

<b>Title</b>	Lloyd's Coverholder Reporting Standards Version 5.2
<b>Purpose</b>	To explain the changes being made to Lloyd's Coverholder Reporting Standards.
<b>Type</b>	Scheduled
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<b>Date</b>	20 August 2019
<b>Deadline</b>	Managing Agents to implement all changes by September 2020. As per Market Bulletin Y5250, the postcode of the location of risk must be reported for any risks located in Spain from 1 June 2019.
<b>Related links</b>	<a href="https://www.lloyds.com/market-resources/delegated-authorities/compliance-and-operations/reporting-standards">https://www.lloyds.com/market-resources/delegated-authorities/compliance-and-operations/reporting-standards</a>

Lloyd's is making changes to Lloyd's Coverholder Reporting Standards (the standards) and intends issuing Version 5.2 of the standards in Q3 2019. Changes in this version are limited to those which are mandatory for tax or regulatory purposes.

All changes should be implemented by September 2020. For any risks located in Spain, the postcode of the location of risk must be reported from 1 June 2019.

## Summary of changes

- **All classes and territories**
  - **Personal/Commercial and the Industrial Sector of the insured** – There are existing requirements to provide the trade or industry of the insured for some types of business for Australia, Hong Kong, UK and US. In addition to these existing

requirements, the trade or industry of the insured must be provided for all commercial risks by 1 September 2020. There are also updates to definitions for policyholder type and insured total number of employees.

- **Multi-section / multi-platform binders** - Section number/reference to be provided for any multi-section binders. Lloyd's platform to be provided for Lloyd's Brussels/Lloyd's Asia where this cannot be determined from the binder or section reference.
- **Spain** – The postcode of the location of risk must be reported for any risks located in Spain. As per Market Bulletin Y5250, this must be provided from 1 June 2019.
- **Singapore** - Alignment to the current requirements of the Singapore Risk Register,
- **Hong Kong** - Further alignment to existing Hong Kong Risk and Claims returns requirements.
- **Lloyd's Brussels** - Additional data to be provided as part of **Lloyd's Brussels** Risk submission. New requirements to identify and report all **annuity type claims** separately. Minor changes to definition of **VAT on claims fees** fields. **Number of instalments and instalment** basis to be provide where known for Lloyd's Brussels.

**Full details of these changes are provided in the Appendix below and will be made available via Lloyd's website and the Market Business Glossary.**

### Background

The purpose of the standards is to make it easier to work with the Lloyd's market by creating a consistent request for data from coverholders and third-party administrators (TPAs, also known as Delegated Claims Administrators (DCAs)).

The standards state the core set of regulatory, tax, premiums and claims information coverholders and TPAs/DCAs are required to report into the Lloyd's market for all classes of business in all territories.

By using the Lloyd's standards, all coverholders and TPAs/DCAs can be assured that they are meeting all Lloyd's tax and regulatory requirements, and therefore it is strongly encouraged that all coverholders and TPAs/DCAs adopt these standards.

In response to market request Lloyd's mandated that all Lloyd's syndicates request and collect data consistent with the requirements in Lloyd's Coverholder Reporting Standards where these apply for any risks and claims attached to any binding authority agreements incepting or renewing from July 2017 onwards.

Managing agents may request that additional fields are captured in DA SATS, for example for underwriting purposes, by negotiating these with their brokers, coverholders and TPAs/DCAs; and by requesting system changes through the DA SATS Steering and User Groups.

We continue to keep these standards under review and in so doing we have careful regard to minimise any implementation burden on the market.

### **Market Business Glossary Tool**

The Market Business Glossary provides clear guidance on risk, premium, claim and reference data. All market stakeholders are entitled to access the Market Business Glossary.

- Register here <https://glossary.londonmarketgroup.co.uk/register>
- Access the Market Business Glossary here – <https://glossary.londonmarketgroup.co.uk>

### **Other key contacts**

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## Appendix - Details of the changes

### **Personal, commercial and industrial sector of the insured**

Increasingly regulators are interested in knowing whether business is commercial or personal for an individual “*any natural person acting for purposes outside his trade, business or profession*” or a commercial business, the size of the business and the industrial sector of the insured. It is also now a requirement to collect eligible complainants’ data worldwide. In many territories there are standard codes which can be used to provide such information.

### **All classes and territories, new requirement**

Where the type of insurance (CR0019) is direct one of the following must be provided

- Australian Insured Occupation Code, ANZSIC (CR1284); already required for reporting to APRA on public and product liability and professional indemnity insurance, but can also be provided for all remaining classes;
- Hong Kong Insured Occupation Code (CR1269); already required for reporting on employee compensation business, but can also be provided for all remaining classes;
- UK Insured Occupation Code, SIC (CR1285); already required for reporting on all commercial risks;
- US, NAIC Code (CR0037); already required for reporting on reinsurance, but can also be provided for insurance;
- The Industrial Sector of the Insured (CR1298); the insured to be classified as either: - UNKNOWN  
 PERSONAL LINES - Any natural person acting for purposes outside his trade, business or profession  
 MULTIPLE RISKS - Facility with multiple risks including a mixture of industries.  
 A. AGRICULTURE, FORESTRY AND FISHING  
 B. MINING AND QUARRYING  
 C. MANUFACTURING  
 D. ELECTRICITY, GAS, STEAM AND AIR CONDITIONING SUPPLY  
 E. WATER SUPPLY; SEWERAGE, WASTE MANAGEMENT AND REMEDIATION ACTIVITIES  
 F. CONSTRUCTION  
 G. WHOLESALE AND RETAIL TRADE; REPAIR OF MOTOR VEHICLES AND MOTORCYCLES  
 H. TRANSPORTATION AND STORAGE  
 I. ACCOMMODATION AND FOOD SERVICE ACTIVITIES  
 J. INFORMATION AND COMMUNICATION  
 K. FINANCIAL AND INSURANCE ACTIVITIES  
 L. REAL ESTATE ACTIVITIES  
 M. PROFESSIONAL, SCIENTIFIC AND TECHNICAL ACTIVITIES  
 N. ADMINISTRATIVE AND SUPPORT SERVICE ACTIVITIES  
 O. PUBLIC ADMINISTRATION AND DEFENCE; COMPULSORY SOCIAL SECURITY  
 P. EDUCATION  
 Q. HUMAN HEALTH AND SOCIAL WORK ACTIVITIES

- R. ARTS, ENTERTAINMENT AND RECREATION
- S. OTHER SERVICE ACTIVITIES
- T. ACTIVITIES OF HOUSEHOLDS AS EMPLOYERS; UNDIFFERENTIATED GOODS-AND-SERVICES-PRODUCING ACTIVITIES OF HOUSEHOLDS FOR OWN USE
- U. ACTIVITIES OF EXTRATERRITORIAL ORGANISATIONS AND BODIES

## **UK/EEA High Product Risk Products and South Africa only**

The definition for policyholder type (CR0278) and been updated to reflect changes to regulatory requirements.

### **CR0278, The insured policyholder**

- Retail - A consumer
- Micro - A micro-enterprise which employs fewer than 10 persons and has a turnover or annual balance sheet that does not exceed €2 million
- Small - A small business which is not a micro-enterprise and has and has an annual turnover of less than £6.5 million and employs fewer than 50 persons; or has a balance sheet total of less than £5 million
- Commercial, other - All business that has a criteria above that of a small business at time of binding
- Reinsurance
- SME – This category should no longer be used – where it is used it will continue to mean Small and Medium sized Enterprises (SMEs) are companies, which, according to their last annual or consolidated accounts, meet at least two of the following three criteria: an average number of employees during the financial year of less than 250, a total balance sheet not exceeding €43,000,000 and an annual net turnover not exceeding €50,000,000.

## **UK/EEA High Product Risk Products and Australia public and product liability and professional indemnity insurance**

The definition for insured total number of employees (CR0279) has been updated to reflect changes to regulatory requirements.

### **CR0279 – Insured Total Number of Employees**

This is the total number of employees of the insured if not personal business. Anyone who worked full time within an enterprise, or on its behalf, during the entire reference year, counts as one unit. Part-time staff, seasonal workers and those who did not work the full year are treated as fractions of one unit. Where the exact number is unknown, it is recommended that this is rounded to the nearest 10, or 100, or 1000 – for example 30, 400, 5000, etc.

**Multi-section contracts**

The section (CR0007) must be provided for any multi-section binding authorities and coverholder appointment agreements.

**Multi-platform contracts**

Lloyd's platforms are underwriting hubs which Lloyd's has created to enable the placing of business in different geographical regions.

As there are different challenges in different territories, so these hubs vary to meet local requirements from wholly owned subsidiaries which are insurance companies, for example Lloyd's Brussels; to regional licensing agreements with regulators, and, centralised services.

For any risks incepting on coverholder appointment agreements with Lloyd's Brussels or through the Lloyd's Asia Platform, where this information cannot be determined from the binder or section reference; the Lloyd's Platform (CR1297) should be specified. Expected values - Lloyd's Brussels, Lloyd's Asia.

## Spain

Lloyd's Underwriters and Lloyd's Brussels have an obligation to report Spanish Consorcio charges collected from policyholders to the Consorcio Compensacion de Seguros (CCS). The CCS acts as a catastrophe insurer compensating losses arising from several natural perils, e.g. floods, earthquakes etc., which occur in Spain. A new online reporting tool requires the postcode of the location of the Spanish risk(s) to be captured for each individual policy. Full details see market bulletin - <https://www.lloyds.com/~media/files/the-market/communications/market-bulletins/2019/04/y5250.pdf>

**New requirement - The postcode of the risk location (CR0049) must be reported for all risks located in Spain from 1 June 2019.**

### **A risk is located in Spain for tax purposes if it relates to**

- fixed and/or moveable property (excluding goods in transit) situated in the territory,
- or motor vehicles, ships, yachts or aircraft registered in the territory,
- or travel risks of a duration of four months or less taken out in the territory,
- or any other type of risk (not listed above) where the insured is habitually resident in the territory or, in the case of a corporate insured, its business establishment to which the risk relates is situated in the territory.

### **For Spanish tax reporting purposes, the postcode to be reported is**

- The postcode for fixed property should be the postcode where the property is situated.
- For vehicles (including motor vehicles, ships, yachts and aircraft) the postcode at the address to which the vehicle is registered should be reported.
- If there is no registration address, then the postcode of the Spanish policyholder's address should be reported.
- For risks that are not associated with fixed property or vehicles (such as casualty risks or moveable property including goods in transit risks) the postcode of the Spanish policyholder's address should be reported.
- Risks that are associated with a non-Spanish policyholder for which no Spanish address/postcode is available are considered to be located at the address of Lloyd's Spain. The address and postcode for Lloyd's Spain is: Lloyd's Iberia Representative, S.L.U.; C/ Pinar 7, 1º drcha.; 28006 Madrid.
- If particular individuals need to act on the content e.g. compliance officers or underwriters, please indicate this clearly. However, please do not state "this bulletin has been sent to..." as they will be sent to everyone who has signed up via lloyds.com to receive Market Bulletins.

## Singapore

Singapore service companies have to create a separate risk registration submission. Each of the fields required has been mapped to the reporting standards below.

Field Name	Definition	Maps to
<b>Policy Reference</b>	A unique reference attributed to each contract of insurance or reinsurance.	CR0029 – Certificate Reference
<b>Year of Account</b>	The year in which an insurance or reinsurance contract that is underwritten by a syndicate is allocated for accounting purposes based on the inception date of the policy or the inception date of its associated binder and into which all premiums and claims arising in respect of that contract are payable.	CR0010 – Year of Account
<b>Syndicate Number</b>	The unique identifying number assigned to a syndicate by the Council of Lloyd's as a 4-digit string including leading zeros where necessary.	CR1268 – Lead syndicate number
<b>Endorsement reference number</b>	A consecutive incremental reference number given to an endorsement within a contract.	CR0230 – Transaction number
<b>Insurance Type</b>	A coded value indicating the type of insurance for the transaction, either Direct or Reinsurance.	CR0019 – Type of Insurance
<b>Broker Code</b>	A coded identification of a service provider. This is the unique broker ID used to identify the Broker.	CR0091 Intermediary Reference
<b>New / Renewal Business</b>	A flag denoting whether the contract is a renewal of an existing policy or a new policy not previously submitted for that syndicate.	CR0022 Risk Transaction Type
<b>Risk Code</b>	A 1 or 2-character code that provides a common basis for the classification/description of risks.	CR0016 Risk Code
<b>Original Currency</b>	The currency in which the transaction was originally paid by the insured or reinsured.	CR0020 Original Currency
<b>Signed Line</b>	This refers to the amount of a given risk that an underwriter has agreed to accept. It may be the same as the underwriter's written line or, if there is signing down, a lower amount.	
<b>Written Line</b>	The amount of a risk that an underwriter is willing to accept on behalf of the members of the syndicate or company for which he underwrites. This is commonly expressed as a percentage of the sum insured which is written on the broker's placing slip.	
<b>Signed Order</b>	The amount of a given risk that is covered by a particular slip where more than one slip is used to arrange cover, expressed as a percentage. It may be the same as the written order or, if there are signing downs, a lower amount. In this case, this is the order to the Lloyd's market.	
<b>Written Order</b>	The amount of a given risk that is covered by a particular slip where more than one slip is used to arrange cover, expressed as a percentage. In this case, this is the order to the Lloyd's market.	
<b>Insured Name</b>	The name of the person or organisation who is insured under a contract of insurance. Where there is one insured this person may also be referred to as the name of the policyholder.	CR0035 Insured Name
<b>Domicile of Insured</b>	The country in which the policyholder is resident, or for companies, where the office is located. For contracts with multiple offices the country in which the head office is based.	CR0041 Insured Country
<b>Physical Location of Risk</b>	This is the physical location of the risk. Values must be a single ISO country code. For more guidance on completing, please see the accompanying Completion Guidelines document.	CR0050 Location of risk country
<b>Inception Date / Endorsement Start Date</b>	The date on which an insurance or reinsurance contract comes into force. In the case of an endorsement, this would be the date on which the endorsement and its changes become effective.	CR0030 Risk Inception Date CR0057 Effective Date of Transaction



Field Name	Definition	Maps to
<b>Expiry Date / Endorsement End Date</b>	The date on which an insurance or reinsurance contract expires. In the case of an endorsement, this would be the date on which the endorsement and its changes cease to be covered.	CR0031 Risk Expiry Date CR0058 Expiry Date of Transaction
<b>Total Policy Deductible in USD</b>	The amount that is deducted from some or all claims arising under an insurance or reinsurance contract.	CR0054 Deductible/Excess Amount CR0053 Deductible/Excess Currency
<b>100% Gross Premium in USD</b>	The total gross premium which is being paid, that is the sum of premiums being paid as instalments before any additions or deductions. This should be expressed in USD, and is 100% of the Lloyd's share.	CR0021 Total gross written premium
<b>100% Acquisition Costs in USD</b>	The combined value of Deductions (Brokerage, No Claims Bonus, Commission, Fees), expressed in USD, and is 100% of the Lloyd's share.	CR1294 Local Sub-Producers Commission Amount CR0235 Coverholder Commission Amount for whole risk CR1294 Lloyd's Brokerage Amount for whole risk CR0925 Fees for whole risk
<b>100% Net Premium in USD</b>	The net premium amount, that is the gross premium after the deduction of all acquisition costs (deductions and additions including the coverholder commission and the brokerage), expressed in USD, and is 100% of the Lloyd's share.	CR1288 100% Net Written Premium in USD
<b>File As At Date (Date of extract)</b>	The calendar date at which the data feed has been extracted from a system.	CR0001 Reporting Period Start Date CR0002 Reporting Period End
<b>Total Policy Limit in USD</b>	A policy limit typically applies where multiple risks/events are covered and an overall cap is put on what the insurer will pay out before the cover needs replacing.	CR0356 Limit of Indemnity
<b>Total Sum Insured in USD</b>	A sum insured applies to a single insured item, and will be the total amount the insurer is liable for in the event of a loss.	CR0051 Sum Insured Currency CR0052 Sum Insured

## Hong Kong

The following changes have been included in the standards to further align the standards with the Hong Kong risk and claims returns.

### **IA Levy, Co-insurance code (CR1250)**

This field defines whether the risk has been written on a co-insurance basis with the company market and if so, whether Lloyd's participants are acting in a lead or following capacity. There is a new value of X, as defined below.

#### Values

- L = Lead
- F = Follower
- N = Not co-insurance
- X = Where lead has confirmed they're not paying the levy on behalf of the follower.

### **Local sub-producer commission amount (CR1294) and % (CR1295)**

As per the existing Hong Kong returns via Lloyd's Core Market Returns System, details of the commission for the local sub-producer should be provided.

The local sub-producer commission amount (CR1294) for the whole risk/written premium is the amount taken by the local sub-producer expressed as an amount in the original currency. This is the amount for the whole risk/written premium. This may include commission to retail brokers, local sub-producers or introducers. Where the local sub-producer commission is being provided separately then this should not also be included in the Coverholder Commission Amount (CR0235) or % (CR0061).

## Lloyd's Brussels

### Risk Data

There are new requirements to provide

- the net and gross position with respect to written premiums. In addition to existing requirements, details of taxes, fees, brokerage and final net premium must be provided as part of the risk or risk/premium submission.
- The location of risk postcode (CR0049)
- the full address of the (re)insured (CR0038)
- the Lloyd's platform (CR1297) the type of transaction (CR0056)
- the reinsurance basis, whether Proportional or Non-Proportional, (CR1299)

### Existing requirements

CR0013	Coverholder name
CR0005	Unique Market Reference (UMR)
CR0001	Reporting Period Start Date
CR0002	Reporting Period (End Date)
CR0017	Class of Business
CR0016	Risk Code (see list)
CR0019	Type of Insurance (Direct or Type or Reinsurance)
CR0029	Certificate Ref
CR0035	Insured Full Name, Last Name or Company Name
CR0041	Insured Country (see code list)
CR0022	Risk, Transaction Type
CR0030	Risk Inception Date
CR0031	Risk Expiry Date
CR0050	Location of risk - Country
CR0057	Effective Date of Transaction
CR0058	Expiry Date of Transaction
CR0020	Original Currency
CR0061	Commission %
CR0021	Total gross written premium
CR0051	Sum Insured Currency (see code list)
CR0052	Sum Insured Amount
CR0053	Deductible or Excess Currency (see code list)
CR0054	Deductible or Excess Amount
CR0055	Deductible or Excess Basis
CR0235	Coverholder Commission Amount for the whole risk/written premium

### New Requirements

CR0049	Location of risk postcode
CR1297	Lloyd's platform
CR1271	Accessoire
CR0077	Tax 1 - Jurisdiction: Country, State, Province, Territory
CR0078	Tax 1 - Tax Type
CR1292	Tax 1 - Amount of Taxable Premium
CR0080	Tax 1 - %
CR0081	Tax 1 - Fixed Rate
CR0082	Tax 1 - Multiplier
CR0270	Tax 1 - Amount for full written premium

CR0084	Tax 1 - Administered By
CR0085	Tax 1 - Payable By
CR0236	Total taxes payable locally
CR0237	Total taxes payable in London
CR0086	Other Fees or Deductions Description
CR0925	Other Fees or Deductions written Amount
CR1271	Accessori (Italy), written amount
CR0069	Brokerage % of gross premium
CR1278	Brokerage Amount for written premium (Original Currency)
CR1280	Final Net written Premium to underwriters (Original Currency)
CR0038	(Re)insured address
CR0056	Transaction type
CR1299	Reinsurance basis

### Instalments

Where possible the number of instalments (CR0288) and the frequency with which premium will be paid (CR0289) should be provided

### Annuity type claims

Lloyd's Brussels must clearly identify and report all annuity type claims separately. To achieve this the Lloyd's cat code (CR0138) of PPO should be recorded against each such claim. PPO is a tracking code attributed to any claim which has been resolved or settled (partially or wholly) by way of a periodical payment order, or any periodic payment such as an annuity payment.

### VAT on claims fees

Please note that amendments have been made to the definitions of these fields. Any references to EU VAT have been amended to refer to VAT.