

# MARKET BULLETIN

REF: Y4907

<b>Title</b>	Q2 2015 QMR – major losses, exchange rates and other information.
<b>Purpose</b>	To provide managing agents with information required for the completion of the Q2 2015 Quarterly Monitoring Returns including the list of major losses to be reported and suggested exchange rates.
<b>Type</b>	Scheduled
<b>From</b>	Robert Smith, Manager, UK Reporting, Market Finance Contact details: +44 (0)20 7327 5459 <a href="mailto:robert.smith@lloyds.com">robert.smith@lloyds.com</a>
<b>Date</b>	1 July 2015
<b>Deadline</b>	QMA – 2:00pm Thursday 6 August 2015 unaudited QMB – 2:00pm Thursday 6 August 2015 unaudited QMA – 2:00pm Thursday 20 August 2015 audited QMC – 2:00pm Thursday 3 September 2015 audited
<b>Related links</b>	

This bulletin provides:

- (a) the list of major losses to be reported in QMA800u (see Appendix 1);
- (b) suggested exchange rates (see Appendix 2); and
- (c) other information relevant to the completion of the Q2 2015 Quarterly Monitoring Return
- (d) QMA/QMC and accounts deadlines for 2015 year end; and
- (e) contact details.

## Deadlines

The submission dates are as noted above. Both returns must be submitted by no later than 2:00pm of the deadline date. The 2013 and 2014 forecasts as a percentage of capacity will be released to the Stock Exchange and included on Lloyds.com on Wednesday 12 August.

## Forms and instructions

There are no changes to the software for the Q2 2015 QMA returns, and the instructions remain “2015 version 1” issued for the Q1 return.

## **QMC forms and instructions**

The instructions for the Q2 2015 QMC will be available for download by end July within the Core Market Returns website. The updated version of the instructions will be “2015 version 1”. There are no material changes to the instructions compared to those for the 2014 year end QMC, just the incorporation of topics raised under the FAQs for the year-end submission and consistency with the revised Lloyd’s technical provisions guidance (June 2015).

### Solvency II balance sheet

An interim QMC return must be submitted in respect of each syndicate for which a Q2 2015 QMA return is submitted. The Solvency II balance sheet (QMC002) is used to determine the net surplus / (deficit) at syndicate level on a Solvency II basis by reporting year of account. Form QMC210 collects an analysis of the adjustments which are made to the UK GAAP members’ balance in order to arrive at the Solvency II members’ balance. This will assist Lloyd’s in its review and understanding of the numbers reported on QMC002. In addition it is also intended to assist managing agents in the preparation, and auditors in the review, of QMC002.

The June 2015 balance sheet will be needed to derive the net balance available for the members’ release test in Autumn 2015 and for the 2016 capital setting process. Accordingly, the QMC return, in addition to requiring a managing agent’s report (QMC910), must also be audited. A pro forma audit report (QMC930) is provided for download.

## **QMA, QMC and accounts deadlines for 2015 year-end**

A list of the key submission deadlines for the 2015 year-end and 2016 Qs 1 to 3 will be included in the Q3 2015 major losses/exchange rates bulletin. However, the following deadlines are confirmed:

Submission of audited QMA	Thursday 18 February 2016
Submission of audited QMC	Thursday 03 March 2016

## **Contacts**

### Reporting performance issues

We would encourage all agents to report any issues they have with the performance of the software and accessing the systems as soon as they arise. This will enable the ITG help desk to help resolve the issue earlier in the process and enable us to monitor service levels in real time and respond quickly as issues emerge. The contact number for the support team is 020 7327 5252.

### General queries

Any queries on the QMA should be submitted via e-mail to Market Reporting ([lloyds-MRD-ReturnQueries@lloyds.com](mailto:lloyds-MRD-ReturnQueries@lloyds.com)). Queries on the QMC should be submitted via e-mail to Market Reporting ([solvency2@lloyds.com](mailto:solvency2@lloyds.com)).

This bulletin is being sent to the compliance officers and finance directors of all managing agents and to recognised accountants.

Robert Smith

## Appendix 1

## Major losses

The XIS catastrophe codes which must be reported in the Q2 2015 QMA800u are:

1	10E	Transocean MODU Deepwater Horizon	22 April 2010
2	10P	New Zealand Earthquake	4 September 2010
3	11C	New Zealand Earthquake	22 February 2011
4	11N	Losses arising from New Zealand earthquake at Sumner	13 June 2011
5	12A	Claims arising from the grounding of the Costa Concordia	13 January 2012
6	12J	Hurricane Sandy from Caribbean and ongoing	24 October 2012
7	13A	Cyclone Oswald affecting Queensland and New South Wales, Australia.	27 to 29 January 2013
8	13F	Flooding following heavy rain in Alberta	20 June 2013
9	13G	Asiana Airways 777-200ER crash landing at San Francisco	6 July 2013
10	13K	SK Hynix Semiconductor Loss	4 September 2013
11	13P	Cold Weather USA/Canada – “Polar vortex”	30/12/13 to 02/01/14
12	14A	Malaysian Airlines Loss of B777-200ER, 9M-MRO	8 March 2014
13	14B	Attacks on Tripoli airport	From 13 July 2014
14	14C	Loss of Malaysian airways flight MH17 over Ukraine	17 July 2014
15	14D	Hurricane Odile	13 to 19 Sept. 2014
16	14F	Brisbane and South-East Queensland Storm	27 to 28 Nov. 2014
17	14G	Loss of Air Asia QZ8501 over the Java sea,	28 December 2014
18	MADO	Collapse of Madoff Investment Securities LLC	-
19	SUBS	Losses arising from sub prime	-
20	PEMX	Losses arising from the fire at Pemex's Abkatun A-Permanente platform	01/4/2015
21	HTTN	Losses arising from the burglary of the Hatton Garden Safe Deposit Company	02/04/2015

At the date of this bulletin there are no 2015 catastrophe codes.

As noted in section 2.24 to the current QMA instructions, if a 2015 event receives a loss code after the bulletin has been published, notification that the event is required in the QMA800u will be made through inclusion in the FAQs.

Agents are reminded that if they have any major loss to be reported on QMA800u that does not have an XIS catastrophe code they need to ensure that the loss has been allocated a major loss code. Any agent wishing to request a new major loss code should send an e-mail to the Lloyd's-MRD-ReturnQueries address and the relevant procedures and template will be provided by return. The deadline for submission of requests for new major loss codes to Market Finance is Thursday 23 July 2015.

### Major loss codes (over page)

Major loss codes assigned for 2015 to date are:

1	15ZA	Transasia Airways Corporation	04/02/2015
2	15ZB	D Hager death	16/01/2015
3	15ZC	PemEx Rig Explosion	02/04/2015
4	15ZD	Fire and Explosion on FPSO Cidade De Sao Mateus	11/02/2015

Note: Major loss code 15ZC should no longer be used as this event is covered by XIS catastrophe code PEMX.

**Please note:**

Major loss codes relating to 2014 and prior are still maintained in the database. Syndicates are asked to report on major losses in accordance with the QMA800u instructions.

## Appendix 2

## Rates of Exchange

The settlement currency rates as at 30 June 2015 (balance sheet), and average currency rates (profit and loss account) for the six months to 30 June 2015 are as follows (to the £):

	Accounts etc		GQD
	Period end	Average	In-quarter average*
US dollars	1.57	1.52	1.53
Canadian dollars	1.96	1.88	1.89
Euro	1.41	1.37	1.39
Australian dollar	2.05	1.95	1.97
Danish krone	10.53	10.18	10.34
Hong Kong dollar	12.19	11.82	11.89
Japanese yen	192.45	183.43	186.48
New Zealand dollar	2.33	2.06	2.11
Norwegian krone	12.37	11.81	11.89
Singapore dollar	2.12	2.06	2.06
South African rand	19.09	18.17	18.57
Swedish krona	13.05	12.75	12.90
Swiss franc	1.47	1.44	1.44

It is not a requirement that the above rates are used in your QMR submission but they may be used in the absence of another source for these indices.

\* All original currencies that are reported in the GQD under 'currency code' OTH should be converted to Sterling either at the rates of exchange suggested by Lloyd's in this Market Bulletin or at the agent's chosen exchange rates (bearing in mind that outstanding claims should be converted at period-end spot rates).

**2016 Syndicate Business Forecast (SBF) return**

The provisional exchange rates set at the end of March 2015 should be used for 2016 Syndicate Business Forecast (SBF) returns submitted before 1 August 2015.

The final 2016 SBF exchange rates, for use in SBF submissions on or after 1 August 2015, will be in line with the rates set for the Q2 2015 Quarterly Monitoring return. The final rates will be updated and available in Core Market Returns from 1 August 2015.