

## **ILLCA: THE IMPORTANCE OF AN INITIATIVE**

On the day of the 27th January 1993, in Milan at no. 1 of Bastioni di Porta Venezia, c/o the studio of the Notrary Solicitor, Giacomo Milioti, the 12 legal representatives of the Lloyd's Correspondents have founded an Association with the aim of uniting all the Correspondents, named:

### **LLOYD'S ITALIAN CORRESPONDENTS ASSOCIATION ILLCA**

The need to establish a strong Association that would operate for the sole interests of the Correspondents was so much felt that today only after two weeks, over one-third of all the Italian Correspondents have made a request to join.

The cultural and economic validity of this initiative "ILLCA" is officially recognised also by the British Consulate General, Mr. Philip Wetton, Minister of Her Royal Majesty, who has accepted the post of Honorary President of the Association.

The founding members are:

- GABRIELE BETTOSCHI, ZETABI BROKERS D'ASSICURAZIONI S.R.L.
- FULVIO DE FEO, FULVIO DE FEO ASSICURAZIONI S.R.L.
- FERRUCCIO RITO, CONSULTASS S.R.L.
- VINCENZO GOGGI, GOGGI ASSICURAZIONI
- ALESSANDRO DADATI, EUROSTUDIO S.R.L.
- UGO RODINO' DI MIGLIONE, RODINO' & PARTNERS
- ITALO LIETTI, FERBROKERS S.P.A.
- PIER GIUSEPPE GIUA, CENTRO CONSULENZA ASSICURATIVA I.B.C. S.A.S.
- DORIANO DI GIACOMO, DE BESI - DI GIACOMO S.P.A.
- PAOLO CESA BIANCHI, C.E.B.I. ASSICURAZIONI S.R.L.
- EDOARDO BARNI, ASSIFIDI S.P.A.
- GIUDO CAIMI, MONDIALBROKERS S.R.L.

Elected members of the Board of Managers.

- DORIANO DI GIACOMO, PRESIDENT
- FERRUCCIO RITO, VICE PRESIDENT & TREASURER
- GABRIELE BETTOSCHI, SECRETARY
- ALESSANDRO DADATI, COUNSELLOR
- VINCENZO GOGGI, COUNSELLOR

Elected Accounts supervisors.

- PIER GIUSEPPE GIUA
- ITALO LIETTI
- PAOLO CESA BIANCHI

In order to render participant all the members of the Association in its operation and development the Management Body will only remain in place until 31/12/1993.

**MAJOR FOCUS POINTS:**

- 1) To create a liason with the Lloyd's General Representative Office for a better understanding of the Lloyd's Market also in order to guarantee more continuity in the flowing of Italian business.

A committed investment and man power by the Lloyd's Italian Correspondents together with a deeper knowledge and understanding of the structure of the Lloyd's market would definitely be a means of bridging the gap. It goes without saying that a reciprocal effort made by the Lloyd's Brokers would be very helpful.

- 2) To establish an Italian Club in Lloyd's, in London, along the lines of the French and the Geman clubs would be appropriate. Steps have been taken to achieve such, by the Association's placement of a formal request to the General Representative.

- 3) To improve communication with the Lloyd's Broker in respect of:

A) accounting relationship;

B) the tardiness in receiving documentation from Lloyd's Brokers especially in regard to covernotes and policy wordings reference.

C) giving an objective image of the Italian Correspondent and market in general who and which is often regarded a unprofessional operating in a speculative market thus penalising the correspondent when approaching the Lloyd's market.

The Association feels that frequent meetings should take place with Lloyd's Brokers and Underwriters in the presence of the General Representative in order to sort out difficulties and discrepancies in dealing with the Lloyd's Market, in particular:

- 4) Underwriters should guarantee more continuity in their relationship with the Italian market. The obligation should be one of confirming the capacity of already existing business and in the future the development of these same classes of business and/or eventually new business. To assist this aim, the Association fully upholds the new proceedure of charging the 4% levy to the client and hopes that this will increase the attractiveness of the Italian market to underwriters.
- 5) It is deemed that the education of the Lloyd's Correspondent regarding the Lloyd's market and its on-going evolvment is essential and therefore literature relative to this should be sent on a periodic basis to the Association.
- 6) Self-Discipline by the Lloyd's Correspondents in the handling of Binding Authorities. A code of rules and guidelines will be established with the advice of the General Representative for the smooth and on-going running of binders.
- 7) The General Representative will ask the non-binding opinion of the Association regarding the nomination of each new Lloyd's Italian Correspondent.

- 8) The incorrect behaviour of the Lloyd's Broker or Italian Correspondent will be formally indicated to the General Representative who will carry out the matter with the competent Department of the Corporation of Lloyd's.
- 9) **Licensed Business and Services Business:**  
The Association would like to forecast its opinion with regard to the volume of Italian business in the next 2/3 years: licensed business - 95% and Services business - 5%.  
As for licensed business, the Association calls attention to the following needs of the Italian Correspondents also in view of the implementation of the Third Non-Life European Directive (July 1994):
- A) Italian policies issued in Italy
  - B) Italian Wordings
  - C) Italian Law applying to the policies
  - D) The use of Services Business, only on rare occasions and it is noted only for cargo, Multinational groups or on specific request of particular clients.
- 10) The Association would like to discuss in the future with the General Representative, acting as the Lloyd's Local Authority, the continuity of the General Representative Office's role (also after 1994) for the following:
- A) Assisting the Lloyd's Correspondent by producing Italian policies.
  - B) Checking policies issued by Italian Correspondents.
  - C) Acting as filter for any unfair competition undertaken by the Lloyd's broker or Correspondent.
  - D) Certainty of payments reaching the underwriters and therefore assuring cover.
  - E) Assisting the Lloyd's Correspondents in respect of co-insurance practices in the Italian market.
  - F) Assisting Lloyd's Correspondents by providing a list of Surveyors and Loss Adjusters to be agreed with underwriters.

The Association raises the following points in regard to co-insurance and it should be noted that Lloyd's underwriters in accepting to be placed in co-insurance should follow and conform to the practices of the leading Italian company:

- A) Lloyd's should be prepared to follow the leading co-insurance business company in settling claims.
- B) Payment of claims quota by Lloyd's should be effected in the time determined by the leading company.
- C) Lloyd's should avoid requesting additional claims documentation.