

## MARKET BULLETIN

REF: Y4459

<b>Title</b>	Q4 2010 QMR – major losses, exchange rates and other information.
<b>Purpose</b>	To provide managing agents with information required for the completion of the Q4 2010 Quarterly Monitoring Returns including the list of major losses to be reported and suggested exchange rates.
<b>Type</b>	Scheduled
<b>From</b>	Robert Smith, Manager, UK Reporting, Market Finance Contact details: 020 7327 5459 <a href="mailto:robert.smith@lloyds.com">robert.smith@lloyds.com</a>
<b>Date</b>	4 January 2011
<b>Deadline</b>	QMA – 2:00pm Thursday 24 February 2011 audited QMB – 2:00pm Thursday 3 March 2011 unaudited Syndicate Annual Accounts – Thursday 17 March
<b>Related links</b>	

This bulletin provides:

- (a) the list of major losses to be reported in QMA800u (see Appendix 1);
- (b) suggested exchange rates (see Appendix 2);
- (c) Q4 2010 deadlines and other information relevant to the completion of the Q4 2010 Quarterly Monitoring Return.

### Deadlines

As noted above the submission dates for the Q4 2010 QMR are: QMA, 24 February 2011; QMB, 3 March 2011.

The returns must be submitted by no later than 2:00pm of the deadline date. The year-end timetable for the completion of the market results is very tight and it is important that syndicate returns and annual accounts are submitted by their respective deadlines. We will take action against agents submitting late returns and / or accounts. Agents should bear this in mind when planning, not just the completion of the return, but also the audit and approval processes, including the timing of board meetings.

## Forms and instructions

As noted in market bulletin Y4438, the instructions for the year-end return are available on the core market returns site. The current instructions are 2010, version 2.0. However, please note the following points when reading these instructions:

### QMA112 – Canadian Regulated Business

The first paragraph of the instructions refers to this form being on a reporting year basis. This is not the case. The form is to be completed on a calendar year basis as noted in the second paragraph of that section.

### QMA710u – Reinsurance recoverables

At the end of the first paragraph of this section, the instructions state that Columns J (IBNR) and Q (provision for bad debt on IBNR) are optional at quarters 1 to 3 but must be completed at Q2 and Q4. This should read that they are optional at quarters 1 to 3 but required at Q4, ie they are optional at Q2.

These points will be confirmed in the FAQs, the first issue of which will be this Friday, 7 January, and weekly thereafter.

## Other information

### 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 Application Support team 020 7327 5252 (e-mail: [ITGApplicationSupport2@Lloyds.com](mailto:ITGApplicationSupport2@Lloyds.com)).

### Queries

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

Robert Smith

## Appendix 1

## Major losses

The XIS catastrophe codes which must be reported in the Q4 2010 QMA800u are:

1	05H	Hurricane Katrina	2005
2	05L	Hurricane Rita	2005
3	05M	Hurricane Wilma	2005
4	08E	Hurricane Gustav	2008
5	08F	Hurricane Ike	2008
6	09A	Windstorm Klaus	23 & 24 January 2009
7	09D	Air France A330 200 lost over Atlantic Ocean	1 June 2009
8	10A	Ethiopian Airlines – B737-800	25 January 2010
9	10B	US Snowstorms	5 to 11 February 2010
10	10C	Chilean Earthquake	27 February 2010
11	10D	European Storm Xynthia	27 February 2010
12	10E	Transocean MODU Deepwater Horizon	22 April 2010
13	10F	A330 Afriqiyah Airways Tripoli crash	12 May 2010
14	10G	Aban Drilling, loss of Rig off the coast of Venezuela	13 May 2010
15	10H	Air India Express Boeing B737-800 overshot runway	22 May 2010
16	10J	Flooding in SW & SE Queensland	1 March to 5 March 2010
17	10K	Melbourne severe storm event	6 March 2010
18	10L	Perth severe weather	22 March 2010
19	10M	Saudi Arabian Airlines warehouse fire	10 June 2010
20	10N	Air Blue Airbus crash in Margalla hills (Pakistan)	28 July 2010
21	10P	New Zealand Earthquake	4 September 2010
22	10Q	UPS - crash at Dubai abandoned military base	3 September 2010
23	10R	Qantas Airbus Engine Failure	4 November 2010
24	10S	Aerocaribbean Cuba Crash	4 November 2010
25	EKOF	Losses arising from impact damage to 2/4 W Platform following collision by “Big Orange XVIII” in Ekofisk oil field	8 June 2009
26	FINC	Turmoil in financial markets post Lehman Brothers	-
27	MADO	Collapse of Madoff Investment Securities LLC	-
28	SUBS	Losses arising from sub prime	-
29	STAN	Stanford financial corporation alleged fraud	-
30	VOLC	Losses from volcanic ash disruption to air travel	April 2010 ongoing

We recognise that this is now an extensive list but it is vital that we have this information to be able to provide analysts and other commentators with accurate information on the impact of major losses, both individual events and in total, have had on the market's results.

Agents are reminded that if they have any major loss to be reported on QMA800u 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 4 January 2011. 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 Monday 31 January 2011.

Major loss codes assigned for 2010 to date are:

1	10ZB	Haiti Earthquake	12/01
2	10ZC	Kleen Energy Explosion	07/02
3	10ZE	Furness Melbourne	05/01
4	10ZF	Codename Newcastle	23/03
5	10ZG	Edison SPA Turbine	20/01
6	10ZH	Camellia Plc - Abbey Metal Fire	22/04
7	10ZJ	Acergy Falcon	13/01
8	10ZK	Bangkok Riots	19/05
9	10ZL	STELLA flood	15/05
10	10ZM	Smurfit Kappa	30/01
11	10ZN	Ptt Public Company Limited	27/04
12	10ZP	Tennessee Floods	01/05
13	10ZQ	Hutchison Port Holdings	29/03
14	10ZR	Polski Koncern Naftowy Orlen	15/06
15	10ZS	Enbridge pipeline leak – Michigan	26/07
16	10ZT	Enbridge pipeline leak – Illinois	09/09

**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 QMA800u instructions, repeated within the memo attached to the Core Market Returns message posted on 4 January 2011.

Major loss code 10ZA – Perth Hailstorm has been superseded by major Catastrophe code 10L. Please use CAT code 10L for losses relating to the Perth Hailstorm, DOL 22 March 2010.

**Rates of Exchange**

The settlement currency rates as at 31 December 2010 (balance sheet) and the average currency rates (profit and loss account) for the 12 month period to 31 December 2010 are as follows (to the £):

	Period end	Average
US dollars	1.57	1.55
Canadian dollars	1.56	1.59
Euro	1.17	1.17
Australian dollar	1.53	1.68
Danish krone	8.70	8.69
Hong Kong dollar	12.17	12.01
Japanese yen	126.98	135.52
New Zealand dollar	2.00	2.14
Norwegian krone	9.10	9.34
Singapore dollar	2.01	2.11
South African rand	10.36	11.30
Swedish krona	10.53	11.12
Swiss franc	1.46	1.61

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.

**Chilean earthquake - Reminder**

The list of major losses in Appendix 1 includes 10C, 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).