

# MARKET BULLETIN

<b>From</b>	Rolf Tolle
<b>Date</b>	8 November 2005
<b>Reference</b>	Y3666
<b>Subject</b>	<b>Canadian Earthquake reporting</b>
<b>Subject areas</b>	Request for data
<b>Attachments</b>	None
<b>Action points</b>	<b>Managing Agents to complete ERRO return</b>
<b>Deadlines</b>	<b>8 December 2005</b>

Lloyd's must demonstrate on an annual basis to the Canadian Regulator (the Office of the Superintendent of Financial Institutions – OSFI) that we have sufficient reserves/capital in place to withstand a significant earthquake event in the Canadian provinces of British Columbia and Quebec. The last full scale exercise was conducted in 2002 and since then we have carried out a proxy approach based on the change in premiums written since the full calculations. This year (for reporting to OSFI in February 2006) we intend to carry out a full scale exercise again and will require agents to provide information in RDS format of their expected losses under the proposed scenarios.

We have produced guidance for the market which may be downloaded from market reporting website.

Lloyd's loss modelling department will carry out additional calculations to produce a combined Lloyd's return to OSFI; this economy of scale avoids the need for individual agents to carry out these calculations. In order that we may do this, agents are required to submit details of their aggregate exposures allocated to the old Cresta Zones. To facilitate this we have provided a spreadsheet which may also be downloaded from the market reporting website.

**Agents are requested to submit their returns by 12:00 on 8 December 2005.**

Rolf Tolle  
Director, Franchise Performance