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# Market Briefing – 2019 year end

4 December 2019 – 1.30pm

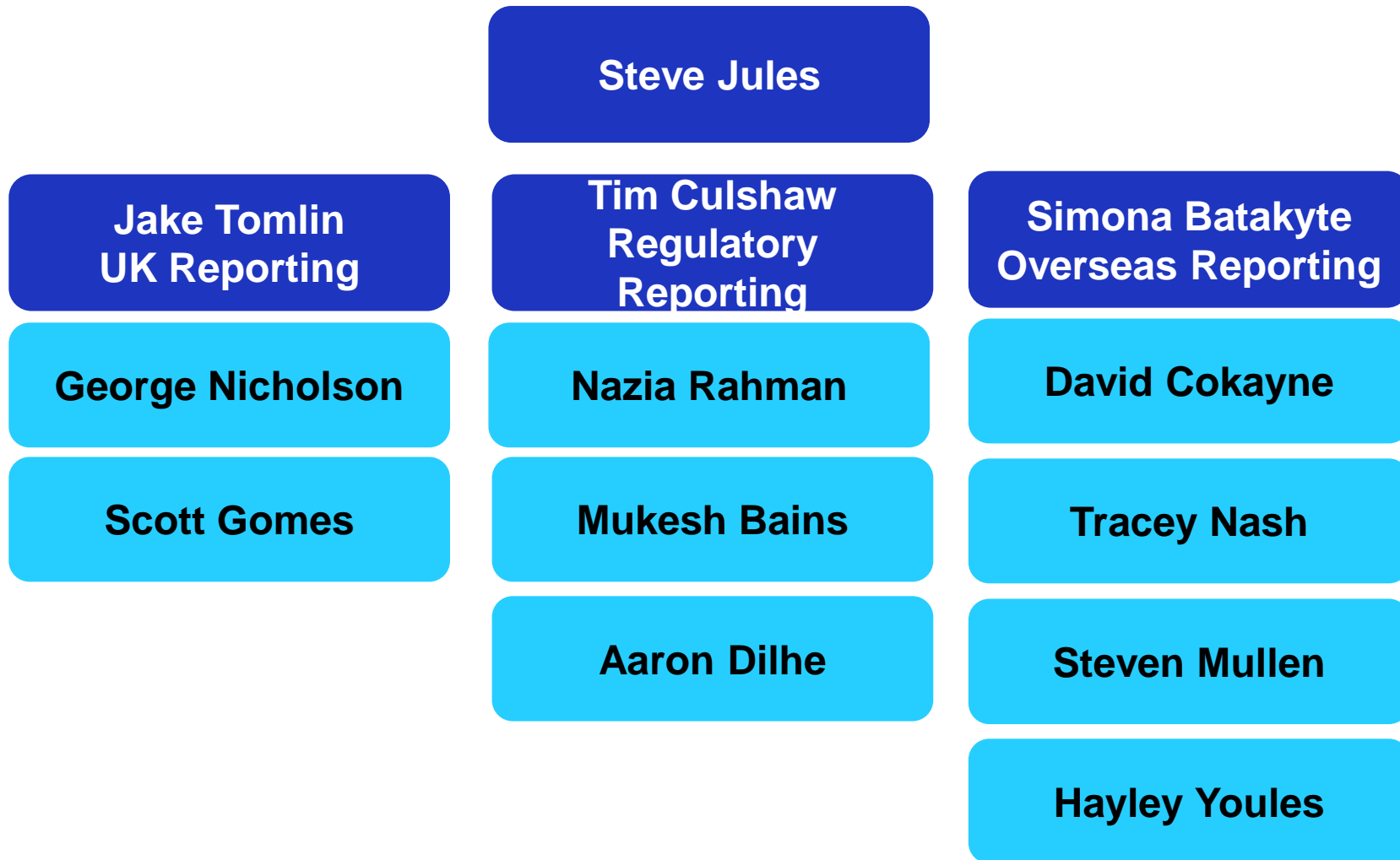
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# Agenda

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- **QMA update** (Jake Tomlin, Senior Manager, UK Reporting, Market Finance)
- Pillar 3 update (Tim Culshaw, Senior Manager, Regulatory Reporting, Market Finance)
- Overseas Reporting Update (Simona Batakyte, Senior Manager, Overseas Reporting, Market Finance)

## Market Finance team structure



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# Market Briefing – QMA update

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# Agenda

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- **What Lloyd's do with the QMA returns**
- **Q4 2018 feedback**
- **Q2 2019 feedback**
- **Q3 2019 feedback (first submission on MDC)**
- **Changes for Q4 2019**
- **Q4 2019 reminders**
- **Key dates: 2019 – 2020**
- **Market communications**

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## What Lloyd's do with the QMA returns

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- Review submissions for completeness and accuracy – query errors, trends or outliers identified through a series of tests performed
- Provide data to other Lloyd's users for review
- Understand the drivers of the quarterly market level results
- Prepare the market pro forma annual and interim results and financial statements
- Provide accounts to corporate members subscribing to Lloyd's Schedule 3 facility
- Obtain syndicate results on the 'three year accounting' basis required to allocate results to members
- Monitor the development of syndicates as part of Lloyd's overview of the market
- Present relevant data to analysts, ratings agents and external investors, including non-aligned syndicate forecast releases

## Multiple reviewers in the Corporation

**Risk Aggregation /  
Exposure  
Management  
(QMA 710)**

**Distribution  
(QMA 360)**

**MRC  
(QMA 104 / 223 /  
800)**

**Tax  
(QMA 112)**

**Treasury  
(QMA 350)**

**Market Finance**

**Overseas  
Reporting  
(QMA 114)**

**Catastrophe  
Exposure  
(QMA 800)**

**Group Finance  
(QMA 100)**

**Claims  
(QMA 800)**

**Run-off  
(QMA 470)**

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## Changes for Q4 2018

A reminder of the previous changes made

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### **No changes to the QMA forms themselves**

- No new forms. No deleted forms. No changes to data required to be captured

### **Validation and warning message updates**

- Amended QMA 104/106 validations to downgrade to warnings to allow better flexibility of where “other technical provision” movements in QMA 001 map to on segmental forms QMA 104 / 106
- New QMA 360 warning when the distributable amounts in lines 10 and 11 when converted to GBP = zero – there were some syndicates that did not advise the distributable currency
- Fixed warning on QMA 390 line 7 (investment return) to ensure it captures FIS return too
- New QMA 800 warnings to check/prompt comment on signage, or if net amounts > gross etc.
- New warning on RITC info on QMA 630 (ensuring RITC not closing into same year)

### **Changes to instructions**

- Further details of new validations added
  - Additional guidance/clarity included from FAQs issued during the year
  - Updated guidance added to QMA 710 instructions to help reduce queries and resubmissions in this area covering
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## Q4 2018

Number of queries raised increased for 2018

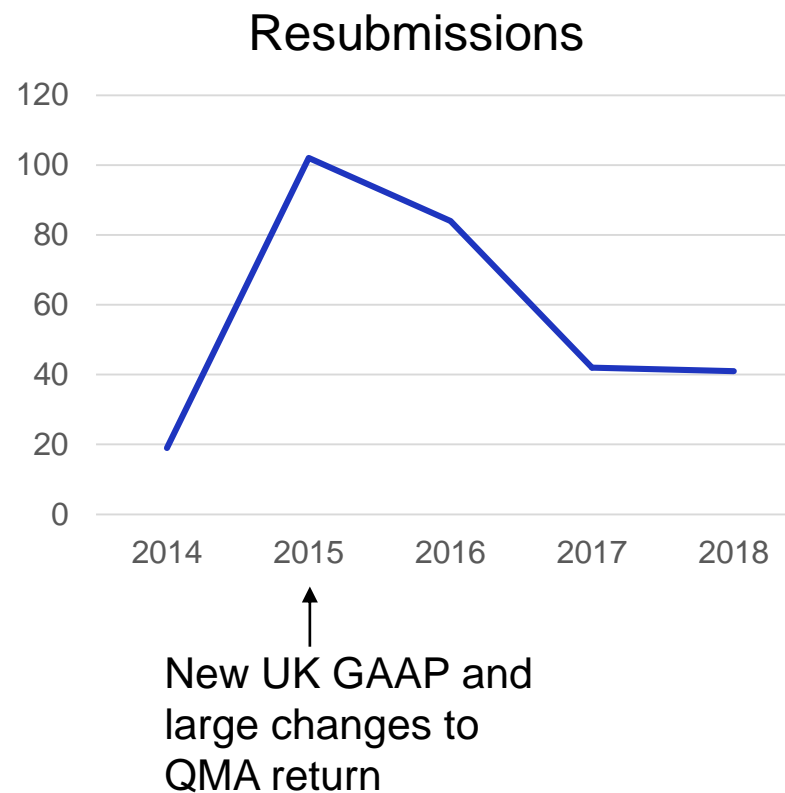
Number of queries	Number of syndicates	Total queries
1	15	15
2	19	38
3	12	36
4	18	72
5	8	40
6	6	36
7	6	42
8	3	24
9	2	18
10	1	10
11	2	22
12	1	12
18	1	18
<b>Total with query</b>	<b>94</b>	<b>383</b>
0	21	0
<b>Total</b>	<b>115</b>	<b>383</b>

Year	Number of syndicates	Total queries
<b>2017</b>	<b>112</b>	<b>283</b>
<b>2016</b>	<b>111</b>	<b>334</b>

## Q4 2018

Number of resubmissions continues to reduce each year following changes to return under new UK GAAP

Period	Resubmissions	Further resubmissions
2014	18	1
2015	80	22
2016	62	22
2017	35	7
2018	31	10



## Q4 2018

## Problem areas

Form	Number of queries	%	Comment
QMA 800	108	28	Queries concerning significant movements in ultimate positions on various losses. Resubmissions necessary when losses are missed.
QMA 001	48	13	Analytical review of the income statement, raising queries to obtain further information when outliers in the market are identified or large movements are identified from prior periods. Key areas include ratio analysis, P&L FX amounts and movements in prior year releases. No resubmissions.
QMA 104	48	13	Further explanation required on analysis across various lines of business: <ul style="list-style-type: none"> <li>- significant prior/current year profits/losses, strengthening/releases;</li> <li>- high/low combined ratio and expense ratio movements etc.;</li> <li>- significant profits earned but low combined ratio;</li> <li>- outliers – significant profits/losses identified in certain syndicates in comparison to the rest of the market.</li> </ul>
QMA 130	32	8	<ul style="list-style-type: none"> <li>- Requests for explanations when expense lines are significantly different to associated lines on the QMA 100 in aggregate</li> <li>- Queries for significant movements in expenses when compared to prior periods</li> </ul>
<b>Sub-total</b>	<b>236</b>	<b>62</b>	
Other	147	38	<ul style="list-style-type: none"> <li>- Further information when analysis the 710u, including collateralisation and reported recoveries.</li> <li>- Queries regarding currency mismatching in QMA 430 and the need to declare that the syndicate has sufficient free funds available in other currencies that can be readily translated – or reasons for negative assets, or providing details of amounts in 'other' lines/currencies if material.</li> <li>- Details on columns C and D of QMA 002</li> <li>- Insufficient / no explanation provided for certain lines where NIL entry expected, or where "other" assets/liabilities/income used;</li> <li>- Further details when entering material amounts in column D of QMA460</li> <li>- Queries for explanations regarding material amounts in column C or QMA440</li> <li>- QMA 350 – movement in level of free funds (and coverage of this over typical claims/expense levels) required further explanation;</li> </ul>
<b>Total</b>	<b>383</b>	<b>100</b>	

 MDC validations expected to reduce queries

 Future MDC validations to be considered

## Q2 2019

Queries raised – Slight increase in number of queries at Q2 2019

Number of queries	Number of syndicates Q2 2018	Total queries
1	30	30
2	22	44
3	9	27
4	12	48
5	3	15
6	3	18
7	3	21
8	3	24
10	1	10
11	4	44
<b>Total with query</b>	<b>90</b>	<b>281</b>
0	18	0
<b>Total</b>	<b>118</b>	<b>281</b>

Year	Number of syndicates	Total Queries
<b>2017</b>	<b>112</b>	<b>158</b>
<b>2018</b>	<b>115</b>	<b>273</b>

## Q2 2019

Resubmissions significantly lower in 2018 and 2019

Period	Resubmissions	Further resubmissions
H1 2015	41	1
H1 2016	58	4
H1 2017	36	5
H1 2018	11	0
H1 2019	12	1

← Removal of separate unaudited and audited deadlines

## Q2 2019

## Problem areas

Form	Number of queries	%	Comment
QMA 800	68	24	Queries concerning significant movements in ultimate positions on various losses. Resubmissions necessary when losses are missed.
QMA 104	49	17	Further explanation required on analysis across various lines of business: <ul style="list-style-type: none"> <li>- significant prior/current year profits/losses, strengthening/releases;</li> <li>- allocation of earned reinsurance premiums across classes;</li> <li>- high/low combined ratio and expense ratio movements etc.;</li> <li>- significant profits earned but low combined ratio;</li> <li>- outliers – significant profits/losses identified in certain syndicates in comparison to the rest of the market.</li> </ul>
QMA 001/100	45	16	Analytical queries on P&L line items, covering changes in gross/retro proportions year on year, YOA earnings pattern changes, loss ratios, expense ratios, investment return and FX in OCI. These queries will become more common.
QMA 710	27	10	Typical queries around recoveries, collateral arrangements, bad debt and movements in exposures. Reminders that RI premiums should be of the same quantum as premiums advised in QMA 001.
QMA 350	18	6	Queries regarding movement in level of free funds (and coverage of this over typical claims/expense levels) required further explanation
Investment Return	16	6	Analytical queries regarding investment return, such as drivers for the amounts reported and investment strategies for the period
<b>Total</b>	<b>223</b>	<b>79</b>	
Others	58	21	<ul style="list-style-type: none"> <li>- Request for further information about the impact of the Ogden discount rate changes</li> <li>- consistency with QSR return</li> <li>- queries on acquisition/admin expenses and use of "other" acquisition expenses</li> <li>- details on restatements/reanalysis used in QMA 001 / 002</li> <li>- insufficient/no explanation provided for certain lines where NIL entry expected, or where "other" assets/liabilities/income used.</li> </ul>
<b>Total Queries to the market</b>	<b>281</b>	<b>100</b>	

 MDC validations expected to reduce queries

 Future MDC validations to be considered

## Q3 2019

### Impact of MDC Implementation

Year	Number of syndicates	Total Queries	Number of Late Submissions	Number of Resubmissions
2018	115	100	6	5
2019	110	143	10	6

Form	Number of queries	%	Comment
QMA 001/100	36	25	Analytical queries on P&L line items, covering changes in gross/retro proportions year on year, YOA earnings pattern changes, loss ratios, expense ratios, investment return and FX in OCI. These queries will become more common.
QMA 130	30	21	Predominantly requests for further detail on responses to MDC warnings, as well as differences identified between QMA 100 and QMA 130. New validations should address this for Q4 2019.
QMA 110	26	18	Analysis surrounding movements in the net ultimate over the year for 2017 & Prior years of account.
QMA 710	25	18	Typical queries around recoveries, collateral arrangements, bad debt and movements in exposures.
Other	26	18	<ul style="list-style-type: none"> <li>- Forecast analysis, movements in the 109 and 120.</li> <li>- QMA 350 – movement in level of free funds (and coverage of this over typical claims/expense levels) required further explanation</li> </ul>
Total	143	100	

There were some submission issues noted when submitting returns to Lloyd's. We will be releasing FAQs to try and help prevent similar issues happening in the future.

MDC validations expected to reduce queries

Future MDC validations to be considered

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## Changes for Q4 2019

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### Changes to the QMA return

- Q4 2019 will be the second time that submissions have been received **via MDC**, however this will be the first annual submission on the platform. Submissions at Q3 2019 went well, and we expect submission issues to be less frequent at Q4 2019.
- **No hard copy sign offs** expected. Please upload all QMA 910, 911, 925, 930, 931 signoffs as pdfs directly into the return as part of the submission.
- A reminder that **significantly less comments are expected on the QMA 990** as the validation warnings responses will generally capture all the information we expect. If any additional information needs to be provided there is a QMA 990 upload option in the 'upload supplementary documents' part of the workflow to add commentary and commentary and/or attachments if required.
- **No new forms** added to the QMA, however **there are changes to forms** expected on QMA 130/131/132 and QMA 800, as detailed on the next slide. Updated specifications for these forms will be provided along with the updated instructions imminently.



## Changes for Q4 2019 (continued)

### QMA 130/131/132 (all years combined):

Type of change	Detail
New rows	<ul style="list-style-type: none"> <li>• <b>“Auditor’s remuneration – other fees”</b>: now is a new, separate line item and amounts for this are required to be separately disclosed and no longer included within the <b>“Legal and Professional, including other fees to auditors”</b> line.</li> </ul>
Deleted rows	<ul style="list-style-type: none"> <li>• <b>“Lloyd’s Premium Levy”</b>: no longer required – map to “other expenses” if need to report.</li> <li>• <b>“Credit for QQS Over-riders”</b>: no longer required – map to “other expenses” if need to report.</li> <li>• <b>“Other credit against expenses”</b>: no longer required – map to “other expenses” if need to report.</li> </ul>
Other changes	<ul style="list-style-type: none"> <li>• <b>“Auditor’s remuneration”</b> renamed as <b>“Auditor’s remuneration – audit fees”</b> to separate audit fees from other fees (new row added above).</li> <li>• <b>“Service company commissions”</b> renamed as <b>“Transfer to acquisition costs – service company commissions”</b> and position on form has moved.</li> <li>• <b>“Transfer to acquisition costs”</b> renamed as <b>“Transfer to acquisition costs – overheads”</b>.</li> <li>• Change to ordering of certain previous rows.</li> <li>• New sub total row added to separate administrative expenses before transfers.</li> <li>• Additional validations checking certain line items and signage back to QMA 100 (in aggregate across all YOA),</li> </ul>

### QMA 800 (by pure year of account):

Type of change	Detail
New columns	<ul style="list-style-type: none"> <li>• <b>Segmental class of business required</b> for each loss code (uses QMA 104 classes).</li> <li>• Total claims gross amount is now split into 1) claims paid, 2) claims outstanding; and 3) <b>IBNR (new requirement)</b>.</li> <li>• Total claims net amount <b>now also requires the 3 above splits (all splits are a new requirement)</b>.</li> <li>• <b>The amount of margin</b> included in total gross amount and total net amount to be disclosed.</li> <li>• Reinstatement premiums column (new requirement at Q3 2019) now split into <b>two columns for inwards and outwards reinstatement premiums</b>.</li> </ul>
Other changes	<ul style="list-style-type: none"> <li>• New sub total columns introduced after the margin disclosures above, calculating the “best estimate” amounts for gross and net amounts.</li> </ul>

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## Changes for Q4 2019 (continued)

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### Validation and warning message updates

- A reminder that there **are a large number of new validations on MDC** requiring responses. The Q4 return contains significantly more forms than Q3 so these validations will be addressed for the first time. Please refer to the QMA instructions for details of these validations. There are **a small number of additional or updated new validations** anticipated, which will build on or improve the Q3 validations to hopefully reduce queries further.

### Changes to instructions

- There will be **a further update to the QMA instructions** issued in December detailing the changes to the QMA 130/131/132 and QMA 800 outlined above as well as details on any additional validations that have been added to the software ahead of Q4 2019 submissions.
- Additional clarity based on feedback or FAQs following the Q3 2019 submissions.

## Q4 2019 reminders

- ✓ - Q4 will be the first annual submissions on MDC – **allow extra time** for responding to the new validations on Q4 forms, populating prior year restatements and taking everything through internal and auditor reviews – allow enough review and submission time to meet the 2pm deadline
- ✓ - **No hard copy sign offs** for 2019 – allow enough time to obtain sign offs (in soft copy if an issue) and then upload pdfs to MDC platform (Upload supplementary documents part of workflow). Include comments on this screen for any documents not uploaded
- ✓ - **Review updated instructions** for details of changes. In particular note changes for QMA 130/131/132 and 800
- ✓ - **Flag submission issues as early as possible** to Market Finance and the MDC Support team and look out for FAQs addressing submission issues or common QMA queries
- ✓ - Ensure **sufficiently detailed descriptions** for all validation warning messages are provided in MDC. Insufficient responses may require resubmission
- ✗ - A reminder: we **do not expect any discontinued business** – FRS 103 guidance notes clarify that run-off insurance business should not be considered as discontinued

### ? Key contacts

[Lloyds-MRD-ReturnQueries@lloyds.com](mailto:Lloyds-MRD-ReturnQueries@lloyds.com) / [MDCsupport@lloyds.com](mailto:MDCsupport@lloyds.com)

## Key dates: 2019 – 2020

Activity	Deadline
Q4 2019 QMA	13 February 2020
Annual syndicate financial statements	5 March 2020
Lloyd's Annual Results 2019	26 March 2020
Q1 2020 QMA	7 May 2020
Q2 2020 QMA	6 August 2020
Q3 2020 QMA	5 November 2020
QF1 managing agent returns	1 month after quarter end
AF1 managing agent returns	5 months after year end

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## Market Communications

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- Bulletins will be issued on the first working day of the quarter following quarter end. The Q4 2019 Market Bulletin will be issued on 2 January 2020.
- QMA instructions will generally be updated twice a year, at the end of May and November. In 2019, however, given the move to MDC, instructions were issued during October ahead of Q3 and an update for Q4 will be issued in December.
- FAQs will be issued on Fridays in the weeks leading up to the day of each QMA submission. For Q4 2019 this will be in the week commencing 13 January 2020.
- Queries to and from the Lloyd's QMA inbox: [Lloyds-MRD-ReturnQueries@lloyds.com](mailto:Lloyds-MRD-ReturnQueries@lloyds.com)
- Queries in relation to MDC issues: [MDCsupport@lloyds.com](mailto:MDCsupport@lloyds.com)
- LMA CMR group meets every two months.
- Lloyd's send quality metrics concerning reporting into Market Finance to each CFO on a quarterly basis.

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Questions?



Thank you

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# Agenda

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- QMA update (Jake Tomlin, Senior Manager, UK Reporting, Market Finance)
- **Pillar 3 update (Tim Culshaw, Senior Manager, Regulatory Reporting, Market Finance)**
- Overseas Reporting Update (Simona Batakyte, Senior Manager, Overseas Reporting, Market Finance)

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# Market Briefing - Pillar 3 update

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# Agenda

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- Overview
- Review of 2019
- Quarterly reporting at Q4 2019
- 2019 annual reporting
- Next steps

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# Overview

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## Pillar 3 reporting is required for Lloyd's and each syndicate

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- The Society of Lloyd's Pillar 3 reporting is an aggregation of
  - Submissions from each syndicate
  - Corporation and Central Fund assets and liabilities
  - Data on capital provided – members' funds at Lloyd's
  - SFCR and RSR required at Lloyd's level only (annually only)
- A Pillar 3 submission is also required in respect of each syndicate (110 in 2019)
  - Quantitative reporting templates are required in respect of each syndicate

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# Review of 2019

- 2018 annual reporting
- 2019 quarterly reporting

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## Annual reporting saw a reduced level of queries and resubmissions

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Return	Queries raised		Resubmissions	
	2018	2017	2018	2017
Annual Solvency Return Part A (ASR)	288	350	42	93
Annual Solvency Return Part B (ASB)	50	52	10	32
Annual Asset Data (AAD)	43	71	5	32
<b>Total</b>	<b>381</b>	<b>473</b>	<b>57</b>	<b>151</b>

## Analysis of annual queries by Form

Rank	Return	Query area	No of queries
1	ASR	ASR440 underwriting analysis differences with QMA100	43
2	ASR	ASR244 projection of future cash flows queries including inconsistency with other ASR forms	40
3	ASR	ASR225 inconsistency with the reconciliation reserve balance from the ASR220 and significant movements in Excess of Assets over Liabilities	37
4	ASR	ASR290 reinsurer analysis – inconsistency of LORS codes with QMA710 and SRS	36
5	ASR	Others - ASR251 underwriting risk data, ASR227 technical provision inconsistencies with the ASR002, ASR441 & ASR260 currency differences.	64
6	ASB	Differences in reinsurance totals with QMA	19
7	ASB	Inconsistencies between the discounted data by LoB on the ASB246 and the ASB240 claims provisions	18
8	AAD	Various AAD230 queries - total solvency II amount discrepancies, acquisition value errors, issuer group not being reported correctly	22
9	AAD	Difference between AAD230 & 235	8
10	AAD	Others – Large movements in collateral value and irregularities in swap outflow amount	9
11	AAD/ASR	Discrepancies between assets reported on ASR002 & related CIC code on 230	15

Quarterly deadlines are being met and the level of **resubmissions** is reducing

Quarter	Queries	Resubmissions
Q1 2019	156 (67 QSR, 89 QAD)	35 (15 QSR, 20 QAD)
Q2 2019	404 (255 QSR, 149 QAD)	28 (4 QSR, 24 QAD)
Q2 2019 (audited)	78 (QSR)	1 (QSR)
Q3 2019	122 (81 QSR, 41 QAD)	22 (11 QSR, 11 QAD)

## Analysis of annual queries by Form

Rank	Return	Query area	No of queries
1	QSR	Significant movements within the following elements of the QSR002 balance sheet and previous quarters; Line 43 (Sub-total Reinsurance recoverables) and line 50 (cash and cash equivalents)	42
2	QSR	QSR220 – Prior quarter SCR movements & no EPIFP disclosed within form	18
3	QSR	QSR440 – Net (of reinsurance) written premiums discrepancy compared with QSR510	11
4	QSR	Others – QSR511 – Comparing previous quarters for Line 4 Other life (re)insurance and health obligations and negative amounts reported on the QSR450.	10
5	QAD	QAD230 – Various CIC classification issues linked with the Par Amount & SII Price along with external rating and other participation disputes	26
6	QAD	QAD23 - Total Solvency II Amount of some derivatives reported but not the notional amounts	13
7	QAD	Incorrect reporting of forward exchange rate agreement in the QAD233	3



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# Quarterly reporting at Q4 2019

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## Q4 2019 – removal of Q4 QSR audit requirement

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- A separate submission of an audited QSR is **no longer required at Q4** (this year-end and thereafter)
- To enable this, QSR forms 210, 204, 923 and rows 90-94 of 002 are being replicated in the ASR
- The additional ASR balance sheet rows and ASR 210 are now subject to audit as part of the annual submission
- Separate audited QSR submission at Q2 **is still required every year**

## Q4 2019 introduces EIOPA taxonomy 2.4.0

- Taxonomy 2.4.0
  - In force from Q4 2019 onwards, the changes will have direct impact on CMR software and Lloyd's review process
- The main changes include additional validations and new fields:

Form	Validation & Fields added
QSR/ASR 240	Between Best estimate – gross and corresponding risk margin fields.
QSR/ASR 280 & 283	Between Best estimate – gross and corresponding risk margin fields.
QSR/ASR 510	For each LOB between written premiums in the last 12 months on ASR510 and net written premiums on ASR440 relating to written premiums
ASR288	Product code or homegenous risk code must be chosen from the drop down closed list
QAD/AAD 230, 233, 234 & 236	Validations to ensure data meets the 2.4.0 taxonomy requirements
QAD/AAD 230	New field has been added "SCR calculation approach for CIU" and validations associated with this have been implemented
QAD/AAD 233 & 234	New field has been added "Instrument underlying the derivative" and validations associated with this have been implemented

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## Q4 2019 – other areas to note

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- QSR210 reconciliation from UK GAAP result to Solvency II result incorporates two new lines:
  - 19 'Unearned incepted ultimate premium'
  - 20 'Unearned incepted ultimate claims'
- **Reminder** - please ensure 'Q4 only' forms in QSR are completed
  - QSR292 life obligations analysis and QSR293 duration of technical provisions
  - Needed for Financial Stability Reporting
  - Non-completion will result in resubmission being required
- Lloyd's will apply QSR210 checks to Q4 unaudited
  - Objective to maximise review of Solvency II adjustments
  - To help with preparation of Annual audited submissions

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# 2019 annual reporting

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## 2019 Annual Reporting

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- For each syndicate, the following is expected via CMR
  - Annual Solvency Return Part A (ASR)
  - Annual Solvency Return Part B (ASB) (claims development triangles)
  - Annual Asset Data (AAD)
- Changes made to CMR in respect of 2.4.0 taxonomy – see following slide
- Audit requirements have been updated to reflect the removal of the audited Q4 QSR submission
- Reasonable assurance audit required on ASR002, 210, 220, 240, 280, 283, 510, 511, 910
- Deadline for submission to Lloyd's: **10 March 2020**

## Summary of main changes for the 2019 year end EIOPA taxonomy 2.4.0 changes

ASR Form	Update
ASR002	Following the removal of the requirement for an audited QSR at Q4, lines 90 to 94 have been added to the ASR return on CMR.
ASR204/ 210/ 923	Following the removal of the requirement for an audited QSR at Q4, forms QSR204/ 210 & 923 have been added to the ASR return on CMR. Managing agents will be able to submit all audited forms at Annual 2019.
ASR227	Change to multi-form validation regarding "Variation of BE (for risks accepted prior to the period)". Validation formula has changed, ASR227 A6-B10 = total of LoBs of ASR228
ASR240	New validations implemented: Between Best estimate – gross and corresponding risk margin fields.
ASR 280	New validations implemented: Between Best estimate – gross and corresponding risk margin fields.
ASR 283	New validations implemented: Between Best estimate – gross and corresponding risk margin fields.
ASR 288	New drop down field added – fields "Product ID code" and "HRG code" will now have a drop down field with closed options.
ASR440	New validations implemented – Between QSR440 net premiums written & QSR240 technical provisions.
ASR450	New validations implemented – Between QSR450 net premiums written & QSR280/283 technical provisions.
ASR510	Additional validations for each line of business between ASR510 and ASR440

## Continued...

AAD/ASB Form	Update
AAD230	<ul style="list-style-type: none"><li>• New asset ID code type, closed list option for syndicate loans to central fund – CAU/LloydsCF</li><li>• New field added: SCR calculation approach for CIU</li><li>• New closed list option: Holdings in related undertakings including participations</li></ul>
AAD233	<ul style="list-style-type: none"><li>• New field added: Type of code of asset or liability underlying the derivative</li></ul>
AAD234	<ul style="list-style-type: none"><li>• New field added: Type of code of asset or liability underlying the derivative</li></ul>
<b>ASB - No changes</b>	



## Coverholder reporting (ASR249, 250 and 252) – December 2019

Impacted by Lloyd's Brussels

- Lloyd's will collect data on behalf of Lloyd's Brussels
- Data submitted by syndicates will therefore need to include data in respect of Lloyd's Brussels, which must be separately identifiable using relevant syndicate numbers
- Please see Solvency II Risk and Claims Service User Guide 2019 for further details

Dates	Step	Purpose	Action
<b>By 17 January 2020</b>		Managing agents advise contacts to Xchanging	Managing agents need to provide email contacts to <a href="mailto:StepB@Xchanging.com">StepB@Xchanging.com</a> for Pillar 3 information (maximum of two individuals). Xchanging will send csv files directly to these individuals.
<b>By 24 January 2020</b>	A	Distribution of centrally collected data	Xchanging provide statement of in scope claims and backing file providing block analysis and financials.
<b>By 7 February 2020</b>	B	Gather the data and submit to Xchanging	Managing agents submit files of granular data to Xchanging service.
<b>10 to 21 February 2020</b>		Feedback and submission of data by syndicates	Xchanging check data. Managing agents must correct and resubmit any data with issues. Where a resubmission is required, please resubmit the whole files rather than just the corrected components even if the corrected rows are relatively few.

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# Next steps

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## Pillar 3 timetable for 2020

Please submit Pillar 3 queries to [lloyds-SolvencyReturns@lloyds.com](mailto:lloyds-SolvencyReturns@lloyds.com)

Return	Deadline date for syndicates	Deadline date for Lloyd's	Comments
Q4 2019	21 Jan 2020	4 Feb 2020	EIOPA taxonomy 2.4.0 applies
2019 annual	10 March 2020	7 April 2020	EIOPA taxonomy 2.4.0 applies
Q1 2020	22 April 2020	5 May 2020	
Q2 2020	21 July 2020	4 August 2020	
Q2 2020 – audited	27 August 2020	N/A	Audit only required for QSR002 and QSR210 – needed for Lloyd's capital tests
Q3 2020	21 October 2020	4 November 2020	
Quarterly – Q4 2020	21 January 2021	4 February 2021	Further EIOPA taxonomy updates expected
Annual – Q4 2020	11 March 2021	8 April 2021	Further EIOPA taxonomy updates expected

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Questions?



Thank you

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# Agenda

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- QMA update (Jake Tomlin, Senior Manager, UK Reporting, Market Finance)
- Pillar 3 update (Tim Culshaw, Senior Manager, Regulatory Reporting, Market Finance)
- **Overseas Reporting Update (Simona Batakyte, Senior Manager, Overseas Reporting, Market Finance)**

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# Market Briefing – Overseas Reporting

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# Agenda

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- **NAIC IID Returns**
- **IFRS 17 in Canada**

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## NAIC IID

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- OPTIns system is changing, however, the overall process remains similar.
- A new flood data collection template will be introduced for the 2019 y/e reporting, applicable to both Primary and Excess Layer contracts.
- For commercial coverages, flood is not always separately listed or priced and therefore we'd expect the Syndicates to report flood premium that is readily identifiable.
  - Further guidance will be issued by Lloyd's on what should be included.
- The following data will not be required for 2019, but will be required for the 2020 data collection (due June 30, 2021):
  - in-force policy numbers at the beginning and end of the reporting period;
  - a breakdown of primary vs. excess coverage.



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## IFRS 17 and IFRS 9 in Canada

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- IFRS 17 is effective from the 1<sup>st</sup> of January 2022;
- IFRS 9 implementation has been deferred to the 1<sup>st</sup> of January 2022, in line with the implementation of IFRS 17;
- No impact is expected to recognition and measurement of investments due to IFRS 9;
- IFRS 17 data gap analysis and process mapping have been completed;
- The full data requirements will depend on the new Prudential Agreement with OSFI;
- Lloyd's are engaging with the regulator on the amendment of the Prudential Agreement in line with IFRS 17;
- Draft returns under the new standards have been received from the regulator;
- The new IT solution to replace the ORS is being designed, aiming to complete in Q1 2021.

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Questions?



Thank you

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