

Market Bulletin

Ref: Y5255

Title	Q2 2019 QMR – major losses, exchange rates and instructions
Purpose	To provide managing agents with information required for the completion of the Q2 2019 Quarterly Monitoring Returns including the list of major losses to be reported, suggested exchange rates and confirmation of the instructions.
Type	Scheduled
From	Jake Tomlin, Senior Manager, UK Reporting, Market Finance Contact details: 020 7327 6581 jake.tomlin@lloyds.com
Date	1 July 2019
Deadline	QSR/QAD – 2:00pm, Friday 19 July 2019 (unaudited) QMA – 2:00pm, Thursday 8 August 2019 (audited) QMB – 2:00pm, Thursday 8 August 2019 QSR – 2:00pm, Friday 29 August 2019 (audited)
Related links	n/a

This bulletin provides:

- (a) the list of major losses to be reported in QMA800u (see Appendix 1) – please note there are some additional XIS and non-XIS issued loss codes where reporting is required for Q2 2019;
- (b) suggested exchange rates, including rates for SBF return (see Appendix 2);
- (c) other information relevant to the completion of the Q2 2019 Quarterly Monitoring Returns;
- (d) QMA/QMB/QSR/QAD/ASR/ASB/AAD and syndicate accounts deadlines for 2019 year end; and
- (e) contact details.

Deadlines

The submission dates are as noted above. All returns must be submitted by no later than 2:00pm of the deadline date. Any return submitted after that time will be considered to be late. The 2017 and 2018 forecasts as a percentage of capacity will be released to the Stock Exchange and included on Lloyds.com on Wednesday 14 August 2019.

QMA forms and instructions

The instructions for the Q2 2019 QMA have not changed from those issued for Q1 2019 and remain as “QMA Instructions_2019_v1.0”. The instructions are available on the QMA home page on the CMR

site. FAQs will be made available should common queries arise and will commence from 12 July 2019. Hard copies of QMA910 and QMA930 are expected to accompany the submission in accordance with the QMA instructions. Please take note of some new major loss codes required to be reported with further details in Appendix 1.

QSR and QAD forms and instructions

The QSR and QAD forms and instructions are now available for download from the CMR site. There are no changes since Q1 2019.

As the members' Solvency II balances collected in the QSR002 and QSR210 are used for the members' release test in Autumn 2019 and for the 2020 capital setting process, an audit report (QSR930) is required to cover these forms only. This has been provided with the instructions.

Accordingly, as summarised above, the unaudited QSR and QAD for Q2 2019 must be submitted by 19 July 2019. The audit report must be provided by 29 August 2019. A revised QSR is only required to be submitted if either the QSR002 or QSR210 has changed from the original submission following the audit; in this case the revised QSR must also be submitted by 29 August 2019.

QMB return migrating to the MDC platform

The QMB return migrates on to the MDC platform on Monday 1 July 2019 and the updated instructions and specifications will be made available on the same date. For these to be accessed, the devolved administrator of the managing agent will need to assign users access roles of either the Return Approver or Return Submitter. Users with these access roles will be able to click Returns > QMB > Help. This will display two folders named "Return Instructions" and "Return Validations and Form Template".

No additional data is being requested in the QMB return, but syndicates will need to provide a comment for each warning message generated. This is to help reduce the number of queries from Lloyd's after submission. To reduce the number of warning messages being generated the validations are only being applied for CNV currency rather than all currencies in form 105. A list of validations and their thresholds can be found in the specification document in the help section under the "Return Validations and Form Template" folder.

Returns can be created manually or via CSV upload (same structure as CMR uploads). After creating a return via one of these methods it can be edited either online, offline (via excel download and upload) or via a new CSV upload.

Data is still only required to be entered for forms 100, 105 and 105s. Three forms are titled with PB which stands for play back and require no data entry. How each of these playback forms are calculated and populated can be found in the specification document in the help section under the "Return Validations and Form Template" folder.

Forms 500, 501, 600 and 601 have been added to the return to help the syndicate sense check their data before submitting to Lloyd's. The forms play back data that has been entered in the syndicates approved SBF's, previous QMB and current QMB. No data entry is required in these forms.

- Form 500 compares: 1) The SBF against the QMB at year of account level for the admin expense ratio, acquisition cost ratio, GCR and GULR. 2) The SBF against the QMB at year of account and class of business level for GULR and GCR. 3) The SBF against the QMB at year of account and distribution channel level for ultimate premium. The purpose of the form is to highlight large differences between the SBF and QMB.
- Form 501 compares the previous quarter QMB against the latest quarter QMB for GULR at year of account and class of business level. The purpose of the form is to highlight large movements between the previous and latest quarter QMB.
- Form 600 displays all the CNV values of form 105 PB from the previous quarter QMB and the latest quarter QMB. The granularity of this form is pure year of account, class of

business, distribution channel and CNV currency. The purpose of the form is to highlight large movements between the previous and latest quarter QMB.

- Form 601 compares the reinsurance values of the previous quarter QMB and latest quarter QMB and compares the SBF against the latest quarter QMB. The purpose of this form is to highlight large movements between the previous and latest quarter QMB and large differences between the SBF and QMB for the reinsurance values.

The Q2 2019 submission will be the first QMB submission in MDC and the deadline of 2pm Thursday 8 August 2019 remains the same. Any questions regarding the QMB return should be directed to Lloyds-QMBReturns@lloyds.com.

QMA, QMB, syndicate accounts and Pillar 3 deadlines for 2019 year-end

A more detailed list of the key submission deadlines for the 2019 year-end and Q1-3 2020 will be included in the Q3 2019 bulletin. However, to assist managing agents plan their year-end work the following deadlines are confirmed:

Submission of unaudited QSR and QAD	Tuesday 21 January 2020 – 2pm
Submission of audited QMA	Thursday 13 February 2020 – 2pm
Submission of QMB	Thursday 13 February 2020 – 2pm
Submission of ASR, ASB and AAD	Tuesday 10 March 2020 – 2pm
Submission of syndicate annual accounts	Thursday 5 March 2020

Software

The software for the Q2 2019 QMA was made available in the Production environment from 25 June 2019 onwards. The software for the Q2 2019 QSR and QAD will be available in Production by early July.

Contacts

Reporting performance issues (not validation or content 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 IT help desk to resolve the issue earlier in the process, monitor service levels in real time, and respond quickly as issues emerge. The contact number for our IT Services team is 020 7327 5333.

General queries

Any queries on the returns should be submitted via e-mail to

Return	Department	E-mail
QMA	Market Finance	Lloyds-MRD-ReturnQueries@lloyds.com
QMB	Performance Management	Lloyds-QMBReturns@lloyds.com
QSR/QAD	Market Finance	Lloyds-SolvencyReturns@lloyds.com

Jake Tomlin

Appendix 1

Major losses

The XIS catastrophe codes which must be reported in the Q2 2019 QMA800u are:

1	10P	New Zealand Earthquake	4 September 2010
2	11C	New Zealand Earthquake	22 February 2011
3	11N	Losses arising from New Zealand earthquake at Sumner	13 June 2011
4	12J	Hurricane Sandy from Caribbean	24 October 2012
5	13A	Cyclone Oswald affecting Queensland and New South Wales, Australia	27 to 29 January 2013
6	13F	Flooding following heavy rain in Alberta	20 June 2013
7	14D	Hurricane Odile	13 to 19 Sept. 2014
8	14F	Brisbane and South-East Queensland Storm	27 to 28 Nov. 2014
9	15D	Warehouse explosions in Tianjin	12 August 2015
10	MADO	Collapse of Madoff Investment Securities LLC	-
11	SUBS	Losses arising from sub prime	-
12	PEMX	Losses arising from the fire at Pemex's Abkatun A-Permanente platform	1 April 2015
13	16D	Wildfire – Fort McMurray, Alberta, Canada	1 May 2016 & ongoing
14	16K	Typhoon Meranti (known as Ferdie in the Philippines)	8-17 Sept 2016
15	16L#	Hurricane Matthew (irrespective of state)	29 Sept 2016
16	16N	New Zealand earthquake, South Island near Hammer Springs	14 November 2016
17	AMOS	Loss of the AMOS-6 satellite	1 Sept 2016
18	FPSO	Losses arising from Kwame Nkrumah in the Jubilee oil field	20 March to 31 Dec 16
19	HUSK	Losses arising from the Husky energy oil spill in Saskatchewan	21 July 2016
20	17C	Peruvian floods	13 March 2017
21	17D	Tropical cyclone Debbie (Australia)	27 March 2017
22	ADNC	Losses arising from the Vapour Cloud explosion at the ADNOC/Takreer Ruwais Refinery	11 January 2017
23	17E	Typhoon Hato, affecting Hong Kong, Macau and South China	20 August 2017
24	17F#	Hurricane Harvey	24 August 2017
25	17G#	Hurricane Irma	1 September 2017
26	17H	Hurricane Maria	17 September 2017
27	17J	Mexico Earthquake	19 September 2017
28	17K#	Hurricane Nate	5 October 2017
29	17L#	Northern California wildfires	8 October 2017
30	17M	Mexico Earthquake	8 September 2017
31	17N	Thomas wildfire in Santa Barbara and Ventura Counties	4 December 2017
32	18A	Winter storm affecting the US Eastern Seaboard and parts of Canada	3 January 2018
33	HONA	Losses arising from the Maersk Honam fire in the Arabian Sea	6 March 2018
34	18B	Volcanic eruption affecting Hawaii	3 May 2018
35	18C	Carr Wildfire, Redding, and affecting Shasta County and Trinity County, California	23 July 2018
36	18D	Ranch Fire (Mendocino Complex) affecting Colusa County, Lake County and Mendocino County	27 July 2018

37	18E	Hurricane Lane affecting Hawaii	22 August 2018
38	18F#	Hurricane Florence	4 September 2018
39	18G	Typhoon Jebi	29 August 2018
40	18H	Typhoon Mangkhut	9 September 2018
41	SASS	Losses arising from the Lurssen Shipyard fire damaging superyacht "Sassi"	14 September 2018
42	18J	Hurricane Michael	6 October 2018
43	18K	Camp Wildfire	8 November 2018
44	18L	Woolsey Wildfire	8 November 2018
45	USCC	Capture costs arising out of climate change litigation for claims originating in the US	1 January 2018
46	RWCC	Capture costs arising out of climate change litigation for claims not originating in the US	1 January 2018
47	USOC	Capture claim payments and costs arising out of opioid claims origination in the US onwards	1 January 2018
48	RWOC	Capture claim payments and costs arising out of opioid claims not origination in the US	1 January 2018
49	19A	Brumadinho dam burst in Minas Gerais, Brazil	29 January 2019
50	RCMB	Claims arising out of the Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry in Australia	1 November 2017
51	BOEI	Losses arising out of accidents and groundings of the Boeing 737 MAX Aircraft from October 2018 and ongoing.	October 2018

– A number of state level codes were issued for these losses, but for the purposes of the QMA800u, all losses relating to the storm, wherever located, should be reported under the single code provided.

As noted in section 2.21 to the current QMA instructions, if an 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 Thursday 1 August 2019.

Major loss codes

Additional (non-XIS) catastrophe codes where QMA 800 reporting is required are as follows:

1	13WH	Inpex Ichthys LNG	2013 onwards
2	16XA	Rolls Royce – non-occurrence grounding claims	2016 onwards
3	18ZC	Papua New Guinea Earthquake	26 February 2018
4	18YB	Marriott Cyber Breach	7 September 2018
5	18ZJ	Typhoon Trami	30 September 2018
6	19ZA	Townsville Flood	27 January 2019
7	19ZC	Houston Texas Fire	17 March 2019
8	19ZD	Star Centurion sinking following collision with Antea	13 January 2019
9	19ZE	Philadelphia Energy Solutions (PES Group) - gas refinery butane tank explosion and subsequent fire	21 June 2019

Please note:

Major loss codes relating to 2018 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 30 June 2019 (balance sheet), and average currency rates (profit and loss account) for the six months to 30 June 2019 are as follows (to the £):

	Accounts etc		GQD
	Period end	Average	In-quarter average*
US dollars (USD)	1.27	1.29	1.29
Canadian dollars (CAD)	1.66	1.73	1.72
Euro (EUR)	1.12	1.15	1.14
Australian dollar (AUD)	1.81	1.83	1.84
Danish krone (DKK)	8.34	8.55	8.54
Hong Kong dollar (HKD)	9.94	10.15	10.08
Japanese yen (JPY)	137.11	142.36	141.24
New Zealand dollar (NZD)	1.89	1.93	1.94
Norwegian krone (NOK)	10.85	11.14	11.11
Singapore dollar (SGD)	1.72	1.76	1.75
South African rand (ZAR)	17.95	18.37	18.48
Swedish krona (SEK)	11.81	12.04	12.14
Swiss franc (CHF)	1.24	1.29	1.29

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).

2020 Syndicate Business Forecast (SBF) return

The 2020 SBF submissions will be based on the exchange rates set for the Q2 2019 Quarterly Monitoring Return (please refer to the table above). The 2020 SBF exchange rates will be updated and available in Market Data Collections (MDC) on 5 July 2019.