

# MARKET BULLETIN

REF: Y4512

<b>Title</b>	Q3 2011 GQD (Gross Quarterly Data) return and 2010/2011 TPD (Technical Provisions Data) return
<b>Purpose</b>	To remind managing agents of the submission deadline dates for the new GQD and TPD returns
<b>Type</b>	Scheduled
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<b>Date</b>	22/08/2011
<b>Deadline</b>	30 <sup>th</sup> November 2011 (year-end 2010 TPD and Q3 2011 GQD) 4 <sup>th</sup> June 2012 (year-end 2011 TPD)
<b>Related links</b>	<a href="http://www.lloyds.com/The-Market/Operating-at-Lloyds/Solvency-II/Information-for-managing-agents/Guidance-and-workshops/Technical-Provisions-and-Standard-Formula">http://www.lloyds.com/The-Market/Operating-at-Lloyds/Solvency-II/Information-for-managing-agents/Guidance-and-workshops/Technical-Provisions-and-Standard-Formula</a>

As part of the enhanced data reporting requirements for Solvency II, Lloyd's is introducing two new returns, the Gross Quarterly Data (GQD) and Technical Provisions Data (TPD). These returns will be collected via the Core Market Return (CMR) system and whilst the returns will initially run in parallel to existing returns they will replace some existing returns once the transition is complete. Both returns have been through consultation with the LMA Core Market Returns and Solvency II Reporting working groups. More detail is given below and can also be found on Lloyd's.com.

The deadlines for the returns have been communicated as part of the Solvency II dry run process and this bulletin is to remind agents that the first deadline for submission of these returns is approaching.

## GQD

The Gross Quarterly Data return (GQD) is a new Lloyd's return collecting gross signed premium, paid claim and notified outstanding claim information and covers all business whether processed through Xchanging or not. It will eventually replace MRC's "Non-Xchanging" data return.

The return is sufficiently granular to ensure Lloyd's central Actuarial Function can complete some of the new Solvency II requirements and especially the monitoring of actual versus expected developments. The return will also be used to allocate the TPD return to Solvency II line of business which reduces the granularity required for the TPD.

A separate return must be submitted in respect of each syndicate. Parallel corporate syndicates, special purpose syndicates and life syndicates must complete and submit a separate GQD return.

The first mandatory submission of the GQD return will be as at Q3 2011 with data submitted Wednesday 30 November 2011. The GQD will subsequently continue as a quarterly submission to Lloyd's and will be added to the business timetable.

In order to assist managing agents, the CMR system will be available for submission from the 21st October 2011.

For full details of the requirements relating to this return, please see the GQD instructions and specification which are available on Lloyd's Solvency II website.

It should be noted that there is a requirement for life syndicates to submit this return. Information specific to life syndicates on how the return should be completed can be found in the GQD instructions.

Please also note that the GQD FAQs have been updated following the feedback we've received from managing agents and are available for download directly from the CMR system. The FAQs will continue to be updated as the process continues to develop and agents are encouraged to check the FAQs regularly especially in the run up to the first submissions as this is the time when practical issues can arise.

## **TPD**

The Technical Provisions Data return (TPD) is a new Lloyd's return which will eventually replace the Solvency Reserving Data return (SRD). Similarly to the SRD, the TPD return will require a split of calendar profit & loss and year-end technical provisions by risk code, currency and pure year of account, The TPD will have more dimensions compared to the SRD to cater for the additional requirements the Solvency II regime imposes. The added complexity reflects items such as a separate quantification of premium and claim provisions, the introduction of discounting and the splitting out of results by an increased number of currencies.

As with the SRD, the TPD will be used as a feed to Lloyd's regulatory reporting and as a base for internal calculations, some of which will be fed back to agents (for example the reserve benchmarking exercise).

The first mandatory submission of the year-end 2010 TPD return will be on Wednesday 30 November 2011. Subsequently, the TPD will continue as an annual submission and will be validated against syndicate Annual returns as and when the annual returns migrate to a Solvency II basis.

A separate return must be submitted in respect of each syndicate. Parallel corporate syndicates, special purpose syndicates and life syndicates must complete and submit a separate TPD return.

The year-end 2010 TPD return must be completed in respect of all reporting years of account, all run-off years of account, all years of account closing as at 31 December 2010 and those closing during 2010 but before 31 December 2010 (i.e. those where 'mid year closure' has occurred), in order to reflect the total insurance business transacted by underwriting members of Lloyd's.

In order to assist managing agents, the CMR system will be available for submission from the 21st October 2011.

For year-end 2011, the SRD will be submitted as normal (mid-April) and there will also be a TPD submission covering the same period on Monday 4 June 2012. The TPD is expected to replace the SRD completely at year-end 2012.

For full details of the requirements relating to this return, please see the TPD instructions and specification which are available on Lloyd's Solvency II website.

It should be noted that there is a requirement for life syndicates to submit this return. Information specific to life syndicates on how the return should be completed can be found in the TPD instructions.

### **Queries**

Any queries concerning any aspect of the returns should be submitted via e-mail to Market Reserving & Capital ([Lloyds-MRC-Help@lloyds.com](mailto:Lloyds-MRC-Help@lloyds.com)). Queries will be responded to by the end of the following working day. Please contact Jerome Kirk ([Jerome.Kirk@lloyds.com](mailto:Jerome.Kirk@lloyds.com)) or Tracey Moore ([Tracey.Moore@lloyds.com](mailto:Tracey.Moore@lloyds.com)) by e-mail if a response remains outstanding at that time.