

# MARKET BULLETIN

REF: Y4803

Title Realistic Disaster Scenario information

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Purpose Advise the market of:-

- 1) changes to Satellite RDS from 1 August, to go "live" at 1 January 2015
  - 2) an additional Cyber data-collection as part of 2014 RDL
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Type Scheduled

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Date 6 June 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 7 March 2014 Lloyd's published [Market Bulletin Y4778](#) from Tom Bolt, advising the 2015 Syndicate Business Forecast (SBF) process.

Page 3 referred to potential replacements for the Satellite RDS, and a potential new Cyber RDS. The Bulletin noted that "scenarios have been included in form SBF452 pending the outcome of a review of the RDS which is scheduled to complete at the end of April".

Lloyd's has concluded the review. This Market Bulletin confirms the revised reporting requirements, including the 2015 SBF process.

## 1 SATELLITE

After consultation with the LMA, and following the data-collection exercise with the 1 January 2014 RDS return, Lloyd's has decided to revise the Satellite scenarios for 2015.

The two current scenarios (RDS i/d 20 & 21) will be retired as from 31 July 2014.

The four new scenarios will be introduced on 1 August 2014, and will become "live" as at 1 January 2015.

They are:-

SATELLITE RDS		Scenario ID
1	Space Weather – Solar Energetic Particle Event	70
2	Space Weather – Design Deficiency	71
3	Generic Defect – 2014 revised	72
4	Space Debris	73

Full specifications for the new Satellite scenarios will be available for download from 1 July. We will send links to the documentation to all Exposure Management contacts in managing agents. They will also be included in the 2015 RDS Scenario Specifications document.

### 1.1 2015 SBF

For the July submission, form SBF452 will include the discontinued Satellite scenarios 20 and 21. **These need not be completed: please submit zero losses.** (They are included only to avoid changing the SBF structure a month before the submission date.)

For the September submission, form SBF452 will be amended to include the four new Satellite scenarios. Syndicates are required to complete only the scenario *with the largest estimated losses* of the four.

### 1.2 RDS REPORTING

Regular RDS reporting as at 1 January 2015 (and thereafter) for the new scenarios will be through Core Market Returns, as usual.

As previously advised, syndicates will be required to return only the scenario *with the largest estimated losses* of the four.

## 2 CYBER

Following analysis of the Cyber data collection exercise with the 1 January RDS return, Lloyd's has decided to continue monitoring the market's exposure to cyber risk for the time being.

### 2.1 2014 RDL

A slightly revised Cyber data-collection, for risk code CY only, will form part of the 1 July RDL return. Data will be collected through the Supplementary Information spreadsheet, as before.

This change is reflected in the [Lloyd's Business Timetable](#) entry for 28 August 2014 on lloyds.com.

We will include the specification in the 2014 RDL documentation.

As before, this is not a formal Realistic Disaster Scenario and Franchise Guidelines will not apply.

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

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