

Market Bulletin

LLOYD'S

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FROM: Head, Market Reporting
LOCATION: 86/GY5
EXTENSION: 5129
DATE: 11 February 2004
REFERENCE: Y3250
SUBJECT: FRANCHISE QUARTERLY MONITORING
ATTACHMENTS: Two
ACTION POINTS:

1. Note detailed guidance notes for the Quarterly Monitoring Return (QMR) and Premium Income Monitoring (PIM).
2. Note updated version of QMR / PIM forms.
3. Note the dates for the final use of the web based forms for the Direct Revenue Return (DRR), PIM and Reinsurance Debtors (RD) return.

DEADLINE: First QMR (Q1 2004) – 27 May 2004.

Please refer to Market Bulletin Y3178 of 11 November 2003.

The purpose of this bulletin is twofold.

1. Detailed Guidance Notes

Please find attached the detailed guidance notes for the QMR and the PIM. Although the detailed guidance notes will be incorporated into the software we are providing them to you now so that you are able to gain as full an understanding of the forms as possible ahead of their delivery. The updated versions of the QMR and PIM forms are attached for information (NB mock-up in Excel).

Please note that the PIM software will now be delivered as a separate front end to the QMR. Both the QMR and PIM front ends will read/write data from/to a single back end database. The QMR front end form numbering is slightly different to that previously seen given that the PIM forms have been removed from the QMR front end.

2. Dates for the Final Use of Web Based Forms

The web based forms currently in use for the PIM, DRR and RD return will be withdrawn as follows:

Form Name	Last Use	Issue Date (by Lloyd's)	Deadline for Return
DRR	Q4 2003	Early March 2004	Thursday 25 March 2004
RD Return			
PIM	March 2004	Early April 2004	Monday 12 April 2004

Please note that Q4 2003 will be the last submission of the SQR. The deadline for this is 25 March 2004.

If you have any queries about the content of this bulletin please contact Robert Smith (020 7327 5459 or robert.smith@lloyds.com).

This bulletin has been sent to all Managing Agents and to Members' Agents and Market Associations for information.

John Parry
Head, Market Reporting

APPENDIX 1

QMR GUIDANCE NOTES

General

Please provide any comments, in respect of any form, in the syndicate comments form (19.0).

All figures are to be entered in thousands.

Some forms require a Sterling, US dollar, Canadian dollar split. In these cases the software calculates the converted sterling amount using the current exchange rates. Any currency amounts, other than US\$ and Can\$, should be converted to sterling and reported as part of the sterling figure.

In other forms the figures to be reported are the converted sterling amounts.

Initialisation data

Earliest year

The year reported in this cell will be used by the software to assist in identifying the QMR forms to be completed by the syndicate.

The year to be input will normally be the later of the first year of account for which the syndicate commenced underwriting and 1993 (this includes life syndicates). However, where a relatively new syndicate accepts the RITC of an older syndicate, then the earliest year will be the later of the first year of account for which the older syndicate commenced underwriting and 1993.

By way of example, if a syndicate commenced underwriting for the 2001 year of account, then 2001 would be the year reported in the “earliest year” cell. However, if the syndicate subsequently accepts the RITC of another syndicate which had commenced in 1985, the figure to be reported in the “earliest year” cell will be 1993.

Orphan syndicate

The purpose of this box is to enable the software to identify whether the syndicate is required to complete QMR forms 13 to 19. The box should only be ticked if the syndicate has no natural successor to accept the RITC of its last year and is being monitored by the Lloyd’s Run-Off team. Where the Managing Agent is unsure of the status of the syndicate please contact the Open Years and run-off department (peter.spencer@lloyds.com).

Capacity

The capacities to be entered are those for all years of account that are currently open and syndicate years that are closing at the reporting date.

Form 1 - Summary Underwriting Account

- Please complete for naturally open years on a pure year basis.
- Point estimate forecasts are required at each quarter from Q1.
- Please provide best and worst case expectations where indicated - we would expect the range to be in the region of 2.5% of capacity either side of the point estimate.
- Please provide any comments in the Syndicate Comments Form (19.0)

Form 1 should be completed on a pure year of account basis for all naturally open years. At quarter 4 this includes the year closing at 36 months i.e. at 31 December 2004, please complete for 2002, 2003 and 2004 years of account.

Form 1 reports details of the balances on the pure underwriting years of account by individual currency. All entries should relate to the pure underwriting year only and should be cumulative figures to date. The figures reported for a year at the 12th quarter should not include the RITC. Premiums and claims transactions in respect of `closed` years should be included in Form 3. Any currency amounts, other than US\$ and Can\$, should be converted to sterling and reported as part of the sterling figure.

The following notes are split into two sections, those relating to the cumulative underwriting account columns (1 to 4) and those relating to the projection columns (5 to 7).

Where a syndicate has written third party RITC business during the current year of account, the premium should be included within Form 1 as well as quantified in the PIM return by line of business. Claims and reserves relating to such third party RITC business must, however, be included in Form 3 AND NOT Form 1. On Form 3 the reserves retained and the calendar year claims movement for such RITC business must be allocated to the original underwriting year being reinsured, i.e. if a syndicate accepts the RITC of an orphan 1993 year during Q2 then Form 3 at Q2 and for subsequent quarters should include within the 1993 pure year the reserves retained and the claims movements relating to this RITC. In this example, the total pure year reserves reported on Form 3 will appear to increase between Q1 & Q2, however this treatment will avoid distortion in aggregate pure year data for the market as a whole.

Underwriting account columns (1 to 4)

Line 1 Gross written premiums should be entered gross of all brokerage and commissions. The amount should be calculated based on the agent's best estimate of the ultimate gross premiums arising on business transacted to date, including the full expected amount to be bound under binders and lineslips. It is not to be completed on the UK GAAP basis, which would only recognise premiums arising on underlying risks which have attached to date. This is not an estimate of the ultimate premium on the year of account (see column 6).

The total should agree to the quarterly PIM which is submitted 10 days after the relevant quarter end for the most recent year of account. If estimates of written premiums have materially changed from the PIM submission please re-submit the PIM form to ensure this reconciles to the Summary Underwriting Account.

Line 5 Written reinsurance ceded to QQS should be calculated based on the agent's best estimate of the amount to be ceded to QQS reinsurers in respect of business written to date. The percentage cession (where variable) should be based on agent's best estimate of the ultimate proportion to be ceded. i.e. where QQS reinsurance has been placed, but the amount ceded depends on the actual full year written premium, the expected ceded percentage should be used as the reinsurance written, not a nil cession until actual written premiums exceed the minimum.

All reinsurance should be based on gross premiums net of brokerage. Do not use UK GAAP which would assign the relevant proportion of brokerage and commissions deducted from gross premiums to the QQS reinsurer. The full amount of brokerage and commissions remains stated on Line 2.

Reinsurance (including qualifying quota share reinsurance) premiums and recoveries should include accruals at the quarter end and be net of bad debt provisions and write offs.

Lines When signed gross premium is entered at line 10 and signed reinsurance at line 11

4 and 8 the software will be able to calculate written but not signed gross premium (line 4) and written but not signed or accrued reinsurance (line 8).

Line 18 The investment return, investment income aggregated with appreciation / depreciation, are to be entered gross of investment expenses in line 18. Investment expenses are to be reported on line 20.

Line 21 Profits or losses on exchange should arise only on settled transactions in the period to date.

Line 22 Balances on currency accounts ('conversion accounts') should be entered on the 'Currency purchases(sales)' line.

Line 23 The personal expenses figure will be actual, cumulative to date, exclusive of Members' Agents' fees. Members' Agents' fees are to be reported separately on line 24.

Line 25 The overall balance after personal expenses should agree to the balance shown on Form 2 for each underwriting year.

Lines IBNR claims on written premium (solvency)
30-34

This section is only to be completed for the youngest naturally open year at 3, 6 and 9 months. This section will enable Lloyd's to calculate a continuous solvency position for members, including the performance of the youngest open year based on written premiums to date.

The figures entered should not be the ultimate claims and recoveries expected on the full year's premium – they should only be based on the premiums written to date and entered on Line 1.

These figures will be confidential to Lloyd's and not released to any third parties.

Latest full year forecasts (Column 5 to 7)

Column 6 requires a point estimate of the agent's full year result to 36 months. These figures are to be prepared for all naturally open years from month 3 onwards. These figures will enable the Franchise Directorate to monitor and review where forecasts diverge from agent's business plan assumptions as actual experience refreshes initial estimates. The Franchise Directorate wish the point estimate to be the agent's best estimate of the ultimate result, with a 50% chance of the result being better or worse.

The figures in column 6 will be confidential to Lloyd's and not released to any third parties.

The best/worst case projections in columns 5 and 7 are to be completed from the 18th month of development of a year of account and then quarterly until, and including, the 36th month of development. These figures will form the projection that is released to Members' Agents and made public through the Stock Exchange (i.e. the best case/worst case result, line 54, as a percentage of capacity for the relevant year of account).

The best/worst case projections in columns 5 and 7 are intended to give Members' Agents and corporate investors, estimates of the projected results of an underwriting year of account. Managing Agents are reminded that they, and Lloyd's centrally, are increasingly being judged, not only by the results of their syndicates but also by the quality of their projections. The projections should be subject to reasonableness tests that should include, where possible, peer comparisons.

Personal expenses, line 46, should represent the Managing Agent's projection of total aggregate personal expenses, at the 36th month. Members' Agents' fees must also be included on line 47. Where previous years have made/are projected to make, a loss, the profit commission within personal expenses should take account of the deficit clauses, which apply at whole account level, not member by member level.

The pure year underwriting result (line 52) will default to 2.5% of capacity either side of the point estimate calculated in Column 6. Agents may override this with their own range, and may elect to have a range, where the point estimate sits outside. The Franchise Directorate wish the point estimate to be the agent's best estimate of the ultimate result, with a 50% chance of the result being better or worse, which may, at an early stage in the year's development be different to the information an agent wishes to publicly disclose. Lines 41-47 will default to the actual figures reported in Column 6 (i.e. no range), but the agent may override these figures if a range is required e.g. personal expenses re Managing Agent profit commission.

Projections for prior year figures, line 54, should be made at the 27th, 30th and 33rd months of a year of account. However, where the year of account has accepted the RITC of another year of account at an earlier stage via third party RITC, then prior year projections should also be made. These projections, prior to the 18 month stage, will be confidential to Lloyd's and not released to third parties.

When completed at the 36th month, the figures in line 55, columns 5 and 7, must agree with that in column 6, i.e. there is no range. These figures must also agree to the results in the syndicate accounts. All figures will relate to the pure year of account except for the prior year underwriting result: this will reflect the movement in the RITC in and out for the prior years. This disclosure applies whether the syndicate is closing at the 36th month or is going into run-off. If agents wish to comment on a range for the 36th month "result" of a run-off year they may do so in Form 19.

Form 2 – Balance Sheet

- Please provide any comments in the Syndicate Comments Form (19.0)

Line 1 The amounts to be reported under regulated funds must include all cash and investments held within regulated funds. For the purpose of this form "Regulated funds" includes cash and investments in

- (a) Lloyd's American Trust Fund
- (b) Credit for reinsurance trust fund
- (c) Surplus lines trust fund
- (d) Lloyd's regulated Canadian trust fund
- (e) Underwriters' advances in Illinois
- (f) Joint asset trust fund
- (g) Kentucky trust fund
- (h) Lloyd's South Africa trust fund
- (i) Lloyd's Australian trust fund
- (j) Overseas deposits (ASL)

Line 2 The amounts to be reported under "Free funds" are the balances of cash and investments not reported in line 1.

Line 4 Reinsurance recoveries due but not received must agree to the amounts reported on Form 8 (reinsurance recoverables) net of bad debt provisions i.e. column I less column P. The amounts should be shown net of reinstatement premiums payable to reinsurers.

Line 6 Other Debtors should include any cash call amount that has fallen due but has not yet been paid (see related notes on line 9 and 12 with regard to cash calls).

Line 9 Bank overdrafts should be included under other creditors. This line should also include the total amount of any cash calls that have been made on years of account at 36 months or less.

Lines Open year balances

12 etc For each underwriting year at 36 months or less, open year balances after personal expenses should agree to line 25 of Form 1 (all four columns).

For each underwriting year at more than 36 months, the open year balances, by currency, must be entered into the form. The balance to be entered must exclude any relevant amount that is included in line 21 of the balance sheet (see note

below) and must also be stated after accounting for any and all cash calls that have been made for that year of account.

Line 21 The "Balance of RITC b/fwd" is derived from Form 3, the RITC b/fwd sub total, (line 8), less the Settled In the Year subtotal (line 15). This is the total for all open years that have accepted RITC.

Form 3 – Reserving

- Please complete on a pure year of account basis.
- Reinsurance recoverables should be net of bad debt provisions and write-offs.
- Please provide any comments in the Syndicate Comments Form (19.0)

The purpose of this form is to monitor the development of `old` years (i.e. which have all passed the 36 month of development). All movements on all closed and run-off years should be included in this form including, for example, old year reinstatement premiums.

The form is to be completed by underlying pure year. Where a year has accepted a RITC as third party RITC, the performance of the underlying years reinsured should be reported here. Syndicates will not have to complete a separate form for each naturally open year that has accepted prior year reserves. E.g. where the 2002 year has reinsured 2001 & prior in the normal way and the 2003 year has written a third party RITC, the figures for any reinsured pure year, e.g. 1999, must be combined on this form, even though the reinsuring year of account is different.

The form is to be completed in Sterling, US\$ and Canadian \$. The RITC b/fwd, lines 1 to 8, represents amounts brought forward at the beginning of the calendar year. For column 4, the software will reconvert U.S. and Canadian dollars amounts to sterling from the previous year end exchange rates to the current period end rate.

Where the amount retained brought forward includes specific provisions for expenses and/or investment expenses these should be shown separately on line 7. Otherwise this line should be left blank.

Additional disclosure is required each quarter of the gross and net IBNR estimates (lines 21 and 22). This will enable Franchise Directorate to monitor and review agents' estimates of prior year movements and the market level development by pure year. These estimates and the consequent calculation of a prior year underwriting result, gross and net, will be confidential to Lloyd's and not released to any third parties.

Form 4 – Syndicate Operating Expenses

- Please provide any comments in the Syndicate Comments Form (19.0)

The form is to be completed for all years of account combined, including all years of account that have passed the 36 month stage but have not yet closed.

Lines 1 to 10 must be completed. Where the amount of “other expenses” is material, i.e. greater than 5% of total expenses, the drop down box should be used to allocate the amount among the various sub-categories.

Where an element of syndicate expenses are re-allocated to gross claims as unallocated claims handling expenses, the individual expense category should be completed gross of the transfer, with the re-allocation amount shown as a credit in other expenses.

Where overriding commission in respect of QQS reinsurance is credited against syndicate expenses, these amounts should be recorded in line 13. Entries on lines 13 and 14 should be made as positive values. The software will then deduct them from the total of expenses to arrive line 16, total expenses.

Line 17 represents contractual fees payable to the run-off manager.

Form 5 – Major Losses

- Please provide gross and net loss information for the top 10 named losses, plus any material losses to the syndicate.
- Data should be supplied for all 3 accounting currencies and over all years of account affected.
- Please provide any comments in the Syndicate Comments Form (19.0)

This Form is intended to focus on the losses on the current years but it should also report any material losses on closed years where there is still significant movement. The losses which are required to be reported on this form cover the current and previous three years of account and meeting the following criteria:

- i) All losses which are material to a syndicate (see below).
- ii) The top 10 losses which have been given a catastrophe code by XCS must be included on Form 5, even where this entry is a 'nil return'. These losses will be advised by market bulletin from Market Reporting soon after the close of the relevant quarter.

A material loss to a syndicate must be included on this form. The MSU should be advised of any new material losses that do not have a code issued by XCS: the MSU will then provide a code for use in the QMR.

A loss is normally regarded as material to a syndicate if the "Incurred Gross Loss" or the "Estimated Ultimate Net Loss" exceeds 5% and 1% respectively of the syndicate's capacity for the relevant year of account. In the majority of cases, however, the Managing Agent's judgement will determine whether the loss is material to the syndicate.

Details of gross paid, gross outstanding, gross IBNR and net ultimate loss are required to be completed by major currency.

The estimated ultimate net loss represents the net cost to the syndicate, i.e. including reinstatement premiums payable and receivable, co-reinsurance payable etc but should not take account of the potential impact of any whole account stop loss. Comments on the potential impact of whole account stop loss should be provided within the comments form.

Where a material loss affects more than one underwriting year, the amount of the loss for each relevant year of account should be separately disclosed.

The losses may be entered in any order. The software will then report the losses with the youngest first and finishing with the oldest.

Form 6 – Cashflow Summary

- Some data items such as line 4 or lines 10 to 13 may be positive or negative. Please refer to field description for signage.
- Please provide any comments in the Syndicate Comments Form (19.0)

Line 1 Opening free funds should be retranslated at the current quarter end exchange rates. These figures will, therefore, differ from the closing free funds reported in the previous quarter due to exchange differences.

Line 15 Closing free funds should agree to the converted sterling amount of free funds reported in the balance sheet, Form 2, column 4, line 2.

Form 7 - Trust Fund Analysis

- Figures should be provided in Sterling £ '000s using the Quarter End conversion rates.
- Cash amounts should include Money Market Deposits.
- Please avoid any double counting of assets on this form.
- Please provide any comments in the Syndicate Comments Form (19.0)

This form replaces SQR form 16 and now includes an analysis of the Canadian Margin Trust Fund as well as a separate analysis for the US Situs Joint Asset Trust Funds.

The balances of all Trust Funds should reflect the position as at the end of the most recent quarter in Sterling equivalent.

To allow comparable returns please ensure that the total of trust fund assets is consistent with the return for form 2, subject to reconciliation regarding letters of credit. For the avoidance of doubt, solely for the purpose of this form please split funds as described below.

- Lloyd's Canadian Trust Funds (USD and CAD)
- Credit for Re-insurance Trust Fund
- Surplus Lines Trust Fund
- Credit for Re-insurance Joint Asset Trust Fund
- Surplus Lines Joint Asset Trust Fund
- Canadian Margin Trust Fund
- Illinois Trust Fund
- Kentucky Trust Fund (inc. Joint Asset Trust Funds)
- Lloyd's American Trust Fund
- Lloyd's South Africa Trust Funds (inc. transitional Funds)
- Lloyd's Australian Trust Funds (inc. Joint Asset Trust Funds)
- Lloyd's Dollar Trust Fund
- Sterling Premium Trust funds (to including other Funds i.e. ASL, LJI, and Royal Trust Canadian PTF/non reg.)

No breakdown of Lloyd's centrally managed assets is required. This will be calculated by the central underlying ratio.

Form 8 – Reinsurance Recoverables

- Please provide details of reinsurance recoverables and bad debt data position at the quarter end.
- All numbers in CNV£000's.
- Disputed recoverables should be clearly identified in the comment box.
- Please provide any comments in the Syndicate Comments Form (19.0)

General information

Data in this form does not need to be broken down by year of account; i.e. amounts should be aggregated by reinsurer rather than being shown on a year of account basis. The one exception is column D, premium ceded, where the only information required is for the current year of account.

De Minimis Provision: there is an aggregate requirement such that where the recoverable amount exceeds £10,000, a breakdown must be provided. Reinsurance recoverables which aggregate to under £10,000 may be shown as a single line under “de minimis”.

Affiliated reinsurers/split: For the purposes of this form, an affiliate is defined as an entity that is within the holding company system or a party that, directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with the syndicate. This split is likely to be more important for syndicates with capacity largely provided by corporate members. An affiliate includes a parent or subsidiary and partnerships, joint ventures, and limited liability companies. The software defaults each reinsurer entry to non-affiliate.

Control is defined as per the annual IID return, i.e. the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a person, whether through (a) the ownership of voting securities, (b) by contract other than a commercial contract for goods or non-management services, (c) by common management, or (d) otherwise. Control shall be presumed to exist if an insurer and its affiliates directly or indirectly, own, control, hold the power to vote, or hold proxies representing 10% or more of the voting interests of the entity.

The 10% ownership threshold shall be measured at the holding company level. For example, if one member of an affiliated group has a 5% interest in a company and a second member of the group has an 8% interest in the same company, the total interest is 13%, and therefore, each member of the affiliated group shall be presumed to have control. These presumptions can be overcome by predominant evidence to the contrary. However, they shall stand until overcome by such predominant contradictory evidence. An insurer with 10% or more of the voting interest shall evaluate all facts and circumstances relating to the investment and reach a judgement about whether the presumption of control is overcome. The corollary is required to demonstrate control when an insurer owns less than 10% of the voting interest of an investee.

Information per column

Columns A and B (LORS Code, name of reinsurer)

To select a reinsurer click on the drop down box in column B and start to type the reinsurer name until the relevant name is highlighted. This column includes the domicile of the reinsurer to assist in identifying the correct company. Alternatively click on the drop down box for LORS Code and enter the relevant LORS code. Where a reinsurer does not have a LORS code, enter "Other1" in the LORS code box. If a second reinsurer with an unknown LORS code is to be entered, enter "Other2". If a third reinsurer with an unknown LORS code is to be entered, enter "Other3".

Column C – Affiliates

The column defaults to N to indicate that the current reinsurer is not an affiliate (as defined above) of the syndicate. If the reinsurer is an affiliate of the syndicate then "Y" must be entered in this column.

Column D – Premium ceded

The premium ceded information required in this column is that in relation to the year of account at its 3, 6, 9 or 12 month stage. No premium ceded data is required in relation to any years of account that are at the 15 months or older stage of development. The data should agree to the premium ceded in the relevant year of account in Form 1, i.e. signed and accrued. Please note premium ceded figures should be entered as positive numbers unless they relate to return premiums receivable from reinsurers.

Columns E to I – Reinsurance recoverable before provision for bad debts, by age on gross paid losses

Enter into columns E to H the figures for reinsurance recoverables as at the period end on paid losses, split by the age of the debts as per the column headings. The figures to be entered are after reinstatement premiums, net of bad debts which have already been written off but gross of bad debt provisions. The total of column I, aggregated with that of column P, will agree to the total column of the "Conv£" line of "reinsurance recoveries due but not received" in Form 2. If this is not the case then a note should be included in Form 19 confirming the nature of the reconciling items.

Columns J & K- Reinsurance Recoverable on Unpaid Losses and IBNR

The reinsurance recoverable on reserves is split into the recoverables due on noted outstandings and in respect of IBNR. The information in respect of noted outstandings must be reported quarterly on all years of account combined, including the youngest year. Recoverables in respect of IBNR must be completed annually at 31 December only. The amounts should be disclosed after reinstatement premiums and net of bad debts that have already been written off. The associated bad debt provisions must be similarly analysed and reported.

Columns L to P – Provision for bad and doubtful debts on paid losses

Enter into cells L to O the figures for provisions for bad debts on reinsurance recoverables as at the period end on paid losses, split by the age of the underlying debts as per the cell headings. Where a “general” provision is made against a specific group of reinsurers, that provision should be split over those reinsurers. However, where a general provision is made against reinsurance debtors overall, then that provision should be included as a separate line called “general provision”. The relevant entry is included in the drop down box for column B, name of reinsurer.

The total figure in column P, aggregated with the total of column I, will agree to the total column of the “Conv£” line of “reinsurance recoveries due but not received” in Form 2.

Columns Q & R – Provision for bad and doubtful debts on unpaid losses and IBNR

The provision for bad and doubtful debts on reinsurance recoverable on reserves is split into that in respect of outstandings and in respect of IBNR. The provision relating to noted outstandings must be reported quarterly on all years of account combined, including the youngest year. Provisions on recoverables in respect of IBNR must be completed annually at 31 December only.

Column S – Legal right of off-set (amounts owed to reinsurer)

Enter into column S any amounts owed to a particular reinsurer which are considered to mitigate a large and/or old amount the reinsurer owes to the syndicate. This column has not been included to capture all amounts owed to reinsurers. It has been included because some agents have cited large amounts due to a reinsurer as being a factor in their decision as to whether or not there is a need to provide for a debt from the same reinsurer. Thus this column should only be used where the credit amount has a bearing on the need for a provision for bad debt on reinsurance recoverables on paid losses and unpaid losses and IBNR.

Column T – Collateral on hand to secure recoverable amounts

Insert any collateral (letters of credit, deposits or funds withheld) that secures paid and unpaid loss recoverables from an individual reinsurer.

Column U – Write-offs

Enter into this cell the amount of any debt that has already been written-off against the reinsurer in respect of any amounts recoverable.

Column V – Amount in dispute

If a dispute does exist with the company which may affect the recoverability of all or part of the balances shown then please enter the amount of recoverable in column I which is the subject of that dispute. A dispute exists, for the purposes of this disclosure, when the reinsurer has contested the validity of coverage, or the ceding or assuming insurer has initiated arbitration or otherwise instituted legal actions concerning any amount claimed to be recoverable.

Column W - Comments

Any comments on specific reinsurers should be included in Column W. General comments, including on any need for reconciliations, should be included in Form 19.

Form 9 – Reinsurance Creditors

- Please provide details of reinsurance creditors included within Ultimate Gross Claims estimates.
- All numbers in CNV£000's.
- This form is to be completed annually in Q1.
- Please provide any comments in the Syndicate Comments Form (19.0)

This form must be completed annually in the Q1 QMR submission due each May. The software will “close” Form 9 for the other three quarters of the year.

The LORS code identification by reassured and completion of the form is the same format as the reinsurance recoverable form 8, i.e. including the £10k de minimus provision.

The amounts to be included in this form are the syndicate’s outstanding and IBNR gross claims payable on its inwards reinsurance book at reassured level (these should be stated separately).

Form 10 - Direct Revenue Reporting

All entries should relate to the pure underwriting year only and should be cumulative figures to date.

Reporting in currency

Paid and incurred data should be submitted in the three main settlement currencies.

Line of business / Major Category

This field has been pre-populated with the lines of business and lines of business codes from the most recent of your business plan. Relevant cumulative paid and incurred claims data for each of the 2002 and onward years of account should be reported by these lines of business.

Ultimate Projections

The ULR and ultimate premium projections (gross and net of reinsurance) by class of business have been pre-populated with data from the most recent business plan, or any update thereafter. These should be updated to the latest estimate and the totals should agree with the year of account syndicate forecasts in the Summary Underwriting Account (Form 1).

Gross and Net

Under the terms of the CSG document, for the present, Franchisees' gross performance will be monitored by the Franchisor each quarter. Therefore completion of the gross information is compulsory. However, should agents wish to have net data benchmarked as well, we have ensured that the facility is available. Furthermore, we have incorporated a logical check within the form that warns against the entry of net data for any line of business exceeding its corresponding gross entry.

Totals

The totals of each column will be checked against the corresponding QMR form 1 totals for reasonableness. Whilst reconciliation to the last digit will NOT be required, we will expect agents to investigate and correct any obvious disparity.

Feedback

This data will also be used to provide Managing Agents with a quarterly report that compares the loss ratio development of each line of business for each year of account with the market average benchmarks for all of their syndicates.

Form 11 - Technical Account

- This form is to be completed for those years of account in run-off and additionally, for any naturally open years of Orphan syndicates only.
- Please complete the year to date and cumulative columns for each open run-off year of account. Orphan syndicates that have a year of account that has not yet reached its normal closing date must additionally complete the cumulative column only for that year of account.
- All year to date balances should be converted to Sterling using the exchange rates referred to in the title page. All cumulative figures should be stated as previously aggregated with the year to date balances, i.e. as per the Syndicate Return (see final paragraph under general for more information).
- Please state the key assumptions made and policies used in the Syndicate Comments form (19.0).
- Please provide any other comments in the Syndicate Comments Form (19.0)

General

The form collects calendar year to date data and cumulative data from the start of the year of account.

The calendar year data will be used to populate an equivalent of SQR Form 4 to be sent to members' agents etc. The forecast result will be used to project the calendar year result and used by Market Reporting in the continuous solvency calculations. The cumulative column is to be used in the central analysis of run-off years.

Orphan syndicates that have a year of account that has not yet reached its normal closing date must additionally complete the cumulative column for that year of account. The year to date column does not need to be completed for naturally open years of account. Syndicates that have an open run-off year but are not classified as "orphan" do not need to complete any information on Form 11 for their naturally open years: naturally open years should not appear in the drop down box for such syndicates.

The cumulative figures are to be aggregated in the same way as used in the syndicate return. Thus, for a year of account that is at its 57 month of development but has not yet closed the Combined Sterling figures will be determined as follows:

- (A) The figures for the first three years are effectively frozen at the rates at the end of 36th month;
- (B) the calendar year 4 movements are stated in combined sterling at the rates as at the end of the 48th month;
- (C) the calendar year 5 movements are stated in combined sterling at the rates as at the end of the 57th month; and
- (D) the cumulative result is then (A) + (B) + (C).

Gross Premium Written

This should be signed premiums received either for the calendar year or cumulatively from commencement of year of account.

Outwards Reinsurance Premiums

All reinsurance premiums that have been booked (signed and accrued).

RITC received

Actual RITC premium received by year of account to meet all liabilities of closing syndicate year. This figure should not be reduced as settlements are made.

Amount retained to meet all liabilities c/fwd and b/fwd

Gross Inwards IBNR and Outstandings - Gross Outwards IBNR and Outstandings – Premiums receivable + reinsurance premiums payable + Provision for future run-off expenses.

Profit or loss on exchange

Profits or losses on exchange should arise only on settled transactions in the period to date.

Best case

The Form 1 (Summary Underwriting Account) guidance notes are applicable although for Form 11 (Technical Account) they should be completed through to closure

Worst case

The Form 1 (Summary Underwriting Account) guidance notes are applicable although for Form 11 (Technical Account) they should be completed through to closure.

Form 12 - Closure and Cash Calls

- Please provide any comments in the Syndicate Comments Form (19.0)

Year of Account

Closure and cash call information should be provided for each open year of account.

Closure Dates

Date of expected closure of the syndicate year of account.

Main Obstacles that Could Affect Closure

The obstacles stated should only be those that actually prevents the closure of the syndicate year of account. The obstacles may be syndicate specific rather than market issues but must be significant. The obstacles should be clear (e.g risk of reserving deterioration would be too vague but Deterioration of PA book would be sufficient).

Maximum Gross Exposure

This should be the worst case gross exposure of the syndicate year of account for the specific obstacle.

Maximum Net Exposure

As with maximum gross exposure the worst case net exposure stated will be after all appropriate reinsurances and other recoveries.

Estimated quantum

This will be syndicate's best estimate of the likely outcome at a net level of the obstacle to closure.

Deadline for Resolution

The best estimate for the date by which the obstacle will be removed or resolved.

Cash Calls Update

- Please provide current quarter actual and a rolling forecast of cash calls for the next four quarters.
- Please provide the reasons for the stated cash calls in the Syndicate Comments form (19.0).
- Please provide any information with regard to cash flow issues and uncertainties in the Syndicate Comments form (19.0).

The figure entered in each quarter will be the sum of the cash calls (converted to Sterling) with a due date in that quarter. It should not show the actual expected settlement date from members and / or Lloyd's.

Form 13 - Exposures

Exposure to Outstanding Risks

- This template provides an analysis of the syndicate exposure of outstanding risks for the period.
- Facultative reinsurance: The extent of facultative reinsurance for the outstanding risks.
- This schedule should include exposure under delegated underwriting arrangements and long term contracts.
- Please provide any comments in the Syndicate Comments Form (19.0)

Risks at Commencement of Period

This should disclose the gross exposures that the syndicate has at the start of the reporting quarter.

Risks Removed by Agent

These are the exposures which have been either replaced or cancelled in the reporting period.

Facultative Reinsurance

This will be the extent to which the gross exposures at the end of the period have been facultatively reinsured. Therefore the amount shown will never exceed the closing gross exposure of the syndicate.

Delegated Authorities and Long Term Contracts

- Show the syndicate's number of delegated authority and long-term contract risks and their exposure.
- Delegated authority risks: should include consortia risks, lineslips, binding authorities and agency agreements.
- Long-term contract risks: contracts which last over 12 months or have a mandatory extension/renewal.

Long Term Contract Risks

Where a long term contract is written under a binding authority then the amount of the gross exposure should be disclosed under long term contract risks and not under Delegated authority risks. Therefore the sum of the delegated authority and long term contract gross exposures at the end of the period should never exceed the risks at the end of the period shown in 14.1 (1).

Form 14 - Loss Information

- Please provide gross and net loss information for all losses where the syndicate's gross share of the ultimate claim exceeds, or is expected to exceed, the equivalent of £1m where the syndicate leads.
- Please do not duplicate any of the data provided in 5.0.
- Data should be supplied for all 3 accounting currencies and over all years of account affected.
- All orphan syndicates to complete this form.
- Please provide any comments in the Syndicate Comments Form (19.0)

Loss No.

The Loss No. is provided by XCS or MSU to Managing Agents in respect of catastrophes and major losses.

Description

This should be a brief description of the event giving rise to the loss.

Year of Account

This is the Year of Account within which the loss falls.

Form 15 - Realistic Disaster Scenarios

- The scenarios reported in the QMR must be the same as those reported in the FPP.
- Please select from the drop down list where appropriate.
- Please provide any comments in the Syndicate Comments Form (19.0)

Market RDS' & other RDS'

The syndicate should complete specified scenarios. A second event should also be included. In addition the RDS' returned will include the other largest exposures not covered within the six to meet the minimum reporting requirements. Syndicates with no exposures to any of the mandatory scenarios must provide a nil return.

Form 16 - Premium Debtors and Unallocated Cash

- Please provide any comments in the Syndicate Comments Form (19.0)

Outstanding Aged Premium Debtors

- Please show the syndicate's premium debtors by age of balance.
- All balances should be converted to £ Sterling.

Unallocated Cash

- Please show the current balance of the syndicate's unallocated cash

Form 17 - Commutations

- Please complete this form for all syndicate commutations completed in the last quarter, in progress (up to and including signing of the contract) and planned.
- Any predictions for the future commutations should be based on targets.
- Please provide explanations for the developments and any material variances with the target results.
- Please provide any comments in the Syndicate Comments Form (19.0)

Inwards

Inwards should be ultimate. A breakdown of Inwards should be provided in the notes unless immaterial.

Name of Reinsurer

This should also be the name of the Cedent where appropriate.

Status at Present

Use reference numbers that are explained in the notes.

Form 18 - Reinsurance

- Please provide any comments in the Syndicate Comments Form (19.0)

Details of reinsurance that has been more than 90% utilised

This should be reinsurance utilised on an incurred basis and likely to become exhausted in the foreseeable future.

Form 19 – Syndicate Comments

- Please insert as many records as required.
- Use more than one entry per Form if required.

PIM

- This form should be completed on a monthly basis. However the basis of reporting varies: At each quarter end the premium income is to be reported at class of business level. At other month ends, premium should only be reported on a whole account basis.
- Only complete this form where the year of account is @ 12 months or less except in the first month of each calendar year where the PI reported would relate to the December end of the year of account just ended.

Reporting in Currency

Premium and brokerage / commission data should be submitted in the three main settlement currencies. This focuses attention on premium income movements and reduces movements due purely to exchange rate variations.

The converted sterling cumulative premium (net of brokerage and commission) column is provided for the Managing Agent's own control purposes and will not be used by Lloyd's. As such, Managing Agents may use whatever exchange rate they consider appropriate in generating this column.

Written Premium

Written premiums as defined in the ABI SORP are "Premiums which an insurer is contractually entitled to receive from the insured in relation to contracts of insurance. Under the fund basis, the premiums are those in respect of contracts incepting in the underwriting year in question." The written premium figure used should be the managing agent's best estimate of ultimate premiums receivable on an inception date allocation basis. It should, therefore, include all premiums expected to be receivable under binding authorities, line slips and consortium arrangements, which have been written at the reporting date, irrespective of the inception date of the underlying declarations that will be made to the slip.

Written premiums should also include the best estimate of reinstatement premiums ultimately receivable in respect of claims on inwards reinsurance business. Written premium should also include the best estimate of burning cost and adjustment premiums on inwards reinsurance business.

Brokerage / Commissions

Written premiums should be taken net of taxes and duties levied with the premium, i.e. they should not be grossed up for these items. For the avoidance of doubt, the only deductions that should be made on this return relate to brokerage and commission. Other acquisition expenses including syndicate expenses allocated to acquisition costs should not be included.

Profit commission and other charges which accrue based on the performance of the underlying insurance contract(s) should be included to the extent that it is possible to determine a reasonable best estimate of the amounts that will become ultimately payable.

Detail required

At each quarter end, Managing Agents are required to analyse premiums and brokerage/commissions by syndicate class of business (as used in the most recent syndicate business plan). This analysis will form part of the benchmark monitoring by Franchise Performance Market Analysis. Any proposed changes to classes of business from business plans should be advised to the Business Plan Review department within the Franchise Performance Directorate.

In addition, in the quarter end returns the acquisition expenses, by currency, are to be split between four categories: brokerage, commission, business arrangement fees (such as preferred service agreements) and "other acquisition expenses". The aggregation of these four categories must agree back to the total of the relevant brokerage/commission column. This split is only to be given at the end of each quarter and is to be provided on a whole account basis, i.e. it is not required by line of business.

At all other month ends agents are required to provide analysis at a whole account level only.

Scope

The return only has to be completed in respect of the current year of account, and hence does not apply to run-off syndicates. Additionally, Managing Agents will continue to have a responsibility to report instances where they have overwritten their capacity to the Operational Risk Department, Risk Management, as required by The Syndicate Premium Income (Monitoring) Regulation No.1 of 1984.

QQS

The qualifying quota shares figures should include all premiums accepted on behalf of the quota share reinsurer on a written basis.

APPENDIX B

FRANCHISE PERFORMANCE MANAGEMENT QUARTERLY MONITORING RETURN REPORTING PACK

Version 17.0

SYNDICATE NUMBER

MANAGING AGENT

MANAGING AGENT CODE

QUARTER

REPORTING YEAR

Quarter end exchange rates

US\$ exchange rate

CAN\$ exchange rate

Earliest Year

Orphan Syndicate

☐

CAPACITY

(all open years of account)

YOA	£
1995	
1996	
1997	
1998	
2001	
2002	
2003	

**SIGNED OFF BY
POSITION**

APPROVAL DATE

DD/MM/YYYY




SUBMISSION DATE

DD/MM/YYYY

QMR CONTENTS**Syndicate NNNN****DD/MM/YYYY****ALL FIGURES TO BE FILLED IN CCY000'S**

Section	Topic
1.0	SUMMARY UNDERWRITING ACCOUNT
2.0	BALANCE SHEET
3.0	RESERVING & IBNR UTILISATION
4.0	SYNDICATE OPERATING EXPENSES
5.0	MAJOR LOSSES
6.0	CASHFLOW SUMMARY
7.0	TRUST FUND ANALYSIS
8.0	REINSURANCE RECOVERABLES
9.0	REINSURANCE CREDITORS
10.0	DIRECT REVENUE RETURN
11.0	TECHNICAL ACCOUNT
12.0	CLOSURE AND CASH CALLS
13.0	EXPOSURES
14.0	LOSS INFORMATION
15.0	REALISTIC DISASTER SCENARIOS
16.0	PREMIUM DEBTORS
17.0	COMMUTATIONS
18.0	REINSURANCE
19.0	SYNDICATE COMMENTS
PIM	PREMIUM INCOME MONITORING - QUARTERLY
PIM	PREMIUM INCOME MONITORING - MONTHLY

Key

	User keyed
	Automatic calculation
	Information cross-referenced from elsewhere in the QMR

1.0 SUMMARY UNDERWRITING ACCOUNT

Syndicate NNNN DD/MM/YYYY

YOA 2001

	Cumulative to Date Actual	Cumulative to Date Actual	Cumulative to Date Actual	Cumulative to Date Actual	Best Case Expectation	Latest full YOA	Worst Case Expectation	
	GBP'000s	USD'000s	CAN'000s	CNV £'000s	CNV £'000s	CNV £'000s	CNV £'000s	
Premiums								
Gross written premiums				1				35
Brokerage & Commissions				2				36
Gross Premium (net of brokerage & commission)				3 = 1-2				37 = 35-36
Written but not Signed Gross Premium				4 = 3-10				
Written reinsurance ceded to QQS				5				38
Written reinsurance ceded other				6				39
Written reinsurance premium				7 = 5+6				
Written but not signed or accrued reinsurance				8 = 7-11				
Net written premiums				9 = 3-7				40 = 37-(38+39)
Signed gross premium				10				
Signed reinsurance				11				
Signed net premium				12 = 10-11				
Paid Claims								
Gross paid claims				13				
QQS reinsurance recoveries				14				
Other reinsurance recoveries				15				
Net paid claims				16 = 13-(14+15)				
Underwriting Balance				17 = 12-16				
Investment return				18				41
Syndicate operating expenses				19				42
Investment expenses				20				43
Profit / (Loss) on exchange				21				44
Currency Purchase / (Sales)				22				45
Standard personal expenses				23				46
Members' Agents fees and non-standard personal expenses				24				47
Overall Balance								
after personal expenses				25 = 17+18-19-20+21+22-23-24				
Notified Outstanding Claims								
Gross outstanding claims				26				
QQS reinsurance recoveries				27				
Other reinsurance recoveries				28				
Net outstanding claims				29 = 26-(27+28)				
IBNR Claims on Written Premium (Solvency)								
Gross IBNR				30				
QQS reinsurance recoveries				31				
Other reinsurance recoveries				32				
Net IBNR				33 = 30-(31+32)				
Total Ultimate Claims								
Gross ultimate claims								48
QQS reinsurance recoveries								49
Other reinsurance recoveries								50
Net								51 = 48-(49+50)
Forecast Solvency Result				34 = 9-16+18-19-20+21+22-23-24-29-33				
Forecast Pure Year Underwriting Result								52 = 40-51
Forecast Pure Year Result								53 = 52+41-42-43+44+45-46-47
Forecast Prior Year Result								54
Forecast Result								55 = 53+54

2.0 BALANCE SHEET

Syndicate NNNN DD/MM/YYYY

	£'000s	US \$'000s	CAN \$'000s	CNV £'000s	
Cash & Investments					
Regulated funds				01	
Free funds				02	
Sub-total				03	3 = 1+2
Debtors					
Reinsurance recoveries due but not received				04	
Exchange accounts balances				05	
Other debtors				06	
Sub-total				07	7 = 4+5+6
Insurance Creditors					
Insurance creditors				08	
Other creditors				09	
Sub-total				10	10 = 8+9
Total Net Assets				011	11 = 3+7-10
Open pure year of account balances					
2003				012	
2002				013	
2001				014	
1965				015	
1966				016	
1967				017	
1968				018	
Balance of RITC C/Fwd				019	
TOTAL				020	20 = 12 to 19

3.0 RESERVING

Syndicate NNNN

DD/MM/YYYY

1995

IBNR Utilisation - Old Years Development Analysis

RITC B/Fwd

(Figures should agree with annual syndicate return)

	GBP'000s	USD'000s	CAN'000s	CNV £'000s	
Gross IBNR				0	1
Reinsurance Recoverables on IBNR				0	2
Net IBNR				0	3 = 1-2
Gross Outstanding Claims				0	4
Reinsurance Recoverables on Outstandings				0	5
Net Outstanding Claims				0	6 = 4-5
Run-Off Expense Provisions				0	7
Sub Total				0	8 3+6+7

Settled in the Period

Premiums	Gross				0	9
	Reinsurance				0	10
	Net				0	11 = 9-10
Claims	Gross				0	12
	Reinsurance				0	13
	Net				0	14 = 12-13
Sub Total					0	15 = 14-11

RITC c/fwd

Gross Outstanding					0	16
Reinsurance Recoverable on Outstandings					0	17
Net Outstanding Claims					0	18 = 16-17

Gross IBNR Utilised in Year					0	19 = 16-4+12-9
Net IBNR Utilised in Year					0	20 = 18-6+14-11

Forecast gross IBNR at current year end

					0	21
--	--	--	--	--	---	----

Forecast net IBNR at current year end					0	22
---------------------------------------	--	--	--	--	---	----

Improvement / (deterioration) on gross reserve					0	23 = 1+4+9-12-16-21
Improvement / (deterioration) on net reserve					0	24 = 3+6+11-14-18-22

4.0

SYNDICATE OPERATING EXPENSES

Syndicate NNNN

DD/MM/YYYY

	Calendar year to date actual: CNV£'000s	Latest full calendar year forecast: CNV£'000s	
Salaries and related costs			1
Accommodation costs			2
Processing costs			3
Overseas operating expenses			4
Auditor's remuneration			5
Legal and professional, including other fees to auditors			6
Computer costs			7
Travel and entertainment			8
Lloyd's Premium Levy			9
Interest payable			10
Other expenses*			11
Expenses Sub-Total			12 = 1 to 11
Credits Against Expenses			
QQS over-riders			13
Other			14
Credits Sub-Total			15 = 13 to 14
Total Expenses			16 = 12 minus 15
Amount included in Total Expenses paid to Run-off Manager			17

* Other expenses:

Lloyd's Charges, Management Fees, Irrecoverable VAT, Lloyd's Regulatory Levy, Communications/Stationery, Provision (Future Costs), Investmet Expenses, Use of Fixed Assets/Depreciation, External Office Expenses, Accountancy and Agency, Media and Advertising, Contribution from Reinsurers, Motor Expenses, Medical Fees, Brokerage and Commission, Service Company Commissions, Transfer to claims handling

5.0 MAJOR LOSSES

Syndicate NNNN

DD/MM/YYYY

TOP 10 NAMED LOSSES, PLUS ANY MATERIAL LOSSES

Loss		Date of Loss	YOA	Currency (CCY)	Gross Paid Loss	Gross Outstanding Loss	Gross Incurred Loss	Gross IBNR	Gross Ultimate Loss	Net Ultimate Loss
					A	B	C=A+B	D	E=C+D	F
No	Description	dd/mm/yyyy		1,2 or 3	CCY '000s	CCY '000s	CCY '000s	CCY '000s	CCY '000s	CCY '000s
							0		0	
							0		0	

6.0 CASHFLOW SUMMARY

Syndicate NNNN

DD/MM/YYYY

	Current period Actual CNV£'000s	Latest full calendar year forecast: CNV£'000s	
Opening Free Funds			1
Operating Cashflows			
Premium income			2
Reinsurance recoveries			3
Other Trust fund inflows/(outflows)			4
Other income			5
Claims paid			6
Reinsurance premiums			7
Syndicate & personal expenses			8
Net Cash Flow	0	0	9 = (2 to 5)-(6 to 8)
Inter-syndicate loan received/(repaid)			10
Bank facility/(repaid)			11
Parent support utilisation/(repaid)			12
Cash call receipts/(Distribution)			13
Total Cash Flow	0	0	14 = 9+(10 to 13)
Closing "FreeFunds"	0	0	15 = 1+14
Change in "Free Funds"	0	0	16 = 1-15

7.0 TRUST FUND ANALYSIS

Syndicate NNNN DD/MM/YYYY

Investments

Sterling Premium Trust Fund (1)
Lloyd's Dollar Trust Fund

Lloyd's American Trust Fund
Surplus Lines Trust Fund
Credit for Reinsurance Trust Fund
Lloyd's Canadian Trust Fund

SUB-TOTAL

Lloyd's Canadian Margin Trust Fund
Joint Asset Trust Fund for CRTF
Joint Asset Trust Fund for SLTF
Illinois Trust Fund
Kentucky Trust Fund (2)
Lloyd's Australian Trust Fund (2)
Lloyd's South Africa Trust Fund (2)

TOTAL FUNDS

Cash+ Term Deposits	Securities	Letters of Credit	Total
CNV£'000s	CNV£'000s	CNV£'000s	CNV£'000s

				1
				2
				3
				4
				5
				6

				7 = 1 to 6
--	--	--	--	------------

	8
	9
	10
	11
	12
	13
	14

	15 = 1 to 6 plus 8 to 14
--	--------------------------

8.0 REINSURANCE RECOVERABLES

Syndicate NNNN DD/MM/YYYY

Section 1

LORS code	Name of Reinsurer and Domicile	Affiliates (code)	Premium ceded	Reinsurance recoverable before provision for bad debts, by age on gross paid losses					Reinsurance recoverables	
				<3mths	3mths to 6mths	6mths to 1 yr	>1yr	Total	Quarterly OS	Annual IBNR
A	B	C	D	E	F	G	H	I = E+F+G+H	J	K
TOTAL - ALL REINSURERS										

.../Part 2

Section 2

LORS Code	Provision for bad and doubtful debts on paid losses					Provision for bad and doubtful debt:		Amount owed to reinsurer offsetting reinsurance debt	Collateral on Hand to Secure Recoverable Amounts	Write - offs	Amount in dispute	Comments
	<3mths	3mths to 6mths	6mths to 1yr	>1yr	Total	Quarterly OS	Annual IBNR					
A	L	M	N	O	P = L+M+N+O	Q	R	S	T	U	V	W
TOTAL												

9.0 REINSURANCE CREDITORS

Syndicate NNNN

DD/MM/YYYY

LORS Code	Name of Reinsurer	Claims payable but withheld	Inwards claims payable - Notified Outstanding	Inwards claims payable - IBNR	Total
		A	B	C	D=A+B+C
					0
					0
					0

10.0 Direct Revenue Reporting

Syndicate NNNN

DD/MM/YYYY

1967

Class of business	Gross							
	Ultimate Premium (net of brokerage and commission)	Ultimate Loss Ratio	Sterling		US Dollars		Can Dollars	
			Paid	Incurred	Paid	Incurred	Paid	Incurred
	CNV £'000s	%	£'000s	£'000s	US\$'000s	US\$'000s	C\$'000s	C\$'000s
Total	0	#DIV/0!	0	0	0	0	0	0

Total Projected Ultimate Claims

0

	Net							
	Ultimate Premium (net of brokerage and commission)	Ultimate Loss Ratio	Sterling		US Dollars		Can Dollars	
			Paid	Incurred	Paid	Incurred	Paid	Incurred
	CNV £'000s	%	£'000s	£'000s	US\$'000s	US\$'000s	C\$'000s	C\$'000s
Total	0	#DIV/0!	0	0	0	0	0	0

0

11.0 TECHNICAL ACCOUNT

Syndicate NNNN

DD/MM/YYYY

1995

	Year to Date (£000's)	Cumulative (£000's)
Gross premium signed	<input type="text" value=""/>	<input type="text" value=""/>
Outward reinsurance premiums	<input type="text" value=""/>	<input type="text" value=""/>
Net premiums	<input type="text" value="0"/> 3=1-2	<input type="text" value="0"/> 3=1-2
RITC Received	<input type="text" value=""/>	<input type="text" value=""/>
Amount retained to meet all liabilities b/fwd	<input type="text" value=""/>	<input type="text" value=""/>
Gross claims paid	<input type="text" value=""/>	<input type="text" value=""/>
Reinsurers share	<input type="text" value=""/>	<input type="text" value=""/>
Net claims	<input type="text" value="0"/> 8=6-7	<input type="text" value="0"/> 8=6-7
Amount retained to meet all liabilities c/fwd	<input type="text" value=""/>	<input type="text" value=""/>
Underwriting Balance	<input type="text" value="0"/> 10=3+4+5-9-8	<input type="text" value="0"/> 10=3+4-9-8
Profit/(loss) on exchange	<input type="text" value=""/>	<input type="text" value=""/>
Syndicate operating expenses	<input type="text" value=""/>	<input type="text" value=""/>
Balance on technical account	<input type="text" value="0"/> 13=10+11-12	<input type="text" value="0"/> 13=10+11-12
Investment income	<input type="text" value=""/>	<input type="text" value=""/>
Investment expenses and charges	<input type="text" value=""/>	<input type="text" value=""/>
Investment gains/(losses)	<input type="text" value=""/>	<input type="text" value=""/>
Investment return	<input type="text" value="0"/> 17=14-15+16	<input type="text" value="0"/> 17=14-15+16
Result for the run-off account	<input type="text" value="0"/> 18=13+17	<input type="text" value="0"/> 18=13+17
Personal Expenses	<input type="text" value=""/>	<input type="text" value=""/>
Result after personal expenses	<input type="text" value="0"/> 20=18-19	<input type="text" value="0"/> 20=18-19
Reinsurers share of losses (%)	<input type="text" value="#DIV/0!"/> 21=(7/6)*100	<input type="text" value="#DIV/0!"/> 21=(7/6)*100
Forecast Result		
Forecast result (before personal expenses) - best case		<input type="text" value=""/>
Forecast result (before personal expenses) - worst case		<input type="text" value=""/>

12.0 CLOSURE AND CASH CALLS

Syndicate NNNN

DD/MM/YYYY

1995

Closure Dates

Expected date of closure or R.I.T.C

(mm-yy)

Main Obstacles That Could Affect Closure

Managing Agents must ensure that privilege is not lost in the completion of this section

Market issues - description

Est.
quantum

Maximum exposure
(£'000s)

Deadline
for
Resolution
mm-yy

(£'000s)

Gross

Net

Free text

Cash Calls Update

This Quarter

+1

+2

+3

+4

13.0 EXPOSURES

Syndicate NNNN

DD/MM/YYYY

Exposure to Outstanding Risks**Gross exposure of:****Current period
(£'000s)****1 Exposure to risks**

Risks at commencement of period
Risks expiring in period
Risks removed by agent
Risks at end of period

	1
	2
	3
0	4=1-2-3

2 Facultative reinsurance

Risks wholly reinsured

	5
--	---

3 Rate of exposure decay (%)

#DIV/0! 6=(2+3)/1

Delegated Authorities and Long Term Contracts**Actual at
period end****Delegated authority risks**

No. of delegated authority risks (No.)
Exposure of delegated authority risks (£'000)

Long-term contract risks

No. of long term contracts (No.)
Exposure of long term contracts (£'000)

14.0 LOSS INFORMATION

Syndicate NNNN

DD/MM/YYYY

Please provide gross and net loss information for all losses where the syndicate's gross share of the ultimate claim exceeds, or is expected to exceed, the equivalent of £1m where the syndicate leads

Loss		Date of Loss	YOA	Currency (CCY)	Gross Paid Loss	Gross Outstanding Loss	Gross Incurred Loss	Gross IBNR	Gross Ultimate Loss	Net Ultimate Loss
					A	B	C=A+B	D	E=C+D	F
No	Description	dd/mm/yyyy		1,2 or 3	CCY '000s	CCY '000s	CCY '000s	CCY '000s	CCY '000s	CCY '000s
							0		0	
							0		0	

15.0 REALISTIC DISASTER SCENARIOS

Syndicate NNNN

DD/MM/YYYY

Actual (£'000)			
Market RDS	Gross Loss A	Reinsurance B	Net Loss C=A-B
Drop down list			0
Other RDS	Gross Loss A	Reinsurance B	Net Loss C=A-B
Free text			0

16.0 PREMIUM DEBTORS AND UNALLOCATED CASH

Syndicate NNNN DD/MM/YYYY

Outstanding Aged Premium Debtors

Age of balance

0 – 3 months
3 – 6 months
6 – 12 months
12 – 24 months
> 24 months

Current quarter (£'000)

	1
	2
	3
	4
	5

Total

0 6=1+2+3+4+5

Unallocated Cash

Current balance (£'000)

--

17.0 COMMUTATIONS

Syndicate NNNN DD/MM/YYYY

Commutations - in progress and planned

LORS code	Name of Reinsurer						Target		Status at present	Achieved
		Inwards (£'000)	Outwards Paid ('000)	Outwards O/S ('000)	Outwards IBNR (£'000)	Net (£'000)	Amount (£'000)	Proportion of net (%)	Date (dd-mmm- yy)	(£'000)
		A	B	C	D	E=B+C+D-A	F	G=(F/E)*100		
						0		#DIV/0!		

18.0 REINSURANCE

Syndicate NNNN DD/MM/YYYY

◆ Details of reinsurance purchases in period

--

◆ Details of reinsurance purchases proposed

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◆ Details of reinsurance that has been more than 90% utilised

--

◆ Rationale for the purchases made

Drop down box 1. Extension to LOD cover 2. Reduce RDS net loss exposure 3. Further back-up cover required as front in reinsurance eroded 4. Further facultative purchases to protect ongoing exposures 5. Other

Free text if 'other' selected

◆ Rationale for the purchases proposed

Drop down box 1. Extension to LOD cover 2. Reduce RDS net loss exposure 3. Further back-up cover required as front in reinsurance eroded 4. Further facultative purchases to protect ongoing exposures 5. Other

Free text if 'other' selected

◆ Proposed action

--

19.0 SYNDICATE COMMENTS

Syndicate NNNN DD/MM/YYYY

Section	Comment
Drop down list	

Premium Income Monitoring

Syndicate NNNN

DD/MM/YYYY

Class of business	Sterling			US\$			CAN\$			Net cumulative written premium
	Gross cumulative written premium £'000s	Brokerage and commissions £'000s	Net cumulative written premium £'000s	Gross cumulative written premium US\$'000s	Brokerage and commissions US\$'000s	Net cumulative written premium US\$'000s	Gross cumulative written premium C\$'000s	Brokerage and commissions C\$'000s	Net cumulative written premium C\$'000s	
Qualifying Quota Share			0			0			0	
			0			0			0	
			0			0			0	
			0			0			0	
			0			0			0	
			0			0			0	
			0			0			0	
Total	0	0	0	0	0	0	0	0	0	0
Brokerage										
Commissions										
Business Arrangement Fees										
Other Acquisition Expenses										

Premium Income Monitoring

Syndicate NNNN

DD/MM/YYYY

	Sterling			US\$			CAN\$			
	Gross cumulative written premium	Brokerage and commissions	Net cumulative written premium	Gross cumulative written premium	Brokerage and commissions	Net cumulative written premium	Gross cumulative written premium	Brokerage and commissions	Net cumulative written premium	Net cumulative written premium
	£'000s	£'000s	£'000s	US\$'000s	US\$'000s	US\$'000s	C\$'000s	C\$'000s	C\$'000s	CNV£'000s
Qualifying Quota share			0			0			0	
Premium Income			0			0			0	
Total	0	0	0	0	0	0	0	0	0	0