

## Contract Certainty Checklist

The Contract Certainty Checklist is split into three categories:

**Part 1) Risk Details-** which are fundamental to the contract

**Part 2) Other Requirements-** what are necessary for contract certainty

**Part 3) Subscription Agreements-** only required if it is a subscription contract

Below are questions that may help in assessing whether individual contracts are contract certain. Brokers and reinsurers will need to satisfy themselves that any negative responses do not compromise contract certainty. Brokers and reinsurers are encouraged to record the reason(s) for a negative assessment.

### Part 1.

Risk Details	Checklist	Comments
REINSURED – Is the reinsured clearly stated? (For facultative reinsurance, both the reinsured and the original insured should be shown)	Y / N / NA	
PERIOD – Is the period or voyage specified, including time zones, where appropriate?	Y / N / NA	
SUM REINSURED/LIMIT OF LIABILITY – Are the sums insured or limits present?	Y / N / NA	
ORIGINAL CONDITIONS- Where a wording is dependent on another wording (for example, “as expiring” or “as original”), is the latter either attached or identified	Y / N / NA	
REINSURANCE CONDITIONS – Are there any clauses and wordings that contain set deductibles and limits? If so, are these clearly expressed and stated?	Y / N / NA	
SUBJECTIVITIES – Are any subjectivities clearly expressed; i.e. do they set out all of 1) The conditions/action that needs to occur, by whom and to what standard; 2) The applicable timescale, if any, within which the condition is to be met; 3) The terms which are to apply until the conditions is met; and 4) Any consequences which follow if the condition is not met.	Y / N / NA	
CHOICE OF REINSURANCE LAW & JURISDICTION- Have the law, jurisdiction and any arbitration conditions been referenced?	Y / N / NA	
PREMIUM – Is the premium or rate expressed?	Y / N / NA	
PREMIUM PAYMENT TERMS – Are any payment terms identified?	Y / N / NA	
REINSURANCE CONTRACT DOCUMENTATION – Is the entity that is responsible for producing the reinsurance contract documentation identified? Has consideration been given to contract change documentation?	Y / N / NA	
LEGAL ENTITY – Is the full name of the reinsurer (Legal entity/Lloyd’s syndicate) clearly specified?	Y / N / NA	

**Part 2.**

<b>Other Requirements</b>	<b>Checklist</b>	<b>Comments</b>
CURRENCY – Is the currency clearly specified throughout the contract? This includes the Sum Insured, Excess, Deductibles and Sub Limits. Use ISO currency codes, not various symbols	Y / N / NA	
EXCHANGE RATE – Is the basis of exchange rate clearly stated in the contract	Y / N / NA	
TAXES PAYABLE – Are taxes payable by the reinsured clearly stated?	Y / N / NA	
EXPERT FEES COLLECTION – Are arrangements for collection of expert fees stated?	Y / N / NA	
LOSS ADJUSTER EXPENSES – Is the calculation of Loss Adjusters Expenses clearly stated?	Y / N / NA	
INFORMATION- Is the information provided by the reinsured referenced in the placing documents	Y / N / NA	
WORDINGS- Have the wordings and all clauses been attached/ referenced in the submission?	Y / N / NA	
WRITTEN INSTRUCTIONS- Is there proper evidence of the offer and acceptance of the terms of the reinsurance contract? Such evidence may include electronic or written communication, <b>signature by hand</b> , etc	Y / N / NA	
ABBREVIATIONS- Can it be confirmed that there are no TBAs (to be advised/agreed) or other terms that are ambiguous? Any abbreviation are fully expanded?	Y / N / NA	

**Part 3. (Only complete if it is a Subscription contract)**

<b>Subscription Agreement</b>	<b>Checklist</b>	<b>Comments</b>
REINSURER'S LIABILITY – Is the appropriate several liability/signing clause that establishes the several liability of each reinsurer included? (e.g. LMA3333 or LMA5123)	Y / N / NA	
SIGNING PROVISIONS – Are there more than one participating reinsurers? If so, check that a signing provisions clause is included.	Y / N / NA	
SLIP LEADER – Is the leader identified?	Y / N / NA	
BASIS OF AGREEMENT – Is the basis of agreement to contract changes identified?	Y / N / NA	
OTHER AGREEMENT PARTIES – Is there a General Underwriting Agreement (GUA) in the contract? If so, ensure that this heading is present and that relevant parties are identified or it is clear that such changes will be agreed by the slip leader only.	Y / N / NA	
BASIS OF CLAIMS AGREEMENT – Where applicable, is the Basis of Claims Agreement clearly identified?	Y / N / NA	
CLAIM AGREEMENT PARTIES – Where applicable, are the claims agreement parties specified?	Y / N / NA	
CLAIM ADMINISTRATION – Where applicable, is the basis of claims administration specified?	Y / N / NA	
RULES & EXTENT OF ANY DELEGATED CLAIMS AUTHORITY – Where applicable, are the rules and extent of any other delegated claims authority specified?	Y / N / NA	

HAS CONTRACT CERTAINTY BEEN ACHIEVED	Y / N / NA	
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