

MARKET BULLETIN

REF: Y5039

Title	Alterations to the TPD data return for 2016 year-end
Purpose	To inform managing agents of the changes to the reporting requirements for the 2016 year-end TPD return
Type	Scheduled
From	James Lane, Market Reserving & Capital, Finance +44 (0)20 7327 5952 James.lane@lloyds.com
Date	24 November 2016
Deadline	2:00pm Thursday 23 March 2017
Related links	

This bulletin provides:

- (a) background concerning the changes to the TPD;
- (b) description of the changes that have been incorporated into the return forms for submission in 2017;
- (c) 2017 deadline;
- (d) contact details.

Background

Following on from our presentation to the market in July, Lloyd's are implementing a number of changes to the TPD process, including:

- 1) Change to the Acquisition and Admin Expenses compositions.
- 2) Adding two discounting columns to the 299 form to match the changes made in the QMA.
- 3) Removal of the 598 form.
- 4) New TPD sign-off spreadsheet.

The first two changes relate to improving market oversight, whilst 3 and 4 are aimed to improve data quality and core market returns processing time.

Details of changes to the TPD

1) Acquisition and Admin Expenses

Acquisition Expenses should be included in the "Gross Acquisition costs" rather than "Administrative and Other Acquisition Expenses". This is to ensure a correspondence between the DAC and the acquisition costs reported in the TPD.

To reflect this change "Administrative and Other Acquisition expenses" will be renamed "Administration Expenses". Gross Acquisition costs should now reconcile to lines 27, 28 and 29 of the QMA and Administration Expenses should reconcile to lines 31, 32, 33 and 34 of the QMA. The TPD instructions and validations will be updated to reflect this change.

2) Discounting

New gross and reinsurance discount columns will be added to the 299 form. This is to allow Lloyd's to obtain information on the discounting, where permitted, of reserves on a GAAP basis (this is expected to be primarily due to non-life annuities) and reflects the changes to the QMA.

The discount credit on the 599 relates to discounting at the risk free rates as provided by EIOPA as at the valuation date; these amounts should continue to reconcile to line 11 of the QMC 210. There have been no changes to the reporting requirements for the 599 form.

3) Form 598

Form 598 will be removed from the return and all associated validations.

4) Sign-off

The aim of the revised process is to:

- Reproduce the errors within CMR, with the aim of reducing the number of resubmissions required

- Improve the quality of the data submitted to Lloyd's by enabling the market to review a summary of the TPD prior to submission in a similar format to Lloyd's review.

The sign off by the directors on form 910 will be adjusted to reflect this change.

Changes 1 -3 will be in the UAT CMR for syndicates to test by the beginning of January and within production CMR by the end of February. The revised sign-off process will be issued to the market following receipt of the Q4 QMA.

2017 Deadline

The TPD return must be submitted by no later than 2:00pm on Thursday 23 March 2017. Any concerns regarding the 2017 deadline should be addressed to MRC (as below) at the earliest opportunity.

Contacts

Reporting performance issues:

Agents are encouraged to report any issues they have with the submissions as soon as they arise. This will enable the ITG Help Desk to help resolve the issue earlier in the process and enable Lloyd's to monitor service levels in real time and respond quickly as issues emerge. The contact number for the support team is +44 (0)20 7327 5252.

Specific queries in relation to the changes above:

Agents with specific queries regarding these changes should address them to James Lane (James.Lane@Lloyds.com).

General queries:

General queries for the TPD should be submitted via e-mail to James Lane (James.Lane@lloyds.com), or MRC Help (Lloyds-MRC-Help@lloyds.com).