

MARKET BULLETIN

REF: Y4857

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| Title | Solvency II Pillar 3 interim reporting at 31 December 2014 - instructions |
| Purpose | To advise managing agents that the instructions for the completion of the Annual Solvency Return (ASR) and Annual Asset Data (AAD) as at 31 December 2014 are available for download from lloyds.com |
| Type | Scheduled |
| From | Paul Appleton, Senior Manager Accounting Policy, Market Finance Contact details: +44 (0)20 7327 6433 paul.appleton@lloyds.com |
| Date | 22 December 2014 |
| Deadline | ASR and AAD as at 31 December 2014 to be submitted by Thursday 16 April 2015 |
| Related links | Instructions Appendix 1 - CIC table Appendix 2 - mapping of Solvency II balance sheet Appendix 3 - managing agent's reports |

The PRA's Supervisory Statement SS4/13 applies the requirements of EIOPA's preparatory guidelines to all PRA authorised firms falling within the scope of Solvency II. Among other things, it requires the submission of interim Pillar 3 reporting to the PRA as at 31 December 2014. This represents a part of the UK insurance industry's preparations towards full Solvency II compliance.

In order to enable Lloyd's to comply with this, and as set out in Market Bulletin Y4827, each syndicate must complete the Annual Solvency Return (ASR) and Annual Asset Data (AAD) as at 31 December 2014, in accordance with the linked instructions. This includes the submission of qualitative reporting as part of the ASR. These returns must be submitted using the Core Market Returns (CMR) system. The live ASR and AAD to enable agents to do this will be made available by the end of January 2015.

The ASR and AAD forms are available for download from the CMR system. For the avoidance of doubt, the **only** forms to be completed as at 31 December 2014 are:

ASR

| Form Description | ASR Reference |
|------------------|---------------|
| Balance sheet | ASR002 |
| Own funds | ASR220 |

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|---|--------|
| Non-life technical provisions by line of business – Part A | ASR240 |
| Non-life technical provisions by line of business – Part B | ASR241 |
| Non-life gross best estimate by country | ASR242 |
| Assets and liabilities by currency | ASR260 |
| Life technical provisions | ASR280 |
| Life gross best estimate by country | ASR281 |
| Health SLT technical provisions | ASR283 |
| Health SLT gross best estimate by country | ASR284 |
| Minimum capital requirement – Non-life | ASR510 |
| Minimum capital requirement – Life | ASR511 |
| Solvency Capital Requirement – for syndicates on full internal models | ASR522 |

ASR – qualitative reporting

The qualitative reporting in respect of the syndicate must be completed and provided as part of the ASR in accordance with section 5 of the instructions.

AAD

| Form Description | AAD Reference |
|--|---------------|
| Investment data – portfolio list | AAD230 |
| Derivatives data – open positions | AAD233 |
| Investment funds (look-through approach) | AAD236 |

This submission must be accompanied by a managing agent’s report for each return (Appendix 3 of the instructions) but the returns do not need to be audited.

Queries

Any queries or comments on this bulletin should be submitted via e-mail to Lloyds-SolvencyReturns@lloyds.com.

Paul Appleton