

MARKET BULLETIN

From	Director, Worldwide Markets
Date	6 December 2005
Reference	Y3691
Subject	Switzerland: Bound Assets
Subject areas	To inform underwriters that the collection of the 2006 Swiss reserves ("Bound Assets") will be calculated by reference to outstanding Swiss claims and premium income reported for 2005.
Attachments	None
Action points	To note contents
Deadlines	Immediate

Underwriters who have written Swiss business in 2005 are reminded that the annual collection of Swiss technical reserves (known as "Bound Assets") to be made by Additional Securities Limited in the 1st Quarter 2006 will be calculated on the basis of syndicates' Swiss premium income recorded in 2005 and outstanding claims as at 31 December 2005.

Lloyd's Swiss office, Zurich ("LSO") will calculate the total liabilities as at 31 December 2005 (the "Bound Assets Reserving Requirement") and the level of Bound Assets reserved to meet that Requirement. LSO uses, *inter alia*, outstanding claims data supplied by XChanging Claims Services ("XCS"). The required amount of Bound Assets will be collected from syndicates and transferred to Lloyd's trust accounts in Switzerland.

All Swiss claims for all years of account recorded by XCS as still outstanding at the close of business on Friday 30 December 2005 will form part of the calculation of Bound Assets to be collected from syndicates in 1st Quarter 2006. However, these claims must be submitted to XCS before 20 December 2005 in order to be processed.

Underwriters are therefore reminded of the importance of submitting claims for settlement by this deadline, to avoid the possibility of paid claims being treated as still outstanding for Swiss regulatory purposes.

Further information:

Section 8 (“Technical Reserves”) of Lloyd’s Swiss country manual provides further information on this subject. This can be found at:

http://www.lloyds.com/Lloyds_Worldwide/Country_guides/Switzerland/Switzerland_manual.htm

If you have any queries relating to the calculation of the Swiss Bound Assets reserving requirement, please address them to Graham West at Lloyd’s Zurich office (Tel. 00 41 1 261 3310; graham.west@lloyds.com).

Please refer questions on the procedure for ASL’s collection of syndicates’ shares of the Bound Assets to Mike FitzGerald (extension 5901; Michael.Fitzgerald@lloyds.com).

This bulletin is being sent to all members’ agents, direct corporate members, managing agents, recognised accountants, market associations, underwriters and Lloyd’s brokers for information.

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