

FROM: Manager, Overseas Reporting, Market Reporting
LOCATION: MR/86/G5
EXTENSION: 5490
DATE: 5 December 2003
REFERENCE: Y3202
SUBJECT: CANADIAN REGULATORY REPORTING
SUBJECT AREA: LCTF Reporting
ATTACHMENTS: None
ACTION POINTS: **Please note the contents and copy to relevant personnel**
DEADLINE:

The purpose of this bulletin is to confirm the timetable and other arrangements in respect of the submission of the year-end 2003 Canadian Reporting packs to the Canadian Regulators (OSFI).

Timetable for 31 December 2003 reporting exercise

The annual returns must be filed with OSFI within 60 days of the year-end. Agents are reminded that this deadline must be met in order to ensure that Lloyd's fulfils its Canadian reporting requirements. The timetable for this filing exercise is detailed below:

| | <u>Key Date</u> |
|--|-------------------------|
| Hard copy cash and investment data available to Managing Agents on request. | Friday 16 January 2004 |
| Provision of preliminary electronic packs by MR to managing agents via the MR web-site. <u>Agents should download their packs and supporting documentation from the web-site.</u> | Friday 30 January 2004 |
| Submission of amended electronic packs by managing agents to MR. | Monday 16 February 2004 |
| Final aggregated P&C-2 to be sent to Canada by MR | Friday 20 February 2004 |
| Cash movement instructions to be returned to David Whitby, Settlements & Trust Funds, CH/L4, for value date 12 March 2004. <u>There will be a £50 charge for the additional work required for instructions submitted after 5 March.</u> | Friday 5 March 2004 |

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 MR sufficient time to revert to you with the answers. This is particularly relevant where queries relate to Royal Trust investment and cash balances or where, in extremis, an adjustment is required which cannot be made to the electronic packs which agents are updating.

Canadian Reporting Instructions:

Detailed instructions will be provided with the preliminary packs. You are reminded that individual syndicate level data is aggregated and used in a single Lloyd's filing made to OSFI for the entire market.

Although individual syndicate level packs are not filed, it is important that agents check the accuracy of the data in the preliminary packs. This is to ensure the accuracy of the market's consolidated filing and also the accuracy of the basis of the funding which syndicates must maintain in the Lloyd's Canadian Trust Fund and the Margin Fund.

The key steps to be taken are:

1. Check the quarterly underwriting transactions.
2. Check the cash and investment flow schedules.
3. Review the reserves figures.
4. Check the asset (RTC) balances.
5. Enter any permissible reinsurance recoverables.
6. Submit update to MR.
7. Fund the LCTF and the Margin Fund.

Reinsurance Recoverables

Documentation relating to permissible reinsurance recoverables should be sent to Stella Farrar (see below) on or before Friday 13 February. Please note that there have been occasions where this documentation has not been provided and that in future **this may lead to a disallowance of the credit** which has been taken for the recoverable. The relevant form for this documentation can be found at Appendix 1 of Market Bulletin Y2529. As this element of the filing may be audited at syndicate level, fuller guidance will be provided when the packs are issued.

Questions relating to reserving should be addressed to Ian Shires (Ext 5684, E-mail address "ian.shires@lloyds.com") by close of business on Wednesday 11 February at the latest.

This bulletin has been sent to all Compliance Officers of the managing agents.

If you have any queries on the contents of this bulletin, please contact Stella Farrar (Ext 6734, E-mail address "stella.farrar@lloyds.com") or David Cokayne (Ext 6238, E-mail address "david.cokayne@lloyds.com").

Leslie Redmond