

MARKET BULLETIN

REF: Y4476

| | |
|----------------------|--|
| Title | Replacement Stamp and Capacity Auction Systems |
| Purpose | To provide details for the implementation of a replacement stamp and capacity auction system during 2011 |
| Type | Event |
| From | Richard Crews, Manager Finance, Risk Management and Operations |
| Date | 28 March 2011 |
| Deadline | |
| Related links | |

The purpose of this market bulletin is to advise the Lloyd's market about the implementation of replacement stamp and capacity auction systems during 2011.

Background

Through the capacity auction process, for the subsequent year of account, existing syndicate members are able to realise any value attaching to the surrender of all or part of their right to participate on a syndicate. Additionally, both existing and new members can purchase the right to participate on a syndicate. The underlying syndicate constitution (record of the member capacity allocations that make up syndicates) is then updated to establish the position on the 1 January each year and the stamp system is amended throughout the year to allow for other changes in capacity.

The supplier of our current auction and stamp systems has decided to stop supporting the software and consequently a redevelopment has been necessary. The submission of auction bids and stamp movements will be undertaken via a new secure web based application. Both the new stamp and auction systems will use XML file format for members' agents or via individual keyed bids for other auction issuers.

Next Steps for Managing Agents

The new system will mean that the format of Syndicate Constitution (SC) files will change and auction bids be submitted via a secure on-line webpage. Market Services has contacted managing agents to advise them of the impact of the project on their own systems, and will be offering workshops to provide training on the new systems.

Next Steps for Members' Agents

MS have been discussing the changes with Whitespace Software Limited and for members' agents the majority of the market testing has been conducted with Whitespace during Q1. This approach will mean that only a limited amount of testing will need to be carried out with members' agents directly and this will be covered during the workshops.

Workshops

For all auction issuers we would like the opportunity to provide training regarding the submission of auction bids and associated stamp issues. These sessions will be scheduled for June or July 2011. MS will arrange these workshops directly with our main auction and stamp contacts in due course.

If you have any questions on the issues covered in this Market Bulletin, please speak with either Graham Bonner (graham.bonner@lloyds.com) tel: 01634 392056 or Sally Dunning (sally.dunning@lloyds.com) tel: 01634 392486