

MARKET BULLETIN

REF: Y4066

Title	Reporting timetable for 2007 year-end to Q3 2008 QMR and key changes to forms
Purpose	To inform managing agents of the dates for the year end reporting and for the Q1 to Q3 2008 QMRs and key changes to the forms and invite agents to the workshops
Type	Scheduled
From	John Parry, Head, Market Finance Contact details: 020 7327 5129
Date	10 October 2007
Deadline	Return deadlines - see Appendix 1 Response to workshop invitation – 26 October 2007
Related links	

The purpose of this bulletin is to provide managing agents and syndicate auditors with the timetable for the 31 December 2007 year-end returns and the Q1 to Q3 2008 QMRs, to highlight the key changes to the forms for the year-end, and invite delegates to the 2007 year-end workshops.

Deadlines

The deadlines are included in the table in Appendix 1. The deadline for the SRD has been moved forward one week, other deadlines have remained as the equivalent Thursday to that in the 2006/2007 timetable.

Forms

The forms and instructions for the year-end returns will be issued later in the month but at Appendix 2 there is a summary of the changes that are to be made to the returns. Most of these changes are minor, eg input cells being made into analysis cells or adding/revising warning messages.

The key changes in the AR and QMR arise from the decision to allow aligned member capital to be held in syndicate PTFs. This decision was notified in market bulletin Y4032, dated 29 June 2007. That bulletin advised agents that there would be a need for additional reporting in order to collect capital level information for use in the Lloyd's capital tests, i.e. solvency, coming into line and release tests. At the time it was thought that a new return

would be required but it has been decided that the information can be collected in the QMR each quarter, and also the AR at year-end when the information needs to be audited.

Both the AR and the QMR will therefore have three new forms:

- 111 – investment return on the investments representing the capital, equivalent to lines 40 to 47 of form110;
- 202 – the make up of the assets representing the capital, equivalent to lines 1 to 19 of form201; and
- 204 - the member codes of each relevant corporate member for which the capital is held and their share of that capital.

The amounts in these forms will be fed through to forms 1 and 2 in the AR and QMR to report the syndicate’s aggregate position.

Another change to data requirements in the AR is that column B of AR137, analysis of personal expenses by corporate member, is to be completed with the actual standard personal expenses for the year, not the difference between the actual and pro-rata amounts.

In the SRD there is an additional field in SRD 199 to capture gross acquisition costs by risk code (gross acquisition costs are here defined as brokerage and commissions plus business arrangement fees plus other acquisition costs).

In relation to the FSA return, Lloyd’s has submitted a request for an extension of the waiver. If this is granted then there will be no increase in the data requirements in the FSA return.

Workshops

Based on numbers that attended the 2006 year-end workshops we have planned three dates for the workshops for the 2007 year-end returns as follows:

Date	Venue	Time
Tuesday 13 November	Old Library	0930 to 1200
Wednesday 28 November	Old Library	1500 to 1730
Friday 30 November	Old Library	0930 to 1200

Please either complete the form at Appendix 3 or send an e-mail (to sika.deegbe@lloyds.com) with the relevant details if you wish to attend. Fax or e-mail should be sent by 26 October.

Accommodation at each of the workshops is limited and therefore there will be places for two people from each active managing agent, service provider or audit firm for the workshop. Places on the workshops will be allocated on a “first come, first served” basis. Agents/service providers/auditors delaying responding to this bulletin may therefore find that their delegates do not have a choice as to which session they attend. That said, we have previously had spare places and will accommodate additional delegates from an agent if possible. Appendix 3 therefore has lines for additional delegates but they will only be allocated a place if there is room for them.

If delegates need a pass to enter the 1986 Building please tick the appropriate box on the booking form.

If no one from the agent is to attend the workshops but you do want to receive the presentation material, please complete the final section of the attached booking sheet.

Queries

Any queries or comments on this bulletin should be submitted via e-mail to Market Reporting (lloyds-MRD-ReturnQueries@lloyds.com).

This bulletin is being sent to all managing agents and recognised auditors.

John Parry

Appendix 1

Deadlines for the 31 December 2007 year-end returns and Q1 to Q3 2008 QMRs

Activity	07/08 deadline	06/07 deadline
Agents to submit 31.12.2007 AR	Thur 28 February	Thur 1 March
Agents to submit Q4 QMR	Thur 13 March	Thur 15 March
Agents to submit 31.12.2007 syndicate annual report and accounts together with agent and auditor confirmation of agreement with AR	Thur 20 March	Agent conf - Mon 19 March Accounts & Auditor conf - Thur 22 March
Relevant agents to submit 31.12.2007 FPP	Thur 27 March	Thur 29 March
Agents submit underwriting year accounts to Lloyd's	Thur 27 March	Thur 29 March
Agents send annual and underwriting year accounts to members	Mon 31 March	Sat 31 March
Agents to submit 31.12.2007 SRD	Thur 10 April	Thur 19 April
Agents to submit 31.12.2007 FSA return	Thur 24 April	Thur 26 April
Agents to submit Q1 2008 QMR	Thur 22 May	Thur 24 May
Agents to submit unaudited Q2 2008 QMR	Thur 14 August	Thur 16 August
Agents to submit audited Q2 2008 QMR	Thur 28 August	Thur 30 August
Agents to submit Q3 2008 QMR	Thur 20 November	Thur 22 November

Summary of key changes to 2007 year- end returns

Changes to the AR

Form	Change in data requirements	Comment
1 Summary P&L account	None	Derivations amended to pick up capital data from AR111
110 – P&L account by pure year	Aligned syndicates may report lines 11 to 17, 18 and 21 data for closed year in aggregate in the youngest closed year.	Aligned syndicates can now report all data for closed years in aggregate in the youngest closed year. Third party syndicates must continue to report lines 11 to 17, 18 and 21 by pure year.
111 – Investment return on capital provided by members	New form for investment return BUT ONLY to be completed by syndicates that hold their member's FAL in the PTF	
137 – Schedule 9a expenses	Column B, standard personal expenses, to be input as the amount incurred, not the difference between actual and pro rata	Reversal of last year's change following request by market
190 – Prior year P&L	None	Col A derives from last year's column C and picks up continued / discontinued split of result
2 – Summary balance sheet	None	Derivations amended to pick up capital data from AR202. Warning message in col B if assets do not agree to liabilities
201 – Balance sheet - assets	Cell A18 is now an analysis cell No tolerance on agreement between assets/liabilities. Check box if data is aggregate of all years	To provide information on the nature of other investments Warning message if cash in hand >£5k
202 – capital provided by members	New form for investments BUT ONLY to be completed by syndicates that hold their member's FAL in the PTF	
204 – capital provided by members	New form BUT ONLY to be completed by syndicates that hold their member's FAL in the PTF	
205 – Balance sheet – liabilities	Check box if data is aggregate of all years	
250 – LATF solvency	None	Row 29, derived NYID result, deleted.
260 - Matching and	None	Additional warnings, as per Q2

localisation		QMR
290 – Opening balance sheet	None	Derivation formula for column A changed to pick up col C from last year's AR2.
360 – Analysis of results and cash calls	Lines for forecast of potential cash calls included in AR	Information on cash call forecasts is required earlier for central fund forecasting
5 – Solvency result	Four cells now analysis rather than direct entry	Additional analysis of solvency adjustments required for Lloyd's completion of its FSA return
270u – Exchange differences	Brought forwards derived from last year-end	
610 – Reconciliations	None	Tolerance of £100k between exchange difference and 270u data

Changes impacting QMR

Form	Change in data requirements	Comment
1 Summary P&L account	None	Derivations amended to pick up capital data from QMR111
110 – P&L account by pure year	Aligned syndicates may report line 11 to 17, 18 and 21 data for closed year in aggregate in the youngest closed year.	Aligned syndicates can now report all data for closed years in aggregate in the youngest closed year. Third party syndicates must continue to report lines 11 to 17, 18 and 21 by pure year.
111 – Investment return on capital provided by members	New form for investment return BUT ONLY to be completed by syndicates that hold their member's FAL in the PTF	At Q4 all derived from AR
2 – Summary balance sheet	None	Derivations amended to pick up capital data from AR202
201 – Balance sheet – assets	None	Warning message if cash in hand >£5k
202 – capital provided by members	New form for investments BUT ONLY to be completed by syndicates that hold their member's FAL in the PTF	At Q4 all derived from AR
204 – capital provided by members	New form BUT ONLY to be completed by syndicates that hold their member's FAL in the PTF	
213 – Currency contracts analysis	Form deleted	
341 – Liquidity reporting part A forecast assumptions	Form deleted	

342 - Liquidity Reporting - Part B: Cashflow Forecast Under Normal Claims Expectations	Forecast for 5 th quarter not required	
343 - Liquidity Reporting - Part C: Realistic Disaster Scenario (RDS) Forecast Assumptions	Form deleted	
344 - Liquidity Reporting - Part D: Statement of Credit Facilities	Form deleted	

Changes to SRD

Form	Change in data requirements	Comment
199 – Revenue items	Additional cell for acquisition costs	
399 – Revenue items summary	None	Derives totals by reporting year by currency
499 – Balance sheet items summary	None	Derives totals by reporting year by currency

FAX

To Sika Deegbe (Market Reporting)

Fax No: 020 7327 6178

From: _____

Managing Agent/Auditor: _____

Telephone: _____

E-mail: _____

2007 year-end workshops

Delegate name	Preferred date (please tick one per delegate)			Please tick if Lloyd's pass required
	13 Nov.	28 Nov.	30 Nov.	
1.				
2.				
Additional delegates(places allocated if spare capacity)				
3.				
4.				
5.				
6.				

<p>If no one from the agency is to attend any of these workshops but would like to receive the presentation material please tick this box</p>	
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Please return completed form to Sika Deegbe by Friday 26 October.