

MARKET BULLETIN

REF: Y4902

Title	Transfers of Underwriting Capacity - Capacity Market Rules for 2015
Purpose	Rules and guidance relating to capacity auctions and bilateral transactions in capacity and capacity offers
Type	Scheduled
From	Peter Spires, Head of Legal & Compliance, General Counsel and Risk Management Directorate
Date	22 June 2015
Related links	http://www.lloyds.com/The-Market/Business-Timetable/Capacity-Auctions/Rules-and-guides

Summary

The rules and guidance for the 2015 capacity transfer season have now been finalised and can be viewed at the above link. The only substantive amendment is to the Auction Rules and has been summarised below.

Change to the Auction Rules

Under the updated Auction Rules the minimum price to be specified as the floor limit of an auction tender order and a subscriber's premium in an auction subscription order shall be 0.10p. As the success fee for successful tender orders is equivalent to 0.05% of capacity that is matched, it would be uneconomical for a seller if a tender order is satisfied at, or close, to the previous minimum price of 0.01p as the success fee would in those circumstances be greater than the sales proceeds to be received by the seller.

Auction Dates for 2015

The auction dates for 2015 are:

Auction 1	30 September & 1 October
Auction 2	7 & 8 October
Auction 3	14 & 15 October
Auction 4	11 & 12 November

Disclosure Notification

Managing agents are reminded that Auction Rule 20(4) imposes an obligation on managing agents to ensure that any Relevant Information which comes into their possession shall be disclosed promptly to the members of their respective syndicate(s) with a copy of any such disclosure promptly provided to the Lloyd's Auction Office. The Lloyd's Auction Office will accept disclosures up to noon on the penultimate working day before an auction starts and will arrange for all disclosures to be posted to the designated area on the lloyds.com website within three hours of receipt.

Contact

Enquiries about any of the rules attached to this bulletin should be addressed to Paul Thornton (telephone +44 (0)20 7327 6281, email paul.thornton@lloyds.com).

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