

FROM: Head, Market Reporting
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REFERENCE: Y3353
SUBJECT: QUARTERLY MONITORING RETURN INSTRUCTIONS
SUBJECT AREA(S):
ATTACHMENTS: Appendices 1 and 2
ACTION POINTS: **Agents to note**
DEADLINE:

The purpose of this bulletin is to provide you with the revised instructions for the Q2 2004 QMR. These instructions will be included within the software due to be issued at the end of this month. However, the instructions are being provided now to facilitate your preparation for the Q2 QMR.

Also attached as Appendix 2 are hardcopies of the revised Forms 1, 3 and 11. The key changes on these forms are the additional lines for claims handling costs/ULAE.

On projections, column 6 must be completed for all years of account but for the 2002 and 2003 years of account, the best and worst case columns, 5 and 7, must also be completed, even where the range is 5%. A new line has been added to Form 1 showing the projected result, before members' agents' fees, as a percentage of capacity, ie the figures that will be reported to the Stock Exchange.

If you have any queries on this market bulletin please e-mail Robert Smith.

This bulletin has been sent to all managing and members' agents.

John Parry,
Head, Market Reporting

QMR GUIDANCE NOTES

General

Please provide any comments, in respect of any form, in the syndicate comments form (19.0). Note: comments for the Franchisor staff only should be entered in Form 19 selecting Form 19 in the drop down box. Comments made with Forms 1 to 11 selected in the drop down box will be made available to members' agents and other recipients of the cut-down QMR data.

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.

Sign-off

The QMR must be approved by the board of directors of the Managing Agency. Use of the sign-off function in the software represents formal notification to Lloyd's that the QMR has been approved by the board of directors.

Class of Business

The software contains Syndicate specific classes of business. These are managed through the Syndicate Business Forecast (SBF) module.

If you wish to add a new class of business or reclassify your classes of business you must first submit a revised SBF. This will be reviewed by the Franchise Performance Directorate (FPD). The FPD will then provide confirmation that the classes of business can be 'promoted' for use in the QMR – the SBF software provides a function to do this. Agents must get authority from the FPD before 'promoting' a revised class of business list.

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 or nor the syndicate is required to complete QMR forms 12 to 18. The box should only be ticked if the syndicate has ceased to trade and has no natural successor to accept the RITC.

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. These figures must be entered in £000.

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). If a comment is only to be seen by Franchisor staff, select "Form 19" in the drop down box of Form 19. For comments that are for general distribution, select "Form 1".

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 as 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.

Line 6 The figure to be reported as "written reinsurance ceded other" is the total amount of reinsurance ceded, including ultimate cost, that has been written to date to reinsurers other than the gross Qualifying Quota Share.

By way of example: a syndicate has gross premium of £100m, reinsurance ceded of £40m and thus net premium of £60m. It also has a 20 % QQS, £20m gross. £8m r/i ceded giving net £12m. The reinsurance disclosure for this scenario is £20m in line 5 for the gross QQS and £32m in line 6 for other reinsurance (£40m less £8m).

Lines 4 and 8 When signed gross premium is entered at line 10 and signed reinsurance at line 11 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).

Lines 13&13a Claims handling expenses or unallocated loss adjustment expenses (ULAE) that have been paid or accrued to date are to be reported on line 13a, separate from gross paid claims on line 13.

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 19 Any acquisitions expenses, other than brokerage and commissions reported at line 2, should be included in syndicate expenses. Claims handling expenses (ULAE) and investment expenses should not be reported on line 19: both have their own lines.

Line 21 Profits or losses on exchange should arise only on settled transactions in the period to date: "settled transactions" includes accruals for the impact of forward contracts.

Line 22 Balances on currency accounts ('conversion accounts') should be entered on the 'Currency purchases/(sales)' line. They should not be reported in the balance sheet.

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 will be reported by the software 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, ie at 3, 6 and 9 months. Lloyd's is obliged to provide quarterly solvency figures to the FSA and 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 focus will be on loss making years where Lloyd's must capture information regarding the impact of open year losses on solvency.

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. The solvency position for the youngest year is to be established as at the quarter end rather than being a projection of the ultimate solvency position of the year of account.

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. The reserves estimate should be made on a basis consistent with that used at the year end (see market bulletin Y3165, dated 17/10/2003 entitled December 2003 Solvency test: valuation of liabilities), ie one that would be acceptable to meet the actuarial opinion threshold.

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. line 56, the best case/worst case result at line 55 with members' agents fees line 47 added back, 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 range for the best and worst case forecasts is normally 2.5% of capacity either side of the point estimate calculated in Column 6. Agents may use an alternative range, and may elect to have a range, where the point estimate sits outside. Columns 5 and 7 of lines 41-47 must be completed by managing agents for those years of account at or greater than 18 months.

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.

Where a year has not accepted the RITC of an earlier year, NO prior year forecast should be included.

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). If a comment is only to be seen by Franchisor staff, select “Form 19” in the drop down box of Form 19. For comments that are for general distribution, select “Form 2”.

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 must be greater than or equal 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 5 Other insurance debtors – amounts to be disclosed on this line will include debtor LCA balances.

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). This should not include currency exchange accounts.

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. LCA creditor balances are also to be reported on this line.

Lines Open year balances

12 etc For each underwriting year at 36 months or less, open year balances after personal expenses are derived from 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 19 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. The run-off year balances will be stated after non-underwriting items such as expenses, investment return and currency exchange.

Line 19 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). If a comment is only to be seen by Franchisor staff, select “Form 19” in the drop down box of Form 19. For comments that are for general distribution, select “Form 3”.

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.

Form 4 – Syndicate Operating Expenses

- Please provide any comments in the Syndicate Comments Form (19.0). If a comment is only to be seen by Franchisor staff, select “Form 19” in the drop down box of Form 19. For comments that are for general distribution, select “Form 4”.

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 reported on line 14, credit against expenses, other.

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.

Apart from “transfer to claims handling” the entries in Credit Against Expenses should include "contributions from reinsurers", "service company commissions" and “profit commission receivable from reinsurers” where applicable.

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). If a comment is only to be seen by Franchisor staff, select “Form 19” in the drop down box of Form 19. For comments that are for general distribution, select “Form 5”.

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 Market Reporting Department should be advised of any new material losses that do not have a code issued by XCS. Details of the new loss should be e-mailed to MajorLossCodes@lloyds.com: Market Reporting 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). If a comment is only to be seen by Franchisor staff, select “Form 19” in the drop down box of Form 19. For comments that are for general distribution, select “Form 6”.

Line 1 Opening free funds in column one 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. Similarly, the opening free funds as at 1 January in the second column should also be retranslated as at each quarter end.

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). If a comment is only to be seen by Franchisor staff, select “Form 19” in the drop down box of Form 19. For comments that are for general distribution, select “Form 7”.

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 centrally.

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). If a comment is only to be seen by Franchisor staff, select “Form 19” in the drop down box of Form 19. For comments that are for general distribution, select “Form 8”.

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”.

- 1.1 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.
- 1.2 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 also be completed quarterly but only need to be restated where there has been a material movement in the figures. The managing agent should determine whether a change is material. 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” 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 quarterly but only need to be restated where there has been a material movement in the figures.

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 in column V 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 only but using data as at the previous Q4.
- Please provide any comments in the Syndicate Comments Form (19.0). This Form is not made available outside the Franchisor so comments on this Form for the Franchisor staff should be made by selecting “Form 9” in the drop down box of Form 19.

This form must be completed annually in the Q1 QMR submission due each May. However, the data to be used is that as at the previous year-end: the data in Form 9 will thus be in line with that in the IBNR column of Form 8. 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. However, the de minimus provision for Form 9 is £100k, compared to the £10k de minimus in Form 8.

The form is to be completed for all inwards reinsureds that have a LORS code. Where no LORS code is held we will assume that the market does not use the company as a reinsurer. Consequently, no counter-party risk information is required for such companies.

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). Syndicates are asked to make their best estimate of the gross IBNR that is allocable to a specific reinsured. The figures to be entered in “claims payable but withheld” are those claims that are due for payment but which, for whatever reason, have not yet been paid: this is in contrast to claims that are known but not yet due, which will be reported in the “notified outstandings” column. The “claims payable but withheld” column will thus include disputed inwards reinsurance claims but will also have other claims payable but which have not been paid.

Form 10 - Direct Revenue Reporting

- All entries should relate to the pure underwriting year only and should be cumulative figures to date.
- Please provide any other comments in the Syndicate Comments Form (19.0). If a comment is only to be seen by Franchisor staff, select “Form 19” in the drop down box of Form 19. For comments that are for general distribution, select “Form 10”.

Reporting in currency

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

Line of business / Major Category

The drop-down for class of business is year of account specific. This information is captured through the Syndicate Business Forecast software. Relevant cumulative paid and incurred claims data for each of the 2002 and onward years of account should be reported by these classes of business.

Ultimate Projections

The ULR and ultimate premium projections (gross and net of reinsurance) by class of business 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, ie years of account that have passed their normal date of closure but have not yet closed.
- Please complete the year to date and cumulative columns for each open run-off 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). If a comment is only to be seen by Franchisor staff, select “Form 19” in the drop down box of Form 19. For comments that are for general distribution, select “Form 11”.

General

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

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.

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/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.

While a 5% spread is the expected range for naturally open years of account, it is recognised that, by their nature, run-off years of account will have very different circumstances affecting their forecasts. Managing agents are asked to use their best endeavours to keep the best/worst case range to a minimum.

Form 12 - Closure and Cash Calls (Orphan Syndicates only)

- Please provide any comments in the Syndicate Comments Form (19.0). This Form is not made available outside the Franchisor so comments on this Form for the Franchisor staff should be made by selecting “Form 12” in the drop down box of Form 19.

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 (Orphan Syndicates only)

- Please provide any comments in the Syndicate Comments Form (19.0). This Form is not made available outside the Franchisor so comments on this Form for the Franchisor staff should be made by selecting “Form 13” in the drop down box of Form 19.

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.
- Other than actual risk/contract maximum exposures there has been no specific guidance issued by Lloyd's for reporting exposure.
- Risk exposures on some types of reinsurance (e.g. XL) can be difficult to measure and would not provide comparable numbers when aggregated with other direct and reinsurance exposures particularly across different classes.
- This exposure form aims to show only the scale of exposures, their likely tail and the extent to which exposures have either been removed or have expired. It is intended primarily to obtain information about each run-off specifically.
- It is not intended to aggregate collected exposures across syndicates for benchmarking.
- **Accordingly, agents should provide exposure data that is most appropriate for their syndicates explaining in the Syndicate Comments Form (19.0) the approach adopted.**

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.

While we are looking for the number and exposure of the underlying risks, it is accepted that the figures given may be estimates where reports from intermediaries are outstanding.

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 '1 Exposure to risks'.

Form 14 - Loss Information (Orphan Syndicates only)

- Please provide gross and net loss information for all losses where the syndicate's gross share of the aggregate loss across all currencies 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). This Form is not made available outside the Franchisor so comments on this Form for the Franchisor staff should be made by selecting “Form 14” in the drop down box of Form 19.

Loss No.

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

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.

General

Information should be provided in respect of layers led by the syndicate. It is for all years of account, including closed years for all open claims. Complete the form for advices received in respect of those led. In relation to orphan syndicates, we are interested in looking at those claims or part thereof actually managed by the syndicate, so that should we wish to, we could discuss with the syndicate their procedures.

Form 15 - Realistic Disaster Scenarios (Orphan Syndicates only)

- 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). This Form is not made available outside the Franchisor so comments on this Form for the Franchisor staff should be made by selecting “Form 15” in the drop down box of Form 19.

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 (Orphan Syndicates only)

- Please provide any comments in the Syndicate Comments Form (19.0). This Form is not made available outside the Franchisor so comments on this Form for the Franchisor staff should be made by selecting “Form 16” in the drop down box of Form 19.

Outstanding Aged Premium Debtors

- This form relates to inwards premiums only and should include outstanding premium amounts for all open and run-off years of account.
- Please show the syndicate's premium debtors by age of balance.
- All balances should be converted to £ Sterling.
- For deferred instalments, these should be included in the 0-3 month band until such time as they become payable.

Unallocated Cash

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

General

This form should be completed in respect of written premiums not paid. However, should it be known that written premium will not be due and collectable a note should be given to this effect stating the amount involved.

Form 17 – Commutations (Orphan Syndicates only)

- 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). This Form is not made available outside the Franchisor so comments on this Form for the Franchisor staff should be made by selecting “Form 17” in the drop down box of Form 19.

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.

Reinstatements

Reinstatements should be included in the amounts under inwards, outwards paid, outwards outstanding, as appropriate.

Form 18 – Reinsurance (Orphan Syndicates only)

- Please provide any comments in the Syndicate Comments Form (19.0). This Form is not made available outside the Franchisor so comments on this Form for the Franchisor staff should be made by selecting “Form 18” in the drop down box of Form 19.

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.

This should include reference to a full whole account x/l programme.

Form 19 – Syndicate Comments

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

Managing agents are reminded that some data from the QMR is provided to members' agents and others while some data is for the exclusive use of Lloyd's centrally.

To differentiate between comments that relate to data for the exclusive use of Lloyd's centrally, managing agents should select Form 19 when adding a comment to Form 19 and then refer to the relevant Form as part of their comments. Where the comment is to be read by the wider audience, the relevant Form should be selected in the drop down box of Form 19.

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.

Sign-off

The PIM must be approved by the board of directors of the Managing Agency. Use of the sign-off function in the software represents formal notification to Lloyd's that the PIM has been approved by a person authorised to represent the board.

Class of Business

The software contains Syndicate specific classes of business. These are managed through the Syndicate Business Forecast (SBF) module.

If you wish to add a new class of business or reclassify your classes of business you must first submit a revised SBF. This will be reviewed by the Franchise Performance Directorate (FPD). The FPD will then provide confirmation that the classes of business can be 'promoted' for use in the QMR – the SBF software provides a function to do this.

Agents must get authority from the FPD before 'promoting' a revised class of business list.

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.

For months 3, 6, 9 and 12 the total should agree to the Summary Underwriting Account in the QMR. If written premiums in the QMR submission have materially changed from the corresponding PIM submission please re-submit the PIM form to ensure this reconciles to the Summary Underwriting Account.

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 2

Revised Forms 1, 3 and 11

1.0 SUMMARY UNDERWRITING ACCOUNT

Syndicate NNNN DD/MM/YYYY

YOA

	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 QOS				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			
Claims handling expenses/ULAE				13a			
QOS reinsurance recoveries				14			
Other reinsurance recoveries				15			
Net paid claims				16 = 13+13a-(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			
Claims handling expenses/ULAE				26a			
QOS reinsurance recoveries				27			
Other reinsurance recoveries				28			
Net outstanding claims				29 = 26+26a-(27+28)			
IBNR Claims on Written Premium (Solvency)							
Gross IBNR				30			
QOS reinsurance recoveries				31			
Other reinsurance recoveries				32			
Net IBNR				33 = 30-(31+32)			
Total Ultimate Claims							
Gross ultimate claims							48
Claims handling expenses/ULAE							48a
QOS reinsurance recoveries							49
Other reinsurance recoveries							50
Net							51 = 48+48a-(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
Forecast result (before members' agent fees) as a % of capacity							56 = (55+47)/capacity

3.0 RESERVING

Syndicate NNNN

DD/MM/YYYY

1995

IBNR Utilisation - Old Years Development Analysis

		GBP'000s	USD'000s	CAN'000s	CNV £'000s
RITC B/Fwd					
<i>(Figures should agree with annual syndicate return)</i>					
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
Claims handling expenses/ULAE					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
	Claims handling expenses				0 12a
	Reinsurance				0 13
	Net				0 14 = 12+12a-13
Sub Total					0 15 = 14-11
RITC c/fwd					
Gross Outstanding					0 16
Claims handling expenses/ULAE					0 16a
Reinsurance Recoverable on Outstandings					0 17
Net Outstanding Claims					0 18 = 16+16a-17
Gross IBNR Utilised in Year					0 19 = 16+16a-4-7+12+12a-9
Net IBNR Utilised in Year					0 20 = 18-6-7+14-11
Gross IBNR					0 21
Net IBNR					0 22
Improvement / (deterioration) on gross reserve					0 23 = 1+4+7+9-12-12a-16-16a-21
Improvement / (deterioration) on net reserve					0 24 = 8+11-14-18-22

1995

	Year to Date (£000's)	Cumulative (£000's)
Gross premium signed	<input type="text"/> 1	<input type="text"/> 1
Outward reinsurance premiums	<input type="text"/> 2	<input type="text"/> 2
Net premiums	0 3=1-2	0 3=1-2
RITC Received	<input type="text"/> 4	<input type="text"/> 4
Amount retained to meet all liabilities b/fwd	<input type="text"/> 5	
Gross claims paid	<input type="text"/> 6	<input type="text"/> 6
Claims handling expenses	<input type="text"/> 6a	<input type="text"/> 6a
Reinsurers share	<input type="text"/> 7	<input type="text"/> 7
Net claims	0 8=6+6a-7	0 8=6+6a-7
Amount retained to meet all liabilities c/fwd	<input type="text"/> 9	<input type="text"/> 9
Underwriting Balance	0 10=3+4+5-9-8	0 10=3+4-9-8
Profit/(loss) on exchange	<input type="text"/> 11	<input type="text"/> 11
Syndicate operating expenses	<input type="text"/> 12	<input type="text"/> 12
Balance on technical account	0 13=10+11-12	0 13=10+11-12
Investment income	<input type="text"/> 14	<input type="text"/> 14
Investment expenses and charges	<input type="text"/> 15	<input type="text"/> 15
Investment gains/(losses)	<input type="text"/> 16	<input type="text"/> 16
Investment return	0 17=14-15+16	0 17=14-15+16
Result for the run-off account	0 18=13+17	0 18=13+17
Personal Expenses	<input type="text"/> 19	<input type="text"/> 19
Result after personal expenses	0 20=18-19	0 20=18-19
Reinsurers share of losses (%)	#DIV/0! 21=(7/6)*100	#DIV/0! 21=(7/6)*100
Forecast Result		
Forecast result (after personal expenses) - best case		<input type="text"/> 22
Forecast result (after personal expenses) - worst case		<input type="text"/> 23