

MARKET BULLETIN

REF: Y4743

Title	Non-XIS Return for 2013: Business not processed through Xchanging or via the Lloyd's Direct Reporting process
Purpose	To arrange the collection of all premiums and claims data relating to the 2013 calendar year, where the transactions to which these relate were not processed through Xchanging or via the Lloyd's Direct Reporting (LDR) process.
Type	Annual
From	Andrew Gurney, Senior Manager, International Licences International Regulatory Affairs Contact details: +44 (0)20 7327 6677 LITA@lloyds.com
Date	25 November 2013
Deadline	<ol style="list-style-type: none">1. 6 December 2013 for the initial response to confirm whether or not any business has been processed outside Xchanging or LDR.2. 20 January 2014 for the electronic submission of the Non-XIS Return

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 Lloyd's Direct Reporting (LDR). Confirmation should be provided by email to maxine.hooper@lloyds.com, no later than 6 December 2013. Please note all syndicates must respond, including those in run-off.

Those managing agents who advise that their syndicates have processed business outside of Xchanging and LDR during 2013, must provide a contact name, email address and phone number of the individual to whom an electronic version of the Non-XIS Return (with completion instructions) should be sent.

Once a syndicate is in receipt of the Non-XIS Return, they have until 20 January 2014 to submit the completed Return. It is important that the submission deadline is adhered to by syndicates in order for Lloyd's to continue to meet its external reporting obligations.

On review of the Non-XIS Return for 2012, it is apparent that there is business written through service companies that could be reported through LDR. LDR for service company business was launched during 2013. Lloyd's would encourage managing agents to use LDR to report all new service company business that is not processed through Xchanging. Further details can be found at the end of this bulletin.

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 the information to meet prudential obligations worldwide. The UK data is vital for UK taxation purposes.

Whilst most transactional data is available from Xchanging, Lloyd's only source of information about business not processed through this route or LDR is by collecting it directly from syndicates via the Non-XIS Return.

Data required

The data required is for original premium, additional premium, return premium, outstanding claims, paid claims and refund transactions processed by syndicates in the 2013 calendar year. This includes transactions relating to all earlier years of account and applies only to inward business. Please also ensure that syndicate service company business is included in the data supplied or alternatively, it can be reported where applicable through LDR.

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

- Business processed (or due to be processed) through Xchanging or LDR;
- 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 reserved for in addition to indemnity or expense payments, then the fee amount should be included in the figures 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 investigation with the 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.

Further information

Non-XIS Return

If you have any questions on the completion of the Non-XIS Return please contact:

Maxine Hooper

Tel: + 44 (0)20 7327 6291

Email: maxine.hooper@lloyds.com

Lloyd's Direct Reporting (LDR)

LDR was launched for service company business earlier this year and provides an opportunity for managing agents to use LDR to report business that meets LDR requirements and is not processed through Xchanging. Lloyd's would encourage managing agents to use LDR to report all new service company business that is not processed through Xchanging.

Further information, including contact details, can be obtained on the LDR website:

<http://www.lloyds.com/the-market/operating-at-lloyds/direct-reporting>

Andrew Gurney

Senior Manager, International Licences

International Regulatory Affairs