

MARKET BULLETIN

REF: Y4932

Title	Changes to the Quarterly Monitoring Return Part B (QMB)
Purpose	To provide Managing Agents with guidance on the forthcoming changes to the 'Quarterly Monitoring Return Part B' (QMB)
Type	Scheduled
From	Tom Bolt Director of Performance Management
Date	16 October 2015
Deadline	Managing Agents are required to comply with the forthcoming changes in time for submission deadline QMB 2015 Q4 Return: 25 February 2016
Related links	https://uatproj2cmr.lloyds.com

Lloyd's will be introducing changes to the data collected in the QMB Return to support the move to use gross written premium as the basis for performance oversight.

These changes will include:

- a) Administration expenses will be added to the QMB 105 form (i.e. at class of business, currency and distribution level).
- b) A new form QMB 100 is being added to the return to allow the technical account to be split by distribution channel, in line with the SBF.

The new format of the QMB forms that will come into force for 2015 Q4 submissions are shown at the end of the document. The updated specifications spreadsheet and instructions document can be found on the QMB Homepage on the Core Market Returns (CMR) under QMB Return Specifications and QMB Return Instructions (see link above for access). The specification includes new validations and will inform the user on how the forms are populated.

Please note the 2015 Q3 return will be based on the current format so will not require admin expenses at class of business level and QMB 100s will be at whole account level and not split by distribution channel.

Please direct any queries to Lloyds-QMBReturns@lloyds.com

Form 100

Form 100 will be added to the QMB Return and will now split the technical account by distribution channel. The greyed out cells will be populated by other cells in the return. The white cells will require data entry to complete the form.

Syndicate - Agent		Quarters	1,2,3,4
100 Forecast Technical Account			
Period: Pure Years of Account			
Distribution channel	<input type="text"/>		
Pure Year of Account	<input type="text" value="Last 5 YOA's"/>		
	QMB100 Row Description	Forecast to Ultimate (CNV)	
		A	
1	Gross premiums written - total lines	= Cell B3 QMB105	
2	Outward reinsurance premiums	-	Warning s/b -ve
3	Net premiums written	= A1+A2	
4	Gross premiums written less change in gross provision for unearned premiums	= Cell B3 QMB105	
5	Earned premiums net of reinsurance	= A1+A2	
6	Other technical income, net of reinsurance	zero	Warning s/b 0
7	Gross Claims paid, change in provision for reported claims, gross amount and change in provision for IBNR, gross amount	= Cell B21g QMB105	
8	Claims handling expenses/unallocated loss of adjustment expenses	-	Warning s/b -ve
9	Change in other technical provisions net of reinsurance	-	Warning s/b -ve
10	Total technical charges before net operating expenses	-	
11a	Gross Acquisition costs (brokerage, commissions, business arrangement fees)	= Cell B27a QMB105	
11b	Administrative expenses (incl other acquisition costs)	= Cell B33a QMB105	
11c1	Outwards reinsurance commissions received	+	
11c2	Outwards reinsurance profit participations received	+	
11d	Net operating expenses	= A11a+A11b+A11c1+A11c2	
12	Other technical charges, net of reinsurance	zero	Warning s/b 0
13	Bonuses and rebates, net of reinsurance	-	Warning s/b -ve
14	Total Investment return	+ / -	
15	Other charges	zero	Warning s/b 0
16	Profit/(Loss) for the period	= A5+A6+A10+A11d+A12+A13+A14+A15	
17	Gross Loss Ratio (%)	= -(A7)/(A4+A13)	
18	Net Loss Ratio (%)	= -(A10+A12)/(A5+A13)	
19	Combined Ratio (%)	= -(A10+A11d+A12)/(A5+A13)	

Form 100s

Changes to the form 100s have been highlighted below in yellow. Previously, these cells required data entry; they will now be populated by the summation of the QMB 100 across all distribution channels and Administrative expenses (11b) will be populated from the QMB 105.

Syndicate - Agent		Quarters
100s Forecast Technical Account		
Period: Pure Years of Account		
Total Across all Distribution Channels		
Pure Year of Account	Last 5 YOA's <input checked="" type="checkbox"/>	
	QMB100 Row Description	Forecast to Ultimate (CNV)
		A
1	Gross premiums written - total lines	= Cell B3 QMB105s
2	Outward reinsurance premiums	= Cell B4 QMB105s
3	Net premiums written	= Cell B3 QMB105s + Cell B4 QMB105s
4	Gross premiums written less change in gross provision for unearned premiums	= Cell B3 QMB105s
5	Earned premiums net of reinsurance	= Cell B3 QMB105s + Cell B4 QMB105s
6	Other technical income, net of reinsurance	= Sum for all distribution channels in QMB 100
7	Gross Claims paid, change in provision for reported claims, gross amount and change in provision for IBNR, gross amount	= Cell B21g QMB105s
8	Claims handling expenses/unallocated loss of adjustment expenses	= Sum for all distribution channels in QMB 100
9	Change in other technical provisions net of reinsurance	= Sum for all distribution channels in QMB 100
10	Total technical charges before net operating expenses	= B21g QMB105s + B21r QMB105s + Row 8 QMB100s + Row 9 QMB100s
11a	Gross Acquisition costs (brokerage, commissions, business arrangement fees)	= Cell B27a QMB105s
11b	Administrative expenses (incl other acquisition costs)	= Cell B33a QMB105s
11c1	Outwards reinsurance commissions received	= Cell B35a QMB105s
11c2	Outwards reinsurance profit participations received	= Cell B35b QMB105s
11d	Net operating expenses	= Row 11a QMB100s + Row 11b QMB100s + Row 11c1 QMB100s + Row 11c2 QMB100s
12	Other technical charges, net of reinsurance	= Sum for all distribution channels in QMB 100
13	Bonuses and rebates, net of reinsurance	= Sum for all distribution channels in QMB 100
14	Total Investment return	= Sum for all distribution channels in QMB 100
15	Other charges	= Sum for all distribution channels in QMB 100
16	Profit/(Loss) for the period	= Row 5 QMB100s + Row 6 QMB100s + Row 10 QMB100s + Row 11d QMB100s + Row 12 QMB100s + Row 13 QMB100s + Row 14 QMB100s + Row 15 QMB100s
17	Gross Loss Ratio (%)	= -(Row 7 QMB100s)/(Row 4 QMB100s + Row 13 QMB100s)
18	Net Loss Ratio (%)	= -(Row10 QMB100s + Row12 QMB100s)/(Row 5 QMB100s + Row 13 QMB100s)
19	Combined Ratio (%)	= -(Row10 QMB100s + Row11d QMB100s + Row12 QMB100s)/(Row 5 QMB100s + Row 13 QMB100s)

Form 105/105s

33a – Administrative expenses (incl other acquisition costs) has been added to form 105/105s for ultimate figures. Form 105 will require this to be entered at class of business, distribution channel and currency level. This will automatically populate the 105s at whole account and currency level.

Syndicate - Agent		QMR Q? ???? Edition X						Quarters	1,2,3,4
105 Class of Business Performance									
Period: Pure Years of Account									
Business Type: Class of Business									
Pure Year of Account	Last 5 YOA's								
		USD	GBP	EUR	CAD	AUD	OTH	CNV	
		Cumulative To Date				Forecast To Ultimate			
		A				B			
Class of Business	Distribution Channel	Gross premiums written	Gross claims paid excluding ULAE	Provision for reported claims, gross amount excluding ULAE	Acquisition costs (brokerage, commissions, business arrangement fees, service company)	Gross premiums written	Gross claims incurred including IBNR	Acquisition costs (brokerage, commissions, business arrangement fees, service company)	Administrative expenses (incl other acquisition costs)
		3	14	18	27a	3	21g	27a	33a
	London / Asia / China RI / China Direct / Japan / Not Applicable	+	-	-	-	+	-	-	-
		Warning s/b +ve	Warning s/b -ve	Warning s/b -ve	Warning s/b -ve	Warning s/b +ve	Warning s/b -ve	Warning s/b -ve	Warning s/b -ve