

# MARKET BULLETIN

REF: Y5060

|                      |  |
|----------------------|--|
| <b>Title</b>         | Solvency II – Risk and Claims Reporting Service (forms ASR 249, 250 & 252)   |
| <b>Purpose</b>       | To provide managing agents with information concerning the completion of the Annual Solvency Returns 249, 250 & 252 and the service to support this  |
| <b>Type</b>          | Scheduled  |
| <b>From</b>          | Peter Montanaro,<br>Head of Syndicate Capability Oversight, Performance Management.<br>Telephone: +44 (0)20 7327 6212,<br><a href="mailto:peter.montanaro@lloyds.com">peter.montanaro@lloyds.com</a> |
| <b>Date</b>          | 31 January 2017  |
| <b>Deadline</b>      | Various – see below  |
| <b>Related links</b> | <a href="#">Risk and Claim Reporting - User Guide</a>  |

## Background

To meet Solvency II Pillar 3 requirements, managing agents are required to complete Annual Solvency Returns 249/250 (analysis and distribution of claims) and ASR 252 (distribution of underwriting risk). Lloyd's has worked with Xchanging and the market to create a new service to assist with the completion of these forms. This service includes the collation of information needed to create the forms, and the creation of draft forms for each syndicate. The scope of the service is for all direct business.

## Distribution of centrally collected data

Completion of these forms requires the capture of data at policy and individual claims level for all direct business, including lineslips and binding authorities. Typically much of this data is processed at a "block" or summary level by Xchanging. By 8 February, Xchanging will provide a statement of all the claims details it does have to each syndicate. This will be supplemented by any risk and claims data at a granular level which Lloyd's has collated. (*This is known as Step A*).

## Gather the data and submit to Xchanging

To ensure more accurate reporting, Lead syndicates are expected to submit as much actual granular level risk and claims information as they can for all subscription UMRs which have been processed as blocks to Xchanging by 21 February. Syndicates who are unable to comply are asked to contact

Lloyd's as soon as possible. *(This is known as Step B)*. Syndicates may choose to additionally submit details of open market risks, 100% business and business which has been processed outside Xchanging, for example using LDR. *(This is known as the Enhanced Service)*.

### **Feedback and re-submission of data by syndicates**

Between 21 February and 3 March Xchanging will check all of the file content they have received and syndicates may need to correct and resubmit any data with issues.

### **Distribution of draft forms and supporting lead and follow data by Xchanging**

Xchanging will calculate a version of the required forms for each Solvency II class of business for each Lloyd's syndicate and provide these by 10 March. For each UMR, Xchanging will calculate the proportions for each lead and all following syndicates. Xchanging will also perform any required conversions to a common currency of GBP. Syndicates will receive csv files including banding and aggregation calculations, record counts and values. Xchanging will also provide a backing file showing all the granular claims data. Syndicates will receive these files between 3 and 10 March via Email. If they have not already done so, syndicates must provide two Email address to [nick.gray@lloyds.com](mailto:nick.gray@lloyds.com). *(This is known as Step C)*.

### **Submission by syndicates of final forms to Lloyd's**

Syndicates should review the outputs from Xchanging. For example they may consider expected figures, any data which was not submitted to Xchanging, early cut-off dates, proportions of open market and delegated authorities business. Syndicates should make any estimates and adjustments needed to the forms. Lloyd's will be able to provide support if requested. The forms should be agreed with the relevant sign-off in the syndicate and submitted to Lloyd's via the Core Market Returns system by 6 April. *(This is known as Step D)*.

### **Service oversight and funding**

The service will be added as a new schedule to the market's LPSO Agreement, and the XRB will be responsible for the oversight of the data processing activities performed by Xchanging in connection with the service. Lloyd's is responsible for all other aspects of the service, including the oversight of managing agents' submission of data to the service. The cost of the service will be centrally funded until the end of 2019 and there is no additional charge to syndicates for using the Enhanced Service.

### **Further information**

To understand the service and their responsibilities fully, all syndicates are advised to read [Risk and Claim Reporting - User Guide](#)

Any questions or clarifications regarding this bulletin should be directed to [Lloyds-SolvencyReturns@lloyds.com](mailto:Lloyds-SolvencyReturns@lloyds.com) or [solvency2@lloyds.com](mailto:solvency2@lloyds.com).

Specific data queries or issues regarding processing of the data by Xchanging should be addressed to [stepb@Xchanging.com](mailto:stepb@Xchanging.com).