

# MARKET BULLETIN

REF: Y5066

**Title** Listing of Lloyd's Syndicates as Eligible Surplus Lines Insurers in the United States Annual Filing Requirements

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**Purpose** To advise the market of the annual filing requirements set by the IID of the NAIC

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**Type** Scheduled

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**Date** 14 February 2017

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**Deadline** Submit electronic filing to NAIC by 1 June 2017

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**Related links** [http://www.naic.org/cmte\\_c\\_surplus\\_lines\\_wg.htm](http://www.naic.org/cmte_c_surplus_lines_wg.htm)

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This bulletin is for underwriting agents having managed syndicates which, are listed as eligible surplus lines insurers on the NAIC's International Insurers Department "IID" Quarterly Listing of Alien Insurers. This listing is an important pre-requisite for syndicates wishing to write surplus lines business in the United States. In order to retain listed status, syndicates are required to make an annual filing to the IID.

The IID sets strict deadlines and fines are imposed for LATE filings, INCOMPLETE or INACCURATE filings and for late payment of listing fees. At present fines are set at a \$1,000 late fee fixed penalty and \$100 per day for each syndicate.

*Please take great care to follow the NAIC's instructions, especially if adding rows to the filing spreadsheets. A failure to follow the NAIC's instructions may result in a filing being considered incomplete and subject to late filing penalties.*

## Filing fees

An annual listing fee of \$4,800 is payable by each listed Lloyd's syndicate (sub or incidental syndicates, where applicable should also pay the filing fee) and must be paid. Invoices are expected to be issued by the NAIC shortly. The payment of these fees should be made by syndicates on or before 1 June 2017, via the NAIC's electronic portal *Optins*. The NAIC will issue further guidance on this in due course.

## **Completion of the Annual IID filings**

The IID filing pack consists of a number of documents which must be completed and then signed by the Finance Director and another director or the Compliance Officer, in front of a notary public, a Commissioner for Oaths, or a solicitor who holds a practising certificate under section 81(1) of the Solicitors Act 1974.

This year's filing pack is available for download from the NAIC's website

[http://www.naic.org/cmte\\_c\\_surplus\\_lines\\_wg.htm](http://www.naic.org/cmte_c_surplus_lines_wg.htm)

Once in the web-site scroll down the page and look for Lloyd's Annual Filing on the right-hand side.

### **List of files & their purpose:**

Lloyds_Filing_Instructions.doc	Word file containing various instructions regarding the completion of the filing format.
Lliid.xls	Excel workbook containing the financial filing format.
Lloyds_Interrogatories.doc	Word file containing the interrogatories.
Lloyds_Jurat.doc	Word file containing the Jurat page.
Lloyds_Surplus_Lines_Loss_Reserve_Cert.doc	Word file containing the loss certification wording.
IID_Plan_of_Op_.doc	Word file with the latest Plan of Operation (updated at Feb 2012)
Schedule of fees & other charges	Word file containing the fees and charges
Schedule of fees & other charges	Word file containing the fees and charges
*Cyber Risk Reporting	Word/Excel containing Cyber Risk Reporting

### **US Terrorism Risk Insurance Act of 2002, as amended ("TRIPRA"): TRIA reporting**

The NAIC have advised that an expanded TRIA form is under development and will be distributed later this year with an anticipated deadline of 1 October 2017. Further guidance will be issued concerning completion of this return in due course.

\*As you will be aware from Lloyd's International Trading Advice message on US Terrorism Risk and Cyber Data Calls issued on 22 December 2016 this is a new requirement.

### **Submission**

An electronic version of the financial filing format must be submitted to the NAIC. Individual forms within the IID filing pack must be prepared and notarised as in previous years. Files in their original format or Adobe Portable Document Format (PDF) conversions are to be submitted to the IID via *Optins*, the NAIC's new on-line file upload and payment system. Hard copies of the files will no longer be required by the IID. The NAIC will issue guidance

on how to use their portal shortly. At that time Lloyd's will also advise the market of details of any copies we may require centrally.

There are a number of qualified notary firms based around the City, and agents are free to use whichever firm they choose to effect the notarisation. Please retain a notarised hard copy for your own records.

As in previous years you are still required to send Lloyd's Market Finance an additional copy of the Statements of Actuarial Opinions (SAO), which for a part of this filing, so that we may forward those to our Attorney in Fact in Kentucky.

In order to reduce the administrative burden falling upon managing agents' in the completion of these filing requirements, Market Finance will continue to provide the IID with extracts from the Syndicate Return on managing agents' behalf.

As you will be aware, NAIC rely on Lloyd's Individual Registration regime for the necessary declaration of underwriters and directors of Managing Agents. However in the annual IID filing pack you should still list the names of all such individuals.

### **Communications with the IID**

Please provide this department with copies of **all** significant communications with the IID, as this will help us to keep our records up to date, to anticipate problems, and to assist where we can. Their address is:

NAIC - International Insurers Department  
1100 Walnut Street  
Suite 1500  
Kansas City MO 64106-2107  
U.S.A.  
Attn: Bob Schump

**It is particularly important to address any communications for the attention of the IID, as many thousands of domestic US companies write to the NAIC, and there have been problems in the past with IID items being mixed in with these for domestic US companies.**

If you have any queries regarding the completion of financial data, please call Hayley Youles in Market Finance (on extension 5299) or me (on extension 5490). Please direct any other queries to Steve Yates in International Regulatory Affairs (on extension 5351) or Luther Collins (on extension 6355).

Queries may also be e-mailed to [Lloyds-MR-OverseasReporting@lloyds.com](mailto:Lloyds-MR-OverseasReporting@lloyds.com)

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