



FSCA INS NOTICE 7 OF 2024

FINANCIAL SECTOR REGULATION ACT, 2017 (ACT NO. 9 OF 2017)

EXEMPTION OF LLOYD'S AND LLOYD'S UNDERWRITERS FROM REGULATIONS 6.2A(2) AND 6.3(1)(p), AND RULE 13.4 OF THE POLICYHOLDER PROTECTION RULES, UNDER THE SHORT-TERM INSURANCE ACT, 1998

The Financial Sector Conduct Authority (FSCA), under section 281(1) of the Financial Sector Regulation Act, 2017 (Act No. 9 of 2017), hereby exempts Lloyd's and Lloyd's underwriters from Regulations 6.2A(2) and 6.3(1)(p), and Rule 13.4 of the Policyholder Protection Rules, under the Short-term Insurance Act, 1998 (Act No. 53 of 1998), to the extent set out in the Schedule.

**FARZANA BADAT
DEPUTY COMMISSIONER
FINANCIAL SECTOR CONDUCT AUTHORITY**

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SCHEDULE

EXEMPTION OF LLOYD'S AND LLOYD'S UNDERWRITERS FROM REGULATIONS 6.2A(2) AND 6.3(1)(p), AND RULE 13.4 OF THE POLICYHOLDER PROTECTION RULES, UNDER THE SHORT-TERM INSURANCE ACT, 1998

1. Definitions

In this Schedule **"The Act"** means the Short-term Insurance Act, 1998 (Act No. 53 of 1998), and any word or expression to which a meaning has been assigned in the Act bears, subject to context, that meaning unless otherwise defined, and –

"Authorities" means the FSCA and PA collectively;

"FSCA" means the Financial Sector Conduct Authority established by the Financial Sector Regulation Act;

"Lloyd's" has the meaning assigned to it in the Insurance Act;

"Lloyd's underwriter" has the meaning assigned to it in the Insurance Act;

"PA" means the Prudential Authority established by the Financial Sector Regulation Act;

"Policyholder Protection Rules" means the Policyholder Protection Rules (Short-term Insurance), 2017 made under section 55 of the Act promulgated by GN 1433 and amended from time to time; and

"Regulations" means the Regulations made under section 70 of the Act, promulgated by GN R.1493 in *Government Gazette* 19495 of 27 November 1998, and amended from time to time.

2. Extent and conditions of the Exemption

- (1) Lloyd's and Lloyd's underwriters are hereby exempted from Regulations 6.2A(2) and 6.3(1)(p) of the Regulations, and Rule 13.4 of the Policyholder Protection Rules.
- (2) This Exemption is subject to the following conditions:
 - (a) Lloyd's must immediately inform the Authorities in the event of any material changes to the circumstances upon which the Exemption was based;
 - (b) Lloyd's must ensure that it at all times has -
 - (i) effective governance and oversight controls in respect of its binder holders;
 - (ii) ongoing monitoring of compliance by its binder holders with the Lloyd's Coverholder Reporting Standards; and
 - (iii) the ability to access all claims and policyholder information from each of its binder holders, as and when necessary.
 - (c) Lloyd's must immediately inform the FSCA if it becomes aware of any instances where its lack of access to policyholder and/or claims data results, or may result, in unfair outcomes for policyholders; and

- (d) Lloyd's must, notwithstanding this Exemption, ensure that it has access to all necessary policyholder and claims data to meet all reporting obligations imposed by the Authorities.

3. Amendment and withdrawal of Exemption

This Exemption is subject to –

- (1) amendment thereof, published by the FSCA by notice on the website; and
- (2) withdrawal in a like manner.

4. Short title and commencement

This Notice is called the Exemption of Lloyd's and Lloyd's underwriters from Regulations 6.2(A)(2) and 6.3(1)(p), and Rule 13 of the Policyholder Protection Rules, under the Short-term Insurance Act, 2024 and comes into effect on the date of publication.