

## Guide to ELTO Membership

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## Important information

Employers' Liability Tracing Office (ELTO) is outsourced to Tracing Services Limited

Tracing Services Limited is a registered in England and Wales under company number 06978725 whose registered office is at Linford Wood House, 6-12 Capital Drive, Milton Keynes, MK14 6XT.

If you require any further information, please contact the Customer Enquiries Team on [CustomerEnquiries@mib.org.uk](mailto:CustomerEnquiries@mib.org.uk).

## Why become a member of ELTO now?

FCA regulations can be found here: <https://handbook.fca.org.uk/handbook?entityId=icobs>

Further information is available on the FCA website:  
<https://www.fca.org.uk/firms/tracing-employers-liability-insurers>



Our rules and guidance were made on 24 February 2011 and come into force on 6 March 2011.

All general insurers must notify us by 6 April 2011 of their actual or potential liability for UK commercial line employers' liability cover, and where applicable, the internet address of the tracing office used or their own web page together with other contact details.

Where applicable, insurers must set up their initial ELR (not necessarily with any policy information at this stage) dated 1 April 2011. Tracing information must be made available on ELRs for policies that on or after 1 April 2011 are entered into, renewed or for which claims are made. The information must appear on the ELRs either on insurers' websites or through a qualifying tracing office no later than three months from the date of transaction. Please see the policy statement for transitional provisions.

ELTO has been established to solve the problem of being unable to identify the insurers of companies for whom the claimants have worked for.

All Employers' Liability insurers can apply for ELTO membership. Those companies that are no longer writing Employers Liability business in the UK and are in run-off can also apply for ELTO membership for historical records to be captured, and would be subject to a Fixed Levy.

Those companies that currently write EL business are subject to a GWP De minimis level of £1, and a Variable Levy is calculated based on this. Those insurers falling below this level will not be charge the Variable Levy but instead will be subject to the Fixed Levy determined by the ELTO Board.

Full Levy provisions can be found in the ELTO Articles on the Companies House website.

## What does my company need to provide to become a member of the ELTO?

The following items are required:

- **Completed ELTO Member Application Form**
- **In writing, the insurers' previous years gross written premium (enter GWP in space provided on the application form)**
- **Signed 2 copies of Participating Insurers' Agreements**  
Members are required to sign 2 copies of the Participating Insurers' Agreement (PIA) and return to ELTO as part of their application.

Two levy payments will be collected annually, in January and July.

Levy payments will be based upon the previous year's gross written premium income detailed in your completed ELTO Levy Return Form and supported by your business plan. Adjustments will be made, if deemed necessary, the following year.

As part of the overall market wide process, your company will be contacted by the ELTO Accounts Team on an annual basis each March and you will be requested to complete and return a further ELTO Levy Return form. If no further EL business is underwritten a nil return is required for our records.

The premium income information that is submitted will be used to calculate the overall market levy plus your company's individual levy charges incorporating any adjustments from the previous year.

Your company will be notified of the revised levy each June with new charges effective from July each year. Any queries regarding the levy please contact [levy@mib.org.uk](mailto:levy@mib.org.uk)

- **Company Business Plan\*\***  
(\*\*this applies to companies new to writing EL business)

In order for our Accounts team to calculate your initial levy payment, your company business plan (as provided to the regulator) is required to support the information detailed in the completed ELTO Levy Return form.

The following ELTO document is **for your information**:

### Articles of Association

This is the governing document of data supply to ELD and is available on the Companies House website.

If you require any further information regarding ELD Compliance, please contact the Customer Enquiries team on [CustomerEnquiries@mib.org.uk](mailto:CustomerEnquiries@mib.org.uk).

## How long will it take to become a member of the ELTO?

A full membership certificate can be issued upon receipt of all required items as detailed in the previous section of this document. Please allow a minimum of 3 working days to process.

The ELD set up depends on how ready your operating systems are to supply data and how quickly the testing process can be completed and signed off by ELTO. You will be allocated an Account Manager once membership is confirmed who will be able to take you through the requirements for data submission.

If you require any further information regarding ELD Compliance, please contact ELD Account Managers via email [CustomerEnquiries@mib.org.uk](mailto:CustomerEnquiries@mib.org.uk).

## What happens at full membership?

The following documentation will be issued upon certification of full membership:

- **ELTO Full Membership Certificate**

The Full Membership Certificate is issued by ELTO showing the date from which the new member can underwrite employers' liability business in the relevant territories.

- **ELTO Memorandum and Articles of Association**

This document details ELTO's obligations to its members and members' obligations with regard to levy payments. Key points can be found later in this document.

- **ELTO Members' List**

This list details all current ELTO Members.

- **ELTO Participating Insurers' Agreement (Active Insurers)**

The PIA is a contract between ELTO and the insurer which explains what each participant will do with regards to supplying data to ELD.

## What correspondence can my company expect to receive from ELTO?

Within the ELTO application form, three company contacts are requested by the ELTO. The following information details the correspondence each contact can expect to receive from ELTO:

Correspondence	Contact	When?
Levy Return Form Completion	Levy	March, Annually
Annual General Meeting Information	CEO	May, Annually
Annual Levy notification for your company	Levy	June & December, Annually
Annual Levy notification for the market	CEO/Levy	September, Annually
Levy adjustment or rebate Information	Levy	Ad hoc
Other relevant market or operational information	ELTO Sponsor (a contact that who has sufficient seniority within the insurer organisation to authorise any process changes/expenditure relating to agreed ELD improvement plans)	Ad hoc

### What if our company information changes?

You are required to notify ELTO as soon as possible;

- If any contact details change
- If the company information change
- If the company status changes

ELTO require a company ELTO sponsor contact at all times.

In the event that your company trading name has changed, you are required to notify ELTO as soon as possible.

If your company registration number has also changed, you may be required to reapply for full membership of ELTO.

### What if my company wishes to cease underwriting Employers' Liability business?

If your company has decided to cease underwriting EL business, ELTO must be instructed in writing.

You will receive confirmation of receipt and our membership records will be updated and all relevant departments advised of the change of membership status.

### Who can I contact with any queries?

If you require any further information, please contact the Customer Enquiries team at [CustomerEnquiries@mib.org.uk](mailto:CustomerEnquiries@mib.org.uk)

## Key points of the ELTO Memorandum and Articles of Association

The notes below provide a quick guide to the Memorandum and Articles of Association.

### Articles of Association

These set out the rules and procedures governing ELTO. Clauses of particular relevance are:

- Article 21 - Basis of Levy (pg 12)

This states how ELTO is funded and the apportionment made between Members and Article 21.3 states ELTO is entitled to request compensation for late or incorrect levy returns.

- Article 22 - Commencement and Cessation Levy Provisions (pg 14)

This article deals with payments due for the first year of trading and the year from the date the Member has ceased underwriting motor business.

- Article 23 - Late payment of Levy (pg 14)

Delay in payment of the levy is liable to an interest charge.

- Article 41 – 41.3 Votes of members (pg 17)

Every member has one vote on a 'show of hands'. Votes on a poll are calculated in accordance with the Member's ELTO Levy Return form (or their equivalent) in the case of a formal vote or if proxy voting is required by the resolution.