

MARKET BULLETIN

REF: Y4951

Title	Solvency II Pillar 3
Purpose	1.To remind managing agents of reporting requirements 2.To inform managing agents of test run for ASR249,250 and 252 reporting
Туре	Event
From	Peter Montanaro, Head of Delegated Authorities , +44 (0)20 7327 5971 Peter.Montanaro@lloyds.com Helen Ashenden, Senior Claims Manager , +44 (0)20 7327 5781 Helen.Ashenden@lloyds.com
Date	18 December 2015
Deadline	3 June 2016

1. To remind managing agents of reporting requirements

In order to meet the reporting requirements for Solvency II Pillar 3, there is a requirement that managing agents are able to collect specific data from their coverholders and TPAs.

If managing agents have already instructed their coverholders and TPAs to adopt the Lloyd's Coverholder Reporting Standards then there is no further requirement as all required data fields are contained within those standards.

For those coverholders and TPAs that are not reporting in accordance with Lloyd's Coverholder Reporting Standards, managing agents need to ensure that the following data is reported to them as a minimum from January 2016.

With respect to risks and premiums; the coverholder will need to provide details of the sum insured, the total premium and the class of business, and any currency information.

With respect to claims; the coverholder or TPA will need to provide details of the claim reference, the status of the claim, the class of business, the indemnity paid this month and any indemnity reserves; and any currency information.

Further details of these requirements are provided in appendix 1 and 2two below.

In addition managing agents are expected to either know or be able to calculate the UMR, original signing number and date, year of account, slip type, coverholder name and risk and FIL codes.

Appendix 1 – risk and premium requirements

References given below refer to Lloyd's Coverholder Reporting Standards User Guide http://www.lloyds.com/~/media/files/the%20market/i%20am%20a/coverholders/reporting%20standards%20user%20guide%20v4.pdf

Class of business, risk code and section no (mandatory for coverholder to provide one of these)

Binder section no - CR0007 - page 75 user guide

The number of the section from the binding authority contract which authorises this class of business to be written.

Lloyd's risk code - CR0016 - page 76 user guide

Lloyd's categorises information on risks and premiums using a series of risk codes. If you are familiar with these, then please specify the risk code for this transaction. http://www.lloyds.com/The-Market/Operating-at-Lloyds/Resources/Risk_codes

Class of business - CR0017 - page 76 user guide

A free text description of the class of business

Sum insured currency and amount

Sum Insured - Currency CR0051 - page 83 user guide

The currency in which the sum insured is expressed. It is recommended that the ISO 4217, 3 letter alphanumeric currency codes are used. More details can be found here:http://www.iso.org/iso/home/standards/currency_codes.htm

Sum Insured - Amount CR0052 - page 83 user guide

The total amount of the sum insured expressed in the sum insured currency. EIOPA (the European Insurance and Occupational Pensions Authority, one of the three European Supervisory Authorities) has defined the Sum Insured as the highest amount that the insurer can be obliged to pay out before taking into account possible original deductible of the policyholder.

Total premium, sum of instalments - CR0021 - page 76 user guide

The total gross premium which is being paid, that is the sum of premiums being paid as instalments before any additions or deductions. This should be expressed in the original currency. This should exclude any terrorism premium such as US TRIA or fees which are being shown as separate transactions – see comments re gross premium. Any premiums for endorsements should be excluded. Any fees or interest charged for paying by instalments should be excluded.

Appendix 2 - claims requirements

References given below refer to Lloyd's Coverholder Reporting Standards User Guide http://www.lloyds.com/~/media/files/the%20market/i%20am%20a/coverholders/reporting%20standards%20user%20guide%20v4.pdf

Claim reference – CR0104 page 91 user guide (mandatory)

Note - there is no other claim reference. The unique claim reference for the claim being reported, this is normally generated by the coverholder or TPA.

Class of business, risk code and section no (mandatory for coverholder to provide one of these)

Binder section no - CR0007 - page 75 user guide

The number of the section from the binding authority contract which authorises this class of business to be written.

Lloyd's risk code - CR0016 - page 76 user guide

Lloyd's categorises information on risks and premiums using a series of risk codes. If you are familiar with these, then please specify the risk code for this transaction. http://www.lloyds.com/The-Market/Operating-at-Lloyds/Resources/Risk codes

Class of business – CR0017 – page 76 user guide

A free text description of the class of business

Claim status - CR0105 - page 91 user guide

The status of the claim as a result of the transaction. This can be one of the following:

- > Open
- > Open Coverage agreed
- > Open Amount agreed
- > Open Claim paid, fees outstanding
- > Open Fees paid, claims outstanding
- > Open Claim and fees paid
- > Closed
- > Closed this month
- > Re-opened
- > Closed but Subrogation/Recovery being pursued
- > Withdrawn

(Withdrawn - Any claim where the policyholder has discontinued part or all of their claim)

Original currency - CR0109 - page 92 user guide

The currency in which the claim will be paid to the claimant. It is recommended that the ISO 4217, 3 letter alphanumeric currency codes are used. More details can be found here:http://www.iso.org/iso/home/standards/currency_codes.htm

Paid this month - indemnity - CR0126 - 93 user guide

The amount of the claim that is to be collected from the Lloyd's syndicate this month.

Reserve indemnity - CR0130 - page 93 user guide

The amount outstanding which the coverholder or TPA still expects the Lloyd's syndicate to pay out in respect of the claim or claim item.

2. To inform managing agents of test run for AS249, 250 and 252 reporting

Lloyd's is developing a process to assist the market in discharging its reporting obligations under Solvency II Pillar 3 with respect to the following forms which are due first to be submitted by Lloyd's to the PRA in May 2017 for the 2016 reporting period, and each subsequent year:

ASR 249 Movement of reported but not settled (RBNS) claims

ASR 250 Loss distribution profile (non-life)

ASR 252 Underwriting risks (non-life) - mass risks

This process will only apply to business processed through Xchanging and it will apply 'live' from 2017, initially in respect of the 2016 reporting year. To support this process managing agents must complete and submit the forms at Appendix A (claims) and B (risks) for all their syndicate's **lead** risks and claims that are processed through Xchanging in a block (referred to below as 'blocked data').

A test of this process is to be run in Q2 2016. These are the steps that must be followed for this test run:

Step 1 - by 3 June 2016

Managing agents submit the forms at Appendix A and B for the following blocked data:

Appendix A All lead claims open at 31 December 2015 and all subsequent claims movements from 1 January 2016 until 31 March 2016

Appendix B All risks written between 1 January 2016 to 31 March 2016

Step 2 - by 30 June 2016

Managing agents must collect from the central database lead and follow data for all Xchanging business, both blocked and non-blocked.

Step 3 - by 29 July 2016

Managing agents to combine Xchanging data with non-Xchanging data and submit combined data to Lloyd's.¹

Managing agents should note that the time frame for the live reporting in 2017 is likely to be as follows²

¹ The method for delivery and collection of data will be communicated to managing agents by 29 January 2016.

² The live timetable is subject to variation depending on the findings from the test run. The timetable for 2018 and following will be different.

Step 1	Lead syndicates submit standard format (see Appendix A and B) to central data base for Xchanging risks and claims	14 February 2017
Step 2	Managing agents collect lead and follow data from the central database	14 March 2017
Step 3	Managing agents submit to Lloyd's combined Xchanging and non-Xchanging data within ASR249, ASR250 and ASR252	6 April 2017

Please contact the following with any queries:

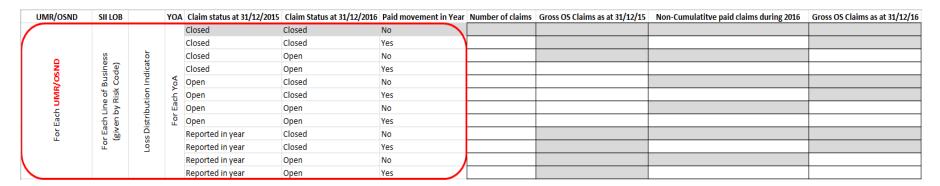
Helen Ashenden – helen.ashenden@lloyds.com, 0207 327 5781

Andrew Johnson – Andrew.johnson2@lloyds.com, 0207 327 5800

Peter Montanaro – peter.montanaro@lloyds.com, 0207 327 5971

Paul Appleton – paul.appleton@lloyds.com, 0207 327 6433

Appendix A - blocked claims data ASR 249 and 250



Note that these forms must be completed in GBP for each:

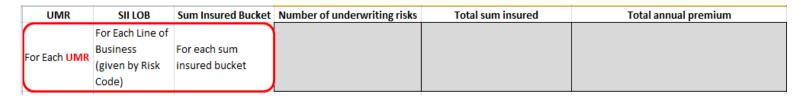
- Unique Market Reference at Original Signing Number and Date level
- SII line of business (risk code mappings to be provided in due course)
- Year of account
- Each 'loss distribtuion indicator', ie Incurred Claim Banding: GBP 0-20m at GBP1m increments, and GBP20m+

In order to complete this form managing agents will need to obtain the following data in relation to all claims reported on a bordereau and/or processed through Xchanging in a block:

- Coverholder or TPA Name
- Unique Market Reference
- Broker/TPA/coverholder claim reference
- Risk code
- Claim status
- Paid this Month Indemnity (including indemnity fees)
- Reserve indemnity (including indemnity fees)
- Year of account

Original Signing Number and Date

Appendix B - ASR 252



Note that this form must be completed for the 2016 year of account for each:

- Unique Market Reference at Original Signing Number and Date level
- SII line of business (risk code mappings to be provided in due course)
- Sum insured bucket

In order to complete this form managing agents will need to obtain the following data in relation to all risks reported on a bordereau:

- UMR
- Syndicate Reference
- Underwriting Year
- Risk Code
- Sum Insured
- Premium
- OSND