

MARKET BULLETIN

REF: Y4385

Title	2010 QMR – major losses, exchange rates and other information
Purpose	To provide managing agents with information required for the completion of the Q1 2010 Quarterly Monitoring Returns including the list of major losses to be reported and suggested exchange rates.
Type	Scheduled
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Date	1 April 2010
Deadline	QMA – Thursday 20 May QMB – Thursday 20 May
Related links	

The purpose of this bulletin is to provide the list of major losses for QMA800u (Appendix 1) and the suggested exchange rates (Appendix 2) for the return, together with other information relevant to the completion of the returns.

Deadlines

As noted above the submission dates for the Q1 2010 QMR are: QMA, 20 May 2010; QMB 20 May 2010. Both parts are to be submitted by no later than 2:00pm on that date. The 2008 and 2009 forecasts as a percentage of capacity will be released to the Stock Exchange and included on Lloyds.com on Wednesday 26 May.

Chilean earthquake

The list of major losses in Appendix 1 includes February's Chilean earthquake. When assessing the level of claims relating to this loss managing agents do need to be careful that they identify the unit in which the loss is being reported. Chilean losses may be reported in one of two ways:

1. The Chilean Peso (CLP) is the official currency of Chile, conventionally quoted against the US Dollar (USD). All payments are made in CLP. On 26 February 2010, 1 USD = 524.55 CLP.
2. The Chilean Unidad de Fomento (UF) (may also be coded as "CLF") is a monetary reference unit which is linked to Chilean inflation and used in many financial transactions. It is fixed daily by the Central Bank of Chile and is not a settlement currency. The UF exchange rate may be

quoted in terms of the CLP (on 26 February 2010, 1 UF = 20,912.91 CLP) or the USD (on 26 February 2010, 1 UF = 39.8797 USD).

Forms and instructions

For Q1 2010, the QMA includes all forms that were previously in the QMB except the QMB105, MB105s and the related QMB870. There are no changes to the completion of the forms except that line 6 on QMA360 is now a derived cell rather than being an input cell and line 2 in QMA005 is an analysis cell.

The software has been updated for the above and will be available in the UAT environment for testing by managing agents from Wednesday April 7 with a view to then being promoted to the production environment by 21 April. Agents are encouraged to take the opportunity to check in UAT that the pre-populations are working correctly for their syndicates. Please note that while managing agents can currently set up Q1 2010 QMAs in the Production environment, any data entered into returns set up on this basis will need to be exported and loaded to the updated software when it is promoted.

The revised instructions for the QMA will be on the UAT site on April 6 and on the Production site from 21 April.

Interim workshops

In previous years we have run workshops in June/July highlighting changes to the returns and key areas for managing agents to consider when completing their interim returns. The requirements for this year's interim return are unchanged from last year. Furthermore, there are no issues arising from our work on the Q4 2009 returns that we need to highlight, nor any potential developments for the near future. Therefore, and following consultation with the LMA's CMR user group, we have decided that we will not run interim workshops this year. However, if any agents have feedback on the 2009 returns or questions on the current QMA returns then please feel free to contact us, initially through our e-mail address, and we will arrange to meet with you to discuss the points you wish to raise. We will hold year-end workshops, these will probably take place in November but we will advise you of the specific dates nearer the time.

Reporting performance issues

We would encourage all agents to report any issues they have with the performance of the software and accessing the systems as soon as they arise. This will enable the ITG help desk to help resolve the issue earlier in the process and enable us to monitor service levels in real time and respond quickly as issues emerge. The contact details for the Data Management team 020 7327 5252 (e-mail: ITGApplicationSupport2@Lloyds.com).

Queries

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

Robert Smith

Major losses

The XIS catastrophe codes which must be reported in the QMA800 are:

1	05H	Hurricane Katrina
2	05L	Hurricane Rita
3	05M	Hurricane Wilma
4	07J	California Fires – October 2007
5	08C	Pipe failure & fire at Varanus Island, Western Australia – 3 June 2008
6	08E	Hurricane Gustav
7	08F	Hurricane Ike
8	09A	Windstorm Klaus – 23 & 34 January 2009
9	09B	Australian wildfires – From 07 February 2009
10	09D	Air France A330 200 lost over Atlantic Ocean 1 June 2009
11	10A	Ethiopian Airlines – B737-800 25 January 2010
12	10B	US Snowstorms – 5 to 11 February 2010
13	10C	Chilean Earthquake – 27 February 2010
14	10D	European Storm Xynthia 27 February 2010
15	EKOF	Losses arising from impact damage to 2/4 W Platform following collision by “Big Orange XVIII” in Ekofisk oil field, 8 June 2009
16	FINC	Turmoil in financial markets post Lehman Brothers
17	MADO	Collapse of Madoff Investment Securities LLC
18	SUBS	Losses arising from sub prime
19	STAN	Stanford financial corporation alleged fraud

Agents are reminded that if they have any major loss to be reported on QMA800 that does not have an XIS catastrophe code they need to ensure that the loss has been allocated a major loss code. Details of the procedure for obtaining a major loss code can be found in an attachment to a message posted to Core Market Returns on 1 April 2010. The attachment includes a full list of current catastrophe and major loss codes to date. The deadline for submission of requests for new major loss codes to Market Finance is Friday 30 April.

Please note:

Major loss codes relating to 2009 and prior are still maintained in the database. Syndicates are asked to report on major losses in accordance with the QMA800 instructions, repeated within the memo attached to the Core Market Returns message posted on 1 April 2010.

For information:

Major loss code 08ZB has previously been assigned to the Australia floods in January 2008, to also include losses relating to BHP Billiton. However, can you now please use code 08ZM for specific BHP losses, and continue to use 08ZB for any other losses relating to the floods.

Code 08ZG should only be used for losses relating to Lehman Brothers/Marubeni Corp Japanese loan fraud.

Code 08ZV has been superseded by CAT code 08C. Please use 08C for losses relating to the pipe failure and fire, Varanus Island.

Code 09ZM previously assigned to Coogee Resources has been superseded by major loss code WATL assigned by XIS. Please use code WATL for any losses relating to the well blowout, Australasia.

Rates of Exchange

The settlement currency rates as at 31 March 2010 (balance sheet) and the average currency rates (profit and loss account) for the three month period to 31 March 2010 are as follows (to the £):

	Period end	Average
US dollars	1.52	1.56
Canadian dollars	1.54	1.62
Euro	1.12	1.13
Australian dollar	1.65	1.73
Danish krone	8.35	8.39
Hong Kong dollar	11.78	12.11
Japanese yen	141.74	141.48
New Zealand dollar	2.14	2.20
Norwegian krone	9.00	9.14
Singapore dollar	2.12	2.28
South African rand	11.14	11.71
Swedish krona	10.92	11.21
Swiss franc	1.60	1.65

It is not a requirement that the above rates are used in your QMR submission but they may be used in the absence of another source for these indices.