**LLOYD’S SYNDICATES**

# Quarterly Monitoring Return (Part C) (QMC) – QMC930

# 31 December 2012

***Independent auditors’ report to the directors of the managing agent and the Council of Lloyd’s***

**Syndicate No: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**Managing Agent: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

We have examined the systems and procedures in operation by the above-named Managing Agent in respect of the syndicate for the year ended 31 December 2012, and the QMC, as defined in the Quarterly Monitoring Return Part C (QMC) instructions referred to by Lloyd’s in its Market Bulletin ref: Y4641 dated 30 November 2012 entitled “2012 year end returns” (“the Instructions”), prepared by the managing agent pursuant to the provisions of the Solvency and Reporting Byelaw (No.5 of 2007) (“the Byelaw”) and the requirements referred to by Lloyd’s in the Instructions.

This report is made solely to the addressees in accordance with the Instructions. Our work has been undertaken so that we might state to the addressees of this report those matters which we are required to state in this report by the Instructions and for no other purpose. To the fullest extent permitted by law, we do not accept or assume any responsibility to anyone other than the addressees of this report, for our work, for this report, or for the opinions we have formed.

## **Respective responsibilities of the Managing Agent and the syndicate’s auditors**

The managing agent is responsible for:

* establishing and maintaining systems and procedures which are adequate to enable it to comply with the provisions of the Byelaw, and
* preparing the QMC in order that it fairly states the information provided on the basis required by the Instructions and is properly prepared in accordance with the Instructions.

It is our responsibility, under Lloyd’s Byelaws and requirements, to form an independent opinion on whether, in all material respects, those systems and procedures were adequate, and whether the QMC fairly states the information provided on the basis required by the Instructions and has been properly prepared in accordance with the Instructions, and to report our opinion to you.

## **Basis of opinion**

We conducted our work having regard to the relevant sections of Practice Note 20 ‘The audit of insurers in the United Kingdom’ (Revised), issued by the Auditing Practices Board for use in the United Kingdom. Our work included examination, on a test basis, of evidence relevant to the systems and procedures for compliance with the provisions of the Byelaw and the amounts and disclosures in the QMC. The evidence included that obtained by us relating to the audit of the financial statements of the syndicate for the year. It also included an assessment of the significant estimates and judgements made by the managing agent in the preparation of the QMC and of whether the accounting policies as modified by the Instructions are appropriate to the syndicate’s circumstances and consistently applied.

We planned and performed our work so as to obtain all the information and explanations that we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that, in all material respects, systems and procedures in operation during the year were adequate to enable the managing agent to comply with the Instructions, and that the QMC fairly states the information provided on the basis required by the Instructions and has been properly prepared in accordance with the Instructions.

In accordance with the Instructions, we have not examined the calculation of the Solvency Capital Requirement (SCR), which is used to derive the risk margin, or the risk margin itself.

# Opinion

In our opinion, in all material respects:

(a) the systems and procedures in operation during the year were adequate to enable the managing agent to comply with the provisions of the Byelaw; and

(b) the QMC fairly states, for the purposes of the QMC, the information provided on the basis required by the Instructions and has been properly prepared in accordance with the Instructions.

Registered Auditor

London

Date

Quarterly Monitoring Return Part C Version Date\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Time:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

# QMC930