

# Market Bulletin

Ref: Y5298

<b>Title</b>	Q2 2020 QMR – major losses, exchange rates and instructions
<b>Purpose</b>	To provide managing agents with information required for the completion of the Q2 2020 Quarterly Monitoring Returns including the list of major losses to be reported, suggested exchange rates and confirmation of the instructions.
<b>Type</b>	Scheduled
<b>From</b>	Jake Tomlin, Senior Manager, UK Reporting, Market Finance Contact details: 020 7327 6581 <a href="mailto:jake.tomlin@lloyds.com">jake.tomlin@lloyds.com</a>
<b>Date</b>	1 July 2020
<b>Deadline</b>	QSR/QAD – 2:00pm, Tuesday 21 July 2020 (unaudited) QMA – 2:00pm, Thursday 6 August 2020 (audited) QMB – 2:00pm, Thursday 6 August 2020 QSR – 2:00pm, Thursday 27 August 2020 (audited)
<b>Related links</b>	n/a

This bulletin provides:

- (a) the list of major losses to be reported in QMA800 (see Appendix 1) – please note there are some additional XIS and non-XIS issued loss codes where reporting is required for Q2 2020;
- (b) suggested exchange rates, including rates for SBF return (see Appendix 2);
- (c) other information relevant to the completion of the Q2 2020 Quarterly Monitoring Returns;
- (d) QMA/QMB/QSR/QAD/ASR/ASB/AAD and syndicate accounts deadlines for 2020 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 or will be considered late. The 2018 and 2019 forecasts as a percentage of capacity will be released to the Stock Exchange and included on Lloyds.com on Wednesday 12 August 2020.

## QMA forms and instructions

An updated set of QMA instructions (“QMA Instructions\_2020 v1.1”) will be made available on 1 July 2020 – these will be sent by email to QMA contacts and will also be available for download on the MDC platform. This can be located by pressing the help button (an option located on the top right side of the

page) within the syndicate QMA return screen. FAQs will be made available should common queries arise and will commence from 10 July 2020. As with Q4 2019 reporting, soft copies of QMA910 and QMA930 are expected to accompany the MDC submission in accordance with the QMA instructions.

Please note there **are two changes** for the Q2 2020 QMA submission. Both of these changes will require an additional Excel template to be populated and attached to the QMA submission on the MDC platform before the return is submitted to Lloyd's:

- 1) Additional reporting on COVID-19 major loss data is required (major loss code 'CORO'). This data supplements what is provided in QMA800 and provides Lloyd's with more granular data, including both incurred and ultimate loss amounts, as well as geographic and class of business splits of the loss. The additional data being requested is consistent with previous Major Claims Returns requested by Lloyd's earlier in 2020 and enables Lloyd's to complete the required level of granular analysis on these losses, better understand and communicate the impact on the market and to meet global regulatory reporting requirements. This additional data will be collected in an Excel template as part of the QMA submission to reduce the ad hoc requests and deadlines that are given to the market and to align the data with the quarterly QMA800 data process already in place.
- 2) An additional checklist which is to be completed, which will help ensure QMA910 and QMA930 have been prepared correctly.

Both additional templates will be provided with the QMA instructions, will be available on the MDC platform. More detail on each template is included in the QMA instructions and in the templates themselves.

The changes that were previously communicated regarding QMA130/131/132 and QMA800 (initially planned for Q1 2020) have been postponed at this point in time and will not be required for at least Q2 and Q3 2020 reporting.

#### **QMB – changes for Q2 2020**

A Lloyd's maintained PIP class of business reference table is being deployed in MDC for the QMB return with the introduction of two new validations which will require the user to provide commentary for PIP classes in the PIP narrative form.

#### **QSR and QAD forms and instructions**

The QSR and QAD forms and instructions are now available for download from the CMR website. There are no changes to CMR since Q1 2020. However, guidance on the instructions has been updated for the Central Fund loan on QAD230 and Buyer/Seller field, related to forms QAD233 & 234.

As the members' Solvency II balances collected in the QSR002 and QSR210 are used for the members' release test in Autumn 2020 and for the 2021 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 2020 must be submitted by 21 July 2020. The audit report must be provided by 27 August 2020. 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 27 August 2020.

#### **QMA, QMB, syndicate accounts and Pillar 3 deadlines for 2020 year-end**

A more detailed list of the key submission deadlines for the 2020 year-end and Q1-3 2021 will be included in the Q3 2020 bulletin. However, to assist managing agents plan their year-end work the following deadlines are confirmed:

Submission of unaudited QSR and QAD	Thursday 21 January 2021 – 2pm
Submission of audited QMA	Thursday 11 February 2021 – 2pm
Submission of QMB	Thursday 11 February 2021 – 2pm
Submission of ASR, ASB and AAD	Thursday 11 March 2021 – 2pm

Submission of syndicate annual accounts

Thursday 4 March 2021

**Software**

The software for the Q2 2020 QMA and QMB is available in the Production environment. However, please note that changes are going to be deployed to the production environment for the QMA and QMB return on Saturday 4 July 2020 and Tuesday 7 July 2020 respectively. Therefore, we recommend users to create a return after this point in order to avoid creating a copy of the return. Users will also get notified of this via the broadcasting tool in MDC. The software for the Q2 2020 QSR and QAD is available in Production.

**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 contacts e-mail is [itcustomersupport@lloyds.com](mailto:itcustomersupport@lloyds.com) or call 020 7327 5333. Any questions concerning the MDC platform should be directed to [MDCsupport@lloyds.com](mailto:MDCsupport@lloyds.com).

General queries

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

<b>Return</b>	<b>Department</b>	<b>E-mail</b>
QMA	Market Finance	<a href="mailto:Lloyds-MRD-ReturnQueries@lloyds.com">Lloyds-MRD-ReturnQueries@lloyds.com</a>
QMB	Performance Management	<a href="mailto:Lloyds-QMBReturns@lloyds.com">Lloyds-QMBReturns@lloyds.com</a>
QSR/QAD	Market Finance	<a href="mailto:Lloyds-SolvencyReturns@lloyds.com">Lloyds-SolvencyReturns@lloyds.com</a>

Jake Tomlin

## Appendix 1

## Major losses

The XIS catastrophe codes which must be reported in the Q2 2020 QMA800 are:

	Code	Loss name	Loss date
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 and ongoing	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	14F	Brisbane and South-East Queensland Storm	27 to 28 Nov. 2014
8	MADO	Collapse of Madoff Investment Securities LLC	-
9	SUBS	Losses arising from sub prime	-
10	16D	Wildfire – Fort McMurray, Alberta, Canada	1 May 2016 & ongoing
11	16N	New Zealand earthquake, South Island near Hammer Springs	14 November 2016
12	FPSO	Losses arising from Kwame Nkrumah in the jubilee oil field	20 March to 31 Dec 16
13	17D	Tropical cyclone Debbie (Australia)	27 March 2017
14	ADNC	Losses arising from the Vapour Cloud explosion at the ADNOC/Takreer Ruwais Refinery	11 January 2017
15	17F#	Hurricane Harvey	24 August 2017
16	17G#	Hurricane Irma	1 September 2017
17	17H	Hurricane Maria	17 September 2017
18	17J	Mexico Earthquake	19 September 2017
19	17L#	Northern California wildfires	8 October 2017
20	17N	Thomas wildfire in Santa Barbara and Ventura Counties	4 December 2017
21	18A	Winter storm affecting the US Eastern Seaboard and parts of Canada	3 January 2018
22	HONA	Losses arising from the Maersk Honam fire in the Arabian Sea	6 March 2018
23	18B	Volcanic eruption affecting Hawaii	3 May 2018
24	18C	Carr Wildfire, Redding, and affecting Shasta County and Trinity County, California.	23 July 2018
25	18D	Ranch Fire (Mendocino Complex) affecting Colusa County, Lake County and Mendocino County	27 July 2018
26	18E	Hurricane Lane affecting Hawaii	22 August 2018
27	18F#	Hurricane Florence	4 September 2018
28	18G	Typhoon Jebi	29 August 2018
29	18H	Typhoon Mangkhut	9 September 2018
30	SASS	Losses arising from the Lürssen Shipyard fire damaging superyacht "Sassi"	14 September 2018
31	18J	Hurricane Michael	6 October 2018
32	18K	Camp Wildfire	8 November 2018
33	18L	Woolsey Wildfire	8 November 2018
34	USCC	Capture costs arising out of climate change litigation for claims originating in the US	1 January 2018

35	RWCC	Capture costs arising out of climate change litigation for claims not originating in the US	1 January 2018
36	USOC	Capture claim payments and costs arising out of opioid claims origination in the US	1 January 2018
37	RWOC	Capture claim payments and costs arising out of opioid claims not origination in the US	1 January 2018
38	19A	Brumadinho dam burst in Minas Gerais, Brazil	29 January 2019
39	RCMB	Claims arising out of the Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry in Australia	1 November 2017
40	BOEI	Losses arising out of accidents and groundings of the Boeing 737 MAX Aircraft from October 2018	October 2018
41	19B	Ridgecrest Earthquakes encompassing a series of earthquakes, emanating in the vicinity of Ridgecrest, California	4 July 2019
42	19C	Storm Barry	10 July 2019
43	19D#	Storm Dorian affecting the Caribbean/Bahamas	26 August 2019
44	19E	Typhoon Faxai	6 September 2019
45	19F	Typhoon Hagibis	10 October 2019
46	THOM	Losses arising from out of the administration of Thomas Cook in September 2019	1 September 2019
47	HHSB	All personal lines household claims where subsidence has occurred in the UK within 2019	1 January 2019
48	DLTR	Dallas Tornado strikes	20 October 2019
49	CHLR	2019 Chilean Protests	1 October 2019
50	19G#	California Wildfires	1 January 2019
51	20A	Australian Wildfires within 2019	1 August 2019
52	20B#	Australian hailstorms	20 January 2020
53	20C	Storm Ciara	5 February 2020
54	20D	Storm Dennis	15 February 2020
55	20E	Tornadoes affecting Tennessee, United States	2 March 2020
56	MAFU	Losses arising out of vessel engine problems resulting or connected to the implementation of the IMO 2020 regulations and use of low sulphur fuels	1 January 2020
57	CORO	Losses arising from or connected to the current outbreak of novel coronavirus (2019-nCov) that was first reported from Wuhan, China	31 December 2019
58	20F	Severe weather affecting South Carolina, United States	12 April 2020
59	20G	Tornadoes affecting Tennessee, United States	12 April 2020
60	EASY	Claims arising over the cyber-attack data breach impacting EasyJet airline.	January 2020 & ongoing
61	PRDE	Claims due to damages arising from protests carried out as a result of racial injustice following George Floyd's death – not only in the US but rest of the world too	26 May 2020

# – A number of state level codes were issued for these losses, but for the purposes of the QMA800, 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 QMA800 will be made through inclusion in the FAQs.

Agents are reminded that if they have any major loss to be reported on QMA800 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 or [MajorLossCodes@lloyds.com](mailto:MajorLossCodes@lloyds.com) 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 30 July 2020.

#### Major loss codes

Additional (non-XIS) catastrophe codes where QMA800 reporting is required are as follows:

	Code	Loss name	Loss date
1	13WH	Inpex Ichthys LNG	2013 onwards
2	18ZC	Papua New Guinea Earthquake	26 February 2018
3	18YB	Marriott Cyber Breach	7 September 2018
4	18ZJ	Typhoon Trami	30 September 2018
5	19ZA	Townsville Flood	27 January 2019
6	19ZD	Star Centurion sinking following collision with Antea	13 January 2019
7	19ZE	Philadelphia Energy Solutions (PES Group) - gas refinery butane tank explosion and subsequent fire	21 June 2019
8	19ZF	Grand Bahama Shipyard – Dock Accident at Grand Bahama Shipyard involving Vessel Oasis of the Seas	1 April 2019
9	19ZV	ITC - Deer Park - Damage caused by fire	18 March 2019
10	19YB	US Winter Storms	March 2019
11	19YF	Explosion Fire at Port Neches Chemical Plant, Texas, USA	November 2019

#### Please note:

Major loss codes relating to 2019 and prior are still maintained in the database. Syndicates are asked to report on major losses in accordance with the QMA800 instructions.

## Appendix 2

## Rates of Exchange

The settlement currency rates as at 30 June 2020 (balance sheet), and average currency rates (profit and loss account) for the six months to 30 June 2020 are as follows (to the £):

	Accounts etc		GQD
	Period end	Average	In-quarter average*
US dollars (USD)	1.24	1.26	1.24
Canadian dollars (CAD)	1.68	1.72	1.72
Euro (EUR)	1.10	1.14	1.13
Australian dollar (AUD)	1.79	1.92	1.89
Danish krone (DKK)	8.20	8.54	8.40
Hong Kong dollar (HKD)	9.58	9.79	9.62
Japanese yen (JPY)	133.29	136.54	133.53
New Zealand dollar (NZD)	1.92	2.01	2.01
Norwegian krone (NOK)	11.92	12.27	12.41
Singapore dollar (SGD)	1.72	1.76	1.75
South African rand (ZAR)	21.46	20.93	22.27
Swedish krona (SEK)	11.51	12.20	12.01
Swiss franc (CHF)	1.17	1.22	1.20

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).

#### 2021 Syndicate Business Forecast (SBF) return

The 2021 SBF submissions will be based on the exchange rates set for the Q2 2020 Quarterly Monitoring Return (please refer to the table above). The 2021 SBF exchange rates will be updated in Market Data Collections (MDC) and will be available at the same time as the SBF return on 17 July 2020.