

# MARKET BULLETIN

REF: Y4786

Title 2014 Market Returns to PMD Exposure Management & Reinsurance **UPDATE**

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Purpose Reduced reporting requirement for Lloyd's Exposure Management during 2014

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Type Scheduled

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From Trevor Maynard, Head of Exposure Management and Reinsurance  
Performance Management Directorate  
+44 (0)20 7327 6141  
[trevor.maynard@lloyds.com](mailto:trevor.maynard@lloyds.com)

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Date 03 April 2014

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Deadline Please see individual returns below

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Related links [Business Timetable](#) on Lloyds.com

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## PURPOSE

On 30 October 2013 Lloyd's published [Market Bulletin Y4737](#) advising the 2014 reporting deadlines for market returns that are the responsibility of the Lloyd's Exposure Management & Reinsurance.

This bulletin is to advise managing agents of reductions to the 2014 reporting requirement.

The returns referenced in this Bulletin are:

- 1) Lloyd's Catastrophe Model forecast factor returns (*section 2 of the previous Market Bulletin*)
- 2) Canadian Earthquake data-collection (*section 5 of the previous Market Bulletin*)

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 – FORECAST FACTOR RETURN

In response to market feedback, Lloyd's has simplified the reporting requirement for LCM forecast factors.

Previously, managing agents were required to submit LCM forecast factors which, applied to the 1 July LCM, would give a projected 'whole year' view for the next calendar year. This is part of the feed into the Lloyd's Internal Model for forthcoming year.

The requirement has now been removed.

Instead, Lloyd's will use LCM forecast factors applying to 1 April in-force LCM.

This is the same basis as the LCM forecast factors which managing agents are required to submit – and keep updated – as part of the 2015 Syndicate Business Forecast [SBF] process. [Market Bulletin Y4778](#) from Tom Bolt states: "LCM forecast factors are an integral part of Lloyd's planning process. Therefore, material changes of planned catastrophe risk at any time may require LCM forecast factors to be re-submitted along with a revised SBF."

### 1.1 RETURN DATE

The return date remains Noon, Thursday 20 November 2014. However, Lloyd's only needs updated LCM forecast factors to be re-submitted where there has been a change of planned catastrophe risk since the last submission.

Therefore, where a managing agent's planned catastrophe risk for 2015 is unchanged from a previous submission (for example, alongside the July or September SBF), *there is no need to re-submit*.

These changes are reflected in the [Lloyd's Business Timetable](#) entry for 20 November 2014 on lloyds.com.

### 1.2 CONSISTENCY WITH LCR

As always, LCM forecast factor projections of estimated catastrophe losses for the prospective calendar year should be consistent with the equivalent Lloyd's Capital Return [LCR].

## 2 ERRO

Lloyd's previously advised that there may be an extra data-collection during 2014 for exceedance-probability losses from Canadian Earthquake, with a likely reporting date of 30 April.

This data-collection will not now be required.

Lloyd's plans to add two new 1-in-100 scenarios to the four existing ERRO events in the Realistic Disaster Scenario return. I will write to the market about this in due course, including the likely start date. There is no need to take any action until then.

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

### **Trevor Maynard**

Head of Exposure Management & Reinsurance

Performance Management Directorate

+44 (0)20 7327 6141

[trevor.maynard@lloyds.com](mailto:trevor.maynard@lloyds.com)