Market Reform Contract

(Open Market)

Example 2

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| Version 3.0 |
| 12 May 2023 |

**This example is for illustration purposes only (and naturally each MRC will have its own contractual content as required by the client).**

**It is an anonymised example 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.**

# **RISK DETAILS**

***THIS CONTRACT CONTAINS A CLAUSE WHICH MAY LIMIT THE AMOUNT PAYABLE***

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| **UNIQUE MARKET REFERENCE** | B0999AB123456O |
| **SECTIONS** | **Section 1**  **Section Description:** Primary Layer of USD 25,000,000  **Section 2**  **Section Description:** USD 75,000,000 X/S USD 25,000,000  **Section 3**  **Section Description:** USD 100,000,000 X/S USD 100,000,000 |
| **TYPE** | **Contract Classification:** Insurance  **Description**: All Risk of Physical loss or damage including Boiler and  Machinery Breakdown |
| **INSURED** | **Name:** Company A LTD    As defined in the wording of the Co-insuring Insurers  **Street No and Street:** 42 Main Street  **City:** Main City  **Zip or Postcode**: AB1 2CD  **Country Sub-Division:** Ontario  **Country:** Canada |
| **PERIOD** | **From:** 03 February 2023 00.01 Local Standard Time  **To:**  03 February 2024 00.01 Local Standard Time  At the location of the Insured. |
| **INTEREST** | As defined in the wording of the Co-insuring Insurers |
| **SUM (RE)INSURED** | **Section 1**  USD 25,000,000 per occurrence and in the annual aggregate in respect of Flood and Earth Movement separately  Except as restricted by program sub-limits as defined herein  Which in turn excess of program deductibles as defined herein  **Section 2**  USD 75,000,000 per occurrence and in the annual aggregate in respect of Flood and Earth Movement separately  **Excess of**  USD 25,000,000 per occurrence and in the annual aggregate in respect of Flood and Earth Movement separately.  Except as restricted by program sub-limits as defined herein  Which in turn excess of program deductibles as defined herein  **Section 3**  USD 100,000,000 per occurrence and in the annual aggregate in respect of Flood and Earth Movement separately  **Excess of**  USD 100,000,000 per occurrence and in the annual aggregate in respect of Flood and Earth Movement separately  Except as restricted by program sub-limits as defined herein  Which in turn excess of program deductibles as defined herein |
| **EXCESS** | USD 100,000 combined coverages per Occurrence,  Except as defined by Programme Excesses and/or Deductibles as defined herein. |
| **SITUATION** | Canada, United States of America, Germany and the United Kingdom. |
| **CLAIMS BASIS** | Losses Occurring Basis |
| **CLAIMS EXPERT(S)** | **Name:** Claims Expert LLP  **Street No. and Street:** 117 Avenue Road  **City:** Claim City  **Postcode:** ZZ87 654  **Country Sub-Division:** N/A  **Country:** United Kingdom  **Contact Name:** Joe Bloggs  **Contact Telephone Number:** 00000 111 222  **Contact Email Address:** [claims@expert.com](mailto:claims@expert.com) |
| **CONDITIONS** | As per attached policy (policy reference AXXXXXXX9999) except as further defined below.  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 Contract Leader is authorised to issue such notice on behalf of all participating (re)insurers; or  If the Contract Leader is not so authorised or has not issued notice, any  (re)insurer may issue such notice in respect of its own participation. |
| **NOTICES** | Where risks located in Canada are placed with non-Canadian Insurers or with Canadian Insurers through non-Canadian brokers, the insured may be liable for 10% Canadian Excise Tax. The Canadian Excise Tax of 10% must be submitted by the insured, using form B243, which can be obtained from the website below, on or before 30th April of the year following the effective date of the placement. Broker XYZ is unable to collect and pay this tax. It should be noted that the insured may incur interest, fines and penalties by the Canadian Tax Authorities if no filing is made and Canadian Excise Tax remitted within the time limit. Further details are available on http://www.cra-arc.gc.ca. Where the risk is covered by an underwriter at Lloyd’s of London, and the placement of the insurance arrangement is conducted by a non-Canadian Broker XYZ office, the insured may be liable for the Canadian Excise Tax on the portion of the premium relating to risks located in Canada.  In addition, where the Canadian risk is covered by a non-Canadian Insurer (except Lloyd's of London), the insured may be liable to Unlicensed Provincial Premium Tax and Retail Sales Tax, where applicable, in the Canadian territories/provinces in which the risk is located. The applicable rates vary depending on the territory/province in which the risk is located. Lloyd's of London will collect and remit Retail Sales Tax in the provinces, where applicable.  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:**  This insurance shall be governed by and construed in accordance with the laws of Ontario  **Choice of Jurisdiction:**  Each party agrees to submit to the exclusive jurisdiction of the Courts of Ontario  **Service of Suit Clause:**  LMA5028 Service of Suit Clause (Canada), as attached. |
| **PREMIUM** | **Section 1**  **Premium:** USD 1,800,000 (100%) For Period  Which Splits  USD 1,530,000 (100%) in respect of Ontario Canada  USD 90,000 (100%) in respect of United States of America  USD 90,000 (100%) in respect of Germany  USD 90,000 (100%) in respect of United Kingdom    Split as follows: Non-EEA: USD 1,710,000 (100%) For Period  EEA: USD 90,000 (100%) For Period  **Section 2**  **Premium:** USD 1,750,000 (100%) For Period  Which Splits  USD 1,487,500 (100%) in respect of Ontario Canada  USD 87,500 (100%) in respect of United States of America  USD 87,500 (100%) in respect of Germany  USD 87,500 (100%) in respect of United Kingdom    Split as follows: Non-EEA: USD 1,662,500 (100%) For Period  EEA: USD 87,500 (100%) For Period  **Section 3**  **Premium:** USD 750,000 (100%) For Period  Which Splits  USD 637,500 (100%) in respect of Ontario Canada  USD 37,500 (100%) in respect of United States of America  USD 37,500 (100%) in respect of Germany  USD 37,500 (100%) in respect of United Kingdom  Split as follows: Non-EEA: USD 712,500 (100%) For Period  EEA: USD 37,500 For Period |
| **PREMIUM PAYMENT TERMS** | **Payment Terms:** Premium Payment Conditions Time on Risk TOR 4/86, as  attached. |
| **TAXES PAYABLE AND ADMINISTERED BY THE (RE)INSURED OR THEIR AGENT** | None |
| **TAXES PAYABLE BY THE (RE)INSURED AND ADMINISTERED BY THE (RE)INSURERS** | None |
| **TAXES PAYABLE BY THE (RE)INSURERS AND ADMINISTERED BY (RE)INSURED OR THEIR AGENT** | **Tax 1**  **Tax:** German – Premium Tax  **Rate & Basis:** 19% of Gross Premium  **Administered by:** (Re)Insured  **Fiscal Code:** 12/345/67890  **Taxpayer Name:** Company A LTD  **Tax 2**  **Tax:** United Kingdom – Insurance Premium Tax  **Rate & Basis:** 12% of Gross Premium  **Administered by:** (Re)Insured  **Taxpayer Name:** Underwriter A LTD |
| **(RE)INSURER CONTRACT DOCUMENTATION** | LMA5180 Intention for AIF to Bind Clause, as attached  This document details the terms, definitions, exclusions and conditions (the contract terms) that constitutes the contract document.  A physical or electronic copy of this document will be provided to the (re)insured as Evidence of Cover. No further contractual documentation will be issued however (re)insurers agree that in the event the (re)insured requires a formal policy to be issued, Broker XYZ may without any further agreement from the (re)insurers request that:  a) (re)insurers provide such a policy; or  b) Xchanging Ins-sure Services (XIS) provide such a policy and (re)insurers will accept any additional charge that may be required by XIS.  Any further documentation changing this contract, agreed in accordance with the contract change provisions set out in this contract, shall form the evidence of such change.  For the purposes of this contract:  i) Where the term Lloyd’s is used in this contract or any attaching wording or document, it is agreed that this is extended to include Lloyd’s Insurance Company S.A. where relevant.  Lloyd’s Insurance Company S.A. is a Belgian limited liability company (société anonyme / naamloze vennootschap) with its registered office at Bastion Tower, Marsveldplein 5, 1050 Brussels, Belgium and registered with Banque-Carrefour des Entreprises / Kruispuntbank van Ondernemingen under number 682.594.839 RLE (Brussels). It is an insurance company subject to the supervision of the National Bank of Belgium.  Its Firm Reference Number(s) and other details can be found on [www.nbb.be](http://www.nbb.be).  Website address: [www.LloydsEurope.com](http://www.lloydseurope.com/)  E-mail:  [[LloydsEurope.Info@lloyds.com](mailto:LloydsEurope.Info@lloyds.com)](mailto:%20LloydsEurope@lloyds.com).  Bank details: Citibank Europe plc Belgium Branch, Boulevard General Jacques 263G, Brussels 1050, Belgium - BE46570135225536. |

Any wordings and clauses may be added here including program sub-limits and deductibles

# **INFORMATION**

The following information was provided to insurer(s) to support the assessment of the risk at the time of underwriting.

Client submission dated November YYYY prepared by Producer Inc and seen by all participants hereon and held on file by Broker XYZ Ltd

No losses past five years

EFG Burglar alarm system installed at all locations

ABC Sprinkler system installed at Ontario, Canada location

# **SECURITY DETAILS**

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| (RE)INSURERS’ LIABILITY | LMA3333 (Combined Several Liability and Attestation Clause)  **(Re)insurer’s liability several not joint**  The liability of a (re)insurer under this contract is several and not joint with other (re)insurers party to this contract. 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 contract.  The proportion of liability under this contract 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 contract. 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 contract 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 contract permits, written lines, or certain written lines, may be adjusted (“signed”). In that case a schedule is to be appended to this contract to show the definitive proportion of liability under this contract 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.  Although reference is made at various points in this clause to “this contract” in the singular, where the circumstances so require this should be read as a reference to contracts in the plural.  **Where coverage includes both EEA and Non-EEA exposure, the following is applicable to Lloyd’s Insurance Company S.A. participation only which replaces the LMA3333 above.**  **SEVERAL LIABILITY NOTICE**  The subscribing (re)insurers' obligations under contracts of (re)insurance to which they subscribe are several and not joint and are limited solely to the extent of their individual subscriptions. The subscribing (re)insurers are not responsible for the subscription of any co-subscribing (re)insurer who for any reason does not satisfy all or part of its obligations.  08/94  LSW1001 (amended) |
| **ORDER HEREON** | **Section 1**  60.5% of 100%  **Section 2**  22.25% of 100%  **Section 3**  27.5% of 100% |
| **BASIS OF WRITTEN LINES** | **Section 1**  Percentage of Whole  **Section 2**  Percentage of Whole  **Section 3**  Percentage of Whole |
| **SIGNING PROVISIONS** | **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. 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 those (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** |

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| **WRITTEN LINES** | **Mode of Execution Clause**  **This contract and any changes to it may be executed by:**   1. **electronic signature technology employing computer software and a digital signature or digitiser pen pad to capture a person’s handwritten signature in such a manner that the signature is unique to the person signing, is under the sole control of the person signing, is capable of verification to authenticate the signature and is linked to the document signed in such a manner that if the data is changed, such signature is invalidated;** 2. **a unique authorisation provided via a secure electronic trading platform** 3. **a timed and dated authorisation provided via an electronic message/system;** 4. **an exchange of facsimile/scanned copies showing the original written ink signature of paper documents;** 5. **an original written ink signature of paper documents (or a true representation of a signature, such as a rubber stamp).**   **The use of any one or a combination of these methods of execution shall constitute a legally binding and valid signing of this contract. This contract may be executed in one or more of the above counterparts, each of which, when duly executed, shall be deemed an original.**  **In a co-(re)insurance placement, following (re)insurers may, but are not obliged to, follow the premium charged by the contract leader.**      **(Re)Insurers may not seek to guarantee for themselves terms as favourable as those which others subsequently achieve during the placement.**  **(Re)Insurers confirm and agree that where NCAD (Notice of Cancellation at Anniversary Date) is embedded in their stamp/line this will mean NCED (Notice of Cancellation at Expiry Date). This does not affect the right of the (re)insurer to issue a Notice of Cancellation in accordance with the contract terms.** |

# **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:  ABC (1234) (for non-EEA)  ABC (4567) (for EEA)  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**: ABC (1234) (for non-EEA)  ABC (4567) (for EEA)  **ILU**: DEF Ltd (5678)  **LIRMA**: GHIJ (9101) |
| **BASIS OF AGREEMENT TO CONTRACT CHANGES** | General Underwriting Agreement (Version 2.0 February 2014) with Non-Marine Schedule (October 2001) |
| **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 the Contract Leader only.  CBC (4321)  DEF Ltd (5678) |
| **AGREEMENT PARTIES FOR CONTRACT CHANGES, FOR THEIR PROPORTION 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 their proportion only will be none. |
| **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), or as amended 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. |
| **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: ABC (1234)**  **The second Lloyd’s Syndicate: CBC (4321)**  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: DEF Ltd (5678)**  **The second ILU Company (Re)Insurer: FED Ltd (8765)**  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: GHIJ (9101)**  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.   **The IUA Claims Agreement Party: XYZ (2123)**   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: ABC (4567)**  **The second managing agent: CBC (6543)**  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** | Broker XYZ and (re)insurers agree that any claims hereunder (including any claims related costs/fees) that are in scope and supported by Electronic Claims File (ECF) will be notified and administered via ECF with any payment(s) processed via CLASS, unless both parties agree to do otherwise. Where claims or circumstances are not administered via ECF, notification, administration and payment(s) will be email or paper file.  Where a Lloyd’s syndicate or IUA company is not an agreement party to the claim or circumstance (per CLAIMS AGREEMENT PARTIES A. above), they agree to accept correct ECF sequences for administrative purposes to ensure information is circulated to all subscribing parties. |
| **RULES AND EXTENT OF ANY OTHER DELEGATED CLAIMS AUTHORITY** | None |
| **EXPERT(S) FEE COLLECTION** | Expert fees payable by (Re)Insurers for services performed on their behalf to be collected by the expert or their appointed fee collection service provider. |
| **SETTLEMENT DETAILS** | **Settlement Due Date:** 03 April 2023 |
| **BUREAU(X) ARRANGEMENTS** | De-linked accounts to be presented by Broker XYZ to Xchanging Ins-sure Services (XIS).  Bureau re(insurers) agree to allow XIS not to ‘group’ associated de-linked signings. Each individual de-linked signing may be released for settlement to XIS independently of any other associated items.  In respect of the LSW3001 (amended) or any other Premium Payment Clause, the SDD will automatically be amended to the date the premium is paid to (re)insurers.  Where any SDD, PPW or PPC due date falls on a weekend or public holiday, presentation to XIS on the next working day will be deemed to be in compliance with such SDD, PPW or PPC.  (Re)Insurers agree that the second and subsequent premium instalments are taken down as additional premiums, other than annual re-signings.  In respect of non–settlement currencies: XIS to accept settlement of premium in Pounds Sterling (GBP) converted at the rate of exchange at the date of receipt of payment by Broker XYZ. However, in the event Broker XYZ are paid in Pounds Sterling (GBP), U.S. Dollars (USD) or EUROS (EUR) then settlement will be made via XIS in GBP, USD or EUR as received by Broker XYZ.  Bureau (re)insurers agree to accept an interim For Declaration Only (FDO) signing. |
| **NON-BUREAU ARRANGEMENTS** | Where (re)insurers have agreed to regular (weekly/monthly/quarterly) accounting, the PPW or PPC due date shall be overridden by the accounting agreement. |
| **NOTICE OF CANCELLATION PROVISIONS** | **Format and Delivery Provisions**  Any Notice of Cancellation shall be issued to the broker by the following means:  By an email to [Broker.Contact@xyzbroker.co.uk](https://www.lloyds.com/conducting-business/regulatory-information/open-market-correspondents-omc)  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 Contract 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** | **Section 1, 2 and 3**  **Tax:** Canada, Ontario – Premium Tax  **Rate & Basis:** 3.5% of Gross Premium |
| **REGULATORY RISK LOCATION** | **Section 1, 2 and 3**  **Risk Location 1**  **Territory**: Canada  **Territory Sub-Division**: Ontario  **Premium Allocation:**  85%  **Risk Location 2**  **Territory**: USA  **Territory Sub-Division**: California  **Premium Allocation:** 5%  **Risk Location 3**  **Territory**: United Kingdom  **Premium Allocation**: 5%  **Risk Location 4**  **Territory**: Germany  **Premium Allocation**: 5%  ***[Insert any other regulatory risk location(s) here]*** |
| **OVERSEAS BROKER** | **OMC Reference:** 999999  **Name:** Broker ABC  **Role:** Open Market Correspondent  **Street No and Street:** 790 Main Street  **City:** Main City  **Zip or Postcode:** 99999  **Country Sub-Division:** Ontario  **Country:** Canada |
| **US CLASSIFICATION** | US Non-Regulated – Non-US Risk |
| **SURPLUS LINES BROKER** | Not Applicable |
| **STATE OF FILING** | Not Applicable |
| **ALLOCATION OF PREMIUM TO CODING** | **Section 1**  **Risk Code 1**  **Risk Code:** P3  **Premium Allocation:** 95%  **Risk Code 2**  **Risk Code:** P2  **Premium Allocation:** 5%  **Section 2**  **Risk Code 1**  **Risk Code:** P7  **Premium Allocation:** 95%  **Risk Code 2**  **Risk Code:** P6  **Premium Allocation:** 5%  **Section 3**  **Risk Code 1**  **Risk Code:** P7  **Premium Allocation:** 95%  **Risk Code 2**  **Risk Code:** P6  **Premium Allocation:** 5%  ***[Insert any other risk codes here]*** |
| **ALLOCATION OF PREMIUM TO YEARS OF ACCOUNT** | Not Applicable |
| **REGULATORY POLICYHOLDER CLASSIFICATION** | Commercial – Large Risk |

# **BROKER REMUNERATION AND DEDUCTIONS**

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| **FEE PAYABLE BY CLIENT** | No |
|  |  |
| **TOTAL BROKERAGE** | **Type:** Fixed  **Percentage:** 20% of Gross Premium |
| **OTHER DEDUCTIONS FROM PREMIUM** | Not Applicable |