

MARKET BULLETIN

REF: Y4581

Title	Q1 2012 QMR – major losses, exchange rates and other information.
Purpose	To provide managing agents with information required for the completion of the Q1 2012 Quarterly Monitoring Returns including the list of major losses to be reported and suggested exchange rates.
Type	Scheduled
From	Robert Smith, Manager, UK Reporting, Market Finance Contact details: 020 7327 5459 robert.smith@lloyds.com
Date	2 April 2012
Deadline	QMA – 2:00pm Thursday 17 May QMB – 2:00pm Thursday 17 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 2012 Quarterly Monitoring Return.

Deadlines

As noted above the submission date for both the QMA and QMB is 17 May 2012. Both parts are to be submitted by no later than 2:00pm on that date. The 2010 and 2011 forecasts as a percentage of capacity will be released to the Stock Exchange and included on Lloyds.com on Wednesday 23 May.

Forms and instructions

The instructions as at Q4 2011 have been updated and are available on the core market returns site as 2012 version 1.0. Most of the changes are simple roll forward of dates but managing agents should note that the instructions for form QMA710u have been substantially updated to the extent that all managing agents should read the new instructions for this form. The key changes are:

Column J “Reinsurers’ share of technical provisions – IBNR claims ” – completion of this column compulsory for all quarters

Column Q “Provision for bad and doubtful debt – IBNR Claims” - completion of this column compulsory for all quarters

Column R “Amount owed to reinsurer offsetting reinsurance debt” – greater clarification of information required

Column S “Collateral on hand to secure recoverable amounts” – greater clarification of information required

Column U “Amount in dispute” – completion of this column now optional

Agents are reminded of the note in section 2.15, QMA205: liabilities, that any profit from a closed year that is to be either distributed in Q2 or subsequently reported as FIS must, at Q1, be reported in line 25 of QMA 205.

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	10C	Chilean Earthquake	27 February 2010
2	10E	Transocean MODU Deepwater Horizon	22 April 2010
3	10P	New Zealand Earthquake	4 September 2010
4	10R	Qantas Airbus Engine Failure	4 November 2010
5	10T*	Queensland Floods	21 Dec '10 to 14 Jan '11
6	11A*	Victoria Australia - heavy rainfall and flooding	12 January 2011
7	11B*	Cyclone Yasi	2 February 2011
8	11C	New Zealand Earthquake	22 February 2011
9	11D	Japanese Earthquake and ensuing Tsunami	11 March 2011
10	11E	Maersk Oil and Gas FPSO Gryphon	4 February 2011
11	11F	US Tornadoes – 14 – 16 April	14 to 16 April 2011
12	11G	US Tornadoes – 24 – 28 April	24 to 28 April 2011
13	11H	US Tornadoes – 20 – 27 May	20 to 27 May 2011
14	11J	Slave Lake fire, Alberta, Canada	14 to 16 May 2011
15	11K	Loss of Asiana airlines cargo Boeing 747-400F	28 July 2011
16	11L	Losses arising from civil disturbances in England	6 to 10 August 2011
17	11M	Hurricane Irene	22 to 29 August 2011
18	11N	Losses arising from New Zealand earthquake at Sumner	13 June 2011
19	11O	Texas Wildfires	30 August 2011
20	11P	P-51D Mustang Reno Air Races crash	16 September 2011
21	11Q	Caribbean Airlines B737-800 Landing Crash	30 July 2011
22	11R	Heavy rainfall and ensuing flooding in Thailand	1 October 2011
23	11RX	CBI claims arising out of the 2011 Thailand floods	1 October 2011
24	11S	Egyptair B777-200ER Cockpit Fire	27 July 2011
25	12A	Claims arising from the grounding of the Costa Concordia	13 January 2012
26	11ZA*	Toowoomba Australia	10 to 11 January 2011
27	EGYP	Losses arising from the continuing situation in Egypt	2011
28	FINC	Turmoil in financial markets post Lehman Brothers	-
29	ICEL	Losses arising from the failure of Icelandic Banks	-
30	LEHM	Losses arising from the failure of Lehman Brothers Bank	-
31	LIBY	Losses arising from the continuing situation in Libya	2011
32	MADO	Collapse of Madoff Investment Securities LLC	-
33	SUBS	Losses arising from sub prime	-
34	STAN	Stanford financial corporation alleged fraud	-

For the avoidance of doubt, losses under cat code "PPO" do not have to be included on QMA800u.

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 2 April 2012. 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 Monday 30 April 2012.

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

No major loss codes have yet been assigned for 2012.

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 2 April 2012.

Rates of Exchange

The settlement currency rates as at 31 March 2012 (balance sheet) and the average currency rates (profit and loss account) for the 3 month period to 31 March 2012 are as follows (to the £):

	Accounts etc		GQD
	Period end	Average	In-quarter average*
US dollars	1.60	1.57	1.57
Canadian dollars	1.60	1.57	1.57
Euro	1.20	1.20	1.20
Australian dollar	1.54	1.49	1.49
Danish krone	8.93	8.91	8.91
Hong Kong dollar	12.41	12.20	12.20
Japanese yen	131.49	124.79	124.79
New Zealand dollar	1.95	1.92	1.92
Norwegian krone	9.11	9.10	9.10
Singapore dollar	2.01	1.99	1.99
South African rand	12.26	12.18	12.18
Swedish krona	10.60	10.61	10.61
Swiss franc	1.44	1.45	1.45

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.

* All original currencies that are reported in the GQD under 'currency code' OTH should be converted to Sterling either at the rates of exchange suggested by Lloyd's in this Market Bulletin or at the agent's chosen exchange rates (bearing in mind that outstanding claims should be converted at period-end spot rates).