

FROM: Head, Market Reporting EXTN: 5129
DATE: 29 July 2005 REF: Y3606
SUBJECT: **CORE MARKET RETURNS – QMR FORMS AND INSTRUCTIONS**
SUBJECT AREA(S):
ATTACHMENTS: Please download from the MSU web-site

ACTION POINTS: **Agents to note**
DEADLINE(S): **None**

Draft forms and instructions for the new QMR were made available to managing agents on 14 February, as set out in the market bulletin entitled 'Core Market Returns 2005/2006', issued on 7 February 2005. The purpose of this bulletin is to advise you that an updated set of draft forms and instructions are now available for download from the MSU web site.

The changes are set out in Appendix 1 to this bulletin. The key change is that a number of forms have been included to enable managing agents to see the data that is to be shared with members' agents. These forms derive their data from others already in the QMR but certain information is omitted, particularly on adjustments to IBNR, and therefore totals and subtotals need to be recalculated.

Another key change is that the segmental analysis form, QMR104, now requires that gross written premium be analysed by geographic region and the energy class has been split between energy – marine and energy – non-marine.

The QMR forms, to be used for the Q3 2005 return, are currently undergoing user acceptance testing and should be made available in late August for all managing agents to test if they wish.

If you have any queries on this bulletin please send an e-mail to Lloyds-MRD-returnqueries@lloyds.com.

This bulletin is being sent to the compliance officers of all underwriting agents, and also to recognised accountants and market associations.

John Parry

Appendix 1

Key changes to the QMR forms since the February 14 version

Form	Title	Change
Matrix	Initialisation screen	The matrix of pure and reporting years is populated by the software rather than requiring manual input.
1,100,102,110	Various technical accounts	The first two lines had required GWP to be split by continued/discontinued business. This disclosure is only required for UK GAAP, ie for QMR at Q2, and so these lines are have been removed from these forms which now commence with line 3, gross written premium.
101	Continued/discontinued split	Further to the previous point, this form has been introduced to collect the continued/discontinued split, at a whole syndicate level, at Q2 only.
104	Segmental reporting	This form now includes a geographic split of GWP and has an additional business category, non-marine energy, to enable the Franchisor to report on energy in the business commentary but to split energy between marine and non-marine in the Schedule 9a disclosures.
109	Technical account forecast	In the original draft Form 100 had five columns, of data, the last two being the forecasts. In building the software five columns were too cramped on the screen so the forecasts have been moved to their own form, ie there is no additional data requirement.
130	Administrative expenses	Clarification that the information requested is calendar year to date paid, not budgeted.
320	Cash flow – movements in cash and investments	Form has been amended to reflect the fact that the loans/deposits split are in the balance sheet so the additional columns are not required. Also additional lines have been included to bring the form into line with that used in the 30 June 2005 interim return.
330	Cash inflows/outflow) on portfolio investments	Form redesigned to be in line with that used for the 30 June 2005 interim.
350	Cash flow summary	For Q3 2005 line1, col b is an entry cell.
610	Reconciliations	Fewer lines as each table now has just a single analysis cell.
620	Reconciliations – exchange differences	This form is equivalent to that in the 30 June 2005 interim return and is required in future Q2 QMRs for the analysis of exchange movements. The form is not required at Q3, Q4 or Q1.
861	Technical account summary	Provides the technical account by reporting year for third party capital, all information is derived.
863	Technical account	Provides forecast of premiums for third party

	forecast	capital providers, all information is derived.
865	Cumulative technical account	Provides a cumulative version of the technical account by reporting year for third party capital providers, all information is derived.
867 & 868	Balance sheet	Provides balance sheet data for third party capital providers. All information is derived except gross and reinsurers' share of IBNR and unexpired risk provisions which must be input using last year's figures.