

# Legal and regulatory monthly update - September 2019

The latest update covering delegated authority, insurance product development, the senior insurance managers regime, data protection, operational control frameworks, Lloyds market, and horizon scanning.

29 August 2019

In every issue we will provide you with a collection of the latest news and developments from the sector. Carefully and reliably selected by our research and legal team, please use this excellent source of intel to stay updated and informed.

## The latest from Lloyds

A look at the facts and figures determining future growth at Lloyds, insight into the new research projects taking shape and how an innovative new tool is set to improve insurance contract review globally.

### Insurance: a growth market of the future

Between 2013 and 2018, Lloyd's premiums surpassed global economic growth and global non-life commercial insurance growth.

But there is room for further expansion, as illustrated by the fact that global commercial insurance penetration sits at less than 1% and that Lloyd's estimates the global insurance gap at US\$163 bn. Lloyds 25/6/19

### Lloyd's Tercentenary Research Foundation is looking to fund new research projects

The key aim of the funding is to further our understanding of the protection/ resilience gap. This is an issue that has real synergy with risk-related academic research that looks at current and future financial risks arising from a variety of trends. This could be from stranded assets to the challenges facing urban populations. The topics can cover different geographies and risk classes, from established risks, to newly emerging insurance markets.

The funding will be offered in two rounds; two proof of concept grants of up to £50,000 will be awarded to successful applicants for research projects lasting up to six months. Following the successful completion of the proof of concept phase, both projects will be offered the chance to apply for continued funding for the same project for up to a further two years and for up to £250,000. Lloyds 24/6/19

Today Lloyd's confirmed that the proposals set out in the Future at Lloyd's prospectus have received widespread backing from Lloyd's market participants, customers and other stakeholders, as the consultation on the global insurance market's bold new strategy, launched on 1 May this year, draws to a close and the blueprint build begins. Lloyds 11/7/19

### Lloyd's has launched a new software tool to improve the quality of insurance contract review across the world.

The tool, Contract Confidence, uses advanced search techniques to scan contracts and check for errors and discrepancies. For example, the tool runs checks against 1,400 open market rules (regulatory, tax and Lloyd's advisory) and highlights where the contract has failed or may have failed a check.

It also offers the functionality for underwriters to set their own rules, so that risks with exposures outside of appetite can be identified quickly and comes pre-populated with the full set of clauses from the new Lloyd's Wordings Repository.

The tool benefits customers by creating more right-first time contracts, which means fewer disputes, faster claims resolution and lower policy costs

Lloyds 4/7/19

[Lloyd's confirms targets for electronic placement mandate](#)

Lloyd's has confirmed the targets for electronic placement for the remainder of 2019.

For Q3 2019 each syndicate will be required to have written no less than 60% of its risks using a recognised electronic placement system with the target increasing to 70% in Q4. Lloyds 2/7/19

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## The Insurance Distribution Direction (IDD)

### EIOPA report on national general good rules under IDD 22/7/19

This in-depth report provides thematic analysis and examination of the general good rules.

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## Insurance product development

Insuring the uninsurable. Tackling emerging risks head on with new initiatives.

[Lloyd's underwriters team up to insure the uninsurable](#)

A group of Lloyd's underwriters have launched [The Product Innovation Facility](#) – a new initiative with £53m of capacity designed to speed up (re)insurance product development for today's new and emerging risks.

The market-led solution, led by senior underwriters from Tokio Marine Kiln, Beazley, MS Amlin, Talbot, Liberty Specialty Markets, Hiscox, Ascot, Chubb, Chaucer, Brit, Antares and Apollo will trial new types of insurance for complex and non-standard risks, including, but not limited to, intangible assets and supply chain risks, or mishaps caused by artificial intelligence.

Lloyd's has committed to nurturing a "safe space" for underwriters to experiment with new ideas in a controlled way, which balances the need for appropriate oversight with the risk of not innovating fast enough. Lloyds 25/6/19

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## SMCR

### FCA policy statement (PS19/7) comes into force 9/9/19

[Read more >](#)

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## Data protection

Assessing the full force of the GDPR – showing results, but more work to be done?

### ICO fines boiler replacement company, Making It Easy, for thousands of nuisance calls made to TPS subscribers

ICO News 02 08 2019

### Legal ombudsman faces claim over data breach

Law Society Gazette 01 08 2019

[Read more >](#)

### ICO selects first participants for data protection sandbox

ICO News 29 07 2019

## **High Court rules that rejects Liberty's argument that Investigatory Powers Act does not breach Human Rights Act**

Guardian 29 07 2019

[Read more >](#)

## **General Data Protection Regulation shows results, but work needs to be done**

European Commission Press Release 24 07 2019

[Read more >](#)

## **UK Decision to deny EU citizens access to data challenged in court**

Guardian 23 07 2019

[Read more >](#)

## **Estate agent fined £80,000 for failing to keep tenants' data safe**

ICO News 19 07 2019

## **Former motor industry worker ordered to pay £25,500 from proceeds of data theft**

ICO News 17 07 2019

## **ICO fines telecoms company EE Limited for sending unlawful text messages**

24 June 2019 ICO News

The ICO has fined telecoms company EE Limited £100,000 for sending over 2.5 million direct marketing messages to its customers, without consent.

## **Blog: ICO Adtech update report published following industry engagement**

20 June 2019 ICO News

In recent months we've been reviewing how personal data is used in real time bidding (RTB) in programmatic advertising, engaging with key stakeholders directly and via our fact-finding forum event to understand the views and concerns of those involved.

## **Watchdog, the Biometrics Commissioner, criticises police use of facial recognition**

Guardian 27 06 2019

[Read more >](#)

## **ICO – what does 'good' look like?**

ICO 3 July 2019

## **Intention to fine British Airways £183.39m under GDPR for data breach**

08 July 2019 ICO News

Statement in response to an announcement to the London Stock Exchange that the ICO intends to fine British Airways for breaches of data protection law.

Following an extensive investigation the ICO has issued a notice of its intention to fine British Airways £183.39M for infringements of the General Data Protection Regulation (GDPR).

## **Making better use of energy performance of buildings data: privacy impact assessment**

Ministry of Housing, Communities & Local Government 08 07 2019

Sets out how the government is considering privacy issues in the context of enabling more open access to energy performance of buildings data.

[Read more >](#)

## **British Airways fine by ICO shows it has been given power by GDPR**

Guardian 08 07 2019

[Read more >](#)

## **Elizabeth Denham, Information Commissioner, blog on live facial recognition technology**

ICO 09 07 2019

## **Beaming statistics find that UK businesses each received 146,491 attempted cyber attacks, on average, in the second quarter of 2019**

Beaming 09 07 2019

[Read more >](#)

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## **Operational control frameworks relevant to insurers regulated by FCA**

### **EU insurers suggest improvements to EIOPA paper on sustainability in Solvency II**

30 July 2019 Insurance Europe

### **Consultation Paper on Proposals for Solvency II 2020 Review Harmonisation of National Insurance Guarantee Schemes**

European Insurance and Occupational Pensions Authority 12 July 2019

### **Changes needed to distance marketing directive to avoid overlap with other EU rules**

3 July 2019 Insurance Europe

Insurance Europe has welcomed a consultation by the European Commission on the Distance Marketing

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## **Horizon scanning**

[Courts and Tribunals \(Online Procedure\) Bill](#)

24/6/19 House of Lords made amendments.

3rd reading in the House of Lords 2/7/19.

[ABI responds to personal injury Discount Rate announcement](#)

15/07/2019 ABI

New rate bad news for insurance customers and taxpayers Commenting on today's Government announcement that the Discount Rate used to assess compensation for serious personal injury compensation from 5th August 2019.

## IAIS 2019 roadmap

On 28 June 2019

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## Related expertise

Corporate and commercial services for insurance

Cyber liability and data security insurance

Delegated authority claims resolution

Financial institutions

Regulatory