

IUA Claims Agreement Practices (Version 2025) - Commentary

The IUA Claims Agreement Practices (Version 2025) (hereafter referred to as “Practices”) are intended to:

1. assist claims practitioners in maintaining a market-wide standard in claims processing where a Company Market participation is bound using an ILU or LIRMA stamp; and
2. to outline the different roles undertaken by Company Market firms (“Company Markets) for the purposes of agreeing, querying and disputing claims notification, movement and / or settlement.

Should firms wish to use them The Practices should be referenced in the contract. The Market Reform Contract (MRC) guidance and templates showing how to do this are on the London Market Group (LMG) website.

The Practices are designed to be applicable to all Company Markets using an ILU or LIMRA stamp. IUA membership (or lack thereof) does not impact how these Practices operate. The Practices mirror agreements that firms will have made with Velonetic (who are responsible for central services) when those firms are issued with an ILU or LIRMA stamp by Velonetic.

It is important to note that certain clauses in contracts of (re)insurance may supersede or alter the meaning of the provisions set out in these Practices.

These Practices replace the previously published IUA Claims Agreement Procedures (“Procedures”) and references within MRC templates will be updated accordingly. (Re)Insurance contracts that refer to the previously published Procedures will still be subject to those Procedures.

Summary of Practices

ILU - When using an ILU stamp, claims can be agreed by the ILU Bureau Leader without consultation with the following market. Historically, ILU stamps have been used for marine and aviation risks, however they can be used for all classes of business. Section 2 outlines the roles and responsibilities of firms using an ILU stamp.

LIRMA - When using a LIRMA stamp, claims are agreed by each and every (re)insurer for their own participation. Historically LIRMA stamps have been used for non-marine risks, however they can be used for all classes of business. Section 3 outlines the roles and responsibilities of firms using a LIRMA stamp.

Non-XIS - For Company Markets using non-XIS stamps, it should be assumed that those firms undertake claims agreement for their own share, without responsibility to any other (re)insurers, unless otherwise stated in the contract of (re)insurance. These Practices do not outline the roles and responsibilities of firms using a non-XIS stamp.

These Procedures do not apply to claims arising from –

- proportional treaty contracts; and
- binding authority or other delegated authority agreements which are within scope of the Cross-Market Co-Lead Claims Agreement.

Rationale and Process

The IUA, with its Claims Strategy Committee, undertook a review of the IUA Claims Agreement Procedures in 2024 to evaluate whether the document aligned with current Company Market practice, and whether the language used offered suitable clarity to firms.

Following an extensive consultation with a wide range of IUA claims groups and other relevant stakeholders, it was decided that:

- a simplified set of Practices would be produced; and
- those Practices should have the same effect as the previously published Procedures.

A legal review of the draft Practices was undertaken by Keoghs as part of this process. Velonetic were consulted to ensure that the final document continued to match their treatment of Company Market claims. To avoid confusion about which document is applicable, this new document was given a distinctive name: IUA Claims Agreement Practices (Version 2025).

International Underwriting Association (IUA)

The International Underwriting Association (IUA) is the representative body for company market firms in London providing international and wholesale insurance and reinsurance coverage. The IUA's role in respect of these Practices is limited to the drafting and publication of the Practices. The Practices are available for use by any party, are not mandated in any way, and the IUA bears no liability arising from their use.

This commentary is not intended to be exhaustive or definitive and is subject to any views or interpretation by a Court, regulator or similar body. By including this commentary, the IUA is not providing legal advice and the IUA does not accept any responsibility for subsequent interpretation of the commentary or the accompanying Practices, or any part thereof. Any party considering adopting the Practices, or any part thereof, should seek their own legal advice for clarification of the use and intention of the Practices.