

MARKET BULLETIN

REF: Y4982

Title	Q1 2016 QMR – major losses, exchange rates and instructions.
Purpose	To provide managing agents with information required for the completion of the Q1 2016 Quarterly Monitoring Returns including the list of major losses to be reported, suggested exchange rates and confirmation of the instructions.
Type	Scheduled
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Date	1 April 2016
Deadline	QMA & QMB – 2:00pm Thursday 12 May 2016
Related links	

This bulletin provides:

- (a) the list of major losses to be reported in QMA800u (see Appendix 1);
- (b) suggested exchange rates (see Appendix 2);
- (c) other information relevant to the completion of the Q1 2016 Quarterly Monitoring Return; and
- (d) 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 2014 and 2015 forecasts as a percentage of capacity will be released to the Stock Exchange and included on Lloyds.com on Wednesday 18 May 2016.

Forms and instructions

The instructions for the Q1 2016 QMA have not been changed from those issued for the Q4 2015 return, ie they remain as “2015 version 2.3”. However, agents are reminded that, as stated in those instructions, QMA005 is no longer required: for Q1 2016 and after, the solvency information will be reported in the QSR. The form will still be presented in the QMA but agents should not complete it. We intend to remove the form for the Q2 2016 return.

There will be no new forms for the Q2 2016 QMA but we will be adding some additional lines to the cash flow forms to reduce the amount of information agents had to report through the analysis cells. We will provide more information on the changes to be made for Q2 2016 towards the end of this month.

We will also be looking at the Q4 forms and instructions to identify changes that can be made to improve the functionality of the software and the clarity of what is required. We will discuss these proposals with the LMA's Core Market Returns User Group but if you do have any feedback on the year-end return please do send it to Market Reporting (lloyds-MRD-ReturnQueries@lloyds.com).

For the Q1 2016 QMA, FAQs will be loaded to the QMA home page by close of play on each Friday, starting Friday 8 April.

Software

The software for the Q1 2016 QMA is in the Production environment.

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).

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

Robert Smith

Appendix 1

Major losses

The XIS catastrophe codes which must be reported in the Q1 2016 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	14A	Malaysian Airlines Loss of B777-200ER, 9M-MRO	8 March 2014
12	14B	Attacks on Tripoli airport	From 13 July 2014
13	14D	Hurricane Odile	13 to 19 Sept. 2014
14	14F	Brisbane and South-East Queensland Storm	27 to 28 Nov. 2014
15	14G	Loss of Air Asia QZ8501 over the Java sea,	28 December 2014
16	15A	Loss of Germanwings Flight 9525 over the French Alps	24 March 2015
17	15D	Warehouse explosions in Tianjin	12 August 2015
18	15E	South Carolina Wildfires	9 September 2015
19	15F	Valley fire in Lake, Napa and Sonoma counties	12 September 2015
20	15G	South Carolina Floods	October 2015
21	15J	Southern India Flooding	Nov/Dec 2015
22	15K	Samarco dam burst, Brazil	5 November 2015
23	15L	Storm Eva	22/12/2015
24	15M	Storm Frank	29/12/2015
25	MADO	Collapse of Madoff Investment Securities LLC	-
26	SUBS	Losses arising from sub prime	-
27	PEMX	Losses arising from the fire at Pemex's Abkatun A-Permanente platform	01/4/2015
28	15ZD	Fire and Explosion on FPSO Cidade De Sao Mateus	11/02/2015
29	15ZJ	Chevron Bigfoot	29/05/2015
30	15ZI	Troll Solution	05/05/2015

This is a much longer list than we normally have at the start of a year. A review of the events was carried out and the 2014 and prior years have been retained either as part of the work on overseas reporting or to continue monitoring certain critical events. This is also the case with the 2015 losses where, for instance codes 15E, 15F and 15G are need for reporting to the US state authorities.

As noted in section 2.24 to the current QMA instructions, if a 2016 event receives a loss code after this 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 Friday 29 April 2016.

Major loss codes

No major loss codes have been assigned for 2016 to date.

Please note:

Major loss codes relating to 2015 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 31 March 2016 (balance sheet), and average currency rates (profit and loss account) for the three months to 31 March 2016 are as follows (to the £):

	Accounts etc		GQD
	Period end	Average	In-quarter average*
US dollars	1.44	1.43	1.43
Canadian dollars	1.86	1.97	1.97
Euro	1.26	1.30	1.30
Australian dollar	1.87	1.99	1.99
Danish krone	9.40	9.69	9.69
Hong Kong dollar	11.15	11.13	11.13
Japanese yen	161.56	165.01	165.01
New Zealand dollar	2.07	2.16	2.16
Norwegian krone	11.89	12.38	12.38
Singapore dollar	1.94	2.01	2.01
South African rand	21.16	22.64	22.64
Swedish krona	11.65	12.11	12.11
Swiss franc	1.38	1.42	1.42

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).