



Specialist compliance services for the London Market

About ICS London Market

ICS London Market provides a full range of specialist compliance services to Lloyd's and other (re)insurers and distributors.

This includes helping Managing Agents, insurers and (re)insurers meet their regulatory obligations and manage all aspects of Conduct Risk. Our insight and expertise add value far beyond simple regulatory compliance.

We combine a rigorous knowledge of every nuance of current regulation with a detailed understanding of the workings of the Lloyd's and London Market.

- Our understanding of distribution (routes to market) informs our **coverholder audit and due diligence services**.
- Our **product documentation review** service is underpinned by comprehensive specialist product knowledge.
- Hands-on London Market underwriting experience feeds into our **independent underwriting review** service.
- Our extensive knowledge of product servicing in the London Market means we are ideally placed to carry out **audits of claims TPAs**.
- We understand customer service and the need to excel at this in a customer centric environment, so we are perfectly placed to advise on implementing compliant **complaints processes**.

ICS London Market has access to a dedicated team that provides advice and guidance on insurance mediation in the UK. Amongst other things, this resource has extensive 'front end' knowledge of the fundamentals of Conduct Risk, namely; governance, sales, product design and distribution.

Whenever the need arises, and there is a requirement for external support or scrutiny, ICS London Market can meet that need in order to protect or add value to all the stakeholders in your business, from customers to investors (return on equity).

Rather than a burden or a distraction, with our help, regulatory adherence and compliance risk mitigation can form the basis for a stronger, more sustainable business.

Whatever combination of challenges and opportunities your business faces, we can deliver practical, sustainable solutions that enable you to operate within a fully compliant environment.



Coverholder and TPA audits and due diligence

A key area of work for ICS London Market is providing auditing services for Managing Agents and other (re)insurers who delegate, or are considering delegating, underwriting or claims authority to UK-based third parties.

We can establish quickly and authoritatively whether any firm is operating within the terms of its binding authority or TPA agreement. We will also determine whether it has adequate capabilities, control and systems and complies fully with all applicable regulatory requirements.

With in-depth knowledge and experience of the London Market, our team understands routes to market and appreciates the importance of coverholders' role in the distribution chain. Our audit conclusions are constructive and focus on evidencing; with comments on the corporate culture of the firm being audited.

The Conduct Risk principal requires you to have effective systems and controls in place for proactively managing delegated underwriting or claims authority. This entails carrying out due diligence on prospective coverholders or TPAs, and then auditing them regularly.

ICS London Market can satisfy these requirements, giving you control over a consistent and scalable audit process.

Our audits and due diligence services cater for:

- Coverholders and TPAs operating in the UK, ROI and Channel Islands
- Risk locations worldwide, from both a regulatory and tax perspective
- Insurance and reinsurance
- All types of delegation, from prior submit to full authority
- Sub-delegation
- Wholesale and retail coverholders
- All customer classifications: consumer, commercial, large risk and reinsurance
- Micro-enterprise customers
- Electronic trading
- Lloyd's coverholder audit scope and bespoke scopes
- Extended scopes for audits of claims TPAs
- Audit reports formats as required
- Communication with the principal during the audit process, where necessary.



Documentation reviews

Another key area of engagement for ICS London Market is undertaking documentation reviews for Managing Agents, MGAs and (re)insurers. We have specialist experience and understanding to carry out expert reviews of UK policy wordings and related customer documentation to ensure they meet current regulatory requirements.

This entails both reviewing existing policies and assisting in the design and drafting of new policy wordings, and reviewing governance and value, as required by the FCA. ICS London Market has successfully drafted many current consumer and micro-enterprise insurance policy wordings and accompanying IPIDs - including commodity and flexible benefit products.

We also work with firms to ensure their product governance oversight meets FCA requirements and that the products they design and distribute provide demonstrably appropriate value to target customers.

For wordings and documentation aimed at consumer customers, we would verify, amongst other things, that documentation is:

- Legally compliant
- Clear, fair, and not misleading
- Written in plain English
- Clear about any delegation of authority
- Structured appropriately
- Regularly reviewed, including undergoing robust root-cause analysis to identify any systemic issues.

Lloyd's and the Financial Ombudsman Service require that micro-enterprises are treated as consumers. However, the Insurance Act 2015 classifies micro-enterprises as commercial customers. We can help you ensure that policies for micro-enterprise customers fulfil their consumer status while also complying with the Insurance Act 2015.



Independent underwriting reviews

Independent reviews are widely recognised as an integral part of the underwriting control process and an effective way of managing risk that could otherwise impact your balance sheet. ICS London Market regularly undertakes independent underwriting reviews for Lloyd's Managing Agents and other insurance and reinsurance companies.

With extensive first-hand experience of London Market underwriting, our team has the insight required to challenge underwriters effectively if and when required. We typically undertake an underwriting review based on pre-agreed terms of reference with specific review criteria. The scope can be as limited or extensive as required and can include us selecting the risks for review.

We can review worldwide portfolios of insurance or reinsurance business (proportional or excess of loss) across most non-marine classes. Our involvement adds significant value by introducing a truly independent and authoritative dimension to risk carriers' detection controls.

Among the areas we might look at when undertaking an independent underwriting review are:

- Correct and consistent application of your strategies, pricing, and underwriting policies
- Writing within the terms and limitations of your outwards reinsurance
- Individual underwriters adhering to their terms of reference and authorities
- Examining slips and placing information, and general file review
- Risk location
- Reporting
- Contract certainty
- Review findings documented to a consistent standard
- Direct reporting at board level.



Let's talk

While audits, documentation reviews and independent underwriting reviews make up a significant proportion of the work ICS London Market undertakes for clients in the London Market, we also deliver a wide range of other services.

Obvious examples would include work on complaints processes and systems, on insurance mediation, or on product oversight groups.

If we haven't talked in detail about a service you are looking for, please don't hesitate to ask; there's a very good chance we can help. Whatever London Market compliance-related services or advice you may be in need of, why not talk to one of our specialist consultants today.

To find out more about how we can help call us on **020 7692 1923** or email enquiries@insurancecompliance.co.uk.

CONTACT US

ICS London Market
Berkeley Suite
35 Berkeley Square
Mayfair
London
W1J 5BF

Tel: 020 7692 1923

Mobile: 07899 713569

Web: <https://insurancecompliance.co.uk/london-market/overview-2/>



ICS London Market is a trading style of Insurance Compliance Services (ICS) Ltd, which is registered in England & Wales No. 04398255. Registered Office: Number 22 Mount Ephraim, Tunbridge Wells TN4 8AS.

