUAL EXCHANGE RATE** |  |
| **TAXES PAYABLE AND ADMINISTERED BY THE (RE)INSURED OR THEIR AGENT** | **Tax:**  **Rate & Basis:**  **Fixed Amount & Basis:**  **Basis Amount:**  **Amount:**  **Administered By:**  **Fiscal Code:**  **Taxpayer Name:**  **Reason For Tax Exemption:** |
| **TAXES PAYABLE BY THE (RE)INSURED AND ADMINISTERED BY THE (RE)INSURERS** | **Tax:**  **Rate & Basis:**  **Fixed Amount & Basis:**  **Basis Amount:**  **Amount:**  **Fiscal Code:**  **Reason For Tax Exemption:** |
| **TAXES PAYABLE BY THE (RE)INSURERS AND ADMINISTERED BY THE (RE)INSURED OR THEIR AGENT** | **Tax:**  **Rate & Basis:**  **Fixed Amount & Basis:**  **Basis Amount:**  **Amount:**  **Administered By:**  **Fiscal Code:**  **Taxpayer Name:**  **Reason For Tax Exemption:**  **Withholding Tax Reduction:** |
| **(RE)INSURER CONTRACT DOCUMENTATION** | This Market Reform Contract details the contract terms entered into by the (Re)Insured(s) and (Re)Insurer(s) and constitutes the contract document.  The endorsement(s) or e-endorsement(s) signed by (Re)Insurers shall form the evidence of changes agreed.  ***[Insert any additional wording to define the (re)insurer contract documentation here]*** |
| **FORM** |  |

Any wordings and clauses may be added here

# **INFORMATION**

***[Insert any additional information which supports the assessment of the risk at the time of placement. It is advised that all contractual terms and documents referred to which are intended to form part of the contract (e.g., incorporation of terms of underlying contract) are detailed in the RISK DETAILS as opposed to INFORMATION.]***

# **SECURITY DETAILS**

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| **(RE)INSURERS’ LIABILITY** | **LMA3333** (CombinedSeveral Liability and Attestation clause)  **(Re)insurer’s liability several not joint**  The liability of a (re)insurer under this MRC is several and not joint with other (re)insurers party to this MRC. A (re)insurer is liable only for the proportion of liability it has underwritten. A (re)insurer is not jointly liable for the proportion of liability underwritten by any other (re)insurer. Nor is a (re)insurer otherwise responsible for any liability of any other (re)insurer that may underwrite this MRC.  The proportion of liability under this MRC underwritten by a (re)insurer (or, in the case of a Lloyd’s syndicate, the total of the proportions underwritten by all the members of the syndicate taken together) is shown next to its stamp. This is subject always to the provision concerning “signing” below.  In the case of a Lloyd’s syndicate, each member of the syndicate (rather than the syndicate itself) is a (re)insurer. Each member has underwritten a proportion of the total shown for the syndicate (that total itself being the total of the proportions underwritten by all the members of the syndicate taken together). The liability of each member of the syndicate is several and not joint with other members. A member is liable only for that member’s proportion. A member is not jointly liable for any other member’s proportion. Nor is any member otherwise responsible for any liability of any other (re)insurer that may underwrite this MRC. The business address of each member is Lloyd’s, One Lime Street, London EC3M 7HA. The identity of each member of a Lloyd’s syndicate and their respective proportion may be obtained by writing to Market Services, Lloyd’s, at the above address.  **Proportion of liability**  Unless there is “signing” (see below), the proportion of liability under this MRC underwritten by each (re)insurer (or, in the case of a Lloyd’s syndicate, the total of the proportions underwritten by all the members of the syndicate taken together) is shown next to its stamp and is referred to as its “written line”.  Where this MRC permits, written lines, or certain written lines, may be adjusted (“signed”). In that case a schedule is to be appended to this MRC to show the definitive proportion of liability under this MRC underwritten by each (re)insurer (or, in the case of a Lloyd’s syndicate, the total of the proportions underwritten by all the members of the syndicate taken together). A definitive proportion (or, in the case of a Lloyd’s syndicate, the total of the proportions underwritten by all the members of a Lloyd’s syndicate taken together) is referred to as a “signed line”. The signed lines shown in the schedule will prevail over the written lines unless a proven error in calculation has occurred  ***[Insert LSW1001 if applicable]*** |
| **ORDER HEREON** |  |
| **BASIS OF WRITTEN LINES** |  |
| **BASIS OF SIGNED LINES** |  |
| **SIGNING PROVISIONS** | ***[Insert below model wording as appropriate]***  **Without Disproportionate Signing**  In the event that the written lines hereon exceed 100% of the order, any lines written “to stand” will be allocated in full. All other lines will be signed down in equal proportions so that the aggregate signed lines are equal to 100% of the order, without further agreement of any of the (re)insurers.  However:   1. in the event that the placement of the order is not completed by the commencement date of the period of (re)insurance, then all lines written by that date will be signed in full; 2. the signed lines resulting from the application of the above provisions can be varied - before or after the commencement date of the period of (re)insurance - by the documented agreement of the (re)insured and all (re)insurers whose lines are to be varied. The variation to the MRCs will take effect only when all such (re)insurers have agreed, with the resulting variation in signed lines commencing from the date set out in that agreement.   **With Disproportionate Signing**  In the event that the written lines hereon exceed 100% of the order, any lines written “to stand” will be allocated in full and all other lines will be signed down in equal proportions so that the aggregate signed lines are equal to 100% of the order, without further agreement of any of the (re)insurers.  However:   1. In the event that the placement of the order is not completed by the commencement date of the period of (re)insurance, then all lines written by that date will be signed in full; 2. the (re)insured may elect for the disproportionate signing of (re)insurers’ lines without further specific agreement of (re)insurers, providing that any such variation is made prior to the commencement date of the period of (re)insurance, and that lines written “to stand” may not be varied without the documented agreement of the corresponding (re)insurers.   The signed lines resulting from the application of the above provisions can be varied, before or after the commencement date of the period of (re)insurance - by the documented agreement of the (re)insured and all (re)insurers whose lines are to be varied. The variation to the MRCs will take effect only when all such (re)insurers have agreed, with the resulting variation in signed lines commencing from the date set out in that agreement. |
| **WRITTEN LINES** | ***[Insert stamps here or alternatively add electronic security details pages]*** |

# **SUBSCRIPTION AGREEMENT**

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| **CONTRACT LEADER** | The Contract Leader is as defined in the *[Insert name of electronic security details pages here]* attached herein except where shown below:  *[Insert (Re)Insurer Name / Pseudonym]* (*[Insert (Re)Insurer Bureau(x) Code]*)  Wherever the term ‘Slip Leader’ appears throughout this contract it is amended to read and mean ‘Contract Leader’. |
| **BUREAU(X) LEADER(S)** | The Bureau(x) Leader(s) is as defined in the [Insert name of electronic security details pages here] attached herein except where shown below:  **Lloyd’s**: *[Insert (Re)Insurer Name / Pseudonym]* (*[Insert (Re)Insurer Bureau(x) Code]*)  **ILU**: *[Insert (Re)Insurer Name / Pseudonym]* (*[Insert (Re)Insurer Bureau(x) Code]*)  **LIRMA**: *[Insert (Re)Insurer Name / Pseudonym]* (*[Insert (Re)Insurer Bureau(x) Code]*) |
| **BASIS OF AGREEMENT TO CONTRACT CHANGES** |  |
| **OTHER AGREEMENT PARTIES FOR CONTRACT CHANGES, FOR PART 2 GUA CHANGES ONLY** | Unless any Other Agreement Parties for Contract Changes are stated either   1. within the *[Insert name of electronic security details pages here]* attached herein, 2. specified in a clause or wording included within this MRC, or 3. detailed below,   the Agreement Parties for Contract Changes for Part 2 GUA changes will be none.  *[Insert (Re)Insurer Name / Pseudonym]* (*[Insert (Re)Insurer Bureau(x) Code]*) |
| **AGREEMENT PARTIES FOR CONTRACT CHANGES, FOR THEIR PROPORTION ONLY** | Unless any Other Agreement Parties for Contract Changes are stated either  a) within the *[Insert name of electronic security details pages here]* attached herein,  b) specified in a clause or wording included within this MRC, or  c) detailed below,  the Agreement Parties for Contract Changes for their proportion only will be none.  *[Insert (Re)Insurer Name / Pseudonym] ([Insert (Re)Insurer Bureau(x) Code])* |
| **BASIS OF CLAIMS AGREEMENT** | To be managed in accordance with  **Single Claims Agreement Party (SCAP) Arrangement**: The Single Claims Agreement Party Arrangements (LMA9150) for claims or circumstances assigned as Single Claims Agreement Party Claims (SCAP Claims) or, where it is not applicable, then the following shall apply as appropriate:    **Lloyd's Claims Scheme**: The Lloyd's Claims Scheme (Combined) as prescribed by Lloyd’s, as amended from time to time, or any successor thereto.  **IUA Claims Agreement Practices:** International Underwriting Association of London IUA claims agreement practices.  **Individual (Re)Insurer Agreement:** The practices of any (re)insurers electing to agree claims in respect of their own participation.  The applicable arrangements (scheme, agreement, or practices) will be determined by the rules and scope of said arrangements and should be referred to as appropriate.  ***[Delete as appropriate]*** |
| **CLAIMS AGREEMENT PARTIES** | 1. Claims falling within the scope of the LMA9150 to be agreed by Contract Leader only on behalf of all (re)insurers subscribing (1) to this Contract on the same contractual terms (other than premium and brokerage) and (2) to the Single Claim Agreement Party. For the purposes of calculating the Threshold Amount, the sterling rate on the date that a financial value of the claim is first established by the Contract Leader shall be used and the rate of exchange shall be the Bank of England spot rate for the purchase of sterling at the time of the deemed conversion. 2. For all other claims: 3. For Lloyd’s syndicates   The leading Lloyd’s syndicate and, where required by the applicable Lloyd’s Claims Scheme, the second Lloyd’s syndicate is as defined in *[Insert name of electronic security details pages here]* herein except where shown below:  **The leading Lloyd’s Syndicate: [Insert Insurer Name / Pseudonym] ([Insert Insurer Bureau Code])**  **The second Lloyd’s Syndicate: [Insert Insurer Name / Pseudonym] ([Insert Insurer Bureau Code])**  Where the leading and / or second Lloyd’s syndicate is not defined within this heading or *[Insert name of electronic security details pages here]*, then the leading Lloyd’s syndicate shall be the Lloyd’s Bureau Leader.  The second Lloyd’s syndicate shall be:   1. For physical (non-electronic) placements, the first Lloyd’s syndicate stamp (excluding the Lloyd’s Bureau Leader stamp); 2. For electronic placements, the largest Lloyd’s syndicate stamp (excluding the Lloyd’s Bureau Leader stamp).   In the event that two or more stamps are implicated, the second Lloyd’s syndicate shall be the first stamp to appear after leading Lloyd’s syndicate or, when stamps have been obtained electronically, the earliest of the corresponding lines entered.   1. Those companies acting in accordance with the IUA claims agreement practices, excepting those that may have opted out via iii below.   The first ILU company (re)insurer and, where required by ILU practices, the second ILU company (re)insurer is as defined in *[Insert name of electronic security details pages here]* herein except where shown below:  **The first ILU Company (Re)Insurer: [Insert Insurer Name / Pseudonym] ([Insert Insurer Bureau Code])**  **The second ILU Company (Re)Insurer: [Insert Insurer Name / Pseudonym] ([Insert Insurer Bureau Code])**  Where the first and / or second ILU company (re)insurer is not defined within this heading or *[Insert name of electronic security details pages here]*, then the leading ILU company (re)insurer shall be the ILU Bureau Leader. The second ILU company (re)insurer shall be nominated by the first ILU claims agreement party in the event of a claim.  The first LIRMA company (re)insurer is as defined in *[Insert name of electronic security details pages here]* herein except where shown below:  **The first LIRMA Company (Re)Insurer: [Insert Insurer Name / Pseudonym] ([Insert Insurer Bureau Code])**  Where the first LIRMA company (re)insurer is not defined within this heading or *[Insert name of electronic security details pages here]*, then the first LIRMA company (re)insurer shall be the LIRMA Bureau Leader.   1. Those IUA company (re)insurer(s) that have specifically elected to agree claims in respect of their own participation.   **[Insert Insurer Name / Pseudonym] ([Insert Insurer Bureau Code])**   1. All other subscribing insurers that are not party to the Lloyd’s / IUA claims agreement practices, each in respect of their own participation.   Where Lloyd’s Insurance Company S.A. participates on the contract, the leading managing agent and second managing agent, where applicable, shall agree claims on behalf of Lloyd’s Insurance Company S.A.. The leading managing agent and second managing agent is as defined in *[Insert name of electronic security details pages here]* herein except where shown below:  **The leading managing agent: [Insert Insurer Name / Pseudonym] ([Insert Insurer Bureau Code])**  **The second managing agent: [Insert Insurer Name / Pseudonym] ([Insert Insurer Bureau Code])**  Where the leading and / or second managing agent is not defined within this heading or *[Insert name of electronic security details pages here]*, then the leading managing agent shall be the Bureau Leader acting on behalf of Lloyd’s Company S.A..  The second managing agent shall be:   1. For physical (non-electronic) placements, the first managing agent stamp acting on behalf of Lloyd’s Company S.A. (excluding the Bureau Leader stamp acting on behalf of Lloyd’s Company S.A.); 2. For electronic placements, the first managing agent stamp acting on behalf of Lloyd’s Company S.A. (excluding the Bureau Leader stamp acting on behalf of Lloyd’s Company S.A.).   In the event that two or more stamps are implicated, the second managing agent shall be the first stamp to appear after leading managing agent or, when stamps have been obtained electronically, the earliest of the corresponding lines entered.   1. Notwithstanding anything contained in the above to the contrary, any ex-gratia payments to be agreed by each (re)insurer for their own participation. |
| **CLAIMS ADMINISTRATION** |  |
| **RULES AND EXTENT OF ANY OTHER DELEGATED CLAIMS AUTHORITY** |  |
| **EXPERT(S) FEE COLLECTION** |  |
| **SETTLEMENT DETAILS** | **Settlement Due Date:**  **Instalment Premium Period of Credit:** |
| **ADJUSTMENT PREMIUM PERIOD OF CREDIT** |  |
| **BUREAU(X) ARRANGEMENTS** |  |
| **NON-BUREAU ARRANGMENTS** |  |
| **NOTICE OF CANCELLATION PROVISIONS** | **Format and Delivery Provisions**  Any Notice of Cancellation shall be issued to the broker by the following means:  *[SELECT ONE OF THE FOLLOWING]*  By an electronic message, to the ACORD standard agreed by market bodies, delivered to the XYZ system, (as defined by the relevant broker); or  By an email to [Broker.Contact@xyzbroker.co.uk](https://www.lloyds.com/conducting-business/regulatory-information/open-market-correspondents-omc); or  By letter to XYZ Broker Address, XYZ Broker Town, XYZ Broker Country  Failure to comply with this delivery requirement will make the notice null and void. In respect of email, delivery of the notice in accordance with this delivery requirement is effective immediately that it is sent unless the underwriter receives a notice of failure of delivery irrespective of whether the broker has acknowledged receipt. In the case of a letter proof of sending the notice in accordance with this delivery requirement shall be deemed to be sufficient evidence of compliance irrespective of whether the broker has acknowledged receipt.  If notice is given by the Slip Leader on behalf of all participating (re)insurers, the broker will provide all followers with a copy of the notice without undue delay and in any event prior to expiry of the Notice. |

# **FISCAL AND REGULATORY**

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| --- | --- |
| **TAXES PAYABLE AND ADMINISTERED BY (RE)INSURERS** | **Tax:**  **Rate & Basis:**  **Fixed Amount & Basis:**  **Basis Amount:**  **Amount:**  **Fiscal Code:**  **Reason For Tax Exemption:**  **Withholding Tax Reduction:** |
| **REGULATORY RISK LOCATION** | **Territory:**    **Territory Sub-Division:**  **Premium Allocation**: |
| **OVERSEAS BROKER** | **Open Market Correspondent Reference:**  **Coverholder PIN:**  **Name:**  **Role:**  **Street No. and Street:**  **City:**  **Zip Code**:  **Country Sub-Division:**  **Country:** |
| **US CLASSIFICATION** |  |
| **SURPLUS LINES BROKER** | **Surplus Lines Broker Name:**  **Surplus Lines Broker Street No. and Street:**  **Surplus Lines Broker City:**  **Surplus Lines Broker Postcode**:  **Surplus Lines Broker Country Subdivision:**  **Surplus Lines Broker Country:**  **Surplus Lines Broker Licence Number:**  **Surplus Lines Broker Transaction Number:** |
| **STATE OF FILING** |  |
| **ALLOCATION OF PREMIUM TO CODING** | **Risk Code:**    **Premium Allocation:** |
| **ALLOCATION OF PREMIUM TO YEARS OF ACCOUNT** | **Year of Account:**  **Premium Allocation:** |
| **PREMIUM SIGNING** |  |
| **REGULATORY POLICYHOLDER CLASSIFICATION** |  |
| **INDUSTRIAL SECTOR CODE** | **Industrial Sector Code Set:**    **Industrial Sector Code:** |
| **NAIC CODE** | **NAIC Code:**  **FEIN:** |
| **DISTANCE MARKET DIRECTIVE AND DISTRIBUTION CHANNEL** | **Distance Market Directive:**  **Distribution Channel:** |

# **BROKER REMUNERATION AND DEDUCTIONS**

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| --- | --- |
| **FEE PAYABLE BY CLIENT** | **Fee Payable By Client:**  **Type:**  **Amount:**  **Percentage:**  **Payable:** |
| **TOTAL BROKERAGE** | **Type:**  **Amount**:  **Percentage:** |
| **WHOLESALE BROKERAGE** | **Type:**  **Amount**:  **Percentage:** |
| **RETAIL BROKERAGE** | **Type:**  **Amount**:  **Percentage:** |
| **OTHER DEDUCTIONS FROM PREMIUM** | **Type:**  **Amount**:  **Percentage:**  **Service Provided To:**  **Payable To:**  **Applied At:** |