

FROM: Head of Market Reporting
LOCATION: MR/86/G5
EXTENSION: 5129
DATE: 20 October 2003
REFERENCE: **Y3168**
SUBJECT: SCHEDULE 9A REPORTING FOR CORPORATE MEMBERS
SUBJECT AREA(S):
ATTACHMENTS: Yes
ACTION POINTS: **Corporate members invited to subscribe to Lloyd's Central Schedule 9A facility**
DEADLINE: **Applications to be received by 5 December 2003**

Corporate members are required to prepare their accounts in accordance with Schedule 9A to the Companies Act 1985, the format used by insurance companies, rather than in accordance with Schedule 4 to that Act.

Lloyd's central Schedule 9A facility

In order for corporate members to be able to prepare their accounts in accordance with Schedule 9A they require certain information which is not available in the syndicate accounts, syndicate return or syndicate quarterly return. Therefore, to assist corporate members to prepare their statutory accounts, Lloyd's will again operate a central facility whereby information will be collected in Schedule 9A format in respect of each syndicate from managing agents (in the supplementary syndicate return), process it and then make it available to relevant corporate members in the form of a statement reflecting that member's syndicate participations.

Supplementary syndicate return

Managing agents are required to prepare and submit to Lloyd's a supplementary syndicate return as prescribed under the Syndicate Accounting Byelaw (No. 18 of 1994) as amended, in respect of each syndicate managed by it unless it has been granted an exemption. The circumstances in which such an exemption may be granted include, for example, where there is no corporate participation on the syndicate for any year of account, where the capacity for each year of account was fully subscribed to by a single corporate member or where the managing agent is able to confirm that no supplementary syndicate return is required because it is aware that no corporate member participating on that syndicate for any year will be subscribing to the Lloyd's central schedule 9A facility. Thus, the schedule 9A statement sent to corporate members will contain data concerning their participations on all syndicate years except those where no supplementary syndicate return has been prepared. In addition, Lloyd's cannot guarantee to include data relating to any syndicate where the supplementary syndicate return has not been submitted to Lloyd's by the prescribed date, ie. 26 February 2004, although so far as possible every effort will be made to include such data.

Provision of data to corporate members

Once the supplementary syndicate returns have been submitted, Lloyd's will process and validate the data then apportion the data in respect of each syndicate year for which a return has been made (see above regarding nil returns or late returns) in accordance with each corporate member's participation on the syndicate year concerned. The individual and the aggregated position of all syndicate participations in respect of which supplementary syndicate returns have been made prior to the deadline will then be made available to each corporate member which has subscribed to this service. Copies of the hard copy returns (excluding the section on personal expenses) will be made available to corporate members on request. Copies of managing agents' and auditors' reports will also be provided to the relevant corporate members.

It is currently envisaged that the data will be made available to subscribing corporate members by no later than Friday 26 March 2004.

Fees

Each corporate member that wishes to subscribe to this service is required to pay a fee as prescribed under the Syndicate Accounting Byelaw (No. 18 of 1994) as amended. This fee is calculated by reference to the highest overall premium limit (OPL) of the corporate member concerned and number of syndicates (disregarding syndicate years of account for this purpose) in which the corporate member participates.

The prescribed fees for the 2003 facility are set out below and vary according to the size (in terms of the OPL) of the corporate member. The fees are unchanged from last year.

OPL for member*	Fee per syndicate participation**	Maximum fee**
£15,000,001 or greater	£125.00	£3,750.00
£10,000,001 to £15,000,000	£100.00	£3,000.00
£5,000,001 to £10,000,000	£70.00	£2,100.00
£2,000,001 to £5,000,000	£35.00	£1,050.00
£2,000,000 or less	£35.00	£700.00
Member participating on 2000 or prior run-off years only	£35.00	£700.00

* OPL is defined as the highest OPL written for any of the last three years of account (ie. 2001 to 2003 years of account).

** Fees are calculated per syndicate (not syndicate year) participation and are exclusive of VAT at 17.5%.

Payment of fees

On making a request for a Schedule 9A statement, a corporate member is required to make a payment of **£822.50 (this is £700 plus VAT)** on account of the fees due to the Society for that statement. In respect of any member for which the total fee ultimately payable is less than this sum, the total amount (including VAT) chargeable to that member must be remitted on application.

Scottish Limited Partnerships

For the avoidance of any doubt, it should be noted that **Scottish Limited Partnerships do not have to prepare accounts in accordance with Schedule 9A to the Companies Act 1985**, and accordingly should not subscribe to this facility.

Annual accounting information

Please be advised that Lloyd's will not be providing a central facility to provide corporate members with annual accounting information. The limited number of spread corporate members which may need this information are asked to contact the managing agents of the syndicates which they support regarding such information, directly.

Deadline

Corporate members wishing to subscribe to this service are asked to complete the attached application form and return the completed form together with a cheque for £822.50 (or the total fee, including VAT, if less) payable to the Corporation of Lloyd's. The completed application form and payment on account must be sent to Market Reporting **by no later than 5 December 2003**.

If you have any queries on this bulletin, please contact Vicki Riley on extension 6317 or Paul Appleton on extension 6433.

This bulletin is being sent to all corporate members of Lloyd's, licensed advisers and members' agents, and for information to managing agents and recognised accountants.

John Parry

SCHEDULE 9A REPORTING FOR CORPORATE MEMBERS
LLOYD'S CENTRAL FACILITY
31 DECEMBER 2003

Corporate Member: _____

Member number: _____

Address to which output is to be sent:

Contact name: _____

Telephone: _____

Please tick appropriate box:

I confirm that I **will** require Schedule 9A data provided by Lloyd's Central Facility. I enclose a cheque for £822.50 (or the total fee payable, including VAT, if less) payable to The Corporation of Lloyd's, being the deposit required against the amount to be charged for the provision of this data by Lloyd's.

Or

I confirm that I **will not** require Schedule 9A data provided by Lloyd's Central Facility.

Signed: _____

Name: _____

Position: _____

Date: _____

**Please return to Vicki Riley, Market Reporting, Gallery 5, Lloyd's 1986
Building, Lime Street, London EC3M 7HA**

by no later than Friday 5 December 2003

'No' responses may be faxed on 020 7327 6178 or 020 7327 5686