

Lloyd's Capital Return Changes 2017 Process

These are the changes developed for the 2017 Lloyd's Capital Return on the Core Market Returns website. These will be delivered for a 'go-live' release scheduled for Friday 1st July 2017. Any feedback is welcome to: lloyds-MRC-Help@lloyds.com

LCR Index –

No changes

010 – Control Page –

No changes

012 – LCR Syndicate Type –

No changes

307 LCR Notes –

- **CHANGE:**
Notes with dates have been updated.
-

309 – LCR Summary –

- **CHANGE:**
A new row has been added to table “**1. Headline Figures**” which contains one new cell in the Ultimate SCR column for Contract Boundary adjustment input (see Form 309 – Changes, page 7). No value is required for Contract Boundary adjustment in the ONE Year SCR column.

The Total Ultimate SCR cell will automatically sum the Ultimate Syndicate SCR, Contract Boundary Adjustment and New Syndicate Load.

WHY:

This will enable syndicates that require a Contract Boundary adjustment to input that value and presents a final USCR (pre any Lloyd's adjustments) to their board and Lloyd's.

IMPACT ON AGENTS:

No impact to syndicates that do not require a Contract Boundary adjustment to be added.

LLOYD'S CAPITAL RETURN

Agent Name: 1701NCC

Syndicate 1234 309 LCR Summary

Return Date 2015

Premium Risk includes catastrophe risk, and should be stated net of any underwriting profit offset. Market Risk should be net of expected investment income (in excess of a risk free rate).

Save Return Recalculate Reset Form Print Form

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- 012 LCR Syndicate Type
- 309 LCR Summary**
- 310 Balance Sheet Distributions
- 311 Claims Distributions
- 312 Projected Solvency II Technical Provisions at Time Zero
- 313 Financial Information
- 314 Additional Quantative Analysis
- 990 Required Additional Information

1. Headline Figures

	One-Year (Note 309.1)	Ultimate (Note 309.2)
	A	B
1 Syndicate SCR (as at 1st January in the proposed Underwriting Year)	306.2	354.0
2 New Syndicate Loading	0.0	0.0
3 Total	306.2	398.5

2. SCR Risk Category Breakdown

	One-Year balance sheet to balance sheet basis (Note 309.1)				Ultimate basis (Note 309.2)			
	Pre diversification		Post diversification		Pre diversification		Post diversification	
	GBP (m)	%	GBP (m)	%	GBP (m)	%	GBP (m)	%
	C	D	E	F	G	H	I	J
Insurance Risk								
1 total: After diversification between Premium and Reserve risk	286.5	65.5	278.3	90.9	308.0	61.9	304.0	85.9

Syndicate 1234 309 LCR Summary

Return Date 2015

Premium Risk includes catastrophe risk, and should be stated net of any underwriting profit offset. Market Risk should be net of expected investment income (in excess of a risk free rate).

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1. Headline Figures

	One-Year (Note 309.1)	Ultimate (Note 309.2)
	A	B
1 Syndicate SCR (as at 1st January in the proposed Underwriting Year)	306.2	354.0
2 Contract Boundary Adjustment		44.5
3 New Syndicate Loading	0.0	0.0
4 Total	306.2	398.5

Add cell for Contract Boundary Adjustment (below Ultimate SCR only). No warnings or validations required as this can be +ve or -ve but should default to zero.

Total Ultimate SCR to calculate sum of Ultimate Syndicate SCR, Contract Boundary Adjustment and New Syndicate Loading (B4 = B1+ B2+ B3)

2. SCR Risk Category Breakdown

	One-Year balance sheet to balance sheet basis (Note 309.1)				Ultimate basis (Note 309.2)			
	Pre diversification		Post diversification		Pre diversification		Post diversification	
	GBP (m)	%	GBP (m)	%	GBP (m)	%	GBP (m)	%
	C	D	E	F	G	H	I	J
Insurance Risk								
1 total: After diversification between Premium and Reserve risk	286.5	65.5	278.3	90.9	308.0	61.9	304.0	85.9

Amend row references in Table 1. New Syndicate Loading now becomes row 3. Total becomes row 4.

Total One-Year SCR to calculate cells A1 + A3 (instead of A2 as row reference has changed)

LLOYD'S CAPITAL RETURN

Agent Name: 1701NCC

Syndicate 1234 309 LCR Summary

Return Date 2015

Premium Risk includes catastrophe risk, and should be stated net of any underwriting profit offset. Market Risk should be net of expected investment income (in excess of a risk free rate).

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1. Headline Figures

	One-Year (Note 309.1)	Ultimate (Note 309.2)
	A	B
1 Syndicate SCR (as at 1st January in the proposed Underwriting Year)	306.2	354.0
2 Contract Boundary Adjustment		44.5
3 New Syndicate Loading	0.0	0.0
4 Total	306.2	398.5

2. SCR Risk Category Breakdown

	One-Year balance sheet to balance sheet basis (Note 309.1)				Ultimate basis (Note 309.2)			
	Pre diversification		Post diversification		Pre diversification		Post diversification	
	GBP (m)	%	GBP (m)	%	GBP (m)	%	GBP (m)	%
	C	D	E	F	G	H	I	J
Insurance Risk								
1 total: After diversification between Premium and Reserve risk	286.5	65.5	278.3	90.9	308.0	61.9	304.0	85.9

310 – Balance Sheet Distributions –

No changes

311 – Claims Distributions –

- **CHANGE:**

Added the 2017 yoa to table two and amended the 311.2 header text accordingly. As a result the roll forward also amends cells:

- K (2014) now add warning if negative and greater than zero (2015, 2016 & 2017 remain blank).
- I (2017) now prepopulated from form 312 column H 2016 yoa.

WHY:

To add the next year of account.

Form 311 – 2016 version

2. Total Mean modelled insurance claims (including ALAE) on a One-Year basis by underlying pure year (Note 311.4)

1. Underlying Pure Year (Note 311.6)	Net Insurance Claims brought forward (complete form 312 column H to populate this section)	Adjustments (Note 311.8)	New Business (Note 311.9)	Total Claims
	I	J	K	L
2003	12.2	0.3	0.0	12.5
2004	19.9	0.6	0.0	20.5
2005	13.7	0.4	0.0	14.1
2006	20.0	0.6	0.0	20.6
2007	25.7	0.7	0.0	26.4
2008	30.7	0.9	0.0	31.6
2009	47.9	1.4	0.0	49.3
2010	81.1	2.3	0.0	83.4
2011	81.4	2.3	0.0	83.7
2012	72.0	2.0	0.0	74.0
2013	124.1	3.5	0.0	127.6
2014	214.3	6.0	0.0	220.3
2015	280.9	8.0	0.0	288.9
2016	43.5	0.0	299.9	343.4

	Net Insurance Claims brought forward	Adjustments	New Business	Total Claims
	I	J	K	L
2 Unincurred Legal Obligations as at December 2016, for the 2017 year of account (Note 311.5)		0.0	43.5	43.5
Total (Note 311.7)	1,105.5	30.0	343.4	1,478.9

Form 311 – Changes for 2017

2. Total Mean modelled insurance claims (including ALAE) on a One-Year basis by underlying pure year (Note 311.4)

1. Underlying Pure Year (Note 311.6)	Net Insurance Claims brought forward (complete form 312 column H to populate this section)	Adjustments (Note 311.8)	New Business (Note 311.9)	Total Claims
	I	J	K	L
2003	12.2	0.3	0.0	12.5
2004	19.9	0.6	0.0	20.5
2005	13.7	0.4	0.0	14.1
2006	20.0	0.6	0.0	20.6
2007	25.7	0.7	0.0	26.4
2008	30.7	0.9	0.0	31.6
2009	47.9	1.4	0.0	49.3
2010	81.1	2.3	0.0	83.4
2011	81.4	2.3	0.0	83.7
2012	72.0	2.0	0.0	74.0
2013	124.1	3.5	0.0	127.6
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2015	280.9	8.0	0.0	288.9
2016	43.5	0.0	299.9	343.4
2017	43.5	0.0	299.9	343.4

	Net Insurance Claims brought forward	Adjustments	New Business	Total Claims
	I	J	K	L
2 Unincpected Legal Obligations as at December 2017 for the 2018 year of account (Note 311.5)				
		0.0	43.5	43.5
Total (Note 311.7)	1,105.5	30.0	343.4	1,478.9

Amended header text from ***“Unincpected Legal Obligations as at December 2016, for the 2017 year of account.”*** to ***“Unincpected Legal Obligations as at December 2017, for the 2018 year of account.”***

Added the 2017 yoa to table and rolled forward warnings and validations.
 Added warning to 2014 “New Business” (K) if negative and greater than zero (2015, 2016 & 2017 remain blank).

Form 311 – Final 2017 version

2. Total Mean modelled insurance claims (including ALAE) on a One-Year basis by underlying pure year (Note 311.4)

1. Underlying Pure Year (Note 311.6)	Net Insurance Claims brought forward (complete form 312 column H to populate this section)	Adjustments (Note 311.8)	New Business (Note 311.9)	Total Claims
	I	J	K	L
2003	12.2	0.3	0.0	12.5
2004	19.9	0.6	0.0	20.5
2005	13.7	0.4	0.0	14.1
2006	20.0	0.6	0.0	20.6
2007	25.7	0.7	0.0	26.4
2008	30.7	0.9	0.0	31.6
2009	47.9	1.4	0.0	49.3
2010	81.1	2.3	0.0	83.4
2011	81.4	2.3	0.0	83.7
2012	72.0	2.0	0.0	74.0
2013	124.1	3.5	0.0	127.6
2014	214.3	6.0	0.0	220.3
2015	280.9	8.0	0.0	288.9
2016	43.5	0.0	299.9	343.4
2017	43.5	0.0	299.9	343.4

	Net Insurance Claims brought forward	Adjustments	New Business	Total Claims
	I	J	K	L
2 Unincurred Legal Obligations as at December 2017 for the 2018 year of account (Note 311.5)		0.0	43.5	43.5
Total (Note 311.7)	1,105.5	30.0	343.4	1,478.9

312 – Projected Solvency II Technical Provisions at time Zero –

- **CHANGE:**

Within line one, added the 2016 yoa reserves with all the same warnings copied from the 2015 yoa.

WHY:

To add the next year of account.

Form 312 – 2016 version

312 Projected Solvency II Technical Provisions at Time Zero

All items should be provided for all years prior to the proposed year, as at the start of the proposed year
 Forecast Technical Provision cash flows by YOA as at prospective year end (Note 312.1)

Print Form

1. Underlying Pure Year (Note 312.7)	Gross Insurance Losses			Gross Future Premiums			A + B - C - D + E + F	Claims
	Claims (Note 312.2)	Expenses (Note 312.4)	Discount Benefit	Premium (Note 312.3)	Acquisition Cost	Discount Benefit	Gross Best Estimate Liabilities	
	A	B	C	D	E	F	G	
2003	12.3	0.1	0.5	0.0	0.0	0.0	11.9	
2004	17.0	0.1	0.6	0.0	0.0	0.0	16.5	
2005	17.0	0.1	0.3	0.0	0.0	0.0	16.8	
2006	22.1	0.2	0.4	2.3	0.0	0.2	19.8	
2007	28.1	0.2	0.9	2.5	0.0	0.1	25.0	
2008	32.1	0.2	0.9	5.5	0.0	0.1	26.0	
2009	69.2	0.5	2.1	0.7	0.0	0.0	66.9	
2010	112.8	0.8	4.3	2.8	0.3	0.2	106.8	
2011	108.7	0.8	3.6	6.2	0.8	0.4	100.9	
2012	100.7	0.7	3.3	6.6	0.9	0.2	92.6	
2013	144.2	1.0	4.6	42.8	7.9	1.4	107.1	
2014	277.8	7.8	8.6	48.5	10.1	1.0	239.6	
2015	455.8	16.0	11.2	203.8	50.4	0.8	308.0	

2. Unincurred Legal Obligations Proposed YOA (Note 312.6)	Gross Insurance Losses			Gross Future Premiums			A + B - C - D + E + F	Claims (Note 312.7)
	Claims (Note 312.2)	Expenses (Note 312.4)	Discount Benefit	Premium (Note 312.3)	Acquisition Cost	Discount Benefit	Gross Best Estimate Liabilities	
	A	B	C	D	E	F	G	
	104.0	20.0	3.4	155.3	22.5	1.9	-10.3	
Total	1,558.2	48.5	48.4	477.0	92.9	6.3	1,180.5	

Form 312 – Changes for 2017

312 Projected Solvency II Technical Provisions at Time Zero

All items should be provided for all years prior to the proposed year, as at the start of the proposed year
Forecast Technical Provision cash flows by YOA as at prospective year end (Note 312.1)

Print Form

1. Underlying Pure Year (Note 312.7)	Gross Insurance Losses			Gross Future Premiums			A + B - C - D + E + F	
	Claims (Note 312.2)	Expenses (Note 312.4)	Discount Benefit	Premium (Note 312.3)	Acquisition Cost	Discount Benefit	Gross Best Estimate Liabilities	Claims
	A	B	C	D	E	F	G	
2003	12.3	0.1	0.5	0.0	0.0	0.0	11.9	
2004	17.0	0.1	0.6	0.0	0.0	0.0	16.5	
2005	17.0	0.1	0.3	0.0	0.0	0.0	16.8	
2006	22.1	0.2	0.4	2.3	0.0	0.2	19.8	
2007	28.1	0.2	0.9	2.5	0.0	0.1	25.0	
2008	32.1	0.2	0.9	5.5	0.0	0.1	26.0	
2009	69.2	0.5	2.1	0.7	0.0	0.0	66.9	
2010	112.6	0.8	4.3	2.8	0.3	0.2	106.8	
2011	108.7	0.8	3.6	6.2	0.8	0.4	100.9	
2012	100.7	0.7	3.3	6.6	0.9	0.2	92.6	
2013	144.2	1.0	4.6	42.8	7.9	1.4	107.1	
2014	277.8	7.8	8.6	48.5	10.1	1.0	239.6	
2015	455.8	16.0	11.2	203.8	50.4	0.8	308.0	
2016	455.8	16.0	11.2	203.8	50.4	0.8	308.0	

Added the 2016 yoa reserves
with all the same warnings
copied from the 2015 yoa

2. Unincurred Legal Obligations Proposed YOA (Note 312.6)	Gross Insurance Losses			Gross Future Premiums			A + B - C - D + E + F	
	Claims (Note 312.2)	Expenses (Note 312.4)	Discount Benefit	Premium (Note 312.3)	Acquisition Cost	Discount Benefit	Gross Best Estimate Liabilities	Claims (Note 312.2)
	A	B	C	D	E	F	G	H
	104.0	20.0	3.4	155.3	22.5	1.9	-10.3	
Total	1,558.2	48.9	48.4	477.0	92.9	6.3	1,180.9	

Form 312 – Final 2017 version

312 Projected Solvency II Technical Provisions at Time Zero

All items should be provided for all years prior to the proposed year, as at the start of the proposed year
 Forecast Technical Provision cash flows by YOA as at prospective year end (Note 312.1)

Print Form

1. Underlying Pure Year (Note 312.7)	Gross Insurance Losses			Gross Future Premiums			A + B - C - D + E + F	
	Claims (Note 312.2)	Expenses (Note 312.4)	Discount Benefit	Premium (Note 312.3)	Acquisition Cost	Discount Benefit	Gross Best Estimate Liabilities	Claims
	A	B	C	D	E	F	G	
2003	12.3	0.1	0.5	0.0	0.0	0.0	11.9	
2004	17.0	0.1	0.6	0.0	0.0	0.0	16.5	
2005	17.0	0.1	0.3	0.0	0.0	0.0	16.8	
2006	22.1	0.2	0.4	2.3	0.0	0.2	19.8	
2007	28.1	0.2	0.9	2.5	0.0	0.1	25.0	
2008	32.1	0.2	0.9	5.5	0.0	0.1	26.0	
2009	69.2	0.5	2.1	0.7	0.0	0.0	66.9	
2010	112.6	0.8	4.3	2.8	0.3	0.2	106.8	
2011	108.7	0.8	3.6	6.2	0.8	0.4	100.9	
2012	100.7	0.7	3.3	6.6	0.9	0.2	92.6	
2013	144.2	1.0	4.6	42.8	7.9	1.4	107.1	
2014	277.8	7.8	8.6	48.5	10.1	1.0	239.6	
2015	455.8	16.0	11.2	203.8	50.4	0.8	308.0	
2016	455.8	16.0	11.2	203.8	50.4	0.8	308.0	

2. Unaccepted Legal Obligations Proposed YOA (Note 312.6)	Gross Insurance Losses			Gross Future Premiums			A + B - C - D + E + F	
	Claims (Note 312.2)	Expenses (Note 312.4)	Discount Benefit	Premium (Note 312.3)	Acquisition Cost	Discount Benefit	Gross Best Estimate Liabilities	Claims (Note 312.7)
	A	B	C	D	E	F	G	H
	104.0	20.0	3.4	155.3	22.5	1.9	-10.3	
Total	1,558.2	48.9	48.4	477.0	92.9	6.3	1,180.9	

313 – Financial Information –

No changes

314 – Additional Quantitative Analysis –

No changes
