Market Bulletin

LLOYD'S

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FROM:	Manager, Market Information
LOCATION:	86/GY5
EXTENSION:	5459
DATE:	28 February 2003
REFERENCE:	Y3002
SUBJECT:	REINSURANCE DEBTOR RETURN (02/Q4)
ATTACHMENTS:	None
ACTION POINTS:	Contents to be noted
DEADLINE:	27 March 2003

The software for the 31 December 2002 RD1 return may now be accessed through the MSU Market Returns web site. The instructions for the RD1 are also available on the web-site and the purpose of this bulletin is to highlight certain key issues.

The reinsurer by reinsurer information required in the RD1 remains as in the 3rd quarter's RD2. However, there are a number of changes to the table section of the return with reconciliations to the annual Syndicate Return as well as the Syndicate Quarterly Return. Agents are reminded that **all** tables in the return must be completed.

Other points to note are:

(a) the return is to be completed as at 31 December 2002 based on information known at 27 February 2003, the date of submission of the Syndicate Return;
(b) the return is to be completed in £000;
(c) the collateral fields (cells T & T1) are to be completed where relevant;
(d) for Cat 01G, the recoveries received and written-off (cells V & W) are to be completed on a cumulative basis (ie cumulative from 11.9.01 to current quarter-end);
(e) for Cat 01G, the total of reinsurance recoverables plus paid to date should be consistent with the difference between estimated ultimate gross and net loss as reported on Form 6 of the year-end SQR;
(f) table 1 reconciles the RD1 total reinsurance recoverables with the equivalent figure on SQR Form 11. The RD figures are stated after reinstatement premiums (note 3.2.5 to the RD instructions). Where the SQR reinsurance debtor figure is stated gross of reinstatement premiums, then the figure for reinstatement premiums should be entered on the relevant line of Table 1 as a reconciling item;

(g) tables 2 and 4 are included only in the year-end RD return, reconciling reinsurance recoverables on outstanding and IBNR claims to data in SR16 of the Syndicate Return;

(h) where an entry is made using one of the codes "General Provision", "Other 1", "Other 2" and "Other 3", it would be helpful to our analysis if a brief explanation could be included in the commentary box, eg LORS code not found for a reinsurer.

If you have any enquiries relating to Cat 01G disclosures, please contact Rob Humphreys of the Office for September 11th (x5985): other enquiries about this bulletin should be addressed to Robert Smith, Market Reporting (x5459).

This bulletin has been sent to all managing agents.

Robert Smith