

FROM: Director, Worldwide Markets
LOCATION: G12
EXTENSION: 5998
DATE: 14 November 2003
REFERENCE: Y3184
SUBJECT: **SWITZERLAND: BOUND ASSETS**
SUBJECT AREA(S): To inform underwriters that the collection of the 2004 Swiss reserves will be calculated in relation to outstanding Swiss claims and premium income in 2003
ACTION POINTS: **To note contents**
DEADLINE: **Immediate**

Underwriters who have written Swiss business in 2003 are reminded that the annual collection of Swiss technical reserves (known as "Bound Assets") to be made by Additional Securities Limited in late-March 2004, will be calculated on the basis of syndicates' Swiss premium income recorded in 2003 and outstanding claims as at 31 December 2003.

Lloyd's Swiss office, Zurich ("LSO") will calculate the total liabilities as at 31 December 2003 and the corresponding amount of Bound Assets. LSO uses *inter alia*, outstanding claims supplied by XChanging Claims Services ("XCS"). The amount of Bound Assets will be collected from syndicates and transferred to Lloyd's trust accounts in Switzerland.

All Swiss claims for all years of account recorded by XCS as still outstanding at the close of business on Friday 19 December 2003 will form part of the calculation of Bound Assets to be collected from syndicates in late-March 2004. However, these claims must be submitted to XCS before **Monday 15 December 2003** to be processed.

Underwriters are therefore reminded of the importance of submitting claims for settlement by this deadline, to avoid the possibility of paid claims being treated as still outstanding for Swiss regulatory purposes. Despite the 15 December deadline, claims paid between 14 December and 31 December 2003 may still be taken into account if a syndicate so wishes. Should a syndicate wish to reduce its funding obligations in this way, it should report full details of the claim(s) being paid, directly to Lloyd's Swiss Office in Zurich.

Section 8 (“Technical Reserves”) of Lloyd’s Business Procedures Manual for Switzerland provides further information on this subject. Should you require additional information, you may contact:

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