

MARKET BULLETIN

REF: Y4480

Title	Q1 2011 QMR – major losses, exchange rates and other information.
Purpose	To provide managing agents with information required for the completion of the Q1 2011 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 2011
Deadline	QMA – 2:00pm Thursday 19 May QMB – 2:00pm Thursday 19 May

Related links

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) Other information relevant to the completion of the Q1 2011 Quarterly Monitoring Return.

Deadlines

As noted above the submission dates for the Q1 2011 QMR are: QMA, 19 May 2011; QMB 19 May 2011. Both parts are to be submitted by no later than 2:00pm on that date. The 2009 and 2010 forecasts as a percentage of capacity will be released to the Stock Exchange and included on Lloyds.com on Wednesday 25 May.

Forms and instructions

The instructions as at Q4 2010 have been updated to include all relevant FAQ's issued for Q4. The current instructions are 2011 version 2.1 and will be available on the core market returns site on Wednesday 6th April. A tracked changes version is available upon request via e-mail to Market Reporting (Lloyds-MRD-ReturnQueries@lloyds.com).

As noted in Appendix 1, the list of major losses for inclusion in QMA800u is now quite extensive but this does not reflect all the losses that the Lloyd's Exposure Management team wish to track. Further information on the different events impacting Australia is included towards the end of that Appendix.

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 2010 returns that we need to highlight, nor any potential developments for the near future. Therefore, we have decided that we will not run interim workshops this year. However, if any agents have feedback on the 2010 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. At this moment in time, we intend to 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 Application Support team 020 7327 5252 (e-mail: 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).

Robert Smith

Major losses

The XIS catastrophe codes which must be reported in the Q1 2011 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	10B	US Snowstorms	5 to 11 February 2010
8	10C	Chilean Earthquake	27 February 2010
9	10D	European Storm Xynthia	27 February 2010
10	10E	Transocean MODU Deepwater Horizon	22 April 2010
11	10G	Aban Drilling, loss of Rig off the coast of Venezuela	13 May 2010
12	10J	Flooding in SW & SE Queensland	1 March to 5 March 2010
13	10K	Melbourne severe storm event	6 March 2010
14	10L	Perth severe weather	22 March 2010
15	10P	New Zealand Earthquake	4 September 2010
16	10R	Qantas Airbus Engine Failure	4 November 2010
17	10T*	Queensland Floods	21 Dec '10 to 14 Jan '11
18	11A*	Victoria Australia - heavy rainfall and flooding	12 January 2011
19	11B*	Cyclone Yasi	2 February 2011
20	11C	New Zealand Earthquake	22 February 2011
21	11D	Japanese Earthquake and ensuing Tsunami	11 March 2011
22	11E	Maersk Oil and Gas FPSO Gryphon	4 February 2011
23	11ZA*	Toowoomba Australia	10 to 11 January 2011
24	EKOF	Losses arising from impact damage to 2/4 W Platform following collision by "Big Orange XVIII" in Ekofisk oil field	8 June 2009
25	FINC	Turmoil in financial markets post Lehman Brothers	-
26	ICEL	Losses arising from the failure of Icelandic Banks	-
27	LEHM	Losses arising from the failure of Lehman Brothers Bank	-
28	MADO	Collapse of Madoff Investment Securities LLC	-
29	SUBS	Losses arising from sub prime	-
30	STAN	Stanford financial corporation alleged fraud	-
31	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 1 April 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 Friday 29 April 2011.

At the request of the LMA FI/PI claims group, major loss codes ICEL and LEHM have been allocated accordingly. Previously such losses were coded under major loss code FINC. Losses arising under these two codes must now be separately disclosed.

***Events in Australia**

To date there are three XIS catastrophe codes relating to losses that occurred in Australia late December 2010 / early January 2011. To ensure consistency across the market on the completion of the QMA800u and to assist Lloyd's tracking of these events a further major loss code has been specifically assigned. Although this is set up as a major loss code, it must be treated as if it were a CAT code.

Details of the use of the three CAT codes and one major loss code can be found below. All four codes have been listed in the required CAT codes table above:

1. 10T:
 - a. Queensland event DOL 26th December 2010 to January 14th 2011
 - b. Brisbane event DOL 21st December 2010 to January 14th 2011
2. 11A:
 - a. January 2011 Victoria event
 - b. February 2011 Victoria event
3. 11B: Losses relating to Cyclone Yasi
4. 11ZA: Toowoomba event 10th to 11th January 2011

Major loss codes

Major loss codes assigned for 2011 to date are:

1	EGYP	Turmoil in Egypt	07/02
2	11ZB	Perth bushfire	05 to 08/2

Please note:

Major loss codes relating to 2010 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 1 April 2011.

Rates of Exchange

The settlement currency rates as at 31 March 2011 (balance sheet) and the average currency rates (profit and loss account) for the 3 month period to 31 March 2011 are as follows (to the £):

	Period end	Average
US dollars	1.60	1.60
Canadian dollars	1.56	1.58
Euro	1.13	1.17
Australian dollar	1.55	1.59
Danish krone	8.42	8.73
Hong Kong dollar	12.47	12.48
Japanese yen	132.85	131.85
New Zealand dollar	2.10	2.12
Norwegian krone	8.87	9.17
Singapore dollar	2.02	2.05
South African rand	10.84	11.22
Swedish krona	10.11	10.38
Swiss franc	1.47	1.51

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.

SBF

The period end Q1 rates should also be used as the provisional rates for 2012 Syndicate Business Forecast (SBF) Returns submitted between 1 April and 31 July 2011.

The final SBF exchange rates, for use in SBF submissions on or after 1 August 2011, will be communicated in due course.