

SCHEDULE 1

SYNDICATE ACCOUNTS

PART 2

MANAGING AGENT'S REPORT

Managing agent's report: general requirements

- 8.—(1) The managing agent's report for a financial year must state—
- (a) the names of the persons who at any time during the financial year were directors or partners of the managing agent; and
 - (b) the principal activities of the syndicate in the course of the year and any significant change to those activities in the year.
- (2) The managing agent's report must contain—
- (a) particulars of any important events affecting the syndicate which have occurred since the end of the financial year;
 - (b) an indication of likely future developments in the business of the syndicate; and
 - (c) an indication of the activities (if any) of the syndicate in the field of research and development.

Managing agent's report: business review

- 9.—(1) The managing agent's report must contain a business review.
- (2) The business review must contain—
- (a) a fair review of the business of the syndicate; and
 - (b) a description of the principal risks and uncertainties facing the syndicate.
- (3) The review required is a balanced and comprehensive analysis of—
- (a) the development and performance of the syndicate's business during the financial year; and
 - (b) the position of the syndicate's business at the end of that year,
- consistent with the size and complexity of the business.
- (4) The review must include to the extent necessary for an understanding of the development, performance or position of the insurance business of the syndicate—
- (a) analysis using financial key performance indicators; and
 - (b) where appropriate, analysis using other key performance indicators, including information relating to environmental matters and employee matters.
- (5) In sub-paragraph (4), “key performance indicators” means factors by reference to which the development, performance or position of the insurance business of the syndicate can be measured effectively.
- (6) The review must, where appropriate, include references to and additional explanations of amounts included in the syndicate accounts.
- (7) Nothing in this paragraph requires the disclosure of information about impending developments or matters in the course of negotiation if the disclosure would, in the opinion of the managing agent, be seriously prejudicial to the interests of the syndicate.

Changes to legislation: There are outstanding changes not yet made by the legislation.gov.uk editorial team to The Insurance Accounts Directive (Lloyd's Syndicate and Aggregate Accounts) Regulations 2008. Any changes that have already been made by the team appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

Financial instruments

10.—(1) In relation to the use of financial instruments by a syndicate, the managing agent's report must contain an indication of—

(a) the financial risk management objectives and policies of the syndicate, including the policy for hedging each major type of forecasted transaction for which hedge accounting is used; and

(b) the exposure of the syndicate to price risk, credit risk, liquidity risk and cash flow risk, unless such information is not material for the assessment of the assets, liabilities, financial position and profit or loss of the syndicate.

(2) In sub-paragraph (1) the expressions “hedge accounting”, “price risk”, “credit risk”, “liquidity risk” and “cash flow risk” have the same meaning as they have in Council Directive [78/660/EEC](#) on the annual accounts of certain types of companies, and in Council Directive [83/349/EEC](#) on consolidated accounts ^{F1}.

F1 O.J.L222 of 14.8.1978, page 11, and O.J. L193 of 18.7.1983, page 1, as amended in particular by Directives 2001/65/EEC and 2003/51/EEC of the European Parliament and of the Council (O.J. L238 of 27.12.2001, page 28, and O.J. L178 of 17.7.2003, page 16).

Statement as to disclosure of information to auditors

11.—(1) The managing agent's report must contain a statement to the effect that, in the case of each of the persons who are directors, or, where the managing agent is a partnership, of each of the persons who are partners, of the managing agent at the time the report is approved—

(a) so far as the director or partner is aware, there is no relevant audit information of which the syndicate's auditor is unaware; and

(b) the director or partner has taken all the steps that he or she ought to have taken as a director or partner to become aware of any relevant audit information and to establish that the syndicate's auditor is aware of that information.

(2) In sub-paragraph (1) “relevant audit information” means information needed by the syndicate's auditor in connection with preparing the auditor's report.

(3) For the purposes of sub-paragraph (1), a director or partner of the managing agent is regarded as having taken all the steps that he or she ought to have taken as a director or partner in order to do the things mentioned in sub-paragraph (1)(b) if the director or partner has—

(a) made such enquiries of fellow directors or partners and of the syndicate's auditors for that purpose; and

(b) taken such other steps (if any) for that purpose,

as were required by his or her duty as a director or partner of the managing agent of the syndicate to exercise due care, skill and diligence.

(4) Where the managing agent's report containing the statement required by this paragraph is approved but the statement is false, every director or partner of the managing agent who—

(a) knew that the statement was false, or was reckless as to whether it was false; and

(b) failed to take reasonable steps to prevent the report from being approved,

commits an offence.

(5) A person guilty of an offence under sub-paragraph (4) is liable—

(a) on conviction on indictment, to imprisonment for a term not exceeding two years or to a fine, or both;

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- (b) on summary conviction, to imprisonment for a term not exceeding three months or to a fine not exceeding the statutory maximum, or both.

Approval and signing of managing agent's report

12.—(1) The managing agent's report must be approved and signed by the syndicate's managing agent and, where the managing agent is a body corporate or a partnership, the report must be approved by the board of directors or by the partners and signed by a director or partner of the managing agent, authorised to sign on its behalf.

(2) Every copy of the managing agent's report which is circulated, published, or issued shall state the name of the person who signed the balance sheet on behalf of the syndicate's managing agent.

(3) Every copy of the managing agent's report which is delivered to the Authority must be signed on behalf of the managing agent by a director or partner of the managing agent, authorised to sign on its behalf.

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Changes and effects yet to be applied to :

- Regulations power to modify conferred by [2023 c. 29 s. 3Sch. 1 Pt. 2](#)
- Regulations revoked by [2023 c. 29 Sch. 1 Pt. 2](#)