

MARKET BULLETIN

REF: Y4808

Title	Non-XIS Overseas Business (Australia and South Africa)
Purpose	Instructions for submission of returns
Type	Scheduled
From	Leslie Redmond, Manager, Overseas Reporting, Market Finance, Finance and Operations Direct Tel No: +44 (0)20 7327 5490 E-mail: leslie.redmond@lloyds.com
Date	30 June 2014
Deadline	Friday 11 July 2014
Related links	http://www.lloyds.com/The-Market/Tools-and-Resources/Tools-E-Services/Overseas-Reporting-forms

Please copy this bulletin to those within your organisation who are responsible for completing and reviewing the returns for non-XIS overseas business.

Recalculation of Lloyd's Australian Trust Fund and Lloyd's South Africa Trust Fund – 30 June 2014

The funding requirements for the Lloyd's Australian Trust Fund (LAusTF) and the Lloyd's South Africa Trust Fund (LSATF) will be recalculated as at 30 June 2014. If it is not processed through XIS, business of any class underwritten in either of these territories must be recorded on the forms available for download at the link shown above, in accordance with the instructions attached at Appendix 1. These returns are not audited and should be submitted electronically via E-mail to Lloyds-MR-OverseasReporting@lloyds.com.

The date for submission of these returns is Friday 11 July 2014.

Please use the currency codes set out on the last page of the Appendix to this bulletin.

If you have any queries, please contact me on Lloyd's extension 5490 or Stella Farrar on Lloyd's extension 6734.

Nil returns are only required if you submitted figures last quarter and now have no data to report.

Further information on Lloyd's trading arrangements in Australia and South Africa is available on the Crystal facility and can be found at <http://www.lloyds.com/Crystal/CrystalSearch.aspx>.

General queries relating to Lloyd's trading arrangements in these territories should be addressed to:

Lloyd's International Trading Advice
Ground Floor
Underwriting Room
Telephone: +44 (0)20 7327 6677
Email: LITA@lloyds.com
www.lloyds.com

Leslie Redmond
Manager, Overseas Reporting
Market Finance

**Lloyd's trading arrangements in Australia and South Africa:
Collection of information relating to relevant Australian and South African business
not processed through XIS**

Returns as at 30 June 2014 - Instructions

General

- 1 Syndicates must report details in respect of relevant Australian and South African business **not** processed through XIS. This is to enable Lloyd's to recalculate the funding requirements for the Lloyd's Australian Trust Fund and the Lloyd's South Africa Trust Fund as at 30 June 2014.
- 2 **Forms Aus14Q2 and SA14Q2 are available for download at the link shown in the heading of this bulletin. They must be submitted in spreadsheet format to enable direct upload into the reporting database.** If you have difficulty in downloading these forms, please contact Stella Farrar.
- 3 Details of the information specifically required in respect of Australian and South African business are set out later in the instructions.
- 4 The managing agent's report included with each return must be completed, **but the returns are not audited.**
- 5 The returns should be submitted electronically via E-mail to Lloyds-MR-OverseasReporting@lloyds.com. Please name the submitted files "SyndXXXX14Q2Aus" or "SyndXXXX14Q2SA" where "XXXX" is the syndicate number.
- 6 **The date for submission of these returns is Friday 11 July 2014.**

Australia

1 The funding requirement in respect of the Lloyd's Australian Trust Fund (LAusTF), applicable in respect of relevant Australian business incepting on or after 1 July 1998, is due to be recalculated as at the current period end. A detailed explanation of the trading arrangements in Australia can be found on the Crystal facility at <http://www.lloyds.com/Crystal/CrystalSearch.aspx>.

2 In connection with this, you are asked to report the following information on Form **Aus14Q2**:

In respect of business incepting on or after 1 July 1998 only, **but including earlier business which has been reinsured to close into a 1998 or later year of account**, only as covered by the definition in paragraph 3 below, and only in respect of business **not** processed through central accounting:

- (i) **For the 2012, 2013 and 2014 years of account only: cumulative** premiums, net of brokerage and gross of reinsurance ceded, as at the current period end but only in relation to business **incepting on or after 1 July 1998**, analysed by:
 - originating syndicate year
 - risk code
 - settlement currency
- (ii) For all years of account from 1993 onwards, calendar year premiums, net of brokerage and gross of reinsurance ceded, for the calendar year to date, analysed as for cumulative premium.
- (iii) **For all years of account:** calendar year gross paid and gross known outstanding claims (excluding IBNR) as at the current period end but only in relation to business **incepting on or after 1 July 1998**, analysed by:
 - originating syndicate year
 - risk code
 - original currency of claim

3 Information must only be reported in respect of Australian business covered by the following definition (ie that of 'new' Australian business), as extracted from paragraph 2.1.2 of the Guide to the Australian Trust Fund Processing and Reporting Arrangements which can be found on the Crystal facility at <http://www.lloyds.com/Crystal/CrystalSearch.aspx>:

Any contract or policy of insurance or reinsurance incepting on or after 1 July 1998 (excluding any contract or policy underwritten on or after that date under a binding authority commencing before that date) in respect of:

- a) real property, fixtures or buildings located in Australia;
- b) any other property of any kind (including but not limited to ships, aircraft, yachts and other moveable property) and any other risk of any kind where:
 - i) in the case of an insured which is a body corporate, that body corporate has a registered office or principal place of business in Australia, and,

- ii) in any other case, the insured has a residential address or place of business in Australia

or

- c) in the case of any contract of reinsurance:

- i) where the registered office of the ceding company which has reinsured with the Lloyd's underwriter is in Australia; or,
- ii) in the case of such a contract made with or through a branch office in Australia of the ceding company which has reinsured with the Lloyd's underwriter, where the ceding company is incorporated out of Australia

where the currency in which the contract or policy is expressed and in which the premium is paid is Australian.

The LAusTF will also cover liabilities originally covered by the LAusJATF(1) but which are reinsured to close into a 1998 or subsequent year of account on or after 1 July 1998.

However, the following are excluded from the reserving requirements for this trust fund:

- (a) 1992 and prior business and any later business which has been reinsured by Equitas; and
- (b) policies in respect of which the premiums are or were paid or payable in US dollars.

Please note that the reference to binding authority also extends to include business written under lineslips, covers and any other form of bulk accounting contract.

Further notes on how to interpret this definition and apply it to individual risks can be found on Crystal at <http://www.lloyds.com/Crystal/CrystalSearch.aspx>.

South Africa

- 1 The funding requirement for the Lloyd's South African Trust Fund, applicable in respect of relevant South African business incepting on or after 1 January 1999, is due to be recalculated as at the current period end. Further information regarding Lloyd's trading arrangements in South Africa can be found on Crystal at <http://www.lloyds.com/Crystal/CrystalSearch.aspx>.

- 2 In connection with the above, you are asked to report the following information on **Form SA14Q2** (see link in heading of bulletin):

In respect of business incepting on or after 1 January 1999 only, but separately by year of account (i.e. 2014, 2013, 2012 or earlier years in run-off), only as covered by the definition in paragraph 3 below, and only in respect of business not processed through central accounting:

- (i) Gross known outstanding claims (excluding IBNR) **as at 30 June 2014 (including claims relating to 1998 and earlier years of account now closed into 1999 or later)**, analysed by original currency of outstanding claim; and
- (ii) Premiums, net of brokerage and gross of reinsurance ceded, **written during the 12 month period 1 July 2013 to 30 June 2014**, analysed by settlement currency.

Analysis at risk code level is NOT required.

- 3 Information must only be reported in respect of South African business covered by the following definition:

- a) a contract of insurance which relates to:
 - i) risks in respect of immovable property, including buildings, fixtures and other fixed improvements, located in South Africa; or
 - ii) any other risks where –
 - a) the insured is a natural person resident in South Africa; or
 - b) in any other case, the insured has its registered office or principal office or principal place of business in South Africa; and
- b) a reinsurance contract where the reinsured has its registered office in South Africa.

Further notes on how to interpret this definition and apply it to individual risks can be found on Crystal at <http://www.lloyds.com/Crystal/CrystalSearch.aspx>.

Currency Codes

Please use the following currency codes:

AUD	Australian Dollars
CAD	Canadian Dollars
EUR	Euros
GBP	Sterling
ZAR	South African Rand