

# MARKET BULLETIN

REF: Y4539

<b>Title</b>	Business return for 2011: Business not processed through Xchanging or via Direct Reporting
<b>Purpose</b>	To arrange the collection of all premium and claim data relating to the 2011 calendar year, where the transactions to which these relate were not processed through Xchanging or via the Direct Reporting process.
<b>Type</b>	Annual
<b>From</b>	Andrew Gurney, Senior Manager, International Licences, International Regulatory Affairs Contact Details: +44 (0)20 7327 6194, <a href="mailto:LITA@lloyds.com">LITA@lloyds.com</a>
<b>Date</b>	9 December 2011
<b>Deadlines</b>	1. 19 December 2011 for the initial email response. 2. 20 January 2012 for return of data forms electronically

## Related links

**All** syndicates must confirm whether or not they have any data to report from transactions that were not (or will not be) processed through Xchanging or via the Direct Reporting process, by email to both [susan.zajac@lloyds.com](mailto:susan.zajac@lloyds.com) and [graham.dickinson@lloyds.com](mailto:graham.dickinson@lloyds.com), by **19 December 2011**. Please note all syndicates must respond, including those in run off.

Those managing agents whose response to the above will be to confirm their syndicates have processed business outside of Xchanging and Direct Reporting during 2011, must provide a contact name, email address and phone number of the individual to whom the electronic form should be sent, in this response email.

Following these responses, managing agents of syndicates who confirm they do have data to report will then be sent an electronic form with instructions and be required to provide the completed form by **20 January 2012**. Please note this deadline has been brought forward by one week, to prior years, in order for Lloyd's to be able to handle the increased volume of data that has been reported through this mechanism in recent years. This will enable Lloyd's to continue to meet its external reporting deadlines.

## Background

To comply with Lloyd's legal obligations to report business to overseas supervisory and fiscal authorities, Lloyd's requires accurate and complete financial data about the business of Lloyd's underwriters.

The requested information is important for maintaining Lloyd's trading status. Lloyd's uses it to adjust ASL deposits and to complete accurate regulatory returns, including reports submitted to the FSA of Lloyd's aggregate business from EU member states. The supplied data is also used to provide global management information for inclusion in Lloyd's annual return to the FSA.

Whilst most transactional data is available from Xchanging, Market Finance's only source of information about business not processed through this route or via direct reporting is by collecting it directly from the syndicates which have written it.

## Data required

These returns are aimed at gathering all non-Xchanging data from the market for calendar year 2011. This applies to all inward business.

The data required is for original premium, additional premium, return premium, claim and refund transactions processed by syndicates in the calendar year 2011, including transactions that relate to all earlier years of account. Please also ensure that syndicate service company business is included in the data supplied. UK business (including Northern Ireland, Isle of Man and the Channel Islands) is required to be included so as to provide a complete global picture of all Lloyd's business.

The data being submitted must **NOT** include the following transactions

- Business processed (or due to be processed) through Xchanging or via the Direct Reporting process
- Profit commissions and any other non-premium or non-claim miscellaneous accounting entries.
- Outward Reinsurance
- Transactions where a non-cash entry was recorded at Xchanging
- Claim reserves for fees **only**, where syndicates are not including these in their reserves for solvency purposes. Where fees are being reserves for in addition to indemnity or expense payments, then the fee amount should be included in the figures included on the return.

It should be noted that where data is supplied by syndicates for certain countries where trust fund or audit requirements exist, it may be necessary for Lloyd's to carry out subsequent further investigation with syndicates concerned in order to verify that the correct procedures and settlements have taken place. This is likely to involve requesting a transaction level supplementary file of data from syndicates to enable further analysis and enquiry.

In addition, it may be necessary to ask syndicates to carry out specific supporting actions to ensure that the business is properly reported at the required level of detail, for example, adjusting US surplus lines trust fund reporting packs or ensuring that the appropriate taxes are paid.

If you have any questions on the contents of this Bulletin please contact Susan Zajac, on 020 7327 5209 Email: [susan.zajac@lloyds.com](mailto:susan.zajac@lloyds.com) or Graham Dickinson, on 020 7327 6418 Email: [graham.dickinson@lloyds.com](mailto:graham.dickinson@lloyds.com)

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