

Govt 75

Stephen Timms (Labour, East Ham)

**Amendment 75**

Clause 32, page 24, line 15, after ‘premium’ insert ‘or other consideration’.

**EXPLANATORY NOTE**

**SUMMARY**

1. The amendment clarifies the definition of “reinsurance to close premium”.

**DETAILS**

2. The amendment adds the words “or other consideration”.

**BACKGROUND NOTE**

3. The amendment originates from discussions with Lloyd’s about clause 32 and clause 42, which adopts the definition from clause 32.
4. The commercial meaning of “reinsurance to close” has evolved over time and the amendment reflects the commercial meaning today, to the extent that it is required for clause 32 and clause 42.
5. It makes clear that any consideration given to effect closure of the business of a Lloyd’s syndicate constitutes a reinsurance to close premium.