

Brexit update – September 2021

Liberty Specialty Markets is continuing to operate in the UK and Europe post-Brexit, with minimal disruption for our clients, brokers and policyholders.

Section 1 – Company

Liberty Mutual Insurance Europe SE (LMIE) moved its headquarters from the UK to Luxembourg in March 2019. LMIE is authorised by the Luxembourg Minister of Finance and supervised by the Commissariat aux Assurances. LMIE can offer company paper across multiple jurisdictions through its branches in the EU, Switzerland and the UK.

LMIE’s “third country” branch in the UK is currently operating under the PRA’s Temporary Permissions Regime and we expect to receive full authorisation during Q1 2022.

How will Liberty’s UK-based Underwriters continue to write EEA risks on Company paper?

Liberty is implementing a “reverse branch model”, which allows our UK-based underwriters to continue to write EEA business on behalf of LMIE in Luxembourg, provided it is booked and overseen in Luxembourg. Non-EEA risks will be written to the UK branch.

What does this change mean for brokers?

We will provide more information shortly but, in summary:

- Brokers who present business combining EEA and non-EEA risks will need to split out the EEA risk from the non-EEA risk.
- For non-bureau business, premium for EEA risks must be paid into Liberty’s new Luxembourg bank account (USD, Euro, GBP). Premium for non-EEA risks must be paid into our UK bank account.
- For bureau business, premium for both EEA and non-EEA risks must be paid into Liberty’s UK bank account and we will transfer EEA premium to Luxembourg.
- Liberty underwriters will have access to two stamps to facilitate payment of premium into the correct bank account.

We will continue to pay any valid claim and administer policies appropriately.

Section 2 – Lloyd’s

How will Liberty write EEA risks via Lloyd’s Insurance Company SA (LIC)?

Liberty will use the UK branch of its Luxembourg registered service companies, Liberty Specialty Markets Europe Sarl, to continue to allow UK underwriters to write EEA risks onto LIC.

Will Liberty be seconding any Underwriters to LIC?

No. Our model means that Liberty does not need to second Underwriters to LIC, and there is no restriction on the number of underwriters who can write EEA risks. This means that Brokers do not need to change who they speak to when dealing with Liberty.

When do you envisage implementing the revised model for EEA business?

We are unable confirm an exact date for the Lloyd’s solution yet, but anticipate that we will have the new model implemented by the end of September 2021.

What are the next steps?

More detailed information for our brokers will be provided shortly, but if there are any questions please email us at LSMBrexit@libertyglobalgroup.com