

# MARKET BULLETIN

REF: Y4009

<b>Title</b>	Solvency II – Quantitative Impact Study 3 (QIS3)
<b>Purpose</b>	To request managing agents' assistance in assessing the impact of proposed Solvency II capital models by providing syndicate level returns for QIS3 (specification included) and any qualitative comments on the proposals
<b>Type</b>	Event
<b>From</b>	John Parry, Head of Market Finance Contact details: 020 7327 5129 <a href="mailto:john.parry@lloyds.com">john.parry@lloyds.com</a>
<b>Date</b>	19 April 2007
<b>Deadline</b>	<b>4 May 2007: to notify participation in QIS3</b> <b>8 June 2007: to submit QIS3 to Lloyd's</b>
<b>Related links</b>	Appendix 1 - Lloyd's QIS3 guidance notes Appendix 2 – Lloyd's risk code mapping

## Solvency II – QIS3

Lloyd's recently provided individual presentations to managing agents, giving an update on the progress of the Solvency II project. A specific QIS3 workshop was also held on 11 April in conjunction with the LMA and CALM.

The principal aim of QIS3 is to test the components and calibration of the Solvency II standard capital models and in particular, the MCR (minimum capital requirement) and SCR (solvency capital requirement). The results of QIS3 will be used to assist the European Commission in its finalisation of these aspects of Solvency II.

QIS3 is being conducted throughout the European Union by CEIOPS (Committee of European Insurance and Occupational Supervisors) ([www.ceiops.org](http://www.ceiops.org)) on behalf of the European Commission. It is being co-ordinated in the UK by the FSA ([www.fsa.gov.uk](http://www.fsa.gov.uk)). The full QIS3 specification has now been issued by the FSA together with guidance notes for completion and links to the relevant information are provided in this bulletin.

## Lloyd's and managing agents' participation in QIS3

Lloyd's will be making a market level submission to the FSA in respect of QIS3 based on centrally held data as at 31 December 2006. In addition, we are seeking syndicate level returns to be provided to us. This will provide an opportunity for Lloyd's to assess what the

impact of Solvency II may be at syndicate and sector level, as well as at Society level. In addition, completion of QIS3 will assist agents in considering the potential impact of Solvency II on their businesses.

QIS3 comprises a spreadsheet workbook and a questionnaire seeking qualitative information. Although the workbook has around 50 sheets, some of these are not applicable to Lloyd's syndicates. Typically, around 30 sheets need to be completed in respect of a non-life syndicate, and 20 for a life syndicate. The attached Lloyd's guidance notes highlight the key areas for completion and also the order in which the worksheets should be completed, as many of the data cells are pre-populated from elsewhere within the workbook.

The specified line of business splits used within the QIS3 worksheets are different to both Lloyd's risk codes and to FSA ECR splits. Lloyd's has provided a risk code mapping at Appendix 2 to assist agents but this is not mandatory and agents may use a "best fit" approach. (An electronic spreadsheet version of this mapping is also available on request from [solvency2@lloyds.com](mailto:solvency2@lloyds.com)).

Agents should also note that the completion of QIS3 does entail the re-calculation of technical provisions on an alternative basis to that currently undertaken (i.e. on a discounted best estimate basis plus risk margin based on cost of capital).

Whilst agent participation in QIS3 is not compulsory, Lloyd's strongly encourages all agents to provide as much data as they can so that Lloyd's can fully assess the potential impact on different areas of the market, both in terms of size of syndicates and type of business written. QIS3 may be the final opportunity to influence the outcome of the Solvency II project and it is important that Lloyd's is able to collect sufficiently representative information to be in a position to respond fully on behalf of the market.

Managing agents are asked to complete QIS3 in respect of each managed syndicate, both active and run off, in accordance with the instructions provided by FSA and additional guidance provided as Appendix 1 to this bulletin. If you are unable to complete the whole return, a partial submission would still be appreciated. QIS3 does not require agent or audit sign off and returns should be completed on a "best efforts" basis. Lloyd's would also like to receive as many qualitative comments as possible in order that these can be incorporated into the central response to the FSA.

Please note that any syndicate specific information or comments submitted to Lloyd's will be kept confidential.

### **QIS3 Links**

Specific links to the QIS3 spreadsheet, qualitative questionnaire and guidance notes from both CEIOPS and the FSA are included below. Additional documentation on the full QIS3 technical specification can be found on CEIOPS website ([www.ceiops.org](http://www.ceiops.org)).

CEIOPS Guidance on the QIS3 package

[www.ceiops.org/media/files/consultations/QIS/QIS3/QIS3GuidancePaper.pdf](http://www.ceiops.org/media/files/consultations/QIS/QIS3/QIS3GuidancePaper.pdf)

CEIOPS Spreadsheet Instructions and QIS3 Technical Specifications: Part I

[www.ceiops.org/media/files/consultations/QIS/QIS3/QIS3SpreadsheetInstructionsFinal.pdf](http://www.ceiops.org/media/files/consultations/QIS/QIS3/QIS3SpreadsheetInstructionsFinal.pdf)

[www.ceiops.org/media/files/consultations/QIS/QIS3/QIS3TechnicalSpecificationsPart1.PDF](http://www.ceiops.org/media/files/consultations/QIS/QIS3/QIS3TechnicalSpecificationsPart1.PDF)

QIS3 spreadsheet (*version in £000's available on request from [solvency2@lloyds.com](mailto:solvency2@lloyds.com)*)  
[www.ceiops.org/media/files/consultations/QIS/QIS3/QIS3spreadsheetFinal.xls](http://www.ceiops.org/media/files/consultations/QIS/QIS3/QIS3spreadsheetFinal.xls)

Qualitative questionnaire  
[www.ceiops.org/media/files/consultations/QIS/QIS3/QIS3QuestionnaireSolo.pdf](http://www.ceiops.org/media/files/consultations/QIS/QIS3/QIS3QuestionnaireSolo.pdf)

FSA guidance notes on spreadsheet completion  
[www.fsa.gov.uk/Pages/About/What/International/solvency/index.shtml](http://www.fsa.gov.uk/Pages/About/What/International/solvency/index.shtml)

### **Deadline for returns to Lloyd's**

Lloyd's would like to determine which agents will be participating in QIS3 and to what extent, and thus we ask all agents to send an email to [solvency2@lloyds.com](mailto:solvency2@lloyds.com) advising whether or not they will be taking part by **4 May**. Agents are also asked to advise in that email who their principal point of contact is for Solvency II so that we can use this for all future information.

Lloyd's completed QIS3 return must be filed with the FSA by no later than 29 June and we would therefore ask syndicates to provide as much information as possible by **8 June**. This will allow Lloyd's to review the information received and respond fully to the FSA by the 29 June deadline building in the qualitative comments made. The syndicate specific quantitative data will not be used in this return.

Agents should note that completed QIS3 spreadsheets and qualitative questionnaires should be submitted electronically to [solvency2@lloyds.com](mailto:solvency2@lloyds.com). A hard copy submission is not required.

### **Queries and Technical assistance**

A central email address has been set up to receive all correspondence relating to Solvency II and this can also be used by agents to submit queries: [solvency2@lloyds.com](mailto:solvency2@lloyds.com). Lloyd's will answer queries and provide technical support to agents for QIS3 wherever possible and members of the Solvency II project team are shown below:

Paul Appleton, Accounting Policy  
Veekash Badal, Market Reserving & Capital  
Lorraine Harfitt, Market Finance  
Nick Moore, Market Reserving & Capital

This bulletin is being sent to all managing agents, members' agents and recognised accountants and will be made available to other professional advisers. If managing agents have any questions on this bulletin or the overall QIS3 process they should email these to [solvency2@lloyds.com](mailto:solvency2@lloyds.com).

John Parry  
Head of Market Finance

# **SOLVENCY II**

## **LLOYD'S GUIDANCE NOTES FOR COMPLETION OF QIS3**

**APRIL 2007**

## Introduction

### General

These notes are intended to provide summary guidance for completion of the QIS3 return and should be read in conjunction with the CEIOPS guidance materials which provide further detail. Additional information is contained in the FSA's QIS3 guidance notes.

CEIOPS has provided extensive guidance for completion of the QIS3 exercise, in particular the document "QIS3 Technical Specifications Part I: Instructions" has been referred to below and should be the first resource utilised for any questions. CEIOPS' document "QIS3 Spreadsheet Instructions" is also likely to be of use. In addition, the FSA's guidance notes provide a step by step guide to the workbook completion process.

Links to these documents are provided within the main section of the accompanying market bulletin.

### QIS3 package

The QIS3 return comprises a spreadsheet workbook together with an additional questionnaire collecting qualitative information. The workbook comprises 52 sheets, but some of these relate to insurance groups and certain types of European health business (not applicable to Lloyd's) and others are life or non-life specific. Typically, around 30 sheets will need to be completed in respect of a non-life syndicate and 20 in respect of a life syndicate.

All agents should participate in QIS3 at syndicate level on the basis of a "solo entity" and not a group, even if the agent is part of a larger group.

### Qualitative questionnaire

Agents should complete the QIS3 Qualitative Questionnaire Part I: Solo Questions and a link to this document is provided in the accompanying bulletin. Please complete as much of the questionnaire as possible as partial responses will still be of value.

### Completion of the QIS3 spreadsheet

Please complete a spreadsheet return in respect of each managed syndicate. The return should be completed in accordance with the general instructions provided by CEIOPS together with the Lloyd's summary guidance notes as set out below.

The return is to be completed:

- in respect of the assets and liabilities of the syndicate only, i.e. not reflecting the funds at Lloyd's of members supporting the syndicate
- in respect of data **as at 31 December 2006**
- **in £'000's** ( this requires an adjustment to the spreadsheet, explained in section I.A.1 Participant information on the next page)

Certain figures reported should agree or reconcile (when rounded to £'000) to amounts reported in the 31 December 2006 annual return (AR) for the syndicate and details are set out in the following guidance notes.

### Approach to completion of the workbook

Please complete the participant information sheet first (sheet I.A.1).

Within the spreadsheet, only blue fields within the spreadsheet require data input. Yellow fields are calculated, orange fields hold assumptions and purple fields hold key results.

The key to completion of the workbook is to complete the line of business analysis in section III first as much of the information reported elsewhere in the workbook is pre-populated from this. These forms may be completed using reasonable estimates, but it is important that as much data as possible is reported by line of business due to the dependency of the rest of the return on this data.

Attached at Appendix 2 is a suggested, but not mandatory, mapping from risk codes to lines of business. Agents are free, however, to use their own allocation methodology to achieve a 'best fit' for each line of business.

All sheets and other references in respect of groups and health business are not applicable to Lloyd's syndicates and should be ignored. Any Lloyd's health business must be included within the non-life accident and health line of business.

## **Workbook - instructions by sheet**

### **0.1 Read me**

Applicable to all syndicates

This sheet provides general information including an explanation of the cell colour coding system used in the workbook. No data entry is required.

### **0.2 Index**

Applicable to all syndicates

This sheet provides an index to the workbook including hyperlinks to the other sheets. No data entry is required.

### **0.3 QIS3 parameters**

Applicable to all syndicates

This sets out the parameters used in various parts of the MCR and SCR calculations, reported on other sheets. No data entry is required.

### **I.A.1 Participant information**

Applicable to all syndicates

This collects general information about the participant.

- Line 01 – the syndicate number is entered here as 'Syndicate XXXX'.
- Line 02 – please leave blank
- Line 03 – 'legal entity' is to be selected here
- Line 04 – this is either 'life' or 'property and casualties' (i.e. non-life)
- Line 05 – this is 2006
- Line 06 – please select 'thousands of pounds (\* see note below)
- Line 07 – 'United Kingdom' is to be selected here
- Line 08 – please leave blank
- Line 20 – please either select 'CEIOPS provided term structure' or 'another term structure' dependent on the choice of term structure made by the agent.
- Line 30 – please select 'no'
- Line 33 – please select 'no'

**\* Note in reference to Line 06:** the default for the spreadsheet is to allow entries in Euros but for Lloyd's purposes we would request that entries be made in £. To allow the entry of £'000 you will need to undertake the following steps in Excel

1. unhide the sheet "Internal Data" (Format –Sheet –Unhide from the Excel menu)
2. at cells B10 and B11 enter "Thousands of pounds"

3. hide the sheet "Internal Data" (Format-Sheet-Hide from the Excel menu)
4. go to sheet "I.A.1 Participant information" and to cell D10, use the drop down selection box to select "Thousands of pounds".
5. save the spreadsheet as "QIS3\_Syndicate\_XXXX" where XXXX represents your syndicate number

### **I.A.2 Group coverage**

Not applicable – please leave blank

### **I.A.3 Qualitative questions**

Applicable to all syndicates

The answers to questions 5, 7 and 30 of the questionnaire should be reported here. Questions 5 and 7 require a range from 1 to 5, and question 30 require a choice from 'yes', 'no' or 'planned'.

### **I.A.4 Group questions**

Not applicable – please leave blank

### **II.A.1 Balance sheets**

Applicable to all syndicates - this sheet analyses the balance sheet of the syndicate.

#### ***Lines 01 to 05 – current bases***

Assets (column D)

- line 01 'reinsurance' is reinsurers' share of technical provisions and = AR002 line 136
- line 02 'investments' = AR002 line 9
- line 03 is zero
- line 04 should equal line 05 minus lines 01,02 and 03
- line 05 = AR002 line 31 – this is a derived field and no entry required

Liabilities (column E)

- line 01 'basic own funds' is members' balances and = AR002 line 32 (reverse sign)
- line 02 is zero
- line 03 'insurance liabilities' is gross technical provisions and = AR002 line 36 (reverse sign)
- line 04 should equal line 05 minus lines 01,02 and 03
- line 05 = AR002 line 52 (reverse sign) - this is a derived field and no entry required

#### ***Lines 11 to 15 – Solvency 1 basis.***

Please report the same numbers as the equivalent entries on lines 01 to 04 – total in line 15 should equal line 05.

#### ***Lines 21 to 26 – QIS3 valuation principles***

Assets (column D)

Line 21 'reinsurance' is reinsurers' share of QIS3 technical provisions (excluding the risk margin). Lines 23 to 25 are the same as the equivalent references on lines 02 to 04.

Liabilities (column E)

Line 23 'insurance liabilities' is the gross QIS3 technical provisions (excluding the risk margin). The risk margin is reported on line 22. Lines 24 and 25 are the same as the equivalent references on lines 03 and 04 on the grounds of immateriality. Line 21 'basic own funds' is a balancing figure to ensure line 26 'total assets' = line 26 'total liabilities'. Line 21 thus equals line 01 less any net increase in net QIS3 technical provisions (including the risk margin) compared with current technical provisions.

### ***Lines 40 to 45 – Investments***

Each column is to be completed showing the 'current bases' valuation.

- lines 41 and 42 are zero.
- line 43 must equal AR002 line 2 column A.
- line 44 must equal AR002 lines 1 + 3 column A.
- line 45 must equal AR002 lines 4 to 7 column A.
- line 40 is derived and must equal lines 02,12 and 23 'assets', above.

#### **II.A.2 Eligible elements**

Applicable to all syndicates

QIS3 Technical Specifications Part I: Instructions pages 27-30 provides details.

Line 13 'retained earnings' must equal sheet II.A balance sheet, column E, line 21 'basic own funds'

#### **II.A.3 Activity summary**

Applicable to all syndicates

This summarises the data by line of business, and is largely pre-populated/calculated from the entries in section III which must be completed first. This tab also captures risk margin information in relation to the technical provisions under a QIS3 specification.

A 'yes'/'no' response to whether the line of business is underwritten is required at lines 01, 11 and 31; the response of "yes" enables the viewing of a data entry area for that line of business (which is populated from entries made in Tabs III.C.1-15)

Within a particular line of business for non-life, an entry in line 15 and/or line 35 will enable further entries to be made in rows 22-25 and/or 42-45 as appropriate. The entry in lines 15 and 35 should reflect the percentage of the provisions (as valued on the current Solvency I basis) that were recalculated in accordance with the QIS3 specification (i.e. as a best estimate plus risk margin).

A similar approach is required for Life business.

#### **III.A.1 to III.A.4 Analysis by line of business – life (*Applicable to life syndicates only*)**

This form collects data by line of business in respect of life business. Only sheets III.A.3 'life general' and III.A.4 'life reinsurance' are applicable to Lloyd's syndicates.

#### ***Lines 01 to 09 – current technical provisions***

For all lines of business in aggregate:

- line 01 (gross) must equal AR002 line 33 column A (reverse sign)
- line 02 (gross) must equal AR002 line 34 column A (reverse sign)
  
- line 01 (net) must equal AR002 lines 33+11 column A (reverse sign)
- line 02 (net) must equal AR002 lines 34+10 column A (reverse sign)
- line 09 (net) must equal AR002 line 28 column A
  
- lines 03 and 04 are left blank.

#### ***Lines 10 to 16 – QIS3 technical provisions***

Only line 11 is completed which will equal line 10 and is the QIS3 best estimate technical provision.

#### **III.B Health**

Not applicable – please leave blank

### **III.C.1 to III.C.15 Analysis by line of business – non-life (*Applicable to non-life syndicates only*)**

#### **General**

The form requires an analysis of technical provisions and other information by line of business. Please complete as much information as possible, as the data entered here affects much of the rest of the workbook either by pre-population or calculation. Allocation of items between line of business and calculation based on reasonable estimates is acceptable.

Attached at Appendix 2 is a suggested, but not mandatory, mapping from risk codes to QIS3 lines of business. Agents are free, however, to use their own allocation methodology to achieve a 'best fit' for each line of business.

All business other than non proportional treaty business should be allocated to sheets 1 to 12. Non proportional treaty business should be allocated to sheets 13 to 15.

QIS3 Technical Specifications Part I: Instructions pages 21-22 provides details.

#### ***Lines 01 to 09 - current technical provisions***

For all lines of business in aggregate, the following are derived fields from entries input into columns F to I

##### Column D

- line 01 (gross) must equal AR205 line 5 (reverse sign)
- line 02 (gross) must equal AR205 lines 1 to 3 (reverse sign)
- lines 06 and 07 (gross) must equal AR205 line 4 (reverse sign)
- line 08 (gross) must equal AR205 line 7 (reverse sign)

##### Column E

- line 01 (net) must equal (AR205 line 5 + AR201 line 24) (reverse sign)
- line 02 (net) must equal (AR205 lines 1 to 3 + AR201 lines 21 + 22) (reverse sign)
- lines 06 and 07 (net) must equal (AR205 line 4 + AR201 line 23) (reverse sign)
- line 08 (net) must equal (AR205 line 7 + AR201 line 26) (reverse sign)
- line 09 (net) must equal (AR201 line 57)

#### ***Lines 10 to 16 – QIS3 technical provisions***

Please complete in accordance with QIS3 methodology as detailed in sections I.1.18-78 and I.1.114-115 of QIS3 Technical Specifications Part I: Instructions, pages 8-22. Note that the technical provision entries in this section relate only to the best estimate provision components, the QIS3 risk margins being captured in II.A.3.

#### ***Lines 10 and 11 – current year premiums written and earned***

For all lines of business in aggregate:

- line 10 (current year) gross premiums written must equal AR001 line 3 column A
- line 10 (current year) net premiums written must equal AR001 lines 3+6 column A
- line 11 (current year) gross premiums earned must equal AR001 line 5 column A
- line 11 (current year) net premiums earned must equal AR001 line 9 column A

#### ***Lines 20 to 34 – historic premiums and net loss ratio for the last 15 years***

These must be completed in accordance with UK GAAP and must be analysed by pure year rather than reporting year. Please complete for as many pure years as possible, the tab "IV.A.5 Non-Life underwriting" assigns a credibility factor based on the number of years completed, the minimum level is 7 years (see section I3.245 of QIS3 Technical

Specifications Part I: Instructions on page 82). Estimates using any reasonable basis may be used to complete this section.

Please also provide an estimate of next year's expected written and earned premiums net of reinsurance.

#### **IV.A.1 Market risk**

Applicable to all syndicates

This calculates the standard SCR market risk capital requirement.

Please complete the blue fields in accordance with the general instructions.

Spread sub risk (lines 13 to 21): a reasonable allocation of counterparties between ratings may be applied.

Concentration sub risk (line 22): this is derived from sheet V.B.1 'concentration risk' – no data entry required.

#### **IV.A.2 Default risk**

Applicable to all syndicates

This calculates the standard SCR default risk capital requirement and is pre populated from sheet V.B.2 'counterparty risk'.

#### **IV.A.3 Life underwriting**

Applicable to life syndicates

This calculates the standard SCR life underwriting risk capital requirement.

Please complete the blue fields in accordance with the general instructions.

#### **IV.A.4 Health underwriting**

Not applicable – please leave blank

#### **IV.A.5 Non-life underwriting**

Applicable to non-life syndicates

#### ***Premiums and reserve risk – lines 01 to 25***

This calculates the standard SCR non-life premium and reserve risk based on the analysis by line of business entered in section III.

#### ***CAT risk scenarios – lines 30 to 39***

Please report the charge in relation to each CAT risk scenario as defined (see section I3.252-266 of QIS3 Technical Specifications Part I: Instructions on pages 85-89).

#### **IV.B.1 Operational risk**

Applicable to all syndicates

This calculates the operational risk capital requirement to be added to the BSCR to obtain the standard SCR.

Please complete lines 02 and 06 (non-life) or 01 and 05 (life).

- Line 01 or 02 (as appropriate for life/non-life) must equal AR001 lines 3+6.
- Lines 05 or 06 (as appropriate for life/non-life) must equal the gross QIS3 total technical provisions.

#### **IV.B.2 SCR and BSCR**

Applicable to all syndicates

This form summarises the SCR and Basic SCR (BSCR) calculations and is largely pre-populated from data reported elsewhere in sections III and V.

Please enter the internal estimates of each element comprising the SCR, if available. You may base these on the 2007 ICA calculations prepared in 2006, some adjustment may be necessary to ensure consistency (as detailed in section I.4.1-1.4.5 of QIS3 Technical Specifications Part I: Instructions on page 90).

### **IV.B.3 MCR**

Applicable to all syndicates

This form calculates the MCR largely based on data reported elsewhere in the workbook.

Please complete the blue fields in relation to market, interest rate and life underwriting risks as appropriate in accordance with the instructions.

### **IV.B.4 Group results, IV.C.1 Group output and IV.C.2 Group solo inputs**

Not applicable – please leave blank

### **V.A.1 Used term structure**

Applicable to all syndicates

Please complete the used term structure if none of the provided ones are applicable.

### **V.A.2 2006 term structure and V.A.3 2005 term structure**

Applicable to all syndicates

These are helper sheets which you may wish to take into account when considering the term structure to be used; the 2006 term structure sheet entries match those shown in the V.A.1 tab, the 2005 term structure is shown for reference.

### **V.A.4 CoC risk margin**

This is a helper sheet for calculation of the risk margin using the cost of capital methodology, some elements of data are pre-populated from other sheets.

### **V.B.1 Concentration risk**

This sheet enables the calculation of the concentration risk by analysing the exposure by counterparty. This may be completed using a reasonable basis of approximation.

- 'Total assets' must equal sheet II.A.1 'balance sheet' line 26 'assets'.
- total of 'equity exposure' must equal AR002 line 2 column A
- total of 'fixed income exposure' must equal AR002 lines 1+3 column A

### **V.B.2 Counterparty risk**

This sheet enables the calculation of the counterparty default risk by analysing the exposure by counterparty. This may be completed using a reasonable basis of approximation.

### **V.B.3 Group capital – insurance, V.B.4 Group capital – non EEA and V.B.5 Group capital - others**

Not applicable – please leave blank

### **V.C.1 SCR without free assets**

This is a helper sheet which may be used to calculate an SCR with the market risk component excluding 'free assets'

### **V.C.2 Liability duration**

This is a helper sheet which may be used to provide information on liabilities duration and calculate an SCR with the alternative equity and property model.

# **SOLVENCY II**

## **LLOYD'S RISK CODE MAPPINGS FOR QIS3**

**APRIL 2007**

<b>LLOYD'S RISK CODE</b>	<b>CEIOPS QIS3</b>
1	Marine, Aviation and Transport
2	Marine, Aviation and Transport
3	Marine, Aviation and Transport
4	Marine, Aviation and Transport
5	Marine, Aviation and Transport
6	Marine, Aviation and Transport
7	Marine, Aviation and Transport
8	Marine, Aviation and Transport
9	Marine, Aviation and Transport
1E	Marine, Aviation and Transport
1T	Accident & Health
2E	Marine, Aviation and Transport
2T	Marine, Aviation and Transport
3E	Fire and other property damage
3T	Marine, Aviation and Transport
4E	Third party liability
4T	Credit and suretyship
5T	Motor, third-party liability
6T	Fire and other property damage
7T	Third party liability
8T	Marine, Aviation and Transport
AG	Fire and other property damage
AO	Third party liability
AP	Third party liability
AR	Non proportional reinsurance marine, aviation & transport
AW	Marine, Aviation and Transport
AX	Non proportional reinsurance marine, aviation & transport
B	Marine, Aviation and Transport
B2	Fire and other property damage
B3	Fire and other property damage
B4	Fire and other property damage
B5	Fire and other property damage
BB	Third party liability
BD	Fire and other property damage
BS	Credit and suretyship
CA	Fire and other property damage
CF	Credit and suretyship
CN	Non proportional reinsurance casualty
CP	Credit and suretyship
CR	Credit and suretyship
CT	Marine, Aviation and Transport
CX	Marine, Aviation and Transport

<b>LLOYD'S RISK CODE</b>	<b>CEIOPS DESCRIPTION</b>
D2	Third party liability
D3	Third party liability
D4	Third party liability
D5	Third party liability
DC	Fire and other property damage
DM	Third party liability
DO	Third party liability
DX	Non proportional reinsurance casualty
E2	Third party liability
E3	Third party liability
E4	Third party liability
E5	Third party liability
E6	Third party liability
E7	Third party liability
E8	Third party liability
E9	Third party liability
EA	Third party liability
EB	Third party liability
EF	Fire and other property damage
EG	Marine, Aviation and Transport
EH	Marine, Aviation and Transport
ET	Marine, Aviation and Transport
EW	Marine, Aviation and Transport
F	Fire and other property damage
F2	Third party liability
F3	Third party liability
FA	Fire and other property damage
FC	Marine, Aviation and Transport
FG	Credit and suretyship
FM	Credit and suretyship
FR	Fire and other property damage
FS	Credit and suretyship
G	Third party liability
GC	Third party liability
GP	Third party liability
GS	Fire and other property damage
GX	Non proportional reinsurance marine, aviation & transport
H	Marine, Aviation and Transport
H2	Marine, Aviation and Transport
H3	Marine, Aviation and Transport
HA	Fire and other property damage
HP	Fire and other property damage
HX	Non proportional reinsurance marine, aviation & transport

<b>LLOYD'S RISK CODE</b>	<b>CEIOPS DESCRIPTION</b>
JB	Fire and other property damage
K	Accident & Health
KA	Accident & Health
KC	Accident & Health
KD	Non proportional reinsurance marine, aviation & transport
KG	Accident & Health
KK	Accident & Health
KL	Non proportional reinsurance casualty
KM	Non proportional reinsurance casualty
KS	Accident & Health
KT	Accident & Health
KX	Non proportional reinsurance casualty
L	Third party liability
L2	Third party liability
L3	Third party liability
LE	Legal expenses
LJ	Miscellaneous non-life
LX	Non proportional reinsurance marine, aviation & transport
M2	Motor, other classes
M3	Motor, other classes
M4	Motor, other classes
M5	Motor, third-party liability
M6	Motor, third-party liability
M7	Motor, third-party liability
MA	Motor, other classes
MB	Motor, third-party liability
MC	Motor, third-party liability
MD	Motor, other classes
ME	Motor, third-party liability
MF	Motor, third-party liability
MG	Motor, other classes
MH	Motor, third-party liability
MI	Motor, third-party liability
MK	Motor, other classes
ML	Motor, third-party liability
MM	Motor, other classes
MN	Motor, third-party liability
MP	Motor, third-party liability
N	Fire and other property damage
NA	Third party liability
NB	Fire and other property damage

<b>LLOYD'S RISK CODE</b>	<b>CEIOPS DESCRIPTION</b>
NC	Third party liability
NL	Third party liability
NP	Fire and other property damage
NX	Non proportional reinsurance property
O	Marine, Aviation and Transport
OX	Non proportional reinsurance marine, aviation & transport
P	Credit and suretyship
P2	Fire and other property damage
P3	Fire and other property damage
P4	Fire and other property damage
P5	Fire and other property damage
P6	Fire and other property damage
P7	Fire and other property damage
PB	Credit and suretyship
PC	Credit and suretyship
PD	Fire and other property damage
PE	Fire and other property damage
PF	Credit and suretyship
PI	Third party liability
PL	Third party liability
PM	Third party liability
PN	Credit and suretyship
PO	Credit and suretyship
PP	Credit and suretyship
PQ	Assistance
PR	Credit and suretyship
PS	Credit and suretyship
PU	Credit and suretyship
PW	Credit and suretyship
PX	Marine, Aviation and Transport
PZ	Credit and suretyship
Q	Marine, Aviation and Transport
QL	Marine, Aviation and Transport
QX	Non proportional reinsurance marine, aviation & transport
RX	Non proportional reinsurance marine, aviation & transport
SB	Non proportional reinsurance casualty
SC	Marine, Aviation and Transport
SL	Third party liability
SO	Marine, Aviation and Transport
SR	Non proportional reinsurance marine, aviation & transport
SX	Marine, Aviation and Transport
T	Marine, Aviation and Transport

<b>LLOYD'S RISK CODE</b>	<b>CEIOPS DESCRIPTION</b>
TC	Miscellaneous non-life
TE	Fire and other property damage
TO	Fire and other property damage
TR	Non proportional reinsurance property
TS	Marine, Aviation and Transport
TU	Fire and other property damage
TX	Non proportional reinsurance marine, aviation & transport
UA	Third party liability
UC	Third party liability
V	Marine, Aviation and Transport
VL	Marine, Aviation and Transport
VX	Non proportional reinsurance marine, aviation & transport
W	Marine, Aviation and Transport
W2	Third party liability
W3	Third party liability
W4	Third party liability
WA	Credit and suretyship
WB	Marine, Aviation and Transport
WC	Third party liability
WL	Fire and other property damage
WS	Non proportional reinsurance casualty
WX	Non proportional reinsurance marine, aviation & transport
X1	Non proportional reinsurance marine, aviation & transport
X2	Non proportional reinsurance marine, aviation & transport
X3	Non proportional reinsurance property
X4	Non proportional reinsurance casualty
X5	Non proportional reinsurance marine, aviation & transport
XC	Non proportional reinsurance property
XD	Non proportional reinsurance casualty
XE	Non proportional reinsurance marine, aviation & transport
XL	Non proportional reinsurance casualty
XM	Non proportional reinsurance casualty
XP	Non proportional reinsurance property
XT	Non proportional reinsurance marine, aviation & transport
XX	Non proportional reinsurance property
XY	Non proportional reinsurance marine, aviation & transport
XZ	Non proportional reinsurance marine, aviation & transport
Y1	Non proportional reinsurance marine, aviation & transport
Y2	Non proportional reinsurance marine, aviation & transport
Y3	Non proportional reinsurance marine, aviation & transport
Y4	Non proportional reinsurance marine, aviation & transport

<b>LLOYD'S RISK CODE</b>	<b>CEIOPS DESCRIPTION</b>
Y5	Non proportional reinsurance marine, aviation & transport
Y6	Non proportional reinsurance marine, aviation & transport
Y7	Non proportional reinsurance marine, aviation & transport
Y8	Non proportional reinsurance marine, aviation & transport
Y9	Non proportional reinsurance marine, aviation & transport
ZX	Non proportional reinsurance marine, aviation & transport

**Notes**

1. the mappings above apply to non life business
2. facultative and proportional reinsurance should be treated as direct insurance and allocated to one of the QIS3 lines of business above.