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| **Prepared by** | XXXXXXXXXXXXXXXXXXX |
| **Date** | XXXXXXXXX |
| **Managing Agent** | XXXXXXXXX |
| **Syndicate** | XXXXXXXXX |
| **Subject** | **Proposed Legacy RI Transaction (LPT / ADC / Retrospective QS / Split RITC / Other)** |

**Purpose**

Lloyd’s wishes to better understand the financial materiality of the proposed outwards reinsurance Legacy transaction, the structure of the reinsurance protection and the financial strength of the reinsurance counterparties.

**Request for Information**

The following represents the initial oversight information that Lloyd’s requires the manging agent to provide / confirm:

1. A brief statement to outline the strategic objectives and design criteria for the transaction
2. The classes of business and the underwriting years of account that are to be reinsured
3. Category of legacy reinsurance protection, e.g. Loss Portfolio Transfer, Adverse Development Cover, Retrospective Quota Share, Split RITC, or Other (please specify)
4. Basis of reinsurance protection, e.g. losses occurring during, claims payments made during, loss deterioration during etc
5. The effective date of the transaction
6. The execution date of the transaction
7. The coverage period of the reinsurance contract
8. The cession / placement level of the reinsurance contract, e.g. 100%, 50% etc
9. Currency of the contract and the mechanism for converting to GBP including expected rates of exchange
10. The loss denominator within the contract, e.g. % of Gross Claims, Net Claims, Net Combined Ratio etc (if applicable)
11. Retention / attachment point as a percentage and in GBP (if applicable)
12. Expected return period for the attachment of the RI protection (if applicable)
13. Maximum aggregate contractual limit in GBPm, or if unlimited
14. Expected return period for the exhaustion of the RI protection (if applicable)
15. The reinsurance premium in GBP
16. Expected RI recoveries in GBP
17. The ceding / profit commissions receivable in GBP
18. Details of any material exclusions or restrictions
19. If the contract will follow the fortunes of the syndicate
20. A copy of the contract wording (if available)
21. If the contract is to be solely underwritten by a related party reinsurer then please provide copies of any independent risk transfer pricing review and analysis that has been undertaken.
22. If the reinsurance contract will be designed to protect the syndicate against reduced or non-recovery from inuring reinsurance arrangements
23. If there are any current disputes with the inuring reinsurers
24. If the reinsurance contract will be shared with any other syndicate and/or any non-Lloyd’s entities if so, please provide details of the cost and recovery allocation methodology that will be used
25. What is expected to happen to the contract when each syndicate YOA RITCs, e.g. continuation or commutation
26. What are the expected / targeted impacts on capital:
    1. Monetary and percentage value of reduction
    2. Monetary value of resultant capital
    3. Date for when this reinsurance is expected to impact capital at Lloyd’s
    4. Please confirm that ongoing compliance with the syndicate’s approved Cat Risk Appetite (CRA) ratio has been factored for in any reduction of capital
27. If the reinsurer is a Lloyd’s syndicate please provide syndicate number. For non-Lloyd’s reinsurer(s) please provide the following headline information for the reinsurer(s):
    1. Full legal entity name
    2. Country of Domicile
    3. Related party to the syndicate (Y/N)
    4. Financial Strength Ratings
       1. AM Best
       2. S&P
       3. Fitch
       4. Moody’s
       5. Other
    5. Capital / Shareholders Equity
       1. GBPm
       2. Capital as % of balance sheet liabilities
       3. Capital as % of uSCR (or equivalent)
28. With regards to the securitisation of the deal, please provide additional information (where applicable) on the following:
    * 1. Premium / Funds Withheld
      2. Collateral
      3. Financial / parental guarantees
29. Which entities will be operationally responsible for each of the following technical business areas?

• Underwriting management during run-off, e.g. mid-term adjustments

• Exposure management during run-off

• Claims handling / settlement

• Loss reserving

• Inuring outwards reinsurance

• Counterparty management of the LPT reinsurer

• Liquid assets / cash flow management

• Reporting and Management Information

• Net Capital strategy

• RITC strategy

**In Respect of LPT’s please also provide responses to the below questions:**

1. What oversight and governance procedures will the managing agents have in place during the run-off period?
2. Please outline what the syndicates cash flow strategy and management procedures will be during run-off after the LPT has been incepted, and explain how liquidity risk from material deterioration / stress losses will be managed

**Important Note:**

**Further questions and information requests may be required depending on the responses received.**