

MARKET BULLETIN

REF: Y4083

Title	Canadian Earthquake Reporting
Purpose	To inform managing agents of the requirement to submit earthquake data to meet regulatory requirements in Canada
Type	Scheduled
From	Rolf Tolle, Director Franchise Performance
Date	30 November 2007
Deadline	10 January 2008

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 2005 and last year we carried out a proxy approach based on the change in premiums written since the full calculations. This year (for reporting to OSFI in February 2008) we need 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.

Lloyd's Exposure Management 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 also required to submit details of their aggregate exposures allocated to the old Cresta Zones.

Reporting software, guidance notes and the Cresta Aggregate spreadsheet template will be available for download from the market reporting website from Mon 3rd December.

Agents are requested to submit their returns by 12:00 on 10 January 2008.

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