

FROM: Manager, Overseas Reporting
LOCATION: MR/86/G5
EXTENSION: 5490
DATE: 13 October 2003
REFERENCE: G:\Overseas Reporting\US Reporting\word\03Q3\Y3159
SUBJECT: US TRADING REGULATORY REPORTING
SUBJECT AREA(S): US Reporting
ATTACHMENTS: Appendices 1-6
ACTION POINTS: **Please note the contents**
DEADLINE: **For Immediate attention**

Please copy this letter and its attachments to those within your organisation who are responsible for reviewing and completing the US packs.

1. Further to the Market Bulletin of 8 September, I now confirm that electronic preliminary US reporting packs for the quarter ended 30 September 2003, together with the relevant working schedules and checklists for your managed syndicate(s), have been sent to your agency, via the MSU web-site, together with the "agent electronic front end system" software. Detailed instructions on how to use the electronic system are also enclosed with this letter.
2. You are reminded that, whilst the reporting packs have been prepared centrally, the ultimate responsibility for submission of correct data rests with the managing agent of each syndicate and, as such, you must satisfy yourself that you have reviewed the whole return. Completed packs should be returned to this department (Market Reporting) by the due dates as set out in the timetable attached to this letter at Appendix 1.
3. Appendices 2, 3, 4 and 5 to this letter provide general information and instructions concerning Xchanging underwriting transactions, reserving and trust fund assets, respectively. Appendix 6 relates to the USRESREC form.
4. Losses paid and outstanding in respect of CAT 01G must be reported for both trust funds and entered on forms RIQ/SLQ 4/4a. **Please ensure that the losses paid data is in respect of paid losses in the quarter only.** The amount entered in the losses unpaid column must be the amount of your total unpaid losses that relate to CAT 01G from the data entered for the eight categories above. This data will automatically feed through to the memorandum line at the foot of form RIQ/SLQ 2. The New York Regulator has raised concerns with us that the accuracy of this data in the past has been poor. It is therefore very important that this data is reported to a much higher accuracy going forward. To assist with this there is a new warning that will appear if your unpaids differ from the previous quarter's by more than 10% which you will need to verify if the entered data is correct.
5. As in the previous quarter years of account in run-off now have separate SLQ/RIQ 1, 2 and 3 forms instead of the run-off analysis page. You will need to ensure that these forms have been completed accurately in the same way as the main forms as they will now form part of the printed and notarised pack. The numbers entered in these fields will be aggregated in the 'Years of Account (Run-off)' column.

6. Once you have completed and finalised the electronic version using the agents' system, you must lock the packs and create the electronic download to return to Market Reporting. You will then be able to print final packs for signature and notarisation. Market Reporting will not issue final hard copy packs. On locking the pack and creating the electronic return the final version will be printed automatically. **It is essential that the electronic packs you submit and the final notarised packs are the same version.** Once you have locked the pack to create the electronic version for submission you will not be able to unlock it to make further amendments without contacting Market Reporting. **Agents are also reminded that the quarterly return must not include the Schedule F working schedule.**
7. The USRESREC form is a web-based return and should be completed by entering data directly into the Market Reporting web-site on L-Net. **Please refer to Appendix 6 as there has been a slight change to the format of this return.** The electronic version of the US Reporting pack should be returned by submitting the file via the file transfer facility located on the Market Reporting web-site. These forms are due to be submitted at the same time (**31 October 2003**).
8. Final packs, which must agree to the electronic versions you submit (see paragraph 6 above), must be signed, dated and notarised as indicated on the Jurat page (SLQ/RIQ 0). **Control sheets, working schedules and checklists must not be attached to these packs.** Notarisation of the US packs may be performed by a solicitor, other than an in-house solicitor, who holds a practising certificate under section 81(1) of the Solicitors Act 1974, which allows them to administer oaths and affidavits in the UK. Where your compliance officer is unavailable to sign the pack, another director may sign in his or her place and the pack should be marked accordingly. You may wish to keep a copy of the notarised pack for your own records.
9. When hard copy final packs (**due on 5 November 2003**) are returned to Market Reporting we can only guarantee their receipt if they are hand delivered directly to the department on **Gallery 5 of the Lloyd's 1986 building**. Please note that there is restricted access to G5, so **please use the reception by Tower 3**.

If you have any queries on the contents of the packs, or on how to complete them, please contact me on the above number or David Cokayne (extension 6238) or Julie Wilson (extension 6891).

Yours faithfully

Leslie Redmond
Manager, Overseas Reporting
Market Reporting

Timetable and arrangements for the quarter ended 30 September 2003

	<u>Key Date</u>
Provision of preliminary electronic packs by Market Reporting to managing agents, (available for collection from the Market Reporting web-site) for: <ol style="list-style-type: none"> 1 Checking of all underwriting data; 2 Checking investment data (both transactions and valuations) 3 Updating for reserves as calculated for the quarter end 	13 October 2003
Submission of amended electronic packs by managing agents to Market Reporting (via Market Reporting web-site) USRESREC forms must also be returned at this time	31 October 2003
Cash Transfer forms to be returned to Dave Whitby (Settlements & Trust Funds, CH/L4), value date 10 November 2003. <u>STFO WILL CHARGE MANAGING AGENTS £50 FOR ANY FORMS THAT ARE SENT IN LATE TO REFLECT THE COST OF ADDITIONAL MANUAL PROCESSING.</u> Letters of Credit must be in place by 5 November 2003 with the pre-advices having been submitted to Mike Fitzgerald (Treasury Services 86/G5) by the 3 November 2003	3 November 2003
Provision of final signed and notarised reporting packs by managing agents	5 November 2003
All syndicate packs to be despatched to New York by Market Reporting for filing with NYID	7 November 2003

Please note that it is essential that any queries generated by the packs or otherwise should be raised well in advance of the deadline dates to allow Market Reporting sufficient time to revert to you with the answers. This is particularly relevant to queries in respect of Citibank investment and cash balances, or where in extremis an adjustment is required which cannot be made to the electronic packs which agents are updating. Any adjustments to be made by Market Reporting in extremis MUST be raised no later than 2 WORKING days prior to the date by which the electronic packs are to be returned to Market Reporting.

Xchanging underwriting transactions

1) 'ESR' files

For those agents subscribing to 'ESR' data, you will by now have received either on Disk or electronically the 'ESR' file(s) for your syndicate(s). As in previous quarters, there may be some small differences between these reports and the packs as the US reporting database rounds each individual figure as it is entered into the system. Additionally, please note that these figures will not directly agree to information from the USMs or SCMs which are not at the same level of detail and which exclude certain elements, such as RI Costs on Treaties and State details. If you do subscribe to this service and have not received this data, or you need copies of the prospectus which sets out how to use the file please contact Margaret Tolhurst on extension 2525. If you have any queries relating to the data itself please contact 'Enquire' in Ins-Sure on extension 2999.

2) Incomplete data

Where applicable we enclose a schedule of gross items which have been advised to you on the USMs prior to 30 September 2003 but which are not reflected in the packs, because part of the data was not completed (e.g. a state code was not known for a particular signing at the time the quarter was closed). Please review this data carefully and make amendments where the amounts involved are material. You are reminded that you must ensure that the syndicate reserves are adequate, and must include the effect of these items, where material.

3) Data corrections

Where applicable, we also enclose a schedule of corrections to business transactions processed through Ins-Sure & XCS that affect the data in the reporting packs.

4) USI adjustments

Any adjustments made to the underwriting data on the electronic US reporting packs are not carried forward from one quarter to the next. This will avoid double-counting, as any such adjustments will be included in future US reporting packs once the appropriate entries have been processed by Ins-Sure or XCS: you may need to advise them directly of these 'corrections'.

5) Delinked items

Please see Appendix 5 to this letter for their impact on underwriting data.

6) US regulated data not processed by Ins-sure or XCS

Data that is not processed through Ins-Sure or XCS will not appear in the packs and will need to be added as adjustments. These entries will need to be added each quarter as they will not be carried forward from one quarter to the next.

Reserving and funding

1) Closed years of account

Where a year of account with US situs business has closed by way of RITC, any relevant transactions are now shown against the year (and where applicable the syndicate) into which the year has closed. For the years 1995 to 2000, this follows the same mapping as previously used. In order to ensure sufficient assets are maintained for the outstanding liabilities on that business, you are able to print working schedules, where appropriate, for the closed years of account. These show calendar year movements, rather than the cumulative position, to enable you to check the figures in the preliminary packs. The reserves will be added into the reserves of the year into which the years have closed on line 1 of SLQ/RIQ 2, and be shown separately on line 7 of SLQ/RIQ 3.

2) Methodology

The reserves for the 2002 and prior years of account at the end of the quarter must be calculated in accordance with the methodology already advised to you (i.e.: the modified UK basis of reserving as previously detailed in market bulletin Y748 issued on 4 December 1997). Reserves for the 2003 year of account, which is still at a very early stage of its development for the first three quarters of that year, must be determined at the higher of total cumulative signed gross premiums (net of brokerage and commission) less cumulative gross paid claims for that period and total gross outstanding claims at each quarter end, unless it is apparent that the ULRs for that year will exceed 100%, in which case reserves as at the quarter end must be adjusted accordingly. Guidance notes and a worked example were issued in a letter dated 1 April 1998. Further copies of this letter are available on request.

You must also ensure that the schedule of Gross Liabilities and Reconciliation of Movements in Trust Fund (SLQ/RIQ2 form) is completed appropriately. The reserves must agree to the figures you enter on lines 6 and 7 on SLQ/RIQ 3 and you **MUST** ensure that the losses incurred figures on SLQ/RIQ 4 (i.e.: gross reserves plus cumulative paid losses) are entered accordingly. Please note that SLQ/RIQ 4 must be completed on a pure year basis, and SLQ/RIQ 4a will show data for closed years. Further details on how to complete the forms are provided in the checklist

3) Allowances against reserves (CRTF only)

Any credits in respect of letters of credit, deferred premium instalments or funds withheld against gross reserves in the Credit for Reinsurance Trust Fund, **must** be restricted to the amounts of the calculated reserves for the relevant contracts (i.e. not usually 100% of Schedule F figures). Please note that the figures appearing in the preliminary packs (lines 2a-2c of RIQ 2) are shown at zero, including amounts for closed YOAs against the assuming year. A working schedule, showing information by reinsured, may be printed from the electronic system (see detailed instructions) to assist managing agents in this calculation. Please note that closed year items are included on the working schedules, but only where a letter of credit, deferred element or funds withheld are shown.

4) Alternative Security (CRTF only)

In the Lloyd's United States Situs Credit for Reinsurance Trust Deed under paragraph 1.24, gross liabilities included in the definition of an 'American Reinsurance Policy' shall exclude any contract or policy of insurance, the liabilities for which the underwriter has provided security by means other than the Trust Fund.

Such alternative security would include a letter of credit lodged with the reassured, or funds withheld by the reassured (e.g. outstanding claims advances).

Where syndicates have provided an alternative security to the reassured, the guidance notes below should be followed for completing the RI packs.

- a) In cases where alternative security has been provided you must calculate the reserves for disclosure on form RIQ 2, including any amounts for such business.
- b) As the reserves disclosed within the pack now include the liabilities where alternative security has been provided, deduction for such security should be made at lines 2a or 2c on RIQ 2 (restricted to the actual reserves for those contracts). A working schedule, showing information by reinsured, may be printed from the electronic system to assist managing agents in calculating the credits to be entered for the relevant contracts. It may also be exported into excel.
- c) The NYID also require details of the level of alternative security held by reassureds to be reported. Please therefore complete the memo note at the foot of the form (see below for further instructions), showing, by year of account, the extent of each type of alternative security and the gross reserves relating to that business calculated using the modified UK basis of reserving.
- d) Premiums and claims data for such 'regulated' business will continue to be disclosed within the packs: hence no adjustment should be made to these figures.

Where a syndicate has provided alternative security to a reassured you must complete the memorandum note at the foot of RIQ 2. To do this select the 'memo assets' button towards the foot of the RIQ 2 screen, which opens a sub-screen. You may then enter the relevant details in the fields on screen and close the sub-screen. The default print does not show this note, but once you have entered any figures into the sub-screen the note will print. In respect of Run-off years this data must be entered on the year specific RIQ 2 in the fields available for this in the bottom right hand side of the form.

5) Delinked items

Please see Appendix 5 to this letter for their impact on reserving.

Appendix 4

Trust Fund assets

Please note that we have relied on Citibank electronic data for the investment transactions during the year. It is therefore essential that agents check all relevant schedules in detail and make any revisions to the electronic packs as necessary.

1) Trust Fund market valuation

The packs issued to agents will be based on the trust fund valuation provided by Citibank. Any change to this total will need to be approved by Citibank before we can allow you to change this figure.

The value of cash and securities held as at the quarter end for all years of account have been entered in the total column on the SLQ/RIQ 1 asset form according to the type of assets. (Please note: short-term investments are those with less than 1 year to maturity at the date of acquisition and bonds (or long-term bonds) are those with 1 year or longer to maturity at the date of acquisition). The cash position is calculated by our system to be a balancing figure based on total fund value less securities, so where investment valuations change, unless the total asset value also needs amending, the cash figures must be changed.

There is also a schedule for each of your syndicates where investments are or have been held in the respective trust funds (the Investment Summary), which should enable you to check the figures in Schedule D. This can be printed using the electronic US reporting system. Citibank Transaction Reports information should be available from Citibank Electronic Banking and/or from your investment managers.

N.B: All investment data must be shown within the US Reporting Packs excluding accrued income purchased and sold. Managing agents should note that if, by virtue of non repatriation, interest is rolled up into the principal accounts of the relevant situs trust funds, these funds cannot at a later date be released from the trust fund other than via the TFMA mechanism.

2) Net remittances

Each quarter many syndicates transfer securities to make their funding adjustments. These are reflected on the net remittance line of SLQ/RIQ 2 at the market value prevailing on the date the transfers were made. As a margin has to be transferred this figure may not match precisely the value of the required transfers. Hence, Market Reporting has not allocated the net remittances across years of account in the preliminary packs, but has posted them all to the 2003 column, as agents will need to determine the split. You **must** make the year of account allocation in the packs that are returned.

It should also be noted that where syndicates have transferred securities between trust funds (termed by Citibank as 'deliver free' and 'received free' transactions) these will appear on the Citibank statements as having been traded at zero proceeds/cost. However, the historic cost relating to that holding will be shown on the Citibank investment summaries. For US reporting purposes only, the market value prevailing on the date of the transfer has been used as the proceeds for any 'deliver free' and the cost of any 'received free' transaction. The carrying cost within the US reporting system will also be the market value on the transfer date rather than the historical cost. (N.B.: The reason for this different treatment is that a 'deliver/received' free does not create a taxable event, so Citibank treat it as a transaction with no value and continue to carry the original cost. For US reporting purposes each trust fund is treated as a separate entity, so the transactions must be valued at the market value on the date they occurred).

Line 16 of forms SLQ/RIQ 2 currently does not show any transfers required to/from the situs trust funds. The figures included in the final packs must be based on the figures in the amended draft packs.

3) Cash Transfer Forms

Cash transfer forms must be returned to Dave Whitby (Settlements & Trust Fund Operations, CH/L4) in hard copy on the 3 November 2003, and will have a value date of 10 November 2003. The cash transfer form also requires Managing Agents to specify non-cash assets that they intend to move to/from the situs accounts. The reporting system will derive the total amount to be funded from the pack and the cash transfer figure from that entered at the top of the form. It is then possible to enter values in respect of investments and letters of credit that will be added/removed from the fund. Agents will need to ensure that the total calculated after these details have been input agree with the total amount to funded figure derived from the pack.

4) SLTF funding requirements

Please note that for Surplus Lines Trust Fund purposes, with effect from 1 January 1999, the amended terms of Art. 2.7 of the surplus lines trust deed: (i) require advanced notice to be given to the Trustee, the Domiciliary Commissioner, any Non-Domiciliary Commissioner and the IID in the event that, in respect of a given year of account, the TFMA for any quarter is less than 50% of the TFMA for the immediately preceding quarter; and (ii) prohibits the Trustee from permitting any such withdrawal for a period of 10 days after receipt of any such notice. The single exception relates to the situation where there is an RITC of the relevant year of account when details of the syndicate and year of account assuming the RITC of the US liabilities are required to be advised to the Trustee. **In other words you may not transfer assets out of the SLTF, when making the adjustment for the 30 September 2003 position, which will mean that the remaining asset balance for any YOA is less than 50% of the TFMA as at 30 June 2003, without previously providing the required notices. If your syndicate is likely to be in this position, please advise Market Reporting immediately.**

- **FAILURE TO DO SO WILL MEAN THAT YOU ARE UNABLE TO RELEASE ASSETS IN EXCESS OF THE 50%.**
- **The deadline for notification is therefore 31 October 2003.**
- **Please note that a reduction due to an RITC is acceptable, provided the assuming year maintains at least 50%.**

De-linked underwriting transactions

Further to market bulletin Y2109, issued on 5 August 1999 some brokers may have used the optional facility whereby premium transactions may be recorded in advance of settlement. This process is referred to as ‘de-linking’.

A report listing any premiums which have been recorded early (i.e.: de-linked) is included with this letter for those syndicates having an involvement in such transactions for their US situs trust fund business.

Where the effect of “de-linked” items on premiums is material the figures in the reporting packs should be adjusted accordingly. For clarification, this means included in any workings, as set out in the following example:

Example:

For a syndicate’s 2003 year of account, as at 30 June 2003: The syndicate has \$100m of signed premiums and a further \$25m of de-linked premium items which have been recorded in advance of settlement. The syndicate has paid claims of \$40m, and the outstanding claims are not large enough to increase the reserve requirement.

(1)	<i>Signed premiums</i>	<i>\$m</i> <i>100</i>
(2)	<i>De-linked premiums (i.e.: not yet signed)</i>	<i><u>25</u></i>
(3)		<i>125</i>
(4)	<i>Credit against future unsigned premiums</i>	<i><u>(25)</u></i>
(5)	<i>Premiums for inclusion in the US situs trust fund pack</i>	<i><u>100</u></i>
(6)	<i>Paid claims</i>	<i>40</i>
(7)	<i>Reserves required (5) – (6)</i>	<i><u>60</u></i>

A: If, however, it is already known that the loss ratio on the de-linked premiums will be in excess of 100% the amount of the credit in (4) must be restricted accordingly.

B: If outstanding claims on the signed and de-linked premiums exceed the \$60m, then the reserves required will be equal to the outstanding claims.

US TRUST FUND DELINKED ITEMS REPORT

SYNDICATE NUMBER: 9999

<u>TRUST FUND CODE</u>	<u>LPSO NUMBER</u>	<u>LPSO DATE</u>	<u>GROSS PREMIUM AMOUNT</u>	<u>YEAR OF ACCOUNT</u>	<u>RISK CODE</u>	<u>SYNDICATE</u>
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XX	99999	DD/MM/YY	-9,999,999,999,999.99	CCYY	XX	XXXXXXXXXXXXXXXXXX
	99999	DD/MM/YY	-9,999,999,999,999.99	CCYY	XX	XXXXXXXXXXXXXXXXXX
	99999	DD/MM/YY	-9,999,999,999,999.99	CCYY	XX	XXXXXXXXXXXXXXXXXX
	99999	DD/MM/YY	-9,999,999,999,999.99	CCYY	XX	XXXXXXXXXXXXXXXXXX
	99999	DD/MM/YY	-9,999,999,999,999.99	CCYY	XX	XXXXXXXXXXXXXXXXXX
	99999	DD/MM/YY	-9,999,999,999,999.99	CCYY	XX	XXXXXXXXXXXXXXXXXX

SUBTOTAL: -9,999,999,999,999.99

XX	99999	DD/MM/YY	-9,999,999,999,999.99	CCYY	XX	XXXXXXXXXXXXXXXXXX
	99999	DD/MM/YY	-9,999,999,999,999.99	CCYY	XX	XXXXXXXXXXXXXXXXXX
	99999	DD/MM/YY	-9,999,999,999,999.99	CCYY	XX	XXXXXXXXXXXXXXXXXX
	99999	DD/MM/YY	-9,999,999,999,999.99	CCYY	XX	XXXXXXXXXXXXXXXXXX
	99999	DD/MM/YY	-9,999,999,999,999.99	CCYY	XX	XXXXXXXXXXXXXXXXXX

SUBTOTAL: -9,999,999,999,999.99

*** END OF REPORT ***

USRESREC Returns.

Completion of USRESREC forms is electronic.

The electronic system has been placed on L-Net (Extranet) and can be accessed within the Infobase (option 1), Membership enquiries and MSU login screen, where agents should enter their current ID and password. Then select the Market Reporting and US Reserve Reconciliation options, relevant agent code, syndicate and trust fund to enter the USRESREC electronic form.

The electronic form has been created to look as similar as possible to the hard copy version to ease completion and validates sub-totals and grand totals.

Please note that the facility to upload data from a spreadsheet is now available. An Excel spreadsheet should be created, seven columns wide by ten rows, containing the USRESREC data in the same format as the USRESREC form and saved as a CSV file. After accessing the USRESREC electronic form and selecting 'Load from file' from the bottom of the screen, this will take you to a screen entitled 'Upload your file here'. The file name containing the data upload should then be entered by keying directly or found via the browse facility. Then click 'Submit'. The data will then be formatted into the USRESREC form. Click on 'Click to populate return form with above values'. Once completed continue as below.

There is an option to save the forms as either "Incomplete" or "Complete".

The "Incomplete" option will not validate the data within the form, as the forms must be saved as "Complete" before it is possible to "Send" the validated forms to Market Reporting.

Both trust fund forms must be completed with contact name and telephone/facsimile numbers before they can be sent.

Line 1 numbers have been pre-populated based on the finalised Line 1 numbers from last quarter.

Please note that with effect from this quarter the data in respect of the 1996 and prior years of account has been amalgamated into a single column '1996 and prior' so that going forward we will need year of account data for the six most recent years with older years combined. During the last quarters return we did not make provision for the older years which led to some confusion. Having reviewed the return we have decided that the older years should be reported in total.

Should agents have any queries with the system or completion of the return please contact David Cokayne on extension 6238 or Julie Wilson on extension 6891.

US Reporting
Situs Trust Funds
Guidance notes:

Updating Reporting
Packs using the Electronic
"Agent Front End" System

Quarter Ended 30 September 2003

US Reporting Guidance notes - Electronic "Agent Front End" System Quarter Ended 30 September 2003

Introduction

As in previous quarters Market Reporting is providing software and electronic preliminary packs for each syndicate which has signed trust fund deeds for US situs Surplus Lines and Credit for Reinsurance business. This software will allow you to make all changes listed below under 'What can be updated?' electronically.

The preliminary packs include figures for assets held at Citibank and underwriting transactions processed by Xchanging which are available centrally. As before, please check these preliminary packs and amend them for any changes to the pre-filled data provided and to reflect any figures relating to reserves (which are not available centrally). Please also note that both the guidance notes and checklists have been prepared on the basis that there are no years of account in Run-off.

Provision of data

The data will be made available for collection from the Market Reporting web-site. Where this is unavailable to agents, an alternative means will be found of delivering the packs.

What can be updated?

The agents' version of the US reporting system allows you to update the electronic packs:

- for reserves at the quarter end;
- for changes to investment data (except for brought forward and standing data);
- to amend premiums, claims, brokerage and commission;
- to amend (RI only) LOC's, funds withheld and deferred instalments;
- to add a memo note (RI only) of alternative security provided to reassured;
- to reallocate assets, realised/unrealised gains and losses, and net remittances across the years of account;
- to complete the cash transfer form;
- for changes to the list of directors/partners and the agency address appearing on the Jurat page; and
- syndicate contact details (this does not form part of the printed packs).

How to update the packs

Pannell Kerr Forster has produced a systems manual and installation instructions which are to be followed when using the system. These notes are intended to be a user guide on how to enter updates using the electronic system. Before attempting to follow these instructions you must ensure that the software and the data are loaded onto your system. Please ensure that your system meets the minimum specifications as set out below.

The system will run under Windows 3.1, Windows '95, Windows NT or Windows XP. At least 16 Mb of memory is required, and at least 550 Kb of base memory should be available to applications. A local hard drive is required for storage of work files. The screen must be at least SVGA, and will need to be set to a minimum of 800 x 600 pixels. It is strongly recommended that high performance PC's are used (e.g.: Pentium P200). **You will not be able to use the software if you do not have the minimum specified hardware.**

Accessing the system, syndicates and forms.

Select the icon that allows you access to the US reporting system.

Type the number of one of your syndicates into the box on screen, or click on the 'select' button, in which case you will be given a drop down menu showing all of your syndicates. Right click on the syndicate you wish to access.

Click on the 'OK' button to access the syndicate (or click on 'cancel' to be given the option to quit the system).

This will access the *syndicate control screen* that lists all forms relevant to the syndicate for this year. The left-hand blue list is for SL forms and the right-hand red list is for RI.

If you are accessing the forms to update them, rather than just to view them, you may wish to click on the 'amend all' button (bottom left-hand side) at this stage.

Alternatively each form which can be updated has an 'allow changes?' button which can be set within the form - but you will need to set this each time you enter a new form.

To access any form simply move the cursor to that point on the list and double click.

Once you are within a form you may move backward and forwards between forms by using the 'last form' and 'next form' arrow buttons at the top right-hand side of the screen. Alternatively, you may click on 'OK' (which will save any changes you have made or on 'cancel' (which will cancel any changes you have made). This will take you back to the *syndicate control screen*.

Use of the buttons to move between forms is not available on certain investment forms (SLQ 6/RIQ 6) as these forms can only be accessed to preview or print the form.

At the end of a session select the 'Cancel' button at the first screen - i.e.: where you selected the syndicates to work on. This will then prompt you to confirm that you do wish to quit the system.

Order in which to approach exercise

Experience within Market Reporting has shown that it is easiest to update the underwriting data included in the packs by starting towards the back (i.e.: at SLQ/RIQ 4 and 4a) and working towards the front pages of each pack. This is because data feeds from certain of the later forms to the earlier ones, so they are best completed first. You should also ensure that the investments in your pack reflect the correct market values together with the appropriate unrealised gain/loss figure. To do this click the Amend Investments button which takes you to the Investment Maintenance screen. Check the 'amend' tick box in the bottom left hand corner, click 'save' then 'close'. Click the Calc. All button and elect to re-evaluate investments when prompted. Repeat this procedure for each trust fund.

The guidance below refers to SLQ at all form references. The approach for the RIQ pack is exactly the same so for 'SLQ' you may also read 'RIQ'.

Updating for reserves

Having clicked on the 'amend all' button select form SLQ 4a (if applicable). You will then enter the *Loss Experience* form for the syndicate's closed year of account. The cursor will be in the *Losses Unpaid Current Year* column, on the line for *Ocean Marine* business. If you have reserves for this line of business they should be entered here. By pressing the return button on your keyboard the cursor will move to the next line of business. This will also update the figure in the *Losses Incurred* column. Please note that the figure you enter in this column is that for outstanding claims plus IBNR and that the paid loss figure is automatically included in the relevant totals.

You cannot enter data in the total *Aggregate Write-ins* line, but must enter this by the individual lines towards the end of the form.

To recalculate the totals in the *Losses Unpaid Current Year* and *Losses Incurred* columns press the 'Calculate' button on screen.

Once you have correctly completed this form, move to the previous form by clicking on the 'last form' button towards the top right hand corner of the screen and repeat the process.

If you have no form SLQ 4a then start with form SLQ 4.

It is recommended that you recalculate each SLQ 4/4a form before closing it to ensure that you agree the totals.

The data for gross reserves will automatically update on line 1 of form SLQ 2 without recalculating and revalidating the entire pack. This data will, however, only be fed through to form SLQ 3 on performing a pack recalculation.

For the SL packs only there is an 'Apply %' button on form SLQ 2 which recalculates the required reserves at the reserving percentage applicable to your syndicate (usually 30%).

Freezes and variable funding (SLTF only) imposed on the trust fund by the NAIC/IIID should already be known by Managing Agents. The agent front-end system provided to you will incorporate the variable funding requirements that apply to certain syndicates.

US Reporting Guidance notes - Electronic "Agent Front End" System Quarter Ended 30 September 2003

Where syndicates have a frozen trust fund they will nonetheless not be expected to fund at more than 100% of Gross Reserves by year of account or at more than the variable level set by the NAIC (i.e. 50% etc). Where a syndicate finds a year of account in this position you should contact either David Cokayne (Ext 6238) or Julie Wilson (Ext 6891) to enable the release of this excess.

Updating for allowances against reserves (lines 2a – 2c on form RIQ 2) – RI packs only

Please note that the figures appearing in the preliminary packs (lines 2a-2c of RIQ2) are shown at zero, including amounts for closed YOAs against the assuming year. Any credit in respect of letters of credit, deferred premium instalments or funds withheld must be restricted to the amounts of the calculated reserves for the relevant contracts.

To assist in calculating the credits to be entered, Schedule F, showing information by reinsured, may be printed from the system and exported to excel. Select Schedule F on the *syndicate control screen* at the bottom of the list of forms. On entering the form you are asked whether you would like to 'Amend Letter of Credit, deferred instalments and funds withheld details', choose 'Yes' to access the 'Schedule F adjustments' or 'No' to proceed to the print menu. If you require a change to the Letter of Credit deposited, the deferred instalments or the funds withheld by reinsured, after choosing 'Yes', there is a 'browse' button, with which you may highlight the required Reinsured name / Federal id / NAIC code, press return after selection. Click on the 'amend' button and enter the required amounts within the white 'Adjustments to deferred premiums / Funds held by reassured / Letters of Credit' fields, after entering click on the 'amend' button to save the details and close the screen.

On completing the calculation of credits, where required, the amounts are entered directly within the white 'Letters of Credit deposited / Deferred Instalments / Funds held by Reassured' fields in RIQ 2. Before closing this form, it should be recalculated.

Underwriting Adjustments

Adjustments can be made to the Xchanging data via the 'U/W Adj' button on the *syndicate control screen*. Please follow the sign convention in the table below:

	Increase	Decrease
Premiums	+ ve	- ve
Claims	- ve	+ ve
Brokerage & Commission	+ ve	- ve
Losses in Adjustments *	-ve	+ve

* This is the outstanding claims element of gross reserves.

N.B. There are separate buttons for the SL pack and the RI pack. The screen then allows you to 'Add new' adjustment, identify the adjustment type (e.g. Premium), enter

the year, risk code, state (SL only), reassured (RI only) and the amount of the adjustment. If you need to amend any adjustment you have already entered, highlight the required adjustment from the window and click on the 'Amend' button. The details will then appear on screen, after making the amendments, click on 'Save' or 'Undo' to ignore any changes made.

If you require a print of the adjustments you have made, go to the 'U/W. Adj' button on the *syndicate control screen* and click on the button 'Postings report'.

Updating fund movements on SLQ 2

Before following the points below you must ensure that you agree the allocation by year of account of the asset values at the quarter end on form SLQ 1 and line 12 of SLQ 2, as well as the allocation of gains and losses on securities on lines 7 and 8 of SLQ 2. If you do not agree these allocations please follow the notes regarding amending these details before updating the rest of form SLQ 2.

The figure for *net remittance/ (payment) re deficiency/ (surplus) on Trust fund* at line 10 has not been allocated across years of account. You MUST enter the figures for each year in the relevant white boxes. You may also change the overall total if you believe it to be incorrect (having entered the figure for each year recalculate the form and the new total will be shown).

You may also enter figures for *Other movements* at line 11 in order to make the reconciliation between the opening assets position and the year end figures agree. Until each column casts, a difference will be shown on the face of the data entry screen immediately above the field that shows the balance at the beginning of the year. Recalculating this individual form will also show any overall difference in the total column.

On a few occasions syndicates have made transfers after the year-end but before the filing date. These should be entered at line 15.

Once you have agreed all other details on this form click the 'Apply % and set to balance' button on screen. This will then complete line 16 for remaining balance *to be made*.

N.B. For SL packs only. The provisions of the new trust deeds do not ordinarily permit a withdrawal from the SLTF which would leave the remaining assets in the trust fund at less than 50% of the previous quarter's TFMA. If the total withdrawal you enter on the pack would leave insufficient assets this will be flagged as a major warning and you should amend any withdrawal accordingly, or advise Market Reporting who will give the required notice. In some circumstances (e.g.: where for the SLTF, syndicates hold LOC's in excess of the required reserves) agents may choose not to release the full surplus back to the LDTF. In these cases you may key directly to line 16.

Releases from the situs trust fund are shown as negative on lines 15 and 16.

Before closing this form it should be recalculated to ensure that there are no remaining differences.

Alternative security (form RIQ 2)

Where a syndicate has provided alternative security to a reassured you must complete the memorandum note at the foot of RIQ 2. To do this select the 'memo assets' button towards the foot of the RIQ 2 screen, which opens a sub-screen. You may then enter the relevant details in the fields on screen and close the sub-screen. The default print does not show this note, but once you have entered any figures into the sub-screen the note will print. In respect of Run-off years this data must be entered on the year specific RIQ 2 in the fields available for this in the bottom right hand side of the form.

Amendments to Asset allocations

The system will allow you to amend the allocation by year of account of the asset values at the year end on form SLQ 1 and line 12 of SLQ 2 and the allocation of gains and losses on securities on lines 7 and 8 of SLQ 2. If you need to change the overall totals please follow the notes regarding amending these details before updating the allocations.

Click on the 'syndicate screen' button towards the bottom of the syndicate *control screen*.

The syndicate screen has tick boxes to 'allow manual year' allocation for each trust fund. Amendments cannot be made to the YOA allocations, unless boxes are ticked. Having ticked the box for the relevant trust fund close this screen and select form SLQ 1. You can now over key any of the figures where you are simply moving assets between years of account. As you change each number any differences will be shown on screen.

You must recalculate the form before closing it to ensure that there are no remaining differences. Failure to do so would result in any differences being adjusted for automatically within the 2003 year of account when the pack is recalculated. This may not give you the final figures you require, so it is essential that you eliminate any differences on this form prior to performing a pack recalculation.

Similarly you may amend the year allocation of realised and unrealised gains and losses on lines 7 and 8 of form SLQ 2 in the same way. These will always agree back to the figures in the total column, the balancing figure appearing in the 2003 column. It is best to recalculate on completing these two lines to ensure that you agree with the balance in the 2003 column.

Alternatively, it is possible to directly enter and automatically apply revised allocations by keying the revised percentage splits. Click on the 'syndicate screen' button and then the 'Citibank%' button. By clicking on the 'amend' tick box, it is possible to directly enter the revised allocation percentage splits. Note that the balancing amount is automatically calculated within the 2003 year of account. To save the changes click on 'ok', and, to apply to all other relevant schedules, recalculate the pack.

Accessing and amending Investment data

You can amend the asset values or gains and losses at the end of the year, and both the cash and investment data relating to the current reporting period.

To amend cash on hand and on deposit, select form SLQ 1 and on entering the form click on 'Allow Changes?' Click on the 'Enable change of Fund Total' button and enter the password obtained from Market Reporting. By increasing or decreasing the sub-total of cash and invested assets for all years of account at line 5, and following the recalculation of the form a corresponding increase or decrease in cash on hand and on deposit will be shown. By recalculating the pack the revised cash position will be allocated across all years of account in accordance with the current YOA allocations.

To amend investment data, Click on the 'Print: Inv. Summary button' for the relevant Trust Fund. The system defaults to the *movements* print, being the investment summary that has been sent to you with the preliminary packs in the past. This schedule may assist agents checking the details that appear in the packs.

To amend investment data, click on 'Investments'. A separate record is shown for each holding, giving all details which might appear in the quarterly or annual packs. Arrow buttons towards the right-hand side of the screen allow you to scroll through these records, or go straight to the first or last record. There are also 'browse' facilities that allow you to view several records in summary form at one time. You can also select a specific record by using the browse facility, clicking on the record you want and pressing the return key.

To amend a record, click on 'Amend?' All white fields are amendable ('Disposal Date', 'Purchaser', 'Consideration' and 'Disposal book value') with 'Profit/loss' (realised gain/loss) recalculated automatically where required. Note that book value at disposal equals cost for those assets acquired during the reporting period. For those assets owned at the end of the previous period it equals book value brought forward. Reference data items and previous quarter data (coloured blue) cannot be amended.

To create a new acquisition record, click on 'Add new'. A list then appears of all security details held from which the relevant record can be selected by double clicking on the line. Enter the acquisition details and click on 'Save'.

To create a new disposal record, locate the acquisition to be disposed. **NB:** disposals are matched to acquisitions in the following order:

- Purchases of the same security on the same day;
- Purchases of the same security within the previous 10 days; then
- Purchases prior to 10 days of the disposal on a First In First Out basis.

Where the units disposed equals the holding shown, click on 'Amend?' and enter the disposal details in the bottom section of the screen. Click on 'Save'.

To create a part disposal record, i.e., where the disposal units are less than the holding shown, click on 'Amend?' and then click on 'Part Disposal'. Enter the number of units disposed ('Market Value', 'Cost' and 'Statement Value' are automatically calculated). Enter 'Disposal Date', 'Purchaser' and 'Consideration'. Profit/loss on disposal is

calculated automatically. Click on 'OK' and answer yes or no to confirm disposal.

To create a disposal where the units exceed any one individual holding, will require disposal details to be entered against more than one record, with the consideration shown on a pro-rata basis.

To delete a record, click on 'Delete' and answer yes or no to proceed. To delete a disposal record, click on 'amend' and then click on 'Cancel Disposal'. Answer 'yes' to 'Cancel disposal and reinstate investment?' The original holding will automatically be reinstated.

To restore investment data, note that there is a facility to restore the investment data to the position when first loaded, effectively 'undoing' any changes to investment records. Click on 'Reset investments' on the *syndicate control screen* to restore the data. NB: undoes all changes you have made to investments within a particular pack, but there are separate buttons for the SL & RI packs.

Updating directors/partner

To amend the list of directors appearing on the Jurat page, form SLQ 0, select the 'syndicate screen' button towards the bottom of the *syndicate control screen*.

Press the *Amend directors* button on the syndicate screen to access the list, which can now be changed.

Please note that these details will be common for all packs managed by the same agency and it is only necessary to make the changes once.

The amend facility also allows you to flag where the agency is a partnership, to ensure the correct wording on the Jurat page.

Please remember to ensure that the entries on this list remain in alphabetical order.

Changing agent's address

The *syndicate screen* also has a button that will allow you to amend the agency address that will appear on the jurat page (SLQ/RIQ 0).

Updating contact details

To amend these details (which do not appear in the packs) select the 'syndicate screen' button towards the bottom of the *syndicate control screen*.

You can then over type the contact name and telephone number for the syndicate.

Note that you are also required to provide a facsimile number and Market Mail contact address for each syndicate. Until this information is entered, you will be unable to lock the pack and generate the final electronic download to Market Reporting.

Click on the close button to save the changes, or use the escape key to abandon them.

Calculation validation and rules

Once you have updated the pack, using the agent electronic system, each pack should be recalculated. To do this click on the 'Calc all' button under the list of forms for the relevant trust fund on the *syndicate control screen*. You will then be prompted to confirm that you wish to recalculate the pack. Once this is complete the fields immediately to the right of the 'Calc all' button will be updated to show the latest validation date, time, number of errors and number of warnings.

The agent system will require positive confirmation of a number of warning messages where these appear in agent's packs. Additionally, there should no longer be any circumstances where a pack should have to be returned showing error messages.

To find out what any remaining errors or warnings relate to you may print the control sheet using the appropriate button on the *syndicate control screen* (one for each trust fund to be found immediately above the fields showing the validation details).

The narrative for errors is self-explanatory, showing the nature of the error (such as 'trust fund does not cast'), the relevant form and line references and the figures that do not agree. Warnings usually arise when data is expected in a particular field but nothing is present, such as reserves for a year that has signed a trust deed. Warnings preceded by the wording 'MUST VERIFY' will require positive confirmation. Until this is done, the system will not permit the final electronic download to be created. To positively confirm the warnings, from the *syndicate control screen* click on the 'verify' button (the yellow box shows the current number of outstanding verifications required). Answer 'yes' to 'Verify validation rule warnings'. To verify a displayed warning click on the 'change verification?' tick box and type 'yes' in the 'enter yes to verify' white box.

Various informational messages are also shown on the control screen, such as where claims have been paid for a particular line of business for a state but no premiums have been received. This allows you to investigate them further should you deem them to be material.

A materiality factor has been built in to allow you to print a reduced list of validation messages on the control sheet. This restriction only applies to informational messages based on data that would appear on form 9 of the annual packs (the state pages). To apply the restriction select the tolerance level you require on the *syndicate control screen* prior to recalculating the pack. The system will automatically default to a \$500 tolerance, but you may select \$0 or \$1000 by clicking in the relevant marker.

Alternatively, you may mark the 'Show Rules' tick box on the *syndicate control screen* prior to calculating, in which case all rules will be shown on the control report, including those which were completed successfully.

Printing packs

The *syndicate control screen* also has buttons for each trust fund to allow you to print all forms, selected forms, investment data (see below), working schedules and (as mentioned above) the control sheet. **Agents should note that prior to the creation of the electronic update for return to Market Reporting all printed forms will appear with the word 'DRAFT'. The final pack for notarisation purposes, without the word 'DRAFT', will be automatically printed on creation of the electronic update.**

When using the 'selected' button a menu listing all available forms will be shown. Place the cursor in turn over each form you wish to print and double click so that a '+' sign appears to the left-hand side of the line. Select the 'OK' button to print, or 'cancel' to quit this screen.

The screen from which selected forms are printed also has a button that will allow you to print the cash transfer form. Please note that this no longer has pre-filled figures as syndicates now transfer securities as well as cash. However, you may populate the form via the 'Cash Transfer Form Details' button towards the bottom left of the screen or within the *syndicate screen* that has a 'Cash Transfer Form Details' button towards the top of the screen. Each applicable year of account per trust fund must be completed separately and the total amount due will appear in column D. By completing columns E, F and G the sum total that appears in H should agree to D. Any difference will appear on a red background to the right of H.

It is essential that you complete the cash transfer form details before locking the packs and creating the electronic versions to return to Market Reporting, as this data will be summarised and passed to Settlements and Trust Funds to assist them with the actual movement of cash.

Creating electronic downloads to return to Market Reporting

Once you have updated the packs as far as possible, eliminating all errors and verifying, where required, all warnings, electronic downloads must be created to return to Market Reporting. To do this both trust fund packs for a syndicate must be locked.

To lock a pack simply click on the 'Lock' button above the list of forms for that pack on the *syndicate control screen*. This will recalculate the pack and lock it. You cannot lock a pack without recalculating at this stage. Once locked the button will change to 'Unlock'. You cannot make further changes to a locked pack without first unlocking it. If you unlock a pack to perform further work on it you will be asked to re-select the syndicate.

Once both packs are locked the button on the syndicate control screen, which currently reads '<N/A>' will change to read 'Create Diskette'. By selecting this button the system creates the files which are to be returned to Market Reporting. The file will automatically be saved to a 'to Lloyds' folder the location of which will be advised to you on screen e.g. C:\Apps\US2003Q3\toLloyds\USR_#####.001.

Final electronic packs to agree to signed and notarised filings

Once you have created the electronic version of a syndicate's packs for return to Market Reporting you will not be able to unlock the packs (and make further amendments) without first obtaining a syndicate specific password from Market Reporting. This should reduce the possibility that the final filed version differs from the electronic submission that is used to compile the global return and the electronic version of each pack, which are filed with NYID.

Return to Market Reporting

Please **return** electronic updates for each syndicate via the Market Reporting web-site on L-Net.

The due dates are per the timetable issued on 8 September 2003:

31 October 2003 - Submission of electronic copy packs, by managing agents to Market Reporting (USRESREC forms should also be returned at this time); and

5 November 2003 – Final packs (notarised and signed) to be returned by managing agents to Market Reporting.

Please remember that the cash transfer forms are also due for submission to Settlements and Trust Funds on 3 November 2003 and will show a value date of 10 November 2003.

Lloyd's Syndicate Quarterly US Reporting Pack

Checklist for Managing Agents: Completion of US Surplus Lines/Reinsurance Pack

NB: The checklist has been prepared on the basis that there are no years of account in Run-off. Please contact Market Reporting if you have any specific questions concerning the completion of these forms.

Form	Adjustment/ action required	Completed?
SLQ/RIQ 0	Changes to directors/address, etc. should be made on this form, via the syndicate screen. Where an agent manages several syndicates, amendments need only be made once to the system and all jurat pages will then be updated.	
SLQ/RIQ 1	The Bonds and Short term investments figures will be allocated across YOAs and should agree in total to Citibank (market value). Citibank allocations have been used. If you choose not to use these click on allow manual year allocations, via the syndicate screen, and please advise Citibank.	
	Bonds plus Short-term investments must agree to form SLQ/RIQ 6M (Column 4, First Quarter Total).	
	Short term investments total must agree to form SLQ/RIQ 6J (Col 3, Statement Value) and form SLQ/RIQ 6K (Col 1, Book value, current year).	
	Total Cash figure for all YOAs should agree to Cash figure on your Citibank statement.	
SLQ/RIQ 2	Reserves must be calculated on the modified UK basis for 1995 to 2002 YOAs (see market bulletin Y748 of 4 December 1997 and Patricia Hakong's letters of 16 March and 1 April 1998). These must be disclosed (at 100% in all cases) on line 1 (via SLQ4/4a).	
	The reserves for the 2003 YOA are to be calculated in accordance with Patricia Hakong's letter of 1 April 1998 as the higher of total cumulative signed gross premiums (net of brokerage and commission) less cumulative gross paid claims, and total gross outstanding claims at the quarter end, unless it is already apparent that the ULR's will exceed 100%, in which case the reserves should be adjusted accordingly.	
	1995 to 2000 closed year reserves are to be included on line 1 against the year/syndicate which has assumed the RITC (i.e.: a total figure for the pure year and its assumed year is disclosed). The reserves for the pure year and the year that has closed will be shown separately on lines 6 and 7 of SLQ/RIQ 3.	
	Total Net realised capital gains/losses (line 7) must agree to total figures for profit/loss on disposals of both short and long term investments as detailed on forms SLQ/RIQ 6H and SLQ/RIQ 6K.	
	Total unrealised capital gains/losses (line 8) must agree to the total of column 4 on form SLQ/RIQ 6M. Both lines 7 and 8 will be allocated across years using Citibank allocations unless you determine otherwise.	
	Net remittance in quarter to cover deficiency / net (payment) in quarter to release surplus on Trust Fund (line 10) must be allocated by year of account and agree to end of last quarters transfers, plus any additional transfers which may have been made.	
	Balance at end of quarter (line 12) must agree to assets totals for each YOA on form SLQ/RIQ 1 - and you MUST ensure that this form casts.	
	Excess (18) for transfers not being made (i.e.: extra amounts retained within the situs trust fund packs).	

SLQ/RIQ 3	Any adjustments to premiums, paid losses or brokerage and commission must be made against the YOA affected, the relevant risk code, for SL relevant state and for RI appropriate reassured (via the USI screen).	
	Other than for YOAs that have closed, all figures are cumulative.	
SLQ/RIQ 4	This form relates to the pure year of account only and should not include data for YOAs where RITC has been assumed.	
	You MUST complete column 3 (Losses Unpaid Current Year), by line of business and column 5 (Losses incurred) must agree back to line 2 plus line 6 of SLQ/RIQ 3, i.e.: the reserves as calculated under the modified UK basis plus paid losses. The pre-filled data in the preliminary packs is for cumulative paid losses.	
SLQ/RIQ 4a	This form will be included in the pack for each year that has assumed the RITC of another YOA.	
	Premium data is fixed at the 36 months stage for each closed year. N.B. Losses paid on SLQ/RIQ4a does not agree to SLQ/RIQ3 as SLQ/RIQ3 is net of Premiums and Brokerage & Commission.	
	You MUST complete column 3 (Losses unpaid Current Year), by line of business and column 5 (Losses incurred) must agree back to line 3 (paid loss element only) plus 7 of SLQ/RIQ 3 i.e.: the reserves as calculated under the modified UK basis plus calendar year to date paid losses. The pre-filled data in the preliminary packs is for calendar year to date paid losses.	

RUN-OFF YEARS AND NATURALLY CLOSING OLDEST OPEN YEAR

Years of account in run-off now have separate SLQ/RIQ 1, 2 and 3 forms instead of the run-off analysis page. You will need to ensure that these forms have been completed accurately in the same way as the main form as they will now form part of the printed and notarised pack. The numbers entered in these fields will be aggregated in the 'Years of Account (Run-off)' column.

IN ADDITION TO THE ABOVE, MANAGING AGENTS ARE REMINDED THAT IT IS THEIR RESPONSIBILITY TO CHECK THE ACCURACY AND COMPLETENESS OF ALL INFORMATION WITHIN THE PACKS

PLEASE REMEMBER TO KEEP ANY COPIES OF THE PACKS YOU MAY REQUIRE.

PLEASE DO **NOT RETURN THIS SCHEDULE WITH YOUR PACKS**

Due to the volume of investment transactions we continue rely on Citibank electronic data in preparing the preliminary packs. You must therefore check the investments carefully to ensure that you agree the data. Investment data for the current period may be amended per the system instructions provided. Previous quarters' and reference data (blue fields on Maintenance Screen) cannot be amended. If changes to these items are required you should contact Market Reporting as soon as possible and at least 2 days in advance of the deadline for returning electronic updates. Please also note that the checklist has been prepared on the basis that there are no years of account in Run-off. Please contact Market Reporting if you have any specific questions relating to the completion of these forms.

Form	Action	Completed
SLQ/RIQ 1	Ensure asset valuation, by class of asset agrees to Citibank information (i.e.: split across rows of Bonds, Short-term Investments and Cash).	
	Citibank allocations have already been applied in these packs to split the assets across years of account (i.e.: across columns). Where you have to amend the figures in any way you may still apply the same proportions as Citibank. If you opt not to use the Citibank YOA allocations you are recommended to advise Citibank.	
	Agree assets to schedule D forms within pack - see SLQ/RIQ6 forms below. Amendments to the current reporting quarter's date can be made via the Investment Data Maintenance Screen.	
SLQ/RIQ 2	Ensure balance at the end of the quarter (line 12) agrees to SLQ/RIQ 1 in total and by year of account	
	Net realised capital gains or (losses) to equal SLQ/RIQ 6H columns 6 and 7 plus RIQ 6K column 1 lines 4 and 8	
	Total net unrealised capital gains or (losses) to agree to Col 4 SLQ/RIQ 6M. This figure is unrealised gains/losses on long-term bonds (not shown within the pack itself) plus those for short-term investments per column 1, lines 3 and 7 of SLQ/RIQ 6K.	
	Split net remittances (line 10) across years of account	
SLQ/RIQ 3	Please note that the figures for realised gains and losses on line 11 are cumulative so will not agree to line 7 of SLQ/RIQ 2, unless this is the first period in which realised gains and losses have been made for a particular YOA	
SLQ/RIQ 6G	Ensure actual cost does not include any accrued income purchased (NB: This schedule is for long-term bonds only)	
SLQ/RIQ 6H	Ensure details for those long-term bonds disposed of during the period but also acquired during the period agree to SLQ/RIQ 6G	
	Ensure data in column 6 and 7 is reflected in line 7 of SLQ/RIQ 2	
	Ensure book value on disposal is in line with definition at the end of this table	
SLQ/RIQ 6J	Ensure totals (book value and statement value) of short-term investments agree to line 3 of SLQ/RIQ 1 (NB: This schedule is for short-term investments only) and that it agrees to SLQ/RIQ 6K total (column 1, line 10)	
SLQ/RIQ 6K	Ensure Column 1 line 10 equals SLQ/RIQ 1 line 3 and SLQ/RIQ 6J totals	

SLQ/RIQ 6M	The total of column 4 must agree to the total of line 8 on SLQ/RIQ 2	
	The total of column 5 must equal the total of bonds and short-term investments on lines 1 and 3 of SLQ/RIQ 1	

General notes:

All investment data **must** be shown within the US Reporting Packs excluding accrued income purchased and sold. Managing agents should note that if, by virtue of non repatriation, interest is rolled up into the principal accounts of the relevant situs trust funds, these funds cannot at a later date be released from the trust fund other than via the TFMA mechanism.

Short-term investments within the reporting packs do NOT include cash or money market deposits.

Short-term investments are those with less than 1 year to maturity at the date of acquisition

Long-term bonds are those with 1 year or longer to maturity at the date of acquisition

Assets do not move between long-term and short-term as maturity approaches.

Other than in exceptional circumstances the Statement Value, Book Value and Market Value of securities will be equal.

Book value at disposal equals cost for those assets acquired during the reporting period. For those assets owned at the end of the previous period it equals book value brought forward.

The disposal value of securities transferred out of the LDTF, CRTF and SLTF are shown at the market values prevailing on the transfer day (as are the cost of any securities transferred into these Trust Funds).

Disposals are to be matched to acquisitions in the following order:

Purchases of the same security on the same day

Purchases of the same security within the previous 10 days

Purchases prior to 10 days of the disposal on a First In First Out basis.