

MARKET BULLETIN

REF: Y4516

Title	Lloyd's Coverholder Reporting Standards – Version 2 - September 2011
Purpose	To introduce the new version of the Coverholder Reporting Standards
Type	Delegated Authorities
From	Peter Montanaro, Head of Delegated Authorities
Date	20 th September 2011
Deadline	The new standards are effective from 20 th September 2011
Related links	http://www.lloyds.com/coverholderreportingstandards For general enquiries regarding reporting standards for coverholders, please e-mail: CoverholderReportingStandard@lloyds.com

Lloyd's has introduced standards for coverholders to report premium and claims information to Lloyd's brokers and syndicates; and has worked with ACORD to introduce standards for coverholders to report US property exposures (ACORD ER3001). The standards have been mandatory for all new coverholders approved since April 2011, and are encouraged as good practice for existing coverholders.

Since releasing the standards, a small number of tax and regulatory changes mean that additional or different information is required.

A new version of the standards has been issued, version 2. A new look user guide has been created which includes all Lloyd's premiums and claims standards, together with information on ACORD ER3001 and ELTO reporting.

What's changed and who does it impact?

The following changes have been made:-

- The requirements of the Nonadmitted and Reinsurance Reform Act (NRRA) have been included. These changes apply to US surplus and excess lines risks only. For further details please see [Market Bulletin Y4500](#).
- The requirements of the Employers' Liability Tracing Office (ELTO) have been included. These changes apply to UK employers' liability risks only.

- The existing Medicare fields have been amended and some new fields introduced. These only need to be completed where claims, including personal accident claims, involve bodily injury to a US citizen. For further details please see: - www.lloyds.com/medicare.
- A country of registration field has been introduced. This change applies to all aircraft, vehicles, ships and vessels.
- An International Maritime Organisation ship identification number field has been introduced. This change applies to all vessels registered in Germany including those with dual registration.
- A new definition has been given for the Wet Marine indicator. This change applies to selected risks where the risk is Canadian, i.e. meets the Federal requirements of Part XIII of Canada's Insurance Companies Act to *insure in Canada a risk*. For further details please see [Market Bulletin Y4329](#).

Background

Coverholders are given authority to write risks on behalf of Lloyd's syndicates via binding authority contracts. Part of the contractual agreement is that the coverholder regularly reports premium, risk and claims information to the Lloyd's syndicate. Such information is required to ensure the correct movement of monies between coverholders, brokers and Lloyd's syndicates; to manage exposures and claims; and to ensure Lloyd's is able to meet its tax and regulatory reporting obligations and so maintain its licences in different territories.

A multitude of differing information requests from syndicates and brokers has made it hard for coverholders to do business with Lloyd's. The receipt of varying submissions from coverholders has made it hard for syndicates and brokers to work with the information supplied by coverholders.

The standards state the minimum information coverholders are required to report into the Lloyd's market. The standards are intended for use for all classes of business in all territories. The standards include a series of mandatory fields which must always be reported; and a series of conditional fields which will be required in some circumstances, for example for certain classes and territories.

The standards have been mandatory for all coverholders approved since April 2011. The continuing changes to the tax and regulatory environments create challenges for stakeholders in ensuring that their reports are and remain compliant. By using the Lloyd's standards, all coverholders can be assured that they are meeting all Lloyd's tax and regulatory requirements, and therefore it is strongly encouraged that all coverholders adopt these standards.

What are the benefits of the standards?

- A clear statement of the information coverholders and TPAs need to provide for the whole of the Lloyd's market
- A reduction in re-keying information and the need for manual intervention
- More informed decision making
- Standard information flows
- A consistent list of requirements around which processes and systems can be designed

Supporting Materials

The following materials are available:-

- A detailed user guide.
- Spreadsheet templates which can be used for reporting, or as a model to help design reports from systems.

These can be found on: <http://www.lloyds.com/coverholderreportingstandards>

Broker and Managing Agent Specific Requirements

Brokers and managing agents are expected to help ensure that new coverholders adopt the standards and that existing coverholders gradually move towards using the standards.

Brokers and managing agents are requested to:

- Look at the information being received from coverholders, to check that all mandatory information is included together with any relevant conditional fields.
- Look at the changes to the standards to see if any new information is required.
- Talk to coverholders about the standards. Make sure they understand the new guidance.
- Discuss the standards as part of conversations about the renewal of binder contracts.
- Come up with a plan for any action required.
- Talk to Lloyd's about any questions or concerns you might have.

New Coverholder Specific Requirements

New coverholders are expected to include all mandatory fields and any relevant conditional fields in the submissions they make to the Lloyd's market. New coverholders are expected to build their reports to include such information.

Existing Coverholder Specific Requirements

Existing coverholders who are already using the standards are requested to review the changes to see if any new information is required.

Existing coverholders who are not yet using the standards are requested to review their current submissions to check that all mandatory information is included together with any relevant conditional fields.

Coverholders are expected to agree any planned changes with their brokers and syndicates and to gradually implement these.

Coverholders are requested to:

- Talk to your brokers and syndicates in London, you may not need to take any action yet.
- Look on <http://www.lloyds.com/coverholderreportingstandards> for more relevant documents and information, including a detailed user guide and spreadsheet tool.
- If you manually create spreadsheets for your reports, or are currently submitting paper reports; consider using Lloyd's premium reporting spreadsheet tool.
- If you produce reports from a system, talk to your system vendor about the changes which might be needed.
- Agree a plan with your broker in London and the syndicates you work with for any changes needed.
- Talk to your broker, syndicates or Lloyd's about any questions or concerns you might have.

System Vendors

System vendors who are already using the standards are requested to review the changes to see if any new information is required.

System vendors who are not yet using the standards are encouraged to build a standard report from their system in the recommended layout.

Further contacts

For general enquiries regarding reporting standards for coverholders, please e-mail CoverholderReportingStandard@lloyds.com

Sarah Thacker, Market Operations
Telephone: 020 7327 6616: E-mail: sarah.thacker@lloyds.com