

Market Bulletin

Ref: Y5217

Title	US Trading Regulatory Reporting
Purpose	To advise the market of the timetable for the completion of the US Reporting packs for the year ending 31 December 2018 and to provide the instructions
Type	Scheduled
From	Leslie Redmond, Manager Overseas Reporting, Market Finance (MF) Finance Directorate Direct Tel No: +44 (0)20 7327 5490 Email: leslie.redmond@lloyds.com
Date	29 November 2018
Deadline	14 February 2019 – electronic packs to be locked. See Timetable at the end of the bulletin for other deadline dates
Related links	Secure Store Lloyd's Overseas Returns Fining Policy Y4843

Please copy this letter to those within your organisation who are responsible for reviewing and completing the US reporting packs.

The submission of actuarial certification of the gross reserves is now required as a pdf file. Please see the Completion of packs section of this document for instructions.

This bulletin provides

- a) Details on the provision of electronic packs (including Schedules F & P) by MF to the market
- b) Details on review and completion of the packs by the market
- c) Submission details
- d) Timetable and arrangements for the period ended 31 December 2018

- e) Link to Secure Store ([select US Reporting then Shared Files](#)) where instructions can be downloaded covering Reporting Instructions (including checklists) and Software Instructions for both the main packs and Schedules F & P.

Provision of electronic packs

Electronic preliminary US reporting packs for your managing agent's syndicates will be available on the Overseas Reporting System (ORS) as noted in the timetable at the end of this bulletin.

Review of packs

Whilst the reporting packs have been prepared centrally, the ultimate responsibility for submission of correct data rests with the managing agent of each syndicate and, as such, you must satisfy yourself that you have reviewed the whole return. Checklists and detailed instructions on how to update the reporting packs will be available to download from the Quick Links area of the reporting software and from Secure Store.

The Delinked Items and Incomplete Items reports will be available for download from Secure Store (see related links). Once you launch this page click on Access Secure Store, log in and select US Reporting. Click on your agent name to access these reports which you can then download. There is also a Shared Files area where templates and reference files will be placed for you to download if you need them. If you are denied access to the site please contact your Devolved Administrator to give you the required permissions. The web page has a Devolved Administrator guide to assist them.

Where there are known issues with the reporting software a document will be posted to the Quick Links area within the software detailing them, advising of any workarounds or whether the issue has been fixed.

Approval had been given by the Insurance Regulators in certain [US States](#) for Lloyd's syndicates to post reduced collateral in respect of reinsurance contracts with cedants domiciled in these states. Please see Section 2.4 of the reporting instructions for details on how to use this functionality in the pack and the additional reporting requirements that you will need to meet.

Completion of packs

Once you have completed the pack, clearing all errors, positively verifying warnings as applicable, and ensuring that the cash transfer form does not contain errors, you must lock it. **Once you have locked a pack you will not be able to unlock it to make further amendments without contacting Market Finance.** You should therefore only lock a pack once you expect that no further changes will be made.

Actuarial certification of the gross reserves must be uploaded to your agent folder in the US Reporting area of SecureStore. Please upload one copy per trust fund per syndicate using the naming convention FSSSS.pdf where "F" denotes the trust fund and "SSSS" is the syndicate number e.g. R0001.pdf. We do not require hard copies of the opinions but recommend that you retain original copies.

Final hard copy Jurat pages, signed, dated and notarised as indicated (SL/RI 0) must be submitted for each reporting pack. **Full hard copy packs are not required.** The version date and time on the notarised Jurat page **must** agree to the electronic version on the ORS and you will need to produce

a pdf of the whole pack for this to appear. Notarisation may be performed by a solicitor, other than an in-house solicitor, who holds a practising certificate under section 81(1) of the Solicitors Act 1974, which allows them to administer oaths and affidavits in the UK. Where your Finance Director is unavailable to sign, another director or the compliance officer may sign in their place and the Jurat page should be marked accordingly. You may wish to keep a copy of this for your own records.

When hard copy Jurat pages are submitted to Market Finance we can only guarantee their receipt if they are hand delivered directly to the **Tenants & Couriers Office on the Lower Concourse**. Please mark these for the attention of David Cokayne. Please mark these for the attention of David Cokayne.

Quarterly funding

If you plan to move investments please check the timetable at the end of this bulletin to ensure that you submit instructions on time for the correct settlement date. The settlement date for investments may not be the same as that for cash transfers. You are also reminded that the estimated value of the investments you wish to transfer should not result in a funding shortfall and you must include an allowance for adverse price movements within this calculation.

Please note that this return is subject to Lloyd's Overseas Returns Fining Policy (see Market Bulletin Y4843 dated 1 December 2014). In order to meet the deadline for filing with the US Regulator, New York Department of Financial Services, it is essential that agents adhere to the timetable.

It is very important that packs are completed and locked, and the required documents submitted by the due dates as set out in the timetable at the end of this bulletin. We will take action against agents that miss these deadlines. Agents should bear this in mind when planning, not just the completion of the return, but also the submission of required documentation.

Where a Managing Agent has reason to believe that it may be unable to meet the due dates set out in the timetable it must contact us at the earliest opportunity in advance of the deadline to discuss the matter. Failure to do so will be a factor Lloyd's will take into account in deciding whether a fine is appropriate.

In addition to any fines the overseas regulator may impose, Lloyd's may at its discretion impose a fine in respect of returns which are submitted by the deadline but are either inaccurate or incomplete. In deciding whether to exercise that discretion, the Market Supervision and Review Committee (MSARC) will have regard to whether the Managing Agent itself identified the inaccuracy and brought the matter to Lloyd's attention at the earliest opportunity.

Where Lloyd's is satisfied that a fine is appropriate then the following fining regime will be implemented in respect of the late submission of a return other than where MSARC is satisfied that an alternative fine is appropriate:

Per return per syndicate – flat fine	£5,000
Per return per syndicate – additional fine per working day late	£1,000

Persistent delays will lead to further disciplinary action. These levels of fines will be annually reviewed.

If you have any queries on the contents or completion of the packs, or any comments about the software, please contact me on the above number, David Cokayne on extension 6238 (E-mail david.cokayne@lloyds.com), or send an email to Lloyds-MR-OverseasReporting@lloyds.com

Leslie Redmond
Manager Overseas Reporting
Market Finance

Timetable and arrangements for the quarter ended 31 December 2019

	<u>Key Date</u>
Provision of preliminary packs by Market Finance (MF) to managing agents at the ORS web-site. Delinked and Incomplete Items reports available on Secure Store	18 January 2019
Completed electronic packs (including Schedules F & P) locked by managing agents. Actuarial certification of the gross reserves must also be submitted via SecureStore at this time (one copy for both the SLTF and CRTF). Submit details of reduced collateral funding cedants to MF	14 February 2019
Instructions to transfer securities to be advised to Citibank. The latest version of the workbook that needs to be completed can be found here . Log into Secure Store, select US Reporting then Shared Files. <u>VALUE DATE FOR INVESTMENT TRANSFERS IS 22 FEBRUARY 2019.</u>	18 February 2019
Cash Transfer forms to be returned to Settlements & Trust Funds, Chatham, value date 26 February 2019. <u>STFO WILL CHARGE MANAGING AGENTS £50 FOR ANY FORMS THAT ARE SENT IN LATE TO REFLECT THE COST OF ADDITIONAL MANUAL PROCESSING.</u>	18 February 2019
Provision of final signed and notarised Jurat pages by managing agents	19 February 2019
Letters of Credit to be in place. Please ensure that these are issued with the correct beneficiary name and address which should be as follows; Citibank N.A. as Trustee for Credit for Reinsurance Trust Fund Syndicate XXXX or Citibank N.A. as Trustee for Surplus Lines Trust Fund Syndicate XXXX Citibank N.A. Trust and Custody Operations Attn: William Mulrenin 480 Washington Boulevard, 30 th Floor Jersey City, NJ 07310 USA	20 February 2019