

MARKET BULLETIN

REF: Y4737

Title	2014 Market Returns to PMD Exposure Management & Reinsurance
Purpose	To inform managing agents of the reporting deadlines for market returns to Lloyd's Exposure Management & Reinsurance during 2014.
Type	Scheduled
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Date	30 October 2013
Deadline	Please see individual returns below
Related links	Business Timetable on Lloyds.com

PURPOSE

This bulletin is to advise managing agents of the 2014 reporting dates for market returns that are the responsibility of the Lloyd's Exposure Management & Reinsurance.

The returns referenced in this Bulletin are:

- 1) Lloyd's Catastrophe Model – data submissions
- 2) Lloyd's Catastrophe Model – forecast-factors
- 3) Realistic Disaster Scenarios (*including new Australia Earthquake return as at 01/07/14*)
- 4) Syndicate Reinsurance Programme
- 5) Possible ERRO data-collection

Managing agents should note that regulatory or market obligations may sometimes require additional reporting that could not have been scheduled in advance.

1 LLOYD'S CATASTROPHE MODEL – DATA SUBMISSIONS

The quarterly Lloyd's Catastrophe Model [LCM] return is submitted directly to Exposure Management. There are no changes for 2014.

The reporting day is always the penultimate Thursday of the month.

The 2014 reporting dates are as follows:

Name	As-at date	Reporting date
LCM 1/1	1 January 2014	Noon, Thursday 20 February 2014
LCM 1/4	1 April 2014	Noon, Thursday 22 May 2014
LCM 1/7	1 July 2014	Noon, Thursday 21 August 2014
LCM 1/10	1 October 2014	Noon, Thursday 20 November 2014

2 LLOYD'S CATASTROPHE MODEL – FORECAST-FACTORS

Lloyd's needs three sets of LCM forecast-factors during 2014.

One set forms part of the 2015 business-planning and capital setting process. The other two derive from the requirements of the Lloyd's Internal Model.

All forecast-factor projections of syndicate estimated losses into the prospective calendar year should be consistent with the equivalent Lloyd's Capital Return [LCR].

There is one change for 2014. The reporting-date for submitting 1/7 forecast-factors has been put back to November (previously September).

2.1 LLOYD'S INTERNAL MODEL PROCESS

Managing agents are required to submit forecast-factors that, applied to their 1 January 2014 LCM returns, give a best-estimate projected 'whole year' view for 2014. This is part of the 'attestation' process for the LIM for 2014 calendar year.

After Lloyd's approval of 2015 business-plans in November 2014, managing agents are required to submit forecast-factors that, applied to their 1 July 2014 LCM returns, give a best-estimate projected 'whole year' view for 2015. This is part of the feed into the LIM for forthcoming 2015 calendar year.

2.2 2015 BUSINESS-PLANNING & CAPITAL-SETTING

As part of 2015 business-planning and capital-setting, managing agents are required to submit forecast-factors that, applied to their 1 April 2014 LCM returns, give a best-estimate projected 'whole year' view of planned catastrophe-risk for 2015.

Forecast-factors should be submitted alongside the 2015 Syndicate Business Forecasts [SBF] in July 2014. If there is any material change of planned catastrophe-risk between the July and September SBFs, managing agents should submit revised forecast-factors in September.

The 2014 reporting dates are as follows:

Name	Purpose	Applied to	Reporting date
1/1 forecast factors	LIM 'attestation' for 2014	01/01/14 LCM	Noon, Thursday 20 February 2014
1/4 forecast factors v1	2015 business-planning	01/04/14 LCM	with July SBF
1/4 forecast factors v2*		01/04/14 LCM*	with September SBF*
1/7 forecast factors	LIM base-run for 2015	01/07/14 LCM	Noon, Thursday 20 November 2014

* The 1/4 forecast-factors v2 submission is only required where there is a material change of planned catastrophe-risk between the July and September SBFs

3 REALISTIC DISASTER SCENARIOS

Realistic Disaster Scenarios are submitted to Lloyd's twice *per annum*.

There are two scheduled additions to Supplementary Information for 2014. As in previous years, there may be further changes to the Supplementary Information requirement announced closer to the return.

3.1 CYBER AND SATELLITE DATA-COLLECTIONS

As previously communicated in my e-mail to the market of 27 September 2013, two data-collections will be added to the 2014 RDS Supplementary Information. Please see the RDS Scenario Specification document reference EM100 dated September 2013 for details. This information will also be included in the 2014 RDS documentation.

3.2 AUSTRALIAN EARTHQUAKE

As part of the 2014 RDL, managing agents will be required to submit exceedance-probability losses for Australian Earthquake as at 1 July 2014.

This new requirement is part of a regulatory investigation that has been developed in consultation with the Australian Prudential Regulation Authority [APRA]. Lloyd's Exposure Management will give full details in the 2014 RDS documentation.

The reporting day is the final Thursday of the relevant month. The RDS and RDL return dates are as follows:

Name	As-at date	Reporting date	Via
RDS	1 January 2014	Noon, Thursday 27 March 2014	CMR
RDL	1 July 2014	Noon, Thursday 28 August 2014	CMR

4 SYNDICATE REINSURANCE PROGRAMME

The Syndicate Reinsurance Programme [SRP] return is submitted to Lloyd's four times *per annum*. There are no changes for 2014.

The 2014 reporting dates are as follows:

Name	As-at date	Reporting date	Via
SRP Q1	1 January 2014	Noon, Thursday 27 February 2014	CMR
SRP Q2	1 April 2014	Noon, Thursday 17 April 2014	CMR
SRP Q3	1 July 2014	Noon, Thursday 17 July 2014	CMR
SRP Q4	1 October 2014	Noon, Thursday 16 October 2014	CMR

5 ERRO

The Earthquake Reserve Requirement for OSFI [ERRO] requires Lloyd's to demonstrate annually that sufficient reserves and capital are in place to withstand a significant earthquake event in the Canadian provinces of British Columbia and Quebec.

The Office of the Superintendent of Financial Institutions [OSFI] has announced possible changes to the requirements, which Lloyd's Exposure Management and Lloyd's Representative in Canada are analysing.

This will probably necessitate an extra data-collection during the first half of 2014.

The requirement is not yet finalised, but is likely to be exceedance-probability losses for Canadian Earthquake *for exposures in Canada only*. The reporting date is likely to be April 2014. As soon as I have any further information, I will communicate via another market bulletin or e-mail.

6 ADMINISTRATIVE

6.1 FINING

A fining regime is in effect for late return of the SRP, RDS & RDL. This is in line with other key market submissions, including the QMA/B and PMD returns, and has been approved by the Market Supervision and Review Committee (MSARC).

See Market Bulletin 'Consolidated Fining Policy for Lloyd's Returns' ref Y4527 dated 25 October 2011.

The LCM return does not yet fall within the fining regime. However, the LCM deadlines must be met to allow Lloyd's to fulfil its own regulatory obligations.

6.2 SYNDICATE LEVEL REPORTING

For the avoidance of doubt and to ensure consistency with other reported data, managing agents are required to complete a separate return for each managed syndicate – including parallel and special-purpose syndicates – rather than reporting consolidated figures.

6.3 SYNDICATES IN RUN-OFF

Run-off syndicates with material, relevant exposures as at the dates shown in sections 1 and 3 above are required to submit returns. Forecast material exposures for 2015 are subject to the reporting requirements in section 2.

Run-off syndicates with in-force reinsurance as at the dates shown in section 4 above are required to submit returns.

6.4 EXCHANGE RATES

Exchange rates are updated quarterly and will be advised via market bulletins.

6.5 FURTHER INFORMATION

Should you have questions or require additional information please contact me, David Clouston or any member of the Exposure Management & Reinsurance team.

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