<u>Binding Authority Agreement (BAA) Faster Claims Payment (FCP) Endorsement</u>

Where:

1. *All parties to this Agreement have agreed to, are authorised, and have registered to use the Lloyd's Faster Claims Payment solution (FCP); and*
2. *a Delegated Claims Administrator ("DCA") is appointed under a written agreement to settle claims in respect of risks bound under this Agreement; and*
3. *where the DCA has been authorised to access and make payment of money through FCP;*

    1. *Underwriters authorise the Section Lead (as stated in the Delegated Contract Oversight Manager ("DCOM")) to confirm on their behalf, via DCOM, the use of FCP by the DCA for claims payments under this Agreement; and*

    2. *Underwriters confirm and agree that data held on DCOM may be disclosed to the FCP service provider for the sole purpose of ensuring the correct allocation and drawdown of Underwriters' funds.*

LMA5601
20th October 2022

<u>Binding Authority Agreement (BAA) Faster Claims Payment (FCP) Endorsement Guidance</u>

1) Authorisation to access and make or accept payments via FCP for Managing Agents and DCA's is granted within the FCP contract the individual entity has signed with Vitesse.

2) As claims are outsourced to a DCA the Endorsement should be inserted within the *Subscription Agreement* under *Bureau Arrangements*. *Note - although not all aspects of the Endorsement will be relevant it should still be used on 100% BAA's to acknowledge that FCP is being utilised.*

3) For subscription business this Endorsement should be signed by all subscribing insurers.

4) It should be noted that a maximum individual claim payment amount has been set as a market standard for GBP, USD, EUR and CAD. The amounts set are as follows:

    GBP 150k
    USD 200k
    EUR 200k
    CAD 250k

    If the market standard maximum individual claim payment amount is not used in the DCA agreement relevant to this BAA, express agreement to an alternative amount must be obtained from all subscribing insurers.

5) It is extremely important that as FCP places reliance on the data held within DCOM that DCOM accurately reflects Lloyd's market subscribers' individual signed shares and references. When using FCP it is strongly advised that the binding authority agreement is not turned live when underwriters shares are still showing as written.
6) Underwriters should ensure their FCP funding accounts, as agreed in their signed FCP contract, have minimum levels of funding that will allow for payments to be made up to the claims payment limit granted within the DCA agreement.

7) It should also be noted that a 'DCOM Attestation', in the form of a pop-up will appear when selecting the FCP option in DCOM. The attestation is as follows:

"By indicating that claims for this section will be paid utilising the Lloyd's Faster Claims Payment solution ("FCP") you are confirming the following:

- All subscribers to this section have signed up to and have been authorised to use FCP;
- Lloyd's market subscribers' individual signed shares and references are accurately reflected in DCOM;
- Certain contract data within the binding authority agreement, including the Lloyd's market subscribers' individual signed shares and references, can be shared with Vitesse, the FCP solution provider for the purpose of setting up the Vitesse accounts and allocating claims payments correctly within the FCP solution;
- All qualifying claim payments will be made through FCP;
- The binding authority agreement has been endorsed with the Faster Claims Payment Endorsement."

8) Although some elements of the Endorsement may be irrelevant it is advised that the Endorsement still be included on 100% BAA's to acknowledge the use of FCP.

9) As at 19.10.22 Coverholder's with claims authority are out of scope for FCP but as an when they come into scope an appropriately worded Endorsement will be released.

10) A model Endorsement has also been drafted for and should be used within the relevant DCA agreement.