PERFORMANCE MANAGEMENT DATA return

Instructions

2023 V1.0

Contents

0 Amendments to previous version

Version	Section	Title	Comments
2012 V2.0	**2.12**	Key contacts – Lloyd's Market Return	New section
2012 V2.0	**3.15.2**	PMDR UMR requirements	Updated for new Japan methods of placement from 1 July 2012
2012 V2.0	**3.17**	Invalid distribution channel and method of placement combinations	Updated for new Japan methods of placement from 1 July 2012
2012 V2.0	**3.24.5**	Business written by a managing agent's Asia, China or Japan operation	Updated for new Japan methods of placement from 1 July 2012
2012 V2.0	**3.28**	Gap-in-cover policies	New section on reporting on gap-in-cover policies
2012 V2.0	**3.31.2**	Forms 186 and 187	Updated for greater clarity
2012 V2.0	**3.31.3**	Form 188	New section
2012 V2.0	**3.32**	Reporting of lineslips	New section on reporting of lineslips
2012 V2.0	**4.2**	Forms 186, 187 and 188 – Price movements and premium volumes	Lloyd's slip leader flag must be set to "N" when a risk has been ceded to the syndicate from another syndicate
2012 V2.1	**0**	Amendments to previous version	Section numbers were incorrect and have been updated
2016 V1.0	**General Changes**	Change of basis for PMDR.	Major change to PMDR to move the basis for premium, risk adjusted rate change and benchmark price from stamp gross premium to gross written premium. Acquisition costs changes are now recorded as a separate field and additional dimensions for 'Coverholder PIN', 'Domicile of the Insured' and 'Service company Indicator' have been added.
2016 V1.0	**General Changes**	PMDR Form numbers changed	Changed from 163, 186, 187, 188, 189, 189a & 189b – to 263, 286, 287, 288, 289, 289a & 289b

2016 V1.0	**1.6**	Gross Written Premium Basis Change	New section added
2016 V1.0	**3.1**	Data required	<u>New dimensions added</u> Domicile of the Insured; Coverholder PIN; Service Company Indicator
2016 V1.0	**3.14.2**	PMDR UMR requirements	New UMR required table added Agent Service Company paragraph removed
2016 V1.0	**3.29** **3.30**	Outwards profit commissions Inwards reinstatement premiums	Example diagrams amended
2016 V1.0	**4**	Data Specification	Existing fields/descriptions amended and new fields/description added
2016 V1.0	**5**	Reference Data	<u>New field info added</u> Domicile of the Insured; Coverholder PIN; Service Company Indicator
2016 V1.0	**7**	Reporting requirements - Binding authority and lineslip contracts – Forms 286 and 287	<u>New dimensions added</u> Domicile of the Insured; Coverholder PIN; Service Company Indicator
2016 V1.0	**8**	Examples - Binding authority and lineslip contracts – Forms 263, 286 and 287	All diagrams and supporting text amended to reflect Gross Written Premium changes
2016 V1.0	**9**	Example – Level of granularity – package policy	Diagrams amended to show 2016 dates
2016 V1.0	**11**	Example - Currency Conversion	Diagrams amended to reflect Gross Written Premium changes
2016 V1.0	**12**	Examples – Multi-Year Policies	Diagram amended to reflect Gross Written Premium changes
2016 V1.0	**13**	Example – Distribution Channel Code	Diagram removed (no longer relevant) Supporting text amended
2016 V1.0	**14**	Example – Calculation Of Risk-Adjusted Rate Change	Diagrams and supporting text amended to reflect Gross Written Premium changes
2016 V1.1	**4.2**	Current Syndicate Acquisition Costs Expiring 100% Acquisition Costs	Revised requirements regarding signage criteria

2016 V1.2	**4.2**	Change in Expiring 100% Gross Written Premium Due to Change in Deductible / Attachment Point	Field name has been amended to clarify the information that it shows. The name has changed to ‘Change in Expiring 100% Gross Written Premium Due to Change in Limit / Attachment Point’
2017 V1.0	**5**	Reference to Domicile of the Insured	Reference to Domicile of the Insured (tba) changed to Domicile of the Insured (DOI)
2017 V1.0	**12**	‘Example 2 – Option to re-sign’	The ‘Note the following features of the data’ section of ‘Example 2 – Option to re-sign’ has been updated to make the text relevant to Example 2 as it had previously contained the same text from the corresponding section of ‘Example 1 – No option to re-sign’
2017 V1.0	**3.8**	Other premium adjustments	Update to the explanation on when a managing agent can update expiring premium amounts thereby providing them with more scope to make this decision
2017 V1.0	**4.2**	Addition of reference to risk exposure location code QM where risks are present in multiple physical locations	Inclusion of information on usage of risk exposure location code QM for risks with exposure in multiple physical locations. QM is used where the risk is present in multiple physical locations including minimal exposure in the United States of America
2017 V1.1	**4.2**	Update to overview for field [210] ‘Change in Expiring 100% Gross Written Premium Due to Pure Rate Change’	Reference to ‘attachment point/deductible’ changed to ‘limit/attachment point’
2018 V1.1	**4.2**	Update to overview for field [125] ‘Coverholder PIN’	Reference to the format of the Coverholder PIN updated to correctly reflect 6 numeric and 3 alpha digits
2019 V1.0	**3.14.2**	PMDR UMR Requirements	LDN entries replicated for EU (16 in total) as all 4 methods of placement are applicable to the new channel
2019 V1.0	**3.15**	Distribution channel and syndicate class of business combinations	The text incorrectly stated that “For risks incepting or renewing on or after 1 January 2012, **it is not invalid** to report risks for a distribution channel and syndicate class of business combination that has not been included in the SBF approved for the syndicate for the return year.” It has now been updated to state that “**it is invalid** to report risks for a distribution channel and syndicate class of business combination that have not been included in the SBF approved for the syndicate for the return year.”
2019 V1.0	**4.2**	Forms 286, 287 and 288 – Price movements and premium volumes	Fields 20 & 40 - Reference made to the fact that the direct UMR should be reported Field 70 - Reference made to the fact that the direct Risk Code should be reported Field 120 - Format updated to 2, 3 or 4 characters for EU code

			Addition of the Europe distribution channel
2019 V1.0	**13**	Examples – Change of Distribution Channel to Brussels	Creation of a new section for change of distribution channel
2019 V1.1	**13**	Examples – Change of Distribution Channel to Brussels	Addition of two examples for renewal scenario where 100% of the risk is changing distribution channel Addition of the Current 100% Benchmark Price [Field 230] in the examples
2019 V1.1	**3.22**	Change at renewal of non-risk-identifying fields	Addition of text to advise that any part of a 2019 renewal moving to the EU distribution channel should be reported as new business
2019 V1.1	**3.32**	Lloyd's Brussels Commission Charge	Confirmation that the Lloyd's Brussels Commission Charge should not be reported within the PMDR return
2019 V1.1	**16**	Appendix 1 – Lloyd's Brussels Commission Charge	Appendix providing examples of how the Lloyd's Brussels charge should be reported
2019 V1.1	**4.2**	Data Specification – Field 95	Data Specification for Field 95 added
2019 V1.1	**4.2**	Data Specification – Field 98	Data Specification for Field 98 added
2019 V1.1	**2.3**	Amendment to submission deadline time	Submission deadline time has been updated from noon to 2pm
2019 V1.1	**2.4**	References to CMR changed to MDC	Text updated to reference MDC as the system for PMDR returns to be submitted into, replacing CMR
2019 V1.1	**2.2**	Amendment to submission deadline time	Submission deadline time has been updated from noon to 2pm
2019 V1.1	**2.5.1**	Offline Validation	Updated to reflect that the offline validator is not available in MDC
2019 V1.1	**2.5.2**	Online Validation	Updated to reflect the changes in process in MDC compared to CMR
2019 V1.1	**2.6**	PMDR final submission process	Updated to reflect the changes to the process for submitting in MDC
2019 V1.1	**2.8**	PMDR Feedback	Updated to reflect the new playback reports available in MDC and removal of those previously available in CMR but no longer available
2019 V1.1	**2.9**	Frequently asked questions	Updated to reflect that the FAQs are not currently available in MDC
2019 V1.1	**2.10 – 2.12**	Key Contacts	Updated to reflect the changes in process in MDC compared to CMR

2019 V1.1	**4.2**	Inception Date	Updated to reflect that only the date format of yyyy-mm-dd can be used
2019 V1.1	**4.2**	Expiry Date	Updated to reflect that only the date format of yyyy-mm-dd can be used
2019 V1.1	**16**	Limit of Indemnity – Examples	Addition of new section providing examples on how to complete the new LOI field [98] for different scenarios
2019 V1.1	**13**	Examples – Change of Distribution Channel to Brussels	Addition of examples 3a and 3b
2020 V1.0	**1.4**	PMD Return Specifications & Underwriters' Guide	Updated to Specification document location in MDC
2020 V1.0	**2.4**	PMDR creation and initial submission process	Updated to process for uploading additional comments in MDC
2020 V1.0	**5.2**	Other reference data sets	Update to reference data available in MDC
2020 V1.1	**4.2**	Sum Insured / Limit of Indemnity	Update to Further details and examples
2022 V1.1	**14.1**	Risk Adjusted Rate Change (Gross Basis)	Removal of references to calculation of net risk-adjusted rate change
2022 V1.1	**14.2**	Risk Adjusted Rate Change (Net Basis)	Removal of section 14.2 with the only element from it retained being the 'Gross Risk Adjusted Rate Change Calculation' illustrative graph which has been incorporated into section 14.1

1 Introduction

1.1 Performance Management Data Return (PMDR)

The Performance Management Data return (PMDR) allows the Performance Management Directorate to identify and challenge, in a timely manner, underwriting management and performance, which is not in line with a managing agent's business plan for a syndicate as given in the approved Syndicate Business Forecast (SBF) for the return year. PMDR collects data on

- the premiums volumes being written
- the price business is being written at relative to business plan assumptions (Benchmark Price)
- the price change on renewed business (Risk Adjusted Rate Change)

1.2 Benefits to Managing Agents

The primary benefit of PMDR for managing agents is the improved protection of the Central Fund. This results from the enhanced ability of Lloyd's:

- to check syndicates are writing in accordance with their approved plan (e.g. for example, the type and volume

of business written and the prices charged)

- to assess syndicates' performance against market results and the performance of peers
- to challenge managing agents that are not underwriting prudently
- to take action when managing agents are not meeting their plans or other obligations
- to protect the Lloyd's brand, and
- to support the Lloyd's rating

The SBF gives a view of planned future performance while the Quarterly Monitoring Return (QMB) tracks the actual performance achieved on business that has been written. PMDR fills a gap between these returns and shows the current conditions in the market.

1.3 General principle

The data required to complete the PMDR ought to be readily available to a managing agent who underwrites (re)insurance risks according to the franchise standards. The PMDR is expected to be completed via an automated process which extracts data directly from the managing agent's underwriting systems.

In order to achieve this general principle the instructions offer managing agents a flexible approach in a number of areas. If a managing agent is unable to supply data according to these instructions they must contact the PMDR team to discuss the difficulties they are having.

1.4 PMD Return Specifications & Underwriters' Guide

The PMD Return Specifications document contains the PMDR data template and validation specifications. It can found in MDC by selecting the Returns tab, choosing the PMD return and then clicking on the Help button. It is contained within the 'Return Validations and Form Template' section. The document can be downloaded from here.

The "Performance Management Data Return Underwriters' Guide" gives a high level of overview of the principles that underlie PMDR and includes examples of how the data is used by Lloyd's in conjunction with the Syndicate Business Forecasts and Quarterly Monitoring Returns. This document; along with a range of rate change scenario examples are available from the Lloyd's website at www.lloyds.com/pmdr

1.5 Overview of the PMDR

The PMDR consists of four forms which must be completed in respect of each syndicate writing (re)insurance business during the current return year.

- Form 263 collects premium data for the pure year aggregated to the whole account level.
- Forms 286, 287 and 288 collect data on each individual (re)insurance contract which has been written or has expired during the current return year. The monetary amounts reported on these forms are to be based on premiums underwritten without any accounting adjustments.
    - Form 286 collects premium volume data for (re)insurance contracts which are new to the syndicate in the pure year.
    - Form 287 collects premium volumes and price movement data for all renewed (re)insurance contracts in the pure year.
    - Form 288 collects premium volume data for (re)insurance contracts which were due for renewal but ultimately expired in the return year.

A CSV file is created for each PMDR form. The four CSV files are zipped to create the PMDR.

Each CSV file must have a return file header as the first record in the file. This helps Lloyd's identify the key details regarding the form.

Section 2 of these instructions contains general instructions and section 3 specifies the basis of preparation for completing the four forms. Details of the individual fields in the four forms are contained in section 4.

The data templates detailing the required format for the return file header and the CSV file for each form are published in the PMD Return Specifications.

Section **Error! Reference source not found.** describes the underlying principles behind risk adjusted rate change and benchmark price and describes how these are calculated.

1.6 Gross Written Premium Basis Change

From launch in 2009 up until the 2015 reporting year, PMDR collected premium data on a cumulative stamp gross premium written basis, i.e. cumulative written premiums including Inception Data Accounting (IDA) premiums and net of acquisition costs and Qualifying Quota Share (QQS) transfer to special purpose syndicates. A breakdown of stamp gross premium components were reported in the PMD 163 form and the aggregate premium reported had to match the sum of the UMR level premium reported in the PMD 186 and PMD 187 forms. Rate change was reported in the PMD 187 form based on changes in stamp gross premium and benchmark price was reported in PMD 186 & PMD 187 as the stamp gross premium that would need to be charged to meet the approved SBF's loss ratio planning estimate.

From the 2016 reporting year forward, PMDR will move to a gross written premium basis, i.e. cumulative written premiums including IDA premium but gross of acquisition costs and QQS premium. The components of gross written premium are reported separately within the PMD 263 form and the aggregate gross written premium in PMD 263 should match the total gross written premium reported in forms PMD 286 and PMD 287. Please note that the treatment of bonuses and rebates remains the same on PMD 263 as it was in PMD 163. The aggregate acquisition costs reported in PMD 263 should also match the aggregate acquisition costs reported in PMD 286 and PMD 287.

Rate change measured in the PMD 287 form will be based on changes in gross written premium; and benchmark price reported in PMD 286 & PMD 287 will be the gross written premium that needs to be charged to meet the approved SBF's loss ratio planning estimate (see Section **Error! Reference source not found.**).

The change to the gross written premium basis will come into force for the first PMDR submission for the 2016 reporting period that is due for submission on 15th February 2016. All returns relating to the 2016 reporting year and later will be required on a gross written premium basis using forms PMD 263, PMD 286, PMD 287 and PMD 288. Please note that the 2015 December (18) return due on 1st August 2016 will be required to be submitted in the stamp gross premium format using forms PMD 163, PMD 186, PMD 187 and PMD 188.

These instructions have been updated to only describe the format of data required for gross written premium reporting.

2 General instructions

2.1 PMDRs required

For each return year, managing agents are required to submit a PMDR for each syndicate for each month from the month in which it first participates in the market. For syndicates participating for the whole of a return year, twelve monthly PMDRs are required for January – November, and for December. The latter PMDR, as at the month 12 development point, is known as the December (12) PMDR.

In addition to the monthly PMDRs, managing agents are also required to submit an additional PMDR for each return year as at the month 18 development point (the December (18) PMDR). The purpose of this extra PMDR is to allow reporting of:

- risks that were recorded too late for reporting in the December (12) PMDR for the return year
- any changes that might have been made since the December (12) PMDR to risks written during the return year e.g. replacement of temporary UMRs with actual UMRs
- more accurate and up-to-date information on the business written by managing agents towards the end of the return year, and
- updated Gross Written Premium values:
    - in 'facility' records for binding authority and lineslip contracts, and
    - in records for quota and surplus share arrangements

  since:
    - at the month 18 development point the Gross Written Premium already written to month 18 is a known amount, and
    - if there remains a period for which an estimate of the premium still to be written needs to be provided, it is six months shorter than previously.

2.2 Reporting timetable

The electronic version of the PMDR is required to be submitted* by the managing agent to Lloyd's via the MDC website **before** 2pm on the 15th of each month (or before 2pm on the next working day when the 15th falls on a weekend or public holiday). The first PMDR for return year yyyy is due to be submitted before 2pm on 15 February yyyy (the January PMDR) and subsequent monthly PMDRs before 2pm on the 15th of every month thereafter until 15 January yyyy+1 of the following year (the December (12) PMDR).

The December (18) PMDR for yyyy is due to be submitted before 2pm on 31 July yyyy+1 (or before 2pm on the next working day if this falls on a weekend or public holiday). Note that therefore two PMDR are submitted in July, one being the June PMDR for the current year due before 2pm on 15 July and the other being the December (18) PMDR for the previous year due before 2pm on 31 July.

* A PMDR is classified as submitted once it has been uploaded to the MDC website, has successfully passed the validation tests, and has been signed off and submitted by the managing agent.

2.3 Late submission of the PMDR

It is a requirement of the Council of Lloyd's that PMDRs are correctly completed and submitted on time i.e. **before** 2pm on the due date. Failure to submit the PMDR on time is considered a breach of paragraph 39 of the Underwriting Byelaw as amended. Lloyd's will follow up with the managing agent concerned any failure to meet this requirement.

Managing agents are subject to administrative enforcement action and may be fined in accordance with the consolidated fining policy for Lloyd's returns issued by the Market Supervision and Review Committee.

If managing agents believe that they may not be able to submit a PMDR on time they should contact Lloyd's in advance of the deadline to discuss the matter.

Managing agents should also note that Lloyd’s treats inaccurate PMDRs very seriously and accordingly an agent must tell Lloyd’s forthwith if it becomes aware of an error or inaccuracy in a PMDR. Failure to follow the data reporting requirements defined in these Instructions may also result in administrative enforcement action and/or fines.

2.4 PMDR creation and initial submission process

The PMDR is submitted via the MDC website.

The Control form within MDC collects/confirms basic information regarding the syndicate, including the syndicate number and managing agent. The form also acts as the control point for performing actions when submitting the PMDR.

The PMDR forms in MDC are populated via upload of CSV files in ANSI format. Manual creation and editing of data is also available within the system.

The data templates detailing the required format for the return file header and the CSV file for each form are published in the PMD Return Specifications

Create a CSV file for each PMDR form. Each CSV file must have a return file header as the first record in the file. This helps Lloyd’s identify the key details regarding the form. An example of the return file header for form 263 is shown below.

Form 263

Identifies that the row is a header for a PMD return

Version number of the CSV template. Set by Lloyd's and should always equal 1

Syndicate number

Return year

Return month number

Form number

HEADER PMD		**1**	**1234**	**2016**	**9**	**263**
GBP	0	0	0	0	0	0
USD	0	0	0	0	0	0
CNV	0	0	0	0	0	0

Zip the four CSV files to create the PMDR and then upload the zipped file via the MDC website.

It is possible to attach supporting documents in the comments section of the ‘Prepare and Validate PMD Return’ task which is accessible from the Tasks tab (once the task has been claimed) within MDC up to the point when the return is linked and sent for review.

2.5 PMDR validation

The validation checks that are performed are published in the PMD Return Specifications

PMDR validation is initially performed to check that the reference data is correct. If a reference data error is encountered in a record, then the remaining validation for that record is incomplete until the reference data is corrected.

The reconciliation checks between form 263 and forms 286 and 287 are the final validation checks. They are not performed until all the reference data in the PMDR is correct.

2.5.1 Offline validation

The offline validator previously available in CMR is not available in MDC. All validations will be performed when the return is submitted into MDC and the Validation button is selected.

2.5.2 Online validation

All validation tests are performed in the MDC system. The online validation process is as follows.

- Once the zipped PMDR file containing the four CSV files has been uploaded it is immediately available for validation within MDC.
- Select the Validate button to begin the validation process.
- When the validation checks have been performed an on screen display provides details of the total number of errors and warnings generated and how many apply to each form.
- By selecting each individual form it is possible to see the number of errors and warnings for each one, which validations have been generated and where possible the row of data that they relate to.
- A validation report is made available for download and printing.
- Should you encounter any issues with the submission and validation process please contact the MDC Support Team at mdcsupport@lloyds.com

2.6 PMDR final submission process

The final submission process is as follows.

- If errors have been reported, correct the errors and resubmit the PMDR.
- If warnings have been given, check that the records to which the warnings refer are correct. If not, correct the errors and resubmit the PMDR.
- When all errors have been eliminated and the warnings are acceptable, provide a comment for each warning, confirm that the warnings have been reviewed, then sign off and submit the PMDR.

2.7 PMDR resubmission

If a syndicate or Lloyd's detects significant errors in the data included in a PMDR, the syndicate may choose or be required to resubmit the latest PMDR. During year yyyy, the latest PMDR would be the PMDR for the latest month mm i.e. for yyyymm. In the following year yyyy+1, the latest PMDR for year yyyy would be the yyyy12 PMDR until August, when the latest PMDR for yyyy would become the yyyy18 PMDR.

If a syndicate initiates a resubmission, the syndicate should inform Lloyd's of the reasons for the resubmission.

2.8 PMDR feedback

Several feedback reports are provided within MDC. These are:

- 263 Premium Volume Summary
- 500 Business Written Vs Plan
- 600 Movements of New Business (Current Month v Last Month by Inception Month)
- 601 Movements of New Business (Current Month v Last Month)
- 700 Movements of Renewed Business (Current Month v Last Month by Inception Month)
- 701 Movements of Renewed Business (Current Month v Last Month)
- 800 Movements of Not Renewed Business (Current Month v Last Month by Inception Month)
- 801 Movements of Not Renewed Business (Current Month v Last Month)
- 900 RARC v Acquisition Costs

To view these reports for a return, from within the return screen in MDC select Action, Download, Download to ExcelView.

The following are also available for downloading:

- 010 Control Page
- 020 Exchange Rate
- 990 Syndicate Comments

2.9 Frequently asked questions

In addition to the instructions, Lloyd's previously provided a Frequently Asked Questions document which was published on the PMD Homepage of the CMR website. This is currently being reviewed for its relevance in conjunction with the move to MDC and its associated documentation.

2.10 Key contacts – Performance Management Data Return Team

Any queries regarding the completion of the PMDR forms (excluding MDC issues) should be directed to the PMDR Team at:

- Email: Lloyds-Performance-Management-Data@lloyds.com

2.11 Key contacts – Market Data Collections [MDC]

Any queries regarding MDC issues, including the upload of data files via the MDC website, should be directed to the Information Technology Group at:

- Email: mdcsupport@lloyds.com

2.12 Key contacts – Lloyd's Data Quality

Any queries regarding the data contained within the PMDR returns post-submission should be directed to the Data Quality Team at:

- Email: LloydsDataQuality@lloyds.com

3 Basis of preparation

3.1 Data required

Data is required to be reported at risk level, where a risk is defined as a material combination of the fields:

- Syndicate Class of Business
- Risk Code
- Risk Exposure Location Code
- Original Currency
- Domicile of the Insured
- Coverholder PIN
- Service Company Indicator

within a policy/contract.

So the risk-identifying fields are a unique combination of the following:

- Expiring UMR (for renewed and not renewed risks)
- Expiring Syndicate Risk ID (for renewed and not renewed risks)
- Current UMR (for new and renewed risks)
- Current Syndicate Risk ID (for new and renewed risks)
- Syndicate Class of Business
- Risk Code
- Risk Exposure Location
- Original Currency
- Domicile of the Insured
- Coverholder PIN
- Service Company Indicator

The data required to be reported for each risk is detailed in section 4 of these instructions.

Information on how to access the reference data required to complete the PMDR is provided in section 5 of these instructions.

Details of methods of reporting when there is a change on renewal of one or more of the risk-identifying fields are provided in section 6 of these instructions.

Details of the requirements for reporting binding authority and lineslip contracts are provided in section 7 of these instructions.

Sections 8 to 15 contain a number of supporting examples which explain the principles to be followed when preparing the PMDR.

3.2 Reporting period

The PMDR forms for return year yyyy must be completed on the following basis.

- Forms 263, 286 and 287 must be prepared on a cumulative basis for all new and renewed (re)insurance contracts which incept between 1 January yyyy and 31 December yyyy inclusive.

- Form 288 must be completed on a cumulative basis for all (re)insurance contracts which expired or were due to be renewed between 1 January yyyy and 31 December yyyy inclusive and are known not to have been renewed. Outstanding risks, i.e. contracts which have expired or are due for renewal, but at the time of submitting the PMDR it is not yet known whether or not the contract will be renewed, are not to be reported on this form.

3.3 Separate PMDRs for each syndicate

A separate PMDR must be prepared for each Lloyd's syndicate. Managing agents that manage more than one syndicate are not to combine data from more than one syndicate into a single PMDR.

3.4 Merged syndicates

When one syndicate (A) merges with another syndicate (B), report in the PMDR for syndicate B:

- risks that are new or renewing in syndicate B that may previously have been written via syndicate A, and
- syndicate A not renewed risks that have a syndicate class of business that was included in the SBF for syndicate B for the year of inception of the syndicate A not renewed risk.

It is not possible to report in the PMDR for syndicate B syndicate A not renewed risks that have a syndicate class of business that **was not** included in the SBF for syndicate B for the year of inception of the syndicate A not renewed risk. These risks will be reported as having expired but neither renewed nor not renewed but can be ignored in the report.

3.5 Special purpose syndicates

To allow comparison of the figures, treatment of special purpose syndicate premiums is to be consistent with the approach taken in the plan set out in the approved SBF for the return year.

3.6 Classification of risks as either new or renewed

If there are substantial changes to the coverage provided by a (re)insurance policy upon renewal then it may be debatable whether the risk is truly renewed (and therefore reported on form 287) or whether it is effectively a new risk (and therefore reported on form 286). Lloyd’s believes that managing agents have a better understanding of changes in the risk profile and are best placed to make this decision.

3.7 Syndicate premiums based on written and signed lines

As data is collected on a cumulative basis, managing agents must update the syndicate premiums written to reflect any changes once the signed lines have been reported. Report this updated information to Lloyd’s in the next PMDR submitted for the syndicate.

The PMDRs are used as a tool to monitor the plan set out in the syndicate’s approved SBF for the return year and failure to update syndicate premiums for significant signing-downs may result in a syndicate appearing to have written more premium than planned.

3.8 Other premium adjustments

Managing agents must update the 100% premium amounts for any individual risk for which amendments to the risk (e.g. due to adjustment premiums, changes in exposures or changes to the perils covered) during the term of the policy result in material adjustments to the 100% premium (i.e. additional premium or return premium). Record these updates on a cumulative basis and report them to Lloyd’s in the next PMDR submitted for the syndicate.

Once the policy has expired, there is no requirement to re-calculate the 100% premium for things such as no claims bonuses that may be applied after the policy has expired. On expiry, report the expiring 100% premium as the adjusted value of the 100% premium on the expiry date.

When there is a material adjustment to premium amounts [due to an error on the part of the managing agent], the managing agent should contact the PMDR team. Depending on the magnitude of the change, the managing agent may be asked to resubmit the relevant PMDR. Following the December returns any other premium changes such as revisions of EPIs, extensions and cancellations should be reflected in the 18 month return.

3.9 Outstanding premiums

As the PMDR forms are prepared on a cumulative basis, there is no need to include (re)insurance contracts which are outstanding (i.e. due for renewal but at the time of submitting the PMDR it is not known whether or not the contract will be renewed).

Report such contracts in the next PMDR submitted for the syndicate when they are known to have been renewed or to have expired.

3.10 Early reporting of risks that have not yet incepted, renewed or expired

Do not report risks which have been underwritten but have not yet incepted. For example, if a risk is underwritten on 15 January 2011 but does not incept until 01 February 2011, the risk is not to be reported in the January 2011 PMDR due in February 2011. The risk is to be reported to Lloyd's for the first time in the February 2011 PMDR due in March 2011.

Similarly, do not report risks before their expiry date i.e. when it is known in advance that the risks will renew/expire but they have not yet done so.

3.11 Risks not included in the PMDR for the month of their inception date

When risks are recorded too late for reporting in the PMDR for the month of their inception date, there is no need to re-submit that PMDR. Simply report the risks in the next PMDR submitted for the syndicate. Report risks that are recorded too late for reporting in the December (12) PMDR in the December (18) PMDR.

3.12 Cancellations

Report cancellations as follows:

- if a policy is cancelled ab initio, remove the record of it from the next PMDR submitted for the syndicate, but
- if a policy is cancelled mid-term:
    - report the policy in the next PMDR submitted for the syndicate as it was initially reported i.e. as new or renewed, but:
        - with a revised expiry date (equal to the first day on which, for part or all of the day, cover was no longer provided), and
        - revised Gross Written Premium amounts
    - and in addition, unless the risk has renewed, report the policy in the next PMDR submitted for the syndicate as not renewed, with the same revised expiry date.

3.13 Central settlement numbers (CSN)

Characters 2-5 of valid UMRs contain the CSN of the placing broker. The list of CSNs that is used for validating these characters is updated when new CSNs are allocated or existing CSNs are retired. The current list is always available in the PMD Return Specifications.

Changes to the list of CSNs that occur during any calendar month are included in an updated version of the PMD Return Specifications that is published in the first week of the following calendar month.

Managing agents that have implemented this list in their own systems should check each month for updates to the list before starting work to produce their PMDR(s).

3.14 Unique market references (UMR)

3.14.1 UMR provision rules

The rules for the provision of UMRs are:

- UMRs are created by brokers, but this could be a managing agent in the role of broker
- a UMR must be provided on every slip in the format:
  "B"
  followed by the 4-digit CSN of the placing broker
  and then from 1 to 12 characters from the set A-Z and 0-9
  (total length 6-17 characters)
- UMRs must be unique for each policy (this needs to be ensured by the supplying broker)
- The UMR of a renewed risk must differ from the UMR of the expiring risk, except on the re-signing of a multi-year risk.

3.14.2 PMDR UMR requirements

If the inception date occurs in 2010 or later, a valid current UMR for new and renewed risks and a valid expiring UMR for not renewed risks must be reported for the following combinations of Distribution Channel, Service Company Indicator, Method of Placement and Single Risk Flag:

Distribution Channel	Service Company Indicator	Method of Placement	Single Risk Flag	UMR Required
LNDN	ASC	BNDR	Y	Optional
LNDN	ASC	LNSL	Y	Optional
LNDN	ASC	OPDR	Y	Optional
LNDN	ASC	OPRI	Y	Optional
ASIA	ASC	BNDR	Y	Optional
ASIA	ASC	LNSL	Y	Optional
ASIA	ASC	OPDR	Y	Optional
ASIA	ASC	OPRI	Y	Optional
DUB	ASC	BNDR	Y	Optional
DUB	ASC	LNSL	Y	Optional
DUB	ASC	OPDR	Y	Optional
DUB	ASC	OPRI	Y	Optional
LNDN	NSC	BNDR	Y	Yes
LNDN	NSC	LNSL	Y	Yes
LNDN	NSC	OPDR	Y	Yes
LNDN	NSC	OPRI	Y	Yes
CHN	NSC	LNSL	Y	Yes
CHN	NSC	OPRI	Y	Yes
CHND	NSC	LNSL	Y	Yes
CHND	NSC	OPDR	Y	Yes
JPN	NSC	BNDR	Y	Yes
JPN	NSC	LNSL	Y	Yes
JPN	NSC	OPDR	Y	Yes
JPN	NSC	OPRI	Y	Yes
LNDN	ASC	BNDR	N	Optional
LNDN	ASC	LNSL	N	Optional
LNDN	ASC	OPDR	N	Optional
LNDN	ASC	OPRI	N	Optional
ASIA	ASC	BNDR	N	Optional
ASIA	ASC	LNSL	N	Optional
ASIA	ASC	OPRI	N	Optional
DUB	ASC	BNDR	N	Optional
DUB	ASC	LNSL	N	Optional
DUB	ASC	OPDR	N	Optional
DUB	ASC	OPRI	N	Optional
LNDN	NSC	BNDR	N	Yes
LNDN	NSC	LNSL	N	Yes
LNDN	NSC	OPDR	N	Yes
LNDN	NSC	OPRI	N	Yes
CHN	NSC	LNSL	N	Yes
CHN	NSC	OPRI	N	Yes
CHND	NSC	LNSL	N	Yes
JPN	NSC	BNDR	N	Yes
JPN	NSC	LNSL	N	Yes
JPN	NSC	OPRI	N	Yes

EU	ASC	BNDR	Y	Optional
EU	ASC	LNSL	Y	Optional
EU	ASC	OPDR	Y	Optional
EU	ASC	OPRI	Y	Optional
EU	NSC	BNDR	Y	Yes
EU	NSC	LNSL	Y	Yes
EU	NSC	OPDR	Y	Yes
EU	NSC	OPRI	Y	Yes
EU	ASC	BNDR	N	Optional
EU	ASC	LNSL	N	Optional
EU	ASC	OPDR	N	Optional
EU	ASC	OPRI	N	Optional
EU	NSC	BNDR	N	Yes
EU	NSC	LNSL	N	Yes
EU	NSC	OPDR	N	Yes
EU	NSC	OPRI	N	Yes

For insurance policies that are not registered with Xchanging and hence have no UMR, for example some personal lines business:

- when a UMR is required, generate a UMR using the managing agent's own CSN
- when no UMR is required, generate a UMR using the managing agent's own CSN if possible, or set the reported UMR to "N/A".

China Direct and China Reinsurance risks must have a UMR starting with "B1818". UMRs starting with "B1818" must not be used for risks having other distribution channels.

Japan risks must have a UMR starting with "B0388". UMRs starting with "B0388" must not be used for risks having other distribution channels.

When reported separately, each declaration under a binding authority or lineslip contract must be linked to its corresponding 'facility' record. To achieve this, set the reported current UMR of each declaration to the reported current UMR of the 'facility' record for the binding authority or lineslip contract.

For aggregated open market direct risks and aggregated open market reinsurance risks placed in London, the reported UMR may be set to "N/A".

3.14.3 UMR not yet known

In PMDRs, when a UMR has not been provided on a slip by the broker when one ought to have been, set the reported UMR to a string beginning with "BnnnnTBA", where "nnnn" is the CSN of the placing broker.

It is acceptable to add other characters after "BnnnnTBA" to distinguish one missing UMR from another. However, it is **not** acceptable when a managing agent's own CSN is being used to generate a UMR, to report the managing agent's CSN plus "TBA". Generated UMRs containing a managing agent's own CSN must not be temporary.

Note that the December (18) PMDR is not to include any "BnnnnTBA" UMRs.

3.15 Distribution channel and syndicate class of business combinations

For risks incepting or renewing on or after 1 January 2012, it is invalid to report risks for a distribution channel and syndicate class of business combination that have not been included in the SBF approved for the syndicate for the return year.

3.16 Invalid distribution channel and method of placement combinations

The table in section 3.14.2 contains all of the valid combinations of Distribution Channel, Service Company Indicator, Method of Placement and Single Risk flag. If you believe there is a valid scenario missing from the table, please contact the PMDR helpline.

3.17 Method of placement

3.17.1 Risks written by agent service companies

The Lloyd's definition of a service company is the same as that given in the instructions for the Syndicate Business Forecast return. A service company is a company within the same group as, or owned by, a Lloyd's managing agent to which the managing agent delegates authority to enter into contracts of insurance or to issue insurance documents as evidence of contracts of insurance.

For business written through a managing agent's service company, report the method of placement of the risks written by the agent service company, not the method of placement of the contract between the managing agent and the agent service company (typically a binding authority contract). For example, if the risks are written by an agent service company as open market risks then they should be reported with the method of placement equal to open market direct or open market reinsurance.

3.17.2 Risks written in Asia, China and Japan

For business written through a managing agent's operations in Asia, China or Japan, report the method of placement of the risks written by those operations.

3.18 Risk codes

3.18.1 Risk code validity

All risk codes specified must be valid for the return year. A list of valid risk codes by return year is available in the reference data. Lloyd's validation procedures reject any risks with a retired risk code.

3.18.2 Relation to risk exposure location and method of placement

Some risk codes imply either a specific risk exposure location for the risk and/or a specific method of placement. Lloyd's checks the data for inconsistencies in risk code, risk exposure location and method of placement for risk codes when this is clear cut. To enable this, if the region group of a risk exposure location is equal to "Europe", it has been further defined as being either an "EU Member" or an "EEA Member", or neither (see sheet *Risk Exposure Locations Vn.n* in the PMD Return Specifications).

3.18.3 Property risk codes

For property risks placed by a third party Coverholder, report risk codes in the range B2 - B5.

For property risks written in the open market, report risk codes in the range P2 – P7.

3.18.4 Risk codes for property risks written by agent service companies

If an agent service company has been given authority to write property by sub-delegating to a third party Coverholder, report these risks with:

- the method of placement equal to binder and
- a risk code in the range B2 – B5.

If an agent service company has been given authority to write open market property risks, report these risks with:

- the method of placement equal to open market direct and
- a risk code in the range P2 – P7.

If an agent service company has been given authority to write open market property risks and also to write property by sub-delegating to a third party Coverholder, report the risks as described above according to the method by which the risks have been written.

3.18.5 Incorrect risk code on the slip

When a risk code on the slip is incorrect and it is not possible to correct it, Lloyd's preference is for the correct risk code to be reported in the PMDR rather than the incorrect risk code that is on the slip.

3.19 Expiry dates

The expiry date reported for new and renewed risks must be the date on which the risk would incept if it were to renew. It is particularly important to report the correct date for risks that expire and renew or do not renew on 31 December or 1 January.

For every risk that has been reported to Lloyd's as new or renewed, managing agents must advise Lloyd's in the PMDR for the month of its expiry date (i.e. in the PMDR for the month in which it expires), whether it has renewed or not renewed.

For new and renewed risks that have been reported as having an expiry date of yyyy-12-31, Lloyd's expects to see either a renewal with an inception date of yyyy-12-31 or a not renewed record for the risk in the December yyyy PMDR. However, for risks that have been reported as having an expiry date of yyyy+1-01-01, Lloyd's expects to see for the risk in the January yyyy+1 PMDR either a renewed record with an inception date of yyyy+1-01-01 (or later) or a not renewed record with an expiry date of yyyy+1-01-01.

It is incorrect to report in the January yyyy+1 PMDR as renewed risks with an inception date of yyyy+1-01-01, risks that have been reported with an expiry date of yyyy-12-31 in the December yyyy PMDR.

The same principles apply to all risks, but reporting of an incorrect expiry date has significant negative implications when the incorrect expiry date is 31 December.

Managing agents that report in the December yyyy PMDR risks that renewed/did not renew on yyyy+1-01-01, with an expiry date of yyyy-12-31, will be required to resubmit the December yyyy PMDR.

3.20 Non-positive 100% Gross Written Premium

3.20.1 'Change' fields (180 – 210)

For renewed risks, when the current and/or the expiring 100% Gross Written Premium is <= 0, all the 'change' fields (fields 180 – 210) must be set to "N/C" as it not possible to make sense of 'change' data in these circumstances.

3.20.2 Current 100% benchmark price (230)

For new and renewed risks, when the current 100% Gross Written Premium is <= 0, the current 100% benchmark price must be set to "N/C" as it is not possible to make sense of a benchmark price in these circumstances.

3.21 Changes to policy structure or changes in premium denomination upon renewal

Consider the following scenarios:

- a single (re)insurance policy contains several sections and, upon renewal, some of the sections are renewed whilst others expire
- a single (re)insurance policy originally contains two sections and, upon renewal, the policy is restructured so that there is only one section
- a (re)insurance policy is originally denominated in one currency (e.g. Japanese Yen) but upon renewal is denominated in a different currency (e.g. United States Dollars)
- a (re)insurance policy is denominated in several different currencies but renews to another currency.

All these scenarios describe situations in which there is a change on renewal of one or more of the following risk-identifying fields:

- syndicate class of business
- risk code
- risk exposure location, and
- original currency.

When one or more of these risk-identifying fields changes on renewal, the following three requirements need to be met:

- all expiring premium must be shown
- the ‘change’ fields (fields 180 – 210) are to be reported if possible, and
- all risks previously reported as new or renewed that are renewing or expiring must be reported as renewed or not renewed.

The methods that may be used depend on whether the change of identifying field value(s) seems more like a renewal or more like a non-renewal and a new risk, and whether:

- one identifying field value is renewing to another identifying field value e.g. risk exposure location code “QN” is changing to “QU” on renewal
- one identifying field value is renewing to two or more identifying field values and if so, whether or not the original value is being renewed e.g. one risk with syndicate class of business code “COB01” is renewing to two risks with syndicate class of business codes “COB01” and “COB15” or one risk with syndicate class of business code “COB01” is renewing to two risks with syndicate class of business codes “COB12” and “COB15”, or
- two or more identifying field values are renewing to one identifying field value and if so, whether or not the remaining value is one of the original values e.g. two risks with original currency codes “GBP” and “USD” are renewing to one risk with original currency code “GBP” or two risks with original currency codes “GBP” and “USD” are renewing to one risk with original currency code “AUD”.

The managing agent must decide which of the possible methods to use for PMDR reporting purposes when any of the risk-identifying fields changes on renewal.

A detailed description of the possible methods is given in section 6 of these instructions.

3.22 Change at renewal of non-risk-identifying fields

When any of the non-risk-identifying fields e.g. method of placement, distribution channel, changes at renewal, the renewal can be treated as a normal renewal. It is only when any of the risk-identifying fields changes at renewal that special action might need to be taken.

The exception to this is on the EU distribution channel. From 2019 onwards polices that renew with new EU exposure that did not exist in the expiring policy period will need to report that EU element as new business as Lloyd's Brussels is a new insurance provider.

If a policy in 2019 had an EU element and was renewed into 2020, then that component would be reported as renewed.

3.23 Level of granularity – to aggregate or not to aggregate

This subsection describes the level of granularity to be used by managing agents to provide PMDRs. If a managing agent believes they are currently unable to provide data according to these instructions they must contact the Lloyd’s PMDR team.

3.23.1 Agent service companies and binding authority and lineslip contracts

Policies written through agent service companies and binding authority and lineslip contracts can generate a large number of risks with relatively small premiums. Lloyd’s recognises that reporting each individual risk written in these ways may be a significant reporting burden for managing agents. In order to reduce the reporting burden and also the volumes of data being handled by Lloyd’s, managing agents may choose to aggregate policies written in these ways as follows.

- Agent service companies
    - For **each** agent service company operated by a managing agent, the managing agent may choose:
        - to aggregate the open market data and report a separate record for each **material** syndicate class of business, risk code, risk exposure location and original currency written through the agent service company (with single risk flag set to “N”)

        or

    - to report individually each open market risk written through the agent service company (with single risk flag set to "Y").
  - Agent Service Company sub-delegated binding authority contracts and lineslip contracts must be reported as specified in the next subsection.
- Binding authority and lineslip contracts
  - For **each** binding authority or lineslip contract written, managing agents **must** report a separate 'facility' record for each **material** combination of syndicate class of business, risk code, risk exposure location and original currency written under the binding authority or lineslip contract (with single risk flag set to "N").
  - When declarations are not reported individually, report at inception in the 'facility' record for each new or renewed binding authority or lineslip contract, an estimate of the premium that the contract will generate over the policy period, i.e. include in the Gross Written Premium:
    - the sum of any premium already written, and
    - an estimate of the premium still to be written under the contract; update this estimate in future PMDRs if it changes.
  - In addition, managing agents **may choose** to report individually each declaration written under a binding authority or lineslip contract (with single risk flag set to "Y"). If this choice is made, report at inception in the 'facility' record for each new or renewed binding authority or lineslip contract, an estimate of the premium still to be written under the contract. Update the premium reported in the 'facility' record each month, to reduce it by the amount of premium newly reported in declaration records.
  - Lloyd's would prefer managing agents to report each declaration separately if the binding authority or lineslip contract represents a significant source of business in terms of income or class.
  - Further details of the requirements for reporting binding authority and lineslip contracts are given in section 7 of these instructions. Examples of reporting risks written under a binding authority or lineslip contract are given in section 8 of these instructions.

3.23.2 Proportional treaty (quota and surplus share) arrangements

Report quota share and surplus share arrangements at the aggregated level rather than as the individual risks that are attached under the reinsurance arrangement (with single risk flag set to "N").

Report an estimate of the premium that each new or renewed quota share or surplus share arrangement will generate over the policy period at inception for PMDR purposes, i.e. include in the Gross Written Premium:

  - the sum of the premium already written, and
  - an estimate of the premium still to be written under the arrangement; update this estimate in future PMDRs if it changes.

Reporting of these arrangements is similar to the reporting of 'facility' records for binding authority and lineslip contracts when declarations are not reported individually. Details of the requirements for reporting binding authority and lineslip contracts are given in section 7 of these instructions. Examples of reporting risks written under a binding authority or lineslip contract are given in section 8 of these instructions.

3.23.3 Personal motor and life risks

Managing agents writing open market personal motor and life insurance can often generate a large number of risks with relatively small premium amounts. In order to reduce the amount of data processing performed by Lloyd's and the reporting burden on managing agents, Lloyd's would strongly prefer that managing agents aggregate:

- open market personal motor risks (categorised as risk codes M2, M4, M5, MF, MG, MH and MI) into the material syndicate class of business, risk code, risk exposure location code and original currency code combinations, and

- open market life risks (categorised as risk code TL) into the material syndicate class of business, risk exposure location code and original currency code combinations, for each inception date before inclusion in the PMDR (with single risk flag set to "N").

3.23.4 Package policies

For package policies placed in the open market a separate data record must be reported for each material section contained within the package (with single risk flag set to "Y"). If a managing agent judges that a section is immaterial, report the premium for that section under the dominant section within the package. Package policies are typically written in Energy, Liability, Marine and Aviation lines of business. An example of an Energy package policy is given in section 9 of these instructions.

3.23.5 Business written by a managing agent's Asia, China, Dubai or Japan operation

- Asia
    - In order to improve the level of detail of information available, managing agents must report Asia risks individually and allocate premiums to them accordingly (with single risk flag set to "Y"). Individual open market risks written through a managing agent's Asia operation must **not** be aggregated.
- China, Japan and Dubai
    - Individual open market direct risks written through a managing agent's China, Japan or Dubai operation must **not** be aggregated in the PMDR.

3.23.6 Single risk flag

Set the single risk flag to "Y" for a record for:

- an open market direct risk
- a binding authority contract declaration
- a lineslip contract declaration
- a facultative reinsurance risk
- an excess of loss reinsurance of a single risk
- a material section contained within a package policy
- an outwards profit commission record for a single risk, and
- an inwards reinstatement premium record for a single risk.

Set the single risk flag to "N" for a record for:

- aggregated open market risks written through an agent service company
- aggregated open market personal motor and life risks
- a binding authority contract 'facility'
- a lineslip contract 'facility'
- a proportional treaty (quota share or surplus share) arrangement
- an excess of loss reinsurance of a certain type of business
- a stop loss reinsurance
- an outwards profit commission record for multiple risks, and
- an inwards reinstatement premium record for multiple risks.

3.24 Apportionment of Gross Written Premium

Splitting the data reported by any of the risk-identifying fields is optional. However, when the data is split by any of the risk-identifying fields, Lloyd's expects the premium data to be split in a specific manner.

Examples of how to apportion Gross Written Premium are given in section 10 of these instructions

3.25 Reporting currencies and exchange rates

3.25.1 Form 263

This form is designed for reporting the premium income in the return year at the whole account level as recognised under UK GAAP. Aggregate all premiums and report them in either United States Dollars (USD) or Great Britain Pounds (GBP) according to the following rules:

- GBP: Report in GBP premiums written by the managing agent in GBP
- USD: Report in USD premiums written by the managing agent in USD
- Other: Convert premiums written by the managing agent in currencies other than GBP and USD to GBP and report them in the GBP total.

In addition to the GBP and USD records, there is to be a third record on form 263 where all premiums are converted to GBP before being aggregated. Identify this record by reporting “CNV” in the currency code field.

3.25.2 Forms 286, 287 and 288

These forms are designed for reporting underwriting information and are not to reflect the accounting treatment of premiums. Report all premiums in either USD or GBP amounts according to the following rules:

- GBP: Report in GBP premiums originally **written** in GBP
- USD: Report in USD premiums originally **written** in USD
- Other: Convert premiums originally **written** in currencies other than GBP and USD to GBP before reporting them.

Do **not** complete forms 286, 287 and 288 in CNV.

3.25.3 Exchange rate regime

The PMDR rates of exchange to be used for converting non-GBP non-USD currencies to GBP for any given return year are published in the PMD Return Specifications. They are the same as those used to prepare the final proposed SBFs for that return year, but if in doubt, use the rates published in the PMD Return Specifications. For example, a PMDR submitted in January 2011 for the 2010 return year is to use the published PMDR 2010 exchange rates while a PMDR submitted in February 2011 relating to the 2011 return year is to use the published PMDR 2011 exchange rates.

Note also that since the December (18) PMDR relates to transactions from the previous return year, the December (18) PMDR is to use the published PMDR exchange rates for that year. For example, the PMDR submitted on 15 July 2011 is to use the published PMDR 2011 exchange rates while the PMDR submitted on 31 July 2011 relating to 2010 transactions is to use the published PMDR 2010 exchange rates.

The PMDR rates of exchange include conversion factors for most of the major non USD currencies that are to be reported in GBP within PMDR (e.g. EUR, CAD, AUD …) and the GBP amounts reported for these currencies should be calculated using the published rates. Where a managing agent needs to convert a currency that is not included in the published rates, they should report GBP amounts based on their own internal rates of exchange.

Use the published PMDR exchange rates to convert premiums to GBP throughout the return year, irrespective of fluctuation in the actual rates of exchange over time. It is recognised that the actual rates of exchange may vary significantly over the return year, but prescribing a fixed exchange rate makes the data easily comparable month on month. Since the original currency is included in PMDR Lloyd’s is able to rebase the premiums in our analysis to ensure PMDR and the SBF can be analysed using the same rates.

An example of the application of these rules is given in section 11 of these instructions.

3.26 Premium denominated in several different currencies

When a (re)insurance policy is denominated in several different currencies e.g. Japanese Yen, Hong Kong Dollars and United States Dollars, Lloyd’s expects managing agents to report separate records for each

material currency and to convert all premium amounts in non-material currencies to the dominant currency using the specified rates of exchange for the return year.

Examples of how to apportion Gross Written Premium are given in section 10 of these instructions and section 11 of these instructions contains an example which explains how to report premium income in forms 286, 287 and 288.

3.27 Gap-in-cover policies

Gap-in-cover policies are defined as policies which are covered for a certain period defined by the inception and expiry dates (usually short-term policies) and then renewed after a lapse period.

The way that managing agents are to report renewals of gap-in-cover policies in PMDRs

- report the inception and expiry dates that define the policy period
- report full premium amounts for the policy period
- report the policy initially as new business or a renewal in its inception month and then after the policy has expired in the following returns report the policy as not renewed
- when the policy is to be renewed (after the gap-in-cover period), report this in the return as renewed. This will then enable the policy to be linked to the previous policy.

3.28 Multi-year policies

Multi-year policies are defined as policies for which the policy period (defined by the inception and expiry dates) exceeds 18 months.

The way that managing agents are to report multi-year policies in PMDRs depends on whether there is an option to re-sign the (re)insurance contract during the multi-year term.

- If there **is no** option to re-sign the policy on a regular basis, then:
  - report the inception and expiry dates that define the full multi-year period
  - report the full premium amounts for the entire multi-year term defined by the inception and expiry dates, and
  - report the policy initially as new business or a renewal in the return year corresponding to its inception year and not again until the return year corresponding to its expiry year at the end of the full period when it renews on or after the expiry date (report as a renewal) or expires on the expiry date (report as not renewed).
- If there **is** an option to re-sign the policy on a regular basis, Lloyd's preference is that the managing agent reports the policy as above, but if an accurate Gross Written Premium can be reported only for a shorter period e.g. the period up to the next re-signing, it is acceptable to report a part-term policy as follows:
  - report the re-signing date as the inception date and the date of the next re-signing as the expiry date
  - report the premium amounts only for the period specified by the reported inception and expiry dates, and
  - report the policy again as a renewal at the date of the next re-signing.

It is essential to ensure that the premium amounts reported for the policy are consistent with the period defined by the reported policy inception and expiry dates.

- If the expiry date that is reported for a five-year re-signing policy is five years from the inception date, report the total premium amounts for the full five years.
- If the expiry date that is reported for a five-year re-signing policy is the policy's next re-signing date, report the premium amounts received over the period defined by the reported inception and expiry dates.

The following principles apply as follows to multi-year policies that incepted prior to 2009.

- If the managing agent **does not** have the option to re-sign the policy, or **does** have the option but **is able** to report the premium amounts for the full period, do not report the policy in a PMDR until the end of the full period when it renews on or after the expiry date or expires on the expiry date.
- If the managing agent **does** have the option to re-sign the policy and **is not able** to report the premium amounts for the full period, report the policy in the PMDR following the date of re-signing.

A detailed example of how to report multi-year policies is given in section 12 of these instructions.

3.29 Outwards profit commissions

Report outwards profit commissions as follows.

- Managing agents may estimate profit commissions when the policy is written. The Gross Written Premium supplied in the PMDR forms would therefore include an allowance for estimated profit commissions.
- When a managing agent is unable to estimate profit commissions at the outset, or when their estimate is materially incorrect and needs to be amended, the managing agent is to make the relevant adjustment to the Gross Written Premium of each individual risk for which profit commissions are paid. The managing agent must also ensure that the pure rate change calculated by Lloyd's is correct.
- Alternatively, the managing agent may report one or more separate risk records to make an adjustment for outwards profit commissions at the syndicate class of business, risk code, risk exposure location code and original currency code level. In these cases, the syndicate risk ID for each commission event must be unique for the current return year **and across all return years** so that no two commission events have the same syndicate risk ID.

  Each risk record is to have the following features:

  - the syndicate risk ID must relate to a commission event and be the same as the syndicate risk ID used for all records reported for that event
  - the syndicate risk ID must consist of with the word “COMMISSION” followed by a space and a unique identifier e.g. “COMMISSION 1 2016”
  - the risk record is to be assigned to the dominant classes of business, risk codes, risk exposure location codes and original currency codes of the risk(s) that are generating the profit commissions
  - the premium amounts are to be based on the managing agent's best estimate of the total profit commissions that are expected to be paid
  - if the risk record is not for a single risk, the single risk flag is to be set to “N” and the current UMR to “N/A”
  - if the risk record is for a single risk and the single risk flag is set to “Y”, a current UMR might be required; if it is possible, it is preferable to link profit commissions to the individual policy that generated them by using the current UMR of that policy for the profit commission risk record
  - the risk record is to be added to either form 286, form 287 or both forms depending on whether the original risk(s) generating the profit commissions were new, renewed or a combination of new and renewed
  - if the risk record is either renewed or not renewed, expiring syndicate Gross Written Premium and expiring 100% Gross Written Premium must both be <= 0
  - if the risk record is either new or renewed:
    - current syndicate Gross Written Premium and current 100% Gross Written Premium must both be < 0, and
    - benchmark price must be set to “N/C”
  - if the risk record is renewed, all the ‘change’ fields (fields 180 – 210) must be set to “N/C”.

Note that when each of the profit commission risk records expires, a renewed/not renewed profit commission risk record must be submitted.

An example of a risk record for outwards profit commissions on form 287 is shown below:

Single Risk Flag	Expiring UMR	Expiring Syndicate Risk ID	Current UMR	Current Syndicate Risk ID	Syndicate COB Code	Risk Code	Inception Date	Expiry Date	Risk Exposure Location Code	Lloyd's Slip Leader Flag
10	20	30	40	50	60	70	80	90	100	110
Y	N/A	COMMISSION 1 2015	N/A	COMMISSION 1 2016	10	XP	2016-01-01	2017-01-01	US	N

Distribution Channel Code	Method of Placement Code	Original Currency Code	Expiring Syndicate GWP	Current Syndicate GWP	Expiring 100% GWP	Change 100% GWP Limit / Attachment Point	Change 100% GWP Breadth of Cover	Change 100% GWP Other Factors	Change 100% GWP Pure Rate	Current 100% GWP
120	130	140	150	160	170	180	190	200	210	220
LNDN	OPDR	USD	0	-500000	0	N/C	N/C	N/C	N/C	-500000

3.30 Inwards reinstatement premiums

3.30.1 Form 263

Inwards reinstatement premiums received, including any estimate of future reinstatement premiums which have not yet been received, are to be reported in gross premium written. Any related acquisition costs are to be reported in acquisition costs.

3.30.2 Forms 286 and 287

Inwards reinstatement premiums are to be reported using either of the following approaches.

- It is acceptable for managing agents to make adjustments to premiums at the policy level. However, if this approach is taken the managing agent must be able to allocate reinstatement premiums down to the individual contract level (e.g. by proportional allocation) and must also ensure that the ‘change’ fields (fields 180 – 210) are updated so that the pure rate change reported to Lloyd's is correct.

  The premium amounts are to be based on the managing agent's best estimate of the total reinstatement premiums that are expected to be received, not just those that have already been received. These amounts are to be revised as actual reinstatement premiums are received.

- Alternatively, the managing agent may report one or more separate risk records to make an adjustment for inwards reinstatement premiums at the syndicate class of business, risk code, risk exposure location code and original currency code level. In these cases, the syndicate risk ID for each associated event must be unique for the current return year **and across all return years** so that no two events have the same syndicate risk ID.

  Each risk record is to have the following features:

  - the syndicate risk ID must relate to a major event or an aggregation of non-major events and be the same as the syndicate risk ID used for all reinstatement premiums reported for that event
  - for reinstatement premiums arising from a major event for which a cat code is available the syndicate risk ID must consist of the word “REINSTATEMENT” followed by a space and the relevant cat code e.g. records for reinstatement premiums arising from the hurricane Ike (cat code 08F) are to have syndicate risk ID “REINSTATEMENT 08F”
  - for reinstatement premiums arising from a major event for which no cat code is available the syndicate risk ID must consist of the word "REINSTATEMENT" followed by a space and a unique identifier, e.g. “REINSTATEMENT 1 2016”
  - for reinstatement premiums arising from non-major events for which no cat code is available a syndicate risk ID of the form “REINSTATEMENT NME yyyy”, where “NME” stands for non-major-event and “yyyy” for the return year, e.g. “REINSTATEMENT NME 2016”, may be used to aggregate the reinstatement premiums arising from non-major events occurring in the return year
  - the risk record is to be assigned to the dominant classes of business, risk codes, risk exposure location codes and original currency codes of the risk(s) that are generating the reinstatement premiums

- the premium amounts are to be based on the managing agent's best estimate of the total reinstatement premiums that are expected to be received
- the premium amounts are to be revised as actual reinstatement premiums are received
- if the risk record is not for a single risk, the single risk flag is to be set to "N" and the current UMR to "N/A"
- if the risk record is for a single risk and the single risk flag is set to "Y", a current UMR might be required; if it is possible, it is preferable to link reinstatement premiums to the individual policy that generated them by using the current UMR of that policy for the premium reinstatement risk record
- the risk record is to be added to either form 286, form 287 or both forms depending on whether the original risk(s) generating the reinstatement premiums were new, renewed or a combination of new and renewed
- if the risk record is either renewed or not renewed, expiring syndicate Gross Written Premium and expiring 100% Gross Written Premium must both be >= 0
- if the risk record is either new or renewed:
  - current syndicate Gross Written Premium and current 100% Gross Written Premium must both be > 0, and
  - benchmark price must be set to "N/C"
- if the risk record is renewed, all the 'change' fields (fields 180 – 210) must be set to "N/C".

Note that when each of the premium reinstatement risk records expires, a renewed/not renewed premium reinstatement risk record must be submitted.

An example of a risk record for inwards reinstatement premiums on form 287 is shown below:

Single Risk Flag	Expiring UMR	Expiring Syndicate Risk ID	Current UMR	Current Syndicate Risk ID	Syndicate COB Code	Risk Code	Inception Date	Expiry Date	Risk Exposure Location Code	Lloyd's Slip Leader Flag
10	20	30	40	50	60	70	80	90	100	110
Y	N/A	REINSTATEMENT 1 2015	N/A	REINSTATEMENT 1 2016	10	3E	2016-01-01	2017-01-01	US	N

Distribution Channel Code	Method of Placement Code	Original Currency Code	Expiring Syndicate GWP	Current Syndicate GWP	Expiring 100% GWP	Change 100% GWP Limit / Attachment Point	Change 100% GWP Breadth of Cover	Change 100% GWP Other Factors	Change 100% GWP Pure Rate	Current 100% GWP
120	130	140	150	160	170	180	190	200	210	220
LNDN	OPDR	USD	0	500000	0	N/C	N/C	N/C	N/C	500000

3.30.3 Form 288

Note that when each of the premium reinstatement risk records expires, a renewed/not renewed premium reinstatement risk record must be submitted.

3.31 Reporting of lineslips

A traditional lineslip is a formal, contractual delegation of authority to enter into contracts of insurance from one or more managing agents to another managing agent. Each risk attaching must be on a Market Reform Contract (MRC) slip or offslip, with a UMR, and placed by the contracting Lloyd's broker. This is also true for bulking lineslips. These risks must be reported as method of placement lineslip.

Risks placed using facilities which work in a similar manner to bulking lineslips, where a Lloyd's broker places multiple risks for a managing agent to bind individually, which do not have an element of delegated authority, and are therefore written 100%, can also be reported as method of placement lineslip.

3.32 Lloyd's Brussels Commission Charge

Business written through Lloyd's Brussels is to be reported under the Europe distribution channel and should be treated as though it has been written directly, meaning the Lloyd's Brussels commission charge should not be reported under the Europe distribution channel or anywhere else within the return. This approach is consistent with the SBF and QMB returns to ensure performance management metrics are unaffected. Appendix 1 shows Brexit reporting examples across returns.

4 DATA SPECIFICATION

The section lists the data required to complete the PMDR forms. Read this section in conjunction with the data templates which detail the required format for the CSV file for each form. The data templates are published in the PMD Return Specifications.

4.1 Form 263 – Premium volume summary

Currency Code 10

Overview
The three-letter code for the currency in which the monetary values are reported.

Purpose
This field is required so that Lloyd's can apply consistent exchange rates to convert premium amounts into a single currency.

Format
- 3 characters:
  - for premiums received in USD, set to "USD"
  - for premiums received in all other currencies, set to "GBP"; convert all non-GBP non-USD premiums into GBP using the rules set out in subsection 3.26 of these instructions and add them to the premiums received in GBP
  - for premiums received in any currency, set to "CNV"; convert all non-GBP premiums , including those received in USD, into GBP using the rules set out in subsection 3.26 of these instructions and add them to the premiums received in GBP.

- Report in this field one of the three options given above. Do not report any other currency code in this field.

Mandatory/Optional
This field is mandatory.

Further details and examples
- Form 263 therefore consists of three rows of data: one for premiums received in USD; one for premiums received in GBP or in non-GBP non-USD currencies which are converted to GBP; and one for premiums received in GBP or in non-GBP currencies which are converted to GBP.

- Section 11 of these instructions contains an example which explains how to report premium income in form 263.

Gross Premium Written not Including IDA & Bonuses/Rebates

20

Overview
The total amount of the gross premium written (excluding IDA & Bonuses/Rebates) for the risks included in the PMDR.

Purpose
Used by Lloyd's to monitor the gross premium written across all lines of business.

Format
- A numeric field with up to 18 digits before the decimal point and up to 4 digits after it.
- Do not include commas or other separators in this field. For example, "123456789.1234" is a valid value whereas "123,456,789.1234" is not.

Mandatory/Optional
This field is mandatory.

Further details and examples
- This field is gross of outwards reinsurance and gross of acquisition costs (not including IDA, Bonuses / Rebates.
- This field contains cumulative premiums across all classes of business.
- **Written and signed premiums:** Update this field to reflect any signing down of premiums once notified.
- **Binding authority and lineslip contracts:** Include only premiums in respect of policies that have been notified as **written** under binding authority and lineslip contracts. Do not include in this field an estimate of premium which is **expected** to be written under a binding authority or lineslip contract but has not yet been notified. See section 8 of these instructions for examples which give further guidance on how to report premiums written via binding authority and lineslip contracts.
- **Proportional treaty arrangements:** Include only premiums in respect of policies that have been notified as **written** under quota share or surplus share arrangements.
- **Agent service companies:** Include only premiums in respect of policies that have been notified as **written** by the agent service company.

Bonuses and Rebates, Gross of Reinsurance

30

Overview
The total amount of the bonuses and rebates, gross of reinsurance, applicable to the risks included in the PMDR.

Purpose
Used by Lloyd's to construct Gross Written Premium - this is Lloyd's preferred measure of premium income.

Format
- A numeric field with up to 18 digits before the decimal place and up to 4 digits after it.
- Do not include commas or other separators in this field. For example, "123456789.1234" is a valid value whereas "123,456,789.1234" is not.
- If a positive amount is paid out by the insurer in bonuses and rebates, report it as a negative amount in this field. Lloyd's expects any non-zero value in this field to be negative.

Mandatory/Optional
This field is mandatory.

Further details and examples
The amounts under "bonuses and rebates" follow whatever disclosure is made by the managing agent under UK GAAP. If disclosure is made then it would cover bonuses and rebates to the insured only.

IDA Premiums Gross of Acquisition Costs

40

Overview
The total amount of the inception date accounting premiums, gross of acquisition costs, applicable to the risks included in the PMDR.

Purpose
Used by Lloyd's to construct Gross Written Premium - this is Lloyd's preferred measure of premium income.

Format
- A numeric field with up to 18 digits before the decimal place and up to 4 digits after it.
- Do not include commas or other separators in this field. For example, "123456789.1234" is a valid value whereas "123,456,789.1234" is not.

Mandatory/Optional
This field is mandatory.

Further details and examples
- This field includes inception date accounting premiums, gross of acquisition costs, applicable to the declarations still to be written, under binding authority contracts and lineslip contracts. Further details of the requirements for reporting binding authority and lineslip contracts are given in section 7 of these instructions. Section 8 of these instructions contains examples showing how to calculate the inception date accounting value for binding authority and lineslip contracts.
- Use this field also to account for the differences between Gross Written Premium in form 263 and the sum of the Gross Written Premium in forms 286 and 287. Section 11 of these instructions contains an example that demonstrates this relationship.

Gross Written Premium

50

Overview
- The total amount of the Gross Written Premium (including IDA & Bonuses/Rebates) for the risks included in the PMDR.
- It is the sum of the amounts in fields 20, 30 and 40
- The sum of the contract level current syndicate gross written premium in field 160 in PMD 286 and PMD 287 should equal the figure recorded in this field.

Purpose
Used by Lloyd's to monitor the Gross Written Premium by individual syndicates and the market as a whole.

Format
- A numeric field with up to 18 digits before the decimal place and up to 4 digits after it.
- Do not include commas or other separators in this field. For example, "123456789.1234" is a valid value whereas "123,456,789.1234" is not.

Mandatory/Optional
This field is mandatory.

Further details and examples
The Gross Written Premium in this field is to equal the sum of the corresponding Current Syndicate Gross Written Premium reported in field 160 on forms 286 and 287. Section 11 of these instructions contains an example that demonstrates this relationship.

Acquisition Costs (Brokerage, Commissions and Business Arrangement Fees)

60

Overview
The total amount of the acquisition costs (brokerage, commissions and business arrangement fees) applicable to the risks included in the PMDR.

- The sum of the contract level acquisition costs in field 160a in PMD 286 and PMD 287 should equal the figure recorded in this field.

Purpose
Used by Lloyd's to construct Gross Written Premium - which is Lloyd's preferred measure of premium income.

Format

- A numeric field with up to 18 digits before the decimal place and up to 4 digits after it.
- Do not include commas or other separators in this field. For example, "123456789.1234" is a valid value whereas "123,456,789.1234" is not.
- If a positive amount is paid out by the insurer in respect of acquisition costs, report it as a negative amount in this field. Lloyd's expects any non-zero value in this field to be negative.

Mandatory/Optional
This field is mandatory.

Further details and examples

- Do not include in acquisitions costs the remuneration of underwriting staff.
- When known, include any profit commission paid to brokers in relation to risks written during the current return year in this field.

4.2 Forms 286, 287 and 288 – Price movements and premium volumes

Single Risk Flag 10

Overview
The flag that indicates whether or not the data relates to a single risk.

Purpose
Used by Lloyd's to identify data that represents aggregated risks.

Format
1 character:
- if the data relates to a single risk, set to "Y"
- if the data relates to multiple risks, set to "N".

Mandatory/Optional
This field is mandatory.

Further details and examples

- **Binding authority and lineslip contracts:** Data for binding authority and lineslip contracts may be supplied on an individual risk (declaration) basis (with single risk flag set to "Y") but 'facility' records for the corresponding class of business, risk code, risk exposure location and original currency combinations must always be supplied (with single risk flag set to "N"). Lloyd's would prefer managing agents to report each risk separately when the binding authority or lineslip contract is a significant source of business in terms of income or class. See section 7 of these instructions for details of the requirements for reporting binding authority and lineslip contracts. See section 8 of these instructions for examples which give further guidance on how to report premiums written via binding authority and lineslip contracts.

- **Open market direct:** With the exception of personal motor and life insurance risks, report insurance contracts placed in this way on an individual risk basis with the single risk flag set to "Y".

- **Personal motor insurance:** Lloyd's strongly prefers that data relating to personal motor insurance risks categorised under risk codes M2, M4, M5, MF, MG, MH and MI) be aggregated into the material class of business, risk code, risk exposure location and original currency combinations for each inception date before inclusion in the PMDR. Therefore, set the single risk flag for these types of risk to "N".

- **Life insurance:** Lloyd's strongly prefers that data relating to life insurance risks categorised under risk code TL be aggregated into the class of business, risk exposure location and original currency combinations for each inception date before inclusion in the PMDR. Therefore, set the single risk flag for these types of risk to "N".

Expiring Unique Market Reference (UMR) 20

and

Current Unique Market Reference (UMR) 40

Overview
The Unique Market Reference (UMR) of the risk/s.

Purpose
Used by Lloyd's to perform validation checks on information taken from across the market and across return years. These checks enable Lloyd's to improve the quality of data received in the PMDRs.

Format
- This field must be either:
  - a valid UMR, or
  - the three-character string "N/A".

- A valid UMR has 6-17 characters in the following format:
  - character 1 is "B"
  - characters 2-5 are four numbers representing the CSN (Lloyd's broker number) of the placing broker (prefix CSNs that are three digits long by a zero)
  - characters 6-17 contain a minimum of one and up to a further 12 characters

- A UMR must not contain any spaces, hyphens, slashes or other punctuation. Only letters A-Z and numbers 0-9 may be used.

- The UMR as a whole must be unique for each policy. This means that when a policy is renewed it cannot keep the same UMR, unless the renewal is the re-signing of a multi-year risk.

Mandatory/Optional
- These fields are mandatory.

- Report in these fields for all risks reported in the PMDR either a valid UMR or the string "N/A" when a valid UMR is not available and never will be.

- For risks written or renewed during 2009, managing agents had the option to set the current UMR field to "N/A" for insurance contracts for which a UMR did exist **but had not been recorded**. However, for risks incepting or renewing on or after 1 January 2010 managing agents **must report a valid UMR** in the current UMR field in all the circumstances specified in subsection 3.15.2 of these instructions.

- When the UMR is not yet known because one has not been provided on a slip by the broker when one ought to have been, it is acceptable to report temporarily for the UMR, a string beginning with "BnnnnTBA", where "nnnn" is the CSN of the placing broker, but such UMRs must be replaced by the real UMRs before the December (18) PMDR is submitted.

Further details and examples
- **Agent service company risks:** For agent service company risks, if available, report either:
  - the UMR for the binding authority contract governing the agent service company, or
  - the UMR for each individual risk written by the agent service company.

- **Binding authority and lineslip contract risks:** For risks relating to binding authority and lineslip contracts, report the UMR of the binding authority or lineslip contract.

- **Open market direct risks:** For each section of each open market insurance policy the UMR for the policy must be reported. An example of how to complete the PMDR forms for open market risks is given in section 9 of these instructions.

- **Personal motor insurance risks:** For personal motor insurance risks, for which data has been aggregated to a single record, set the UMR to "N/A".

- **Life insurance risks:** For life insurance risks, for which data has been aggregated to a single record, set the UMR to "N/A".

- For insurance policies that are not registered with Xchanging and hence have no UMR, for example some personal lines business:
  - when a UMR is required, generate a UMR using the managing agent's own CSN
  - when no UMR is required, set the UMR to "N/A".

- **Europe Distribution Channel**: For business being placed through this channel the direct insurance Expiring UMR (once applicable as all risks are reported new when first processed through Brussels) and Current UMR must be reported.

Expiring Syndicate Risk ID

and

Current Syndicate Risk ID

30

50

Overview
The syndicate risk reference (policy ID) of the risk/s taken from the managing agent's underwriting system.

Purpose
Used by Lloyd's when communicating with managing agents.

Format
- From 1 to 50 characters.
- Any ASCII characters are acceptable **except** the following:
  - , [comma]
  - ' [single quote]
  - " [double quote]
- These fields must not equal "0" or "N/A" or all spaces.
- There are no further restrictions on these fields as the syndicate risk ID is created by the managing agent at their discretion.

Mandatory/Optional
- These fields are mandatory.
- An expiring syndicate risk ID must be reported for all renewed and non-renewed risks.
- A current syndicate risk ID must be reported for all new and renewed risks.

Further details and examples
A current syndicate risk ID must also be reported for records which represent aggregated risks. For example, a current syndicate risk ID must be reported for personal motor insurance risks which have been aggregated into the material class of business, risk code, risk exposure location and original currency combinations.

Syndicate Class of Business Code

60

Overview
The code for the syndicate class of business under which the risk/s is/are written.

Purpose
Used by Lloyd's to group risks into the classes of business used by the managing agent.

Format
From 1 to 5 characters.

Mandatory/Optional
This field is mandatory.

Further details and examples
- The syndicate class of business code reported must be a class of business code in the syndicate's approved SBF for the return year.
- If a risk falls under multiple syndicate classes of business, report each material syndicate class of business separately.
- The syndicate class of business name does not need to be supplied in the PMDR. Lloyd's looks up the syndicate class of business name from the approved SBF for the return year.

Risk Code 70

Overview
The Lloyd's risk code that categorises the nature of the risk/s.

Purpose
Used by Lloyd's to assign risks into homogenous groups, for example the Lloyd's 10 high-level classes of business.

Format
- Either 1 or 2 characters.
- The format of the risk code reported must be identical to the format of a risk code specified in the reference data (including capitalisation). Leading and trailing spaces are not allowed. One-character risk codes must be reported as one character only. For example, the risk code "P" must be reported as "P" (one character) not " P" or "P " (two characters).

Mandatory/Optional
This field is mandatory.

Further details and examples
- The year of the inception date of the risk must fall within the inclusive start year and end year range that is specified in the reference data for the risk code reported.
- The risk code reported must be a risk code in the syndicate's approved SBF for the return year.
- If a risk falls under multiple risk codes, report each material risk code separately.
- Some risk codes relate to a specific risk exposure location and/or method of placement. The risk code reported is checked against the risk exposure location and method of placement reported for the risk to identify any inconsistencies.

Inception Date 80

Overview
- The inception date of the risk/s.
- The inception date is defined as the first date on which cover is provided for part or all of the day. It is defined in this way to ensure that:
  - all managing agents report inception dates in a consistent manner
  - there is a correspondence between the inception date of renewed contracts and the expiry date of non-renewed contracts, which helps Lloyd's to monitor lapse rates accurately.

Purpose
Used by Lloyd's to group together new and renewed risks for analysis by date of inception.

Format
All dates must be supplied in the following format:
- YYYY-MM-DD

Mandatory/Optional
This field is mandatory.

Further details and examples
- **Renewed risks:** The inception date reported is generally equal to or later than the expiry date that was reported for the new or renewed risk that is being renewed.
- **Not renewed risks:** Report the inception date that was originally reported for the new or renewed risk that has not renewed.
- **Binding authority and lineslip contract risks:** For risks relating to binding authority and lineslip contracts, report:
  - The inception date of the binding authority or lineslip contract for the 'facility' records, and
  - The inception date of the declaration for the declaration records.
- **Aggregated risks:** For aggregated risks, report the earliest inception date from the set of risks.
- **Multi-year risks:** For multi-year risks, refer to the advice given in subsection 3.28 and section 12 of these instructions.

Expiry Date 90

Overview
- The expiry date of the risk/s.

- The expiry date is defined as the first date on which for any part or all of the day cover is not provided.

- The first date on which for any part or all of the day cover is not provided is also the date on which a risk is expected to renew if it were to renew.

- The expiry date is defined in this way to ensure that:
  - all managing agents report expiry dates in a consistent manner
  - there is a correspondence between the inception date of renewed contracts and the expiry date of non-renewed contracts which helps Lloyd's to monitor lapse rates accurately
  - month/year end renewals/non-renewals appear in the same PMDR.

Purpose
Used by Lloyd's to group together not renewed risks for analysis by date of expiry.

Format
All dates must be supplied in the following format:
- YYYY-MM-DD

Mandatory/Optional
This field is mandatory.

Further details and examples
- For a policy for which cover ceases at 24:00 on 31 December yyyy, report its expiry date as yyyy+1-01-01 and report its renewal/non-renewal in the January yyyy+1 PMDR due in February yyyy+1.

- If a policy expires on at 12:00 23 February yyyy (and would renew at 12:00 on 23 February yyyy), report the expiry date as yyyy-02-23.

- If a policy expires on at 24:00 23 February yyyy (and would renew at 00:00 on 24 February yyyy) report the expiry date as yyyy-02-24.

- For not renewed risks, report as the expiry date the expiry date that was reported for the new or renewed risk that has not renewed.

- **Binding authority and lineslip contract risks:** For risks relating to binding authority and lineslip contracts, report:
  - the expiry date of the binding authority or lineslip contract for the 'facility' records, and
  - the expiry date of the declaration for the declaration records.

- **Aggregated risks:** For aggregated risks, report the latest expiry date from the set of risks.

- **Multi-year risks**: For multi-year risks, refer to the advice given in subsection 3.28 and section 12 of these instructions.

Industry Sector for Insured

95

Overview
- Lloyd's defined high level industry sector codes based upon and mapped to the SIC and NAIC Codes and Descriptions
- Pre-defined list

Purpose
Used to define the trade or profession of the insured.

Format
- 5 characters.
- The format of the Industry Sector code reported must be identical to the format of an Industry Sector code specified in the reference data (including capitalisation). Leading and trailing spaces are not allowed.

Mandatory/Optional
This field is mandatory for PMD 286 and PMD 287 but is optional for PMD 288.

Further details and examples
- Where the industry of the insured is unknown or unavailable the code “ZZZZZ” should be used.
- For Reinsurance business the industry sector of the underlying insured should be reported wherever possible. In the event that it can’t be defined then code “10002” should be used.
- For Binder and Lineslip business the industry sector of the underlying insured should be reported wherever possible. In the event that it can’t be defined then code “10002” should be used.

Sum Insured / Limit of Indemnity

98

Overview
- EIOPA has defined the Sum Insured as the highest amount that the insurer can be obliged to pay out before considering any possible original deductible of the policyholder.
- Individual risk limits should reflect the total limit to a given class (reflecting any sub-limits), and should not be an allocation of the aggregate limit. This will involve some double counting, e.g. where a UMR is reported with two or more Lloyd’s Risk Codes encompassed, then the maximum limit for each risk code should be reported for all lines with that Risk Code (see Section 16 for examples)
- Where there are sub-limits for certain classes of business, the sub-limits should be reported for these classes of business. If it is not possible to split the sub-limits, then the aggregate limit should be shown (see Section 16 for examples)
- The syndicate’s share of the risk limit should be reported.
- Where the liability for a Motor risk is unlimited then the total exposure limit should be populated as 999999999999999 (999,999,999,999,999).
- The sum insured should be reported in the same currency as the premium amount (see ‘Further details and examples’ below).
- Base the sum insured/limit of indemnity amount initially on the written line and the most up-to-date limit available but update it to reflect any material changes once the signed line has been reported and when other limit adjustments occur. See subsection 3.8 and subsection 3.9 of these instructions for further details.

Purpose
Used by Lloyd’s to gain an overview of the amount of exposure.

Format
- A numeric field with up to 15 digits and no decimal places after it.
- Do not include commas or other separators in this field. For example, “123456789” is a valid value whereas “123,456,789” is not.
- Zero amounts should be shown as zero and not left blank.

Mandatory/Optional
This field is mandatory for PMD 286 and PMD 287 but is optional for PMD 288.

Further details and examples
- Report the amount in either USD or GBP according to the rules given in subsection 3.26 of these instructions. Do not report the amount in any other currency.
- Lloyd’s Risk Codes M2, M3, M4, M5 and M6 are all UK Motor classes and have unlimited liability and should therefore be populated as 999999999999999 (999,999,999,999,999). Risk Codes KM and XM may also have unlimited liability and, if so should also be populated this way.

Risk Exposure Location Code

100

Overview
The ISO 3166-1 alpha-2 code or Lloyd's-defined code for the exposure location of the risk/s.

Purpose
Used by Lloyd's to perform analysis on market conditions by geographical location of risk exposure.

Format
- 2 characters.
- The format of the risk exposure location code reported must be identical to the format of a risk exposure location code specified in the reference data (including capitalisation).

Mandatory/Optional
This field is mandatory.

Further details and examples
- The inception date of the risk must fall within the inclusive start date and end date range that is specified in the reference data for the risk exposure location code reported.
- Complete this field with reference to the **physical location** of the insured risk. The value reported in this field is **not** to be based on the domicile of the insured party.
- When a risk has exposure in several physical locations report each material location separately, but if the exposure is predominantly in a single location, report that predominant location.
- Alternatively, for risks with exposure in multiple physical locations, when appropriate report one of the three additional worldwide risk exposure location codes that Lloyd's has created.
  - If the risk is present in multiple physical locations but not the United States of America, report the code "QN", corresponding to "Worldwide excluding USA".
  - If the risk is present in multiple physical locations including significant exposure in the United States of America, report the code "QU", corresponding to "Worldwide including significant USA exposure".
  - If the risk is present in multiple physical locations including minimal exposure in the United States of America, report the code "QM", corresponding to "Worldwide but including only minimal USA exposure".
- To make this field as informative as possible it is important that risks are not inappropriately reported using the three worldwide codes.

Domicile of the Insured

105

Overview
The ISO 3166-1 alpha-2 code (no Lloyd's-defined codes) for the 'Country of Origin': e.g. Policyholder's registered office location; Master policyholder's registered office location; Policyholder's head office where contract is global / multinational of the risk/s. Please note that domicile of the insured must refer to a **single** territory and so there are no multi-territory or worldwide options available for this field.

Purpose
Used by Lloyd's to perform analysis on market conditions by geographical location of risk written.

Format
- 2 characters.
- The format of the risk written location code reported must be identical to the format of the 'Domicile of the Insured' code specified in the reference data (including capitalisation).

Mandatory/Optional
This field is mandatory.

Further details and examples
- The inception date of the risk must fall within the inclusive start date and end date range that is specified in the reference data for the 'Domicile of the Insured' code reported.
- Complete this field with reference to the country in which the policyholder is resident, if they are a private individual, or has its main registered operating address, if it is a corporate body (whether insured or reinsured). This is often not the same as the location of risk.
  - The country in which the policyholder's office is situated; or
  - For a global or multi-national contract, i.e. covering a policyholder with offices in multiple countries, it is the country in which the policyholder's head or main office is situated.
  - For a master policy, the country in which the master policyholder is situated.
  - If there are multiple parties with an interest in the risk, domiciled in different countries, it is

necessary to designate the country most appropriate in the circumstances as the 'Domicile of the Insured'

Lloyd's Slip Leader Flag

110

Overview
The flag that indicates whether or not the syndicate's role on the risk/s is a Lloyd's slip leader.

Purpose
Used by Lloyd's to perform analysis by slip leader and follower.

Format
1 character:
- if the syndicate's role is a Lloyd's slip leader, set the Lloyd's slip leader flag to "Y"
- if the syndicate's role is a Lloyd's slip follower, set the Lloyd's slip leader flag to "N".

Mandatory/Optional
This field is mandatory.

Further details and examples
- Managing agents are to set the Lloyd's slip leader flag to "Y" in the event that a risk is led by the company market but their syndicate leads the risk within Lloyd's.
- Lloyd's slip leader flag may be set to "N" when the syndicate Gross Written Premium is set to match the 100% Gross Written Premium.
- Lloyd's slip leader flag must be set to "N" when a risk has been ceded to the syndicate from another syndicate and the syndicate's stamp is not on the slip.

Distribution Channel Code

120

Overview
The code for the distribution channel through which the risk/s were placed.

Purpose
Used by Lloyd's to perform analysis by distribution channel.

Format
- 2, 3 or 4 characters.
- The format of the distribution channel code reported must be identical to the format of a distribution channel code specified in the reference data (including capitalisation).

Mandatory/Optional
This field is mandatory.

Further details and examples
- The inception date of the risk must fall within the inclusive start date and end date range that is specified in the reference data for the distribution channel code reported.
- **Asia, China Direct, China Reinsurance and Japan:** Report these distribution channels as applicable for business transacted through the Asia, China Direct, China Reinsurance or Japan distribution channels
- **Dubai:** Report this distribution channel for business transacted through the Dubai channel
- **Europe**: Report this distribution channel for business transacted through the Brussels channel
- **Lloyd's London**: Report this distribution channel for all other business.
- Some distribution channel and method of placement combinations are invalid. These are specified in subsection 3.17 of these instructions.
- Please note that a separate field 135 was introduced to report service company business in PMDR submissions from the 2016 reporting year onwards. The service company option has been removed from this field and is reported independently in field 135.

Coverholder PIN 125

Overview
The unique combination of 6 numeric and 3 alpha digits which identifies the Coverholder who underwrites Binding Authority Risk/s

Purpose
Used by Lloyd's to perform analysis by Coverholder

Format

- 9 characters; comprising of 6 numeric (char 1- 6) and 3 alpha digits (char 7-9)
- The format of the Coverholder PIN reported must be identical to the format of Coverholder PIN specified in the reference data

Mandatory/Optional
This field is mandatory.

Further details and examples

- The inception date of the risk must fall within the inclusive start date and end date range that is specified in the reference data for the Coverholder PIN reported.
- A valid Coverholder PIN must be entered on 'Binding Authority' risks only. For Non-Coverholder business, please enter N/A.

Method of Placement Code

130

Overview
The code for the method of placement of the risk/s e.g. under a binding authority contract or under a lineslip contract.

Purpose
Used by Lloyd's to perform analysis by method of placement.

Format
- 4 characters.
- The format of the method of placement code reported must be identical to the format of a method of placement code specified in the reference data (including capitalisation).

Mandatory/Optional
This field is mandatory.

Further details and examples
- The inception date of the risk must fall within the inclusive start date and end date range that is specified in the reference data for the method of placement code reported.
- **Binding Authority contract (BNDR)**: Report "BNDR" for policies placed under a binding authority contract delegated outside the managing agent.
- **Lineslip contract (LNSL)**: Report "LNSL" for policies placed under an arrangement by which authority is delegated to another managing agent, or to an authorised insurance company, for business introduced by a named Lloyd's broker, usually only for specific types of business.
- **Open Market – Direct (OPDR)**: Report "OPDR" for direct insurance policies placed by a Lloyd's broker in the open market (excluding policies within a binding authority contract or a lineslip contract).
- **Open Market – Reinsurance (OPRI)**: Report "OPRI" for reinsurance policies placed by a Lloyd's broker in the open market (excluding policies within a binding authority contract or a lineslip contract).
- **Consortium**: A "consortium" is an arrangement by which authority is delegated to another Lloyd's managing agent to enter into contracts of insurance on behalf of a syndicate. A consortium usually operates in specified classes of business produced from more than one source (which is the main difference from a lineslip).

  Unless a consortium delegates authority to a company or partnership other than a managing agent, policies placed under a consortium arrangement are to be reported as direct insurance policies placed by a Lloyd's broker in the open market i.e. as "**OPDR"**. When a consortium delegates authority to a company or partnership other than a managing agent, that company or partnership needs to be approved as a Coverholder by Lloyd's and the policies so placed are to be reported as placed under a binding authority contract delegated outside the managing agent i.e. as "**BNDR"**.
- Some distribution channel and method of placement combinations are invalid. These are specified in subsection 3.17 of these instructions.

Service Company Indicator

135

Overview
The three-letter code to identify premium written for risk/s via s Service Company

Purpose
Used by Lloyd's to perform analysis by Service Company.

Format
- 3 characters
  - If the risk/s placed through a Service Company enter **'ASC'** in the 'Service Company Indicator' field.
  - If the risk/s not placed through a Service Company enter **'NSC'** in the Service Company Indicator' field.

Mandatory/Optional
This field is mandatory.

Further details and examples
- The inception date of the risk must fall within the inclusive start date and end date range that is specified in the reference data for the Service Company Indicator reported.

Original Currency Code

140

Overview
The ISO 4217 three-letter code for the original currency in which the premium for the risk/s was written.

Purpose
Used by Lloyd's to perform analysis by original currency code.

Format
- 3 characters.

- The format of the original currency code reported must be identical to the format of an original currency code specified in the reference data (including capitalisation).

Mandatory/Optional
This field is mandatory.

Further details and examples
- The inception date of the risk must fall within the inclusive start date and end date range that is specified in the reference data for the original currency code reported.

- **The actual monetary amounts (fields 150 – 230) are reported in USD or GBP according to the rules given in subsection 3.26 of these instructions. They are not reported in any other currency.**

- If the premium for a risk is expressed in multiple currencies, report each material original currency separately as per subsection 3.27.

- Section 11 of these instructions contains an example which explains how to report premium income in forms 286, 287 and 288.

Expiring Syndicate Gross Written Premium 150

Overview

- The amount (not percentage) of the syndicate's share of the 100% Gross Written Premium charged for the expiring risk/s, i.e. written premium adjusted for bonuses and rebates gross of IDA premium, acquisition costs and QQS premium.
- Base the expiring syndicate premium amount on the signed line and the most up-to-date 100% premium amount available. See subsection 3.8 and subsection 3.9 of these instructions for further details.

Purpose

Used by Lloyd's to calculate the proportion of a risk underwritten by a syndicate.

Format

- A numeric field with up to 18 digits before the decimal place and up to 4 digits after it.
- Do not include commas or other separators in this field. For example, "123456789.1234" is a valid value whereas "123,456,789.1234" is not.

Mandatory/Optional

This field is mandatory.

Further details and examples

- All premium amounts are to correspond to the level of granularity used to complete the PMDR form for that particular (re)insurance contract. For example, for (re)insurance policies underwritten in the open market, report premium amounts for each separate section contained in the (re)insurance policy. The expiring syndicate Gross Written Premium reported for a given section is therefore to be the expiring syndicate premium for that section of the policy only. See section 8 and section 9 of these instructions for examples of differing levels of granularity and section 10 of these instructions for an example of apportionment of Gross Written Premium.
- When this field is positive, it must not be greater than field 170.
- When this field is negative, it must not be less than field 170.
- **Report the amount in either USD or GBP according to the rules given in subsection 3.26 of these instructions. Do not report the amount in any other currency.**
- Convert the expiring premium for non-GBP non-USD amounts to GBP at the relevant exchange rate for the return year, not at the exchange rate at which the business was written or the exchange rate at which is was advised as new or renewed business in PMDRs in earlier return years.

  For example, 100,000 CHF of premium written on 1/4/2009 would have been reported in the 15 May 2009 to 15 January 2010 PMDRs as £50,761.42 of new business (2009 Swiss Franc published PMDR rate 1.97). Assuming the policy expired on 1/4/2010, it would appear in the 15 May 2010 – 15 January 2011 PMDRs in field 150 as £61,349.69 (2010 Swiss Franc published PMDR rate 1.63) not £50,761.42 (2009 Swiss Franc published PMDR rate 1.97). Note that the December (18) PMDR due on 31 July 2010 would record a new business premium of £50,761.42 while the subsequent December (18) PMDR due on 31 July 2011 would record an expiry premium of £61,349.69 in field 150.

Current Syndicate Gross Written Premium 160

Overview

- The amount (not percentage) of the syndicate's share of the 100% Gross Written Premium charged for the new or renewed risk/s, i.e. written premium adjusted for bonuses and rebates gross of IDA premium, acquisition costs and QQS premium.
- Base the current syndicate premium amount initially on the written line and the most up-to-date premium amount available but update it to reflect any material changes once the signed line has been reported and when other premium adjustments occur. See subsection 3.8 and subsection 3.9 of these instructions for further details.
- The sum of premium in this field in forms PMD 286 and 287 must equal the premium recorded in PMD 263 field 50.

Purpose

Used by Lloyd's to calculate the proportion of a risk underwritten by a syndicate.

Format

- A numeric field with up to 18 digits before the decimal place and up to 4 digits after it.
- Do not include commas or other separators in this field. For example, "123456789.1234" is a valid value whereas "123,456,789.1234" is not.

Mandatory/Optional

This field is mandatory.

Further details and examples

- All premium amounts are to correspond to the level of granularity used to complete the PMDR form for that particular (re)insurance contract. For example, for (re)insurance policies underwritten in the open market, report premium amounts for each separate section contained in the (re)insurance policy. The current syndicate Gross Written Premium reported for a given section is therefore to be the current syndicate premium for that section of the policy only. See section 8 and section 9 of these instructions for examples of differing levels of granularity and section 10 of these instructions for an example of apportionment of Gross Written Premium.
- The sum of the current syndicate Gross Written Premium reported in this field on forms 286 and 287 is to equal the Gross Written Premium reported in field **50** on form 263. Section 11 of these instructions contains an example that demonstrates this relationship.
- When this field is positive, it must not be greater than field 220.
- When this field is negative, it must not be less than field 220.
- **Report the amount in either USD or GBP according to the rules given in subsection 3.26 of these instructions. Do not report the amount in any other currency.**

Current Syndicate Acquisition Costs

160a

Overview

- The amount (not percentage) of the syndicate's share of the 'Current 100% Acquisition Costs' charged for the new or renewed risk/s, i.e. the acquisition costs element of field 160.
- The definition of Current Syndicate Acquisition Costs in PMDRs is identical to the definition of Acquisition Costs in the SBF.
- The sum of acquisition costs in this field in forms PMD 286 and 287 must equal the acquisition recorded in PMD 263 field 60.
- Acquisition costs will typically be recorded as a negative amount where gross written premium is positive.

Purpose

Used by Lloyd's to calculate the amount of acquisition costs incurred by a syndicate.

Format

- A numeric field with up to 18 digits before the decimal place and up to 4 digits after it.
- Do not include commas or other separators in this field. For example, "123456789.1234" is a valid value whereas "123,456,789.1234" is not.

Mandatory/Optional

This field is mandatory.

Further details and examples

- The sum of the current syndicate Current Syndicate Acquisition Costs reported in this field on forms 286 and 287 is to equal the Acquisition Costs (Brokerage, Commissions and Business Arrangement Fees) reported in field 60 on form 263. Section 11 of these instructions contains an example that demonstrates this relationship.
- When this field is positive, it must not be greater than field 160.
- When this field is negative, it must not be less than field 160.
- **Report the amount in either USD or GBP according to the rules given in subsection 3.26 of these instructions. Do not report the amount in any other currency.**

Expiring 100% Gross Written Premium 170

Overview

- The amount of the 100% Gross Written Premium charged for the expiring risk/s.

- Set the expiring 100% premium amount to the most up-to-date premium amount available. See subsection 3.8 of these instructions for further details.

Purpose
Used by Lloyd’s to monitor premium rate movements for renewed risks.

Format

- A numeric field with up to 18 digits before the decimal place and up to 4 digits after it.

- Do not include commas or other separators in this field. For example, “123456789.1234” is a valid value whereas “123,456,789.1234” is not.

Mandatory/Optional
This field is mandatory.

Further details and examples

- This field is used by Lloyd’s to monitor premium movements for renewed risks. Section 14 of these instructions gives further information on how Lloyd’s uses this field to monitor premium rate movements.
- All premium amounts are to correspond to the level of granularity used to complete the PMDR form for that particular (re)insurance contract. For example, for (re)insurance policies underwritten in the open market, report premium amounts for each separate section contained in the (re)insurance policy. The expiring 100% Gross Written Premium reported for a given section is therefore to be the expiring 100% premium for that section of the policy only. See section 8 and section 9 of these instructions for examples of differing levels of granularity and section 10 of these instructions for an example of apportionment of Gross Written Premium.

- When this field is positive, it must not be less than field 150.

- When this field negative, it must not be greater than field 150.

- When either this field or field 220 is negative or zero, set the values in fields 180, 190, 200 and 210 to “N/C”.

- When this field and field 220 are positive and the values in fields 180, 190, 200 and 210 are not set to “N/C”, the sum of the amounts in fields 170, 180, 190, 200 and 210 is to equal the amount in field 220.

- **Report the amount in either USD or GBP according to the rules given in subsection 3.26 of these instructions. Do not report the amount in any other currency.**

- Convert the expiring premium for non-GBP non-USD amounts to GBP at the relevant exchange rate for the return year, not at the exchange rate at which the business was written or the exchange rate at which is was advised as new or renewed business in PMDRs in earlier return years.

  For example, 100,000 CHF of premium written on 1/4/2009 would have been reported in the 15 May 2009 to 15 January 2010 PMDRs as £50,761.42 of new business (2009 Swiss Franc published PMDR rate 1.97). Assuming the policy expired on 1/4/2010, it would appear in the 15 May 2010 – 15 January 2011 PMDRs in field 150 as £61,349.69 (2010 Swiss Franc published PMDR rate 1.63) not £50,761.42 (2009 Swiss Franc published PMDR rate 1.97). Note that the December (18) PMDR due on 31 July 2010 would record a new business premium of £50,761.42 while the subsequent December (18) PMDR due on 31 July 2011 would record an expiry premium of £61,349.69 in field 170.

Expiring 100% Acquisition Costs

170a

Overview

- The amount of the 100% Acquisition Costs charged for the expiring risk/s, i.e. the acquisition costs element of field 170.
- Set the expiring 100% acquisition cost amount to the most up-to-date amount available.
- Acquisition costs will typically be a negative amount where expiring gross written premium is positive.

Purpose

Used by Lloyd's to monitor premium rate movements for renewed risks.

Format

- A numeric field with up to 18 digits before the decimal place and up to 4 digits after it.
- Do not include commas or other separators in this field. For example, "123456789.1234" is a valid value whereas "123,456,789.1234" is not.

Mandatory/Optional

This field is mandatory.

Further details and examples

- When this field is positive, it must not be less than field 150.
- When this field negative, it must not be greater than field 150.
- **Report the amount in either USD or GBP according to the rules given in subsection 3.26 of these instructions. Do not report the amount in any other currency.**
- **Convert the expiring premium for non-GBP non-USD amounts to GBP at the relevant exchange rate for the return year, not at the exchange rate at which the business was written or the exchange rate at which it was advised as new or renewed business in PMDRs in earlier return years.**

Change in Expiring 100% Gross Written Premium Due to Change in Limit / Attachment Point

180

Overview

- The monetary amount (not percentage) of the change at renewal in the 100% Gross Written Premium charged for the expiring risk/s that is due to a change in the expiring risk/s' limit/attachment point and/or deductible.

- This is based on the expiring year's pricing basis excluding the effect of other elements of exposure change included in field 200.

- This field reports only the effect of the limit/attachment point and/or deductible changes on the exposure from the expiring policy relating to the risks covered by the expiring policy based on the pricing conditions prevalent when the expiring policy was written. It is therefore impossible for any negative change in this field to have a magnitude greater than field 170, either alone, in combination with field 190 or in combination with field 190 and field 200. Please see Section **Error! Reference source not found.**.

- Changes in limit/attachment point and/or deductible and changes in breadth of cover must be treated independently.

Purpose

Used by Lloyd's to monitor premium movements for renewed risks.

Format

This field must be either:

- A numeric field with up to 18 digits before the decimal place and up to 4 digits after it with no included commas or other separators, or
- The three-character string "N/C".

Mandatory/Optional

- ***For risks renewing on or after 1 January 2011, Lloyd's requires that this field must be populated with an amount and not with "N/C". This applies to all risks except those for which the current 100% Gross Written Premium is less than or equal to zero or that relate to an adjustment premium.***
  The actual requirement is that a change in expiring 100% Gross Written Premium due to pure rate change amount (not "N/C") must be reported, but since all 'change' fields must equal "N/C" or none, the consequence of this requirement is that an amount (not "N/C") must also be provided for the other 'change' fields, even if that amount is zero.

- Managing agents are not required to provide non-zero amounts for 'change' fields that they are currently unable to populate. ***However, managing agents should contact their Lloyd's Underwriting Performance Exec to discuss the provision of change in expiring 100% Gross Written Premium due to change in limit / attachment point if it is not available for risks renewing on or after 1 January 2011.***

- ***For risks for which the current 100% Gross Written Premium is less than or equal to zero or that relate to an adjustment premium (see subsection 3.21.1, subsection 3.29 and subsection 3.30.2), the change in expiring 100% Gross Written Premium due to change in limit / attachment point must be set to "N/C.***

Further details and examples

- This field is used by Lloyd's to monitor premium movements for renewed risks. Section 14 of these instructions gives further information on how Lloyd's uses this field to monitor premium rate movements.

- Report in this field the monetary amount (not percentage) of the impact on the 100% Gross Written Premium charged for the expiring risk/s of any changes in the limit or attachment point and/or deductible. For example, ignoring any other changes in market conditions during the term of the policy, lowering the limit upon renewal should increase the Gross Written Premium charged. Similarly, increasing the limit upon renewal should increase the Gross Written Premium charged.

- When field 170 and field 220 are positive and this field is not set to "N/C", field 170 plus this field must be greater than zero.

- When field 170 and field 220 are positive and this field is not set to "N/C", field 170 plus this field plus field 190 must be greater than zero.

- When field 170 and field 220 are positive and this field is not set to “N/C”, field 170 this field plus field 190 plus field 200 plus this field must be greater than zero.
- **Report the amount in either USD or GBP according to the rules given in subsection 3.26 of these instructions. Do not report the amount in any other currency.**
- Set all of fields 180, 190, 200 and 210 to “N/C” or none – it is not acceptable to set some of these fields to “N/C” but not others.

Change in Expiring 100% Gross Written Premium Due to Change in Breadth of Cover

190

Overview
- The monetary amount (not percentage) of the change at renewal in the 100% Gross Written Premium charged for the expiring risk/s that is due to a change in the expiring risk/s' breadth of cover (e.g. insured perils).
- This is based on the expiring year's pricing basis excluding the effect of other elements of exposure change included in field 200.
- This field reports only the effect of peril changes on the exposure from the expiring policy relating to the risks covered by the expiring policy at the pricing conditions prevalent when the expiring policy was written. It is therefore impossible for any negative change in this field to have a magnitude greater than field 170, either alone, in combination with field 180 or in combination with field 180 and field 200. Please see Section **Error! Reference source not found.**.
- Changes in breadth of cover and changes in limit/attachment point and/or deductible must be treated independently.

Purpose
Used by Lloyd's to monitor premium movements for renewed risks.

Format
This field must be either:
- a numeric field with up to 18 digits before the decimal place and up to 4 digits after it with no included commas or other separators, or
- the three-character string "N/C".

Mandatory/Optional

- ***For risks renewing on or after 1 January 2011, Lloyd's requires that this field must be populated with an amount and not with "N/C". This applies to all risks except those for which the current 100% Gross Written Premium is less than or equal to zero or that relate to an adjustment premium.***
The actual requirement is that a change in expiring 100% Gross Written Premium due to pure rate change amount (not "N/C") must be reported, but since all 'change' fields must equal "N/C" or none, the consequence of this requirement is that an amount (not "N/C") must also be provided for the other 'change' fields, even if that amount is zero.
- Managing agents are not required to provide non-zero amounts for 'change' fields that they are currently unable to populate. ***However, managing g agents should contact their Lloyd's Underwriting Performance Exec to discuss the provision of change in expiring 100% Gross Written Premium due to change in breadth of cover if it is not available for risks renewing on or after 1 January 2011.***
- ***For risks for which the current 100% Gross Written Premium is less than or equal to zero or that relate to an adjustment premium (see subsection 3.21.1, subsection 3.29 and subsection 3.30.2), the change in expiring 100% Gross Written Premium due to change in breadth of cover must be set to "N/C.***

Further details and examples
- This field is used by Lloyd's to monitor premium movements for renewed risks. Section 14 of these instructions gives further information on how Lloyd's uses this field to monitor premium rate movements.
- Report in this field the monetary amount (not percentage) of the impact on the 100% Gross Written Premium charged for the expiring risk/s of any changes in the breadth of cover. For example, ignoring any other changes in market conditions during the term of the policy, covering additional perils upon renewal should increase the Gross Written Premium charged.
- When field 170 and field 220 are positive and this field is not set to "N/C", field 170 plus this field must be greater than zero.
- When field 170 and field 220 are positive and this field is not set to "N/C", field 170 plus field 180 plus this field must be greater than zero.
- When field 170 and field 220 are positive and this field is not set to "N/C", field 170 plus field 180 plus this field plus field 200 must be greater than zero.
- **Report the amount in either USD or GBP according to the rules given in subsection 3.26 of these instructions. Do not report the amount in any other currency.**
- Set all of fields 180, 190, 200 and 210 to "N/C" or none – it is not acceptable to set some of these fields to "N/C" but not others.

Change in Expiring 100% Gross Written Premium Due to Other Factors

200

Overview

- The monetary amount (not percentage) of the change at renewal in the 100% Gross Written Premium charged for the expiring risk/s that is due to other factors not covered in fields 180 and 190.
- This is based on the expiring year's pricing basis.
- These may include, inter alia, change in exposures (e.g. sums insured, risk characteristics), claims experience and claims inflation (frequency, severity).
- When changes in exposure of the same kind are added (e.g. changes in the indemnity size) these have to be priced on last year's pricing basis, adjusted for this year's changes in policy terms.
- It is therefore impossible for any negative change in this field to have a magnitude greater than the sum of fields 170, 180 and 190. Please see Section **Error! Reference source not found.**.

Purpose

Used by Lloyd's to monitor premium movements for renewed risks.

Format

This field must be either:

- A numeric field with up to 18 digits before the decimal place and up to 4 digits after it with no included commas or other separators, or
- The three-character string "N/C".

Mandatory/Optional

- ***For risks renewing on or after 1 January 2011, Lloyd's requires that this field must be populated with an amount and not with "N/C". This applies to all risks except those for which the current 100% Gross Written Premium is less than or equal to zero or that relate to an adjustment premium.***
  The actual requirement is that a change in expiring 100% Gross Written Premium due to pure rate change amount (not "N/C") must be reported, but since all 'change' fields must equal "N/C" or none, the consequence of this requirement is that an amount (not "N/C") must also be provided for the other 'change' fields, even if that amount is zero.
- Managing agents are not required to provide non-zero amounts for 'change' fields that they are currently unable to populate. ***However, managing agents should contact their Lloyd's Underwriting Performance Exec to discuss the provision of change in expiring 100% Gross Written Premium due to other factors if it is not available for risks renewing on or after 1 January 2016.***
- ***For risks for which the current 100% Gross Written Premium is less than or equal to zero or that relate to an adjustment premium (see subsection 3.21.1, subsection 3.29 and subsection 3.30.2), the change in expiring 100% Gross Written Premium due to other factors must be set to "N/C.***

Further details and examples

- This field is used by Lloyd's to monitor premium movements for renewed risks. Section 14 of these instructions gives further information on how Lloyd's uses this field to monitor premium rate movements.
- Report in this field the monetary amount (not percentage) of the impact on the 100% Gross Written Premium charged for the expiring risk/s of any other factors not covered in fields 180 and 190. Other factors include the effects of exposure, claims inflation, changes to the characteristics of a risk and claims experience.
- When field 170 and field 220 are positive and this field is not set to "N/C", field 170 plus field 180 plus field 190 plus this field must be greater than zero.
- **Report the amount in either USD or GBP according to the rules given in subsection 3.26 of these instructions. Do not report the amount in any other currency.**
- Set all of fields 180, 190, 200 and 210 to "N/C" or none – it is not acceptable to set some of these fields to "N/C" but not others.

Change in Expiring 100% Gross Written Premium Due to Pure Rate Change

210

Overview
- The monetary amount (not percentage) of the change at renewal in the 100% Gross Written Premium charged for the expiring risk/s that is due to pure rate change.

- This field reports the difference between the premium that would have been charged on last year's pricing basis adjusted for limit/attachment point, breadth of cover and other factors (the sum of fields 170, 180, 190 and 200) and the premium that has been charged this year (field 220). Please see Section **Error! Reference source not found.**.

Purpose
Used by Lloyd's to monitor premium movements for renewed risks.

Format
This field must be either:
- A numeric field with up to 18 digits before the decimal place and up to 4 digits after it with no included commas or other separators, or
- The three-character string "N/C".

Mandatory/Optional

- ***For risks renewing on or after 1 January 2011, Lloyd's requires that this field must be populated with an amount and not with "N/C". This applies for all risks except those for which the current 100% Gross Written Premium is less than or equal to zero or that relate to an adjustment premium.***

- ***Managing agents should contact their Lloyd's Underwriting Performance Exec to discuss the provision of change in expiring 100% Gross Written Premium due to pure rate change if it is not available for risks renewing on or after 1 January 2011.***

- ***For risks for which the current 100% Gross Written Premium is less than or equal to zero or that relate to an adjustment premium (see subsection 3.21.1, subsection 3.29 and subsection 3.30.2), the change in expiring 100% Gross Written Premium due to pure rate change must be set to "N/C.***

Further details and examples
- This field is used by Lloyd's to monitor premium movements for renewed risks. Section 14 of these instructions gives further information on how Lloyd's uses this field to monitor premium rate movements.

- **Report the amount in either USD or GBP according to the rules given in subsection 3.26 of these instructions. Do not report the amount in any other currency.**

- Report in this field the monetary amount (not percentage) of the impact on the Gross Written Premium charged for the expiring risk/s due to the hardening or softening of market conditions. For example, ignoring any other changes in market conditions during the term of the policy, softening of rates as a result of commercial pressures should decrease the Gross Written Premium charged (field 220) resulting in a corresponding negative pure rate change.

- Set all of fields 180, 190, 200 and 210 to "N/C" or none – it is not acceptable to set some of these fields to "N/C" but not others.

Current 100% Gross Written Premium

220

Overview

- The amount of the 100% Gross Written Premium charged for the new or renewed risk/s.
- Set the current 100% premium amount to the most up-to-date premium amount available. See subsection 3.8 of these instructions for further details.

Purpose

Used by Lloyd's to monitor premium movements for renewed risks.

Format

- A numeric field with up to 18 digits before the decimal place and up to 4 digits after it.
- Do not include commas or other separators in this field. For example, "123456789.1234" is a valid value whereas "123,456,789.1234" is not.

Mandatory/Optional

This field is mandatory.

Further details and examples

- This field is used by Lloyd's to monitor premium movements for renewed risks. Section 14 of these instructions gives further information on how Lloyd's uses this field to monitor premium rate movements.
- All premium amounts are to correspond to the level of granularity used to complete the PMDR form for that particular (re)insurance contract. For example, for (re)insurance policies underwritten in the open market, report premium amounts for each separate section contained in the (re)insurance policy. The current 100% Gross Written Premium reported for a given section is therefore to be the current 100% premium for that section of the policy only. See section 8 and section 9 of these instructions for examples of differing levels of granularity and section 10 of these instructions for an example of apportionment of Gross Written Premium.
- When this field is positive, it must not be less than field 160.
- When this field is negative, it must not be greater than field 160.
- When either field 170 or this field is negative or zero, set the values in fields 180, 190, 200 and 210 to "N/C".
- When field 170 and this field are both positive and the values in fields 180, 190, 200 and 210 are not set to "N/C", the sum of the amounts in fields 170, 180, 190, 200 and 210 is to equal the amount in this field.
- **Report the amount in either USD or GBP according to the rules given in subsection 3.26 of these instructions. Do not report the amount in any other currency.**

Current 100% Acquisition Costs`

220a

Overview
- The amount of the 100% Acquisition Costs charged for the new or renewed risk/s, i.e. the acquisition element of field 220.
- Set the current 100% acquisition cost amount to the most up-to-date amount available.
- Acquisition costs will typically be recorded as a negative amount where gross written premium is positive.

Purpose
Used by Lloyd's to monitor acquisition costs for new and renewed risks.

Format
- A numeric field with up to 18 digits before the decimal place and up to 4 digits after it.
- Do not include commas or other separators in this field. For example, "123456789.1234" is a valid value whereas "123,456,789.1234" is not.

Mandatory/Optional
This field is mandatory.

Further details and examples

- **Report the amount in either USD or GBP according to the rules given in subsection 3.26 of these instructions. Do not report the amount in any other currency.**

Current 100% Benchmark Price 230

Overview
This is the 100% premium amount that needs to be charged for the new or renewed risk to meet the loss ratio from the approved SBF. This is expressed as a gross written premium amount.

Purpose
Used by Lloyd's to monitor premium adequacy against plan. Note that Lloyd's performs this analysis at the syndicate class of business, Lloyd's 10 and Lloyd's 50 levels.

Format
This field must be either:
- A numeric field with up to 18 digits before the decimal place and up to 4 digits after it with no included commas or other separators, or
- The three-character string "N/C".

Mandatory/Optional

- ***For risks incepting or renewing on or after 1 March 2010, Lloyd's requires that a current 100% benchmark price be reported for risks having an offshore energy risk code ("EC", "EG", "EH", "ET" or "EW"), except those for which the current 100% Gross Written Premium is less than or equal to zero or that relate to an adjustment premium.***

- ***For risks incepting or renewing on or after 1 January 2011, Lloyd's requires that a current 100% benchmark price be reported for all risks, except those for which the current 100% Gross Written Premium is less than or equal to zero or that relate to an adjustment premium.***

- ***Agents should contact their Lloyd's Underwriting Performance executive to discuss the provision of benchmark prices if they are not available for risks incepting or renewing on or after 1 January 2011.***

- ***For risks for which the current 100% Gross Written Premium is less than or equal to zero or that relate to an adjustment premium (see subsection 3.21.2, subsection 3.29 and subsection 3.30.2), the current 100% benchmark price must be set to "N/C".***

Further details and examples
- Benchmark price is defined as the price for the risk at which the managing agent would expect to deliver the loss ratio specified in the latest approved business plan.

- The current 100% benchmark price should reflect the premium required to achieve the planned loss ratio for the return year.

- To revise the planned loss ratio for the return year, submit a new SBF and request that it be approved (approval is not automatic).

- A change in the loss ratio in the approved SBF for the return year changes the current 100% benchmark price figures for all new/renewed business relating to that return year. When a revised SBF for the return year is approved, update current 100% benchmark price values for all risks for the year (including risks written prior to approval of the revised SBF).

- Report the current 100% benchmark price **gross** of acquisition costs, i.e. if the risk is being written at the SBF's loss ratio assumption then field 230 = field 220.

- **Report the amount in either USD or GBP according to the rules given in subsection 3.26 of these instructions. Do not report the amount in any other currency.**

- As part of Lloyd's data quality checks, Lloyd's monitors the number of instances where current 100% benchmark price is set to "N/C".

- Benchmark prices are specific to each syndicate and are not comparable across syndicates as they are scaled to the approved SBF for that syndicate.

- If a managing agent is calculating the benchmark price using a different definition from that prescribed by Lloyd's, the managing agent should contact their Underwriting Performance executive to discuss what measures they are undertaking to meet the minimum underwriting standards.

Expiring Renewed 100% Acquisition Costs

240

Overview
The amount of the 100% acquisition costs for the expiring renewed risk, i.e. the 100% acquisition cost amount that would have been charged for the renewed risk with the current year's exposure at last year's pricing basis. This is the 100% acquisition cost amount within the 100% gross written premium calculated from the sum of fields 170 + 180 + 190 + 200.

Acquisition costs will typically be recorded as a negative amount where gross written premium is positive.

Purpose
Used by Lloyd's to monitor the amount of 100% acquisition costs charged for the expiring contract adjusted for the renewed exposure on last year's pricing basis to allow rate change to be calculated gross and net of acquisition costs.

Format
This field must be either:

- A numeric field with up to 18 digits before the decimal place and up to 4 digits after it with no included commas or other separators, or
- The three-character string "N/C".

Mandatory/Optional
This field is mandatory for renewed risk/s

Further details and examples

- **Report the amount in either USD or GBP according to the rules given in subsection 3.26 of these instructions. Do not report the amount in any other currency.**

5 REFERENCE DATA

5.1 Exchange rates

The PMDR rates of exchange to be used for converting non-GBP non-USD currencies to GBP for any given return year are published in the PMD Return Specifications. They are the same as those used to prepare the final proposed SBFs for that return year, but if in doubt, use the rates published in the PMD Return Specifications.

5.2 Other reference data sets

The following reference data sets are available for download from MDC via the Lloyd’s Reference Data folder within the Reference Data menu option in the Data Management tab:

- Risk Codes
- Risk Exposure Location Codes (Country table) (ISO 3166-1 alpha-2, plus three Lloyd's-defined worldwide codes)
- Distribution Channel Codes
- Original Currency Codes (Currency table) for use in forms 286, 287 and 288
- Domicile of the Insured (as per the Risk Exposure Location Codes)

The “Risk Codes” data set includes first and last years of account.

The other data sets include start and end dates.

In addition there are two other datasets that appear in the Reference Data folder within the PMDR Help function in MDC

- Coverholder PIN codes
- Central Settlement Numbers

6 REPORTING METHODS - CHANGES IN RISK-IDENTIFYING FIELDS UPON RENEWAL

6.1 Introduction

The managing agent must decide which of the possible methods to use for PMDR reporting purposes when any of the following risk-identifying fields changes on renewal:

- syndicate class of business
- risk code
- risk exposure location, and
- original currency.

Detailed descriptions of the possible methods are given in this section, but see also subsection 3.22 of these instructions.

An additional complexity in dealing with changes in original currency is that there might be a need to convert expiring syndicate and 100% premium amounts. When an original currency changes on renewal to/from USD, Lloyd's preference is that the expiring syndicate and 100% premium amounts in the original currency be converted to/from USD from/to GBP. When one non-USD original currency changes on renewal to another non-USD original currency, the expiring syndicate and 100% premium amounts is already expressed in GBP and no conversion is necessary.

The process for handling the various possibilities is described in the following subsections which use examples with changes in original currency. Changes in fields syndicate class of business, risk code and risk exposure location follow the same principles but without the additional complexity of possible currency conversion.

6.2 One original currency changes to another with no change in reporting currency

6.2.1 Preferred method

When a risk with one original currency renews to a risk with another original currency with no change in the reporting currency, Lloyd's preferred method is that:

- a renewed (287) record is reported for the new original currency with the expiring syndicate and 100% premium amounts populated with the former expiring premium amounts and
- a not renewed (288) is reported for the former original currency.

Preferred method details

- Report a renewed (287) record for the new original currency with:
    - expiring syndicate and 100% premium amounts set to the expiring premium amounts that are in the former original currency (as the actual amounts are unchanged)
    - 'change' fields (fields 180 – 210) populated, if possible, in the new original currency.
- Report a not renewed (288) record for the former original currency with:
    - expiring syndicate and 100% premium amounts set to zero.

Example: Expiring 100% GWP 170 GBP
renewing to
current 100% GWP 412 AUD expressed as 200 GBP
(GBP 1 = AUD 2.06)

Preferred method

PMDR form	Original Currency Code [140]	Expiring 100% Gross Written Premium [170]	Change Due to Other Factors [200]	Current 100% Gross Written Premium [220]
287	AUD	170	30	200
288	GBP	0		

6.2.2 Alternative methods

Two alternative methods may be used instead of Lloyd's preferred method. Depending on the circumstances:

- a new (286) record may be reported for the new original currency with a not renewed (288) for the former original currency (method 1) or
- a renewed (287) record may be reported for the new original currency with a not renewed (288) for the former original currency (method 2).

Method 1

- Report a new (286) record for the new original currency.
- Report a not renewed (288) record for the former original currency with:
  - expiring syndicate and 100% premium amounts set to the expiring premium amounts that are in the former original currency.

Method 2

- Report a renewed (287) record for the new original currency with:
  - expiring syndicate and 100% premium amounts set to zero
  - 'change' fields (fields 180 – 210) set to "N/C".
- Report a not renewed (288) record for the former original currency with:
  - expiring syndicate and 100% premium amounts set to the expiring premium amounts that are in the former original currency.

Example: Expiring 100% GWP 170 GBP
renewing to
current 100% GWP 412 AUD expressed as 200 GBP
(GBP 1 = AUD 2.06)

Method 1

PMDR form	Original Currency Code [140]	Expiring 100% Gross Written Premium [170]	Change Due to Other Factors [200]	Current 100% Gross Written Premium [220]
286	AUD			200
288	GBP	170		

Method 2

PMDR form	Original Currency Code [140]	Expiring 100% Gross Written Premium [170]	Change Due to Other Factors [200]	Current 100% Gross Written Premium [220]
287	AUD	0	N/C	200
288	GBP	170		

6.3 One original currency changes to another with a change in reporting currency

6.3.1 Preferred method

When a risk with one original currency renews to a risk with another original currency with a change in the reporting currency, Lloyd's preferred method is that:

- a renewed (287) record is reported for the new original currency with the expiring syndicate and 100% premium amounts populated with the converted expiring premium amounts and
- a not renewed (288) is reported for the former original currency.

Preferred method details

- Define N1and N2 as the expiring syndicate and 100% premium amounts in the former original currency converted to the reporting currency of the new original currency.
- Report a renewed (287) record for the new original currency with:
  - expiring syndicate and 100% premium amounts set to N1 and N2 (the converted expiring premium amounts)
  - 'change' fields (fields 180 – 210) populated, if possible, in the new original currency.
- Report a not renewed (288) record for the former original currency with:
  - expiring syndicate and 100% premium amounts set to zero.

Example: Expiring 100% GWP 206 AUD expressed as 100 GBP
renewing to
current 100% GWP 180 USD
(GBP 1 = AUD 2.06, GBP 1 = USD 1.50)

Preferred method

PMDR form	Original Currency Code [140]	Expiring 100% Gross Written Premium [170]	Change Due to Other Factors [200]	Current 100% Gross Written Premium [220]
287	USD	150	30	180
288	AUD	0		

6.3.2 Alternative methods

Two alternative methods may be used instead of Lloyd's preferred method. Depending on the circumstances:

- a new (286) record may be reported for the new original currency with a not renewed (288) for the former original currency (method 1) or
- a renewed (287) record may be reported for the new original currency with a not renewed (288) for the former original currency (method 2).

Method 1

- Report a new (286) record for the new original currency.
- Report a not renewed (288) record for the former original currency with:
  - expiring syndicate and 100% premium amounts set to the expiring premium amounts in the former original currency.

Method 2

- Report a renewed (287) record for the new original currency with:
  - expiring syndicate and 100% premium amounts set to zero
  - 'change' fields (fields 180 – 210) set to "N/C".

- Report a not renewed (288) record for the former original currency with:
  - expiring syndicate and 100% premium amounts set to the expiring premium amounts in the former original currency.

Example: Expiring 100% GWP 206 AUD expressed as 100 GBP
renewing to
current 100% GWP 180 USD
(GBP 1 = AUD 2.06, GBP 1 = USD 1.50)

Method 1

PMDR form	Original Currency Code [140]	Expiring 100% Gross Written Premium [170]	Change Due to Other Factors [200]	Current 100% Gross Written Premium [220]
286	USD			180
288	AUD	100		

Method 2

PMDR form	Original Currency Code [140]	Expiring 100% Gross Written Premium [170]	Change Due to Other Factors [200]	Current 100% Gross Written Premium [220]
287	USD	0	N/C	180
288	AUD	100		

6.4 One original currency changes to two with the former original currency being renewed

6.4.1 Preferred method

When a risk with one original currency renews to two risks, one with the former original currency (the renewing original currency) and one with another original currency (the new original currency), Lloyd's preferred method is that:

- a renewed (287) record is reported for both the renewing original currency and the new original currency, with the expiring syndicate and 100% premium amounts populated with the former expiring premium amounts split between the renewing and new original currencies, and if the reporting currency of the new original currency differs from that of the renewing original currency, the amounts in the new original currency converted to the reporting currency of the new original currency.

Preferred method details

- Define R1 and R2 as the expiring syndicate and 100% premium amounts to be expressed in the renewing original currency and N1 and N2 as the expiring syndicate and 100% premium amounts to be expressed in the new original currency.
- If the reporting currency of the new original currency differs from that of the renewing original currency, convert the expiring syndicate and 100% premium amounts to be expressed in the new original currency (N1 and N2) to the reporting currency of the new original currency.
- Report a renewed (287) record for the renewing original currency with:
  - expiring syndicate and 100% premium amounts in the renewing original currency (R1 and R2)
  - 'change' fields (fields 180 – 210) populated, if possible, in the renewing original currency.
- Report a renewed (287) record for the new original currency with:
  - expiring syndicate and 100% premium amounts in the new original currency (N1 and N2)
- 'change' fields (fields 180 – 210) populated, if possible, in the new original currency.

Example: Expiring 100% GWP 200 GBP
renewing
half to current 100% GWP 110 GBP and
half to current 100% GWP 165 USD
(GBP 1 = USD 1.50)

Preferred method

PMDR form	Original Currency Code [140]	Expiring 100% Gross Written Premium [170]	Change Due to Other Factors [200]	Current 100% Gross Written Premium [220]
287	GBP	100	10	110
287	USD	150	15	165

6.4.2 Alternative methods

Three alternative methods may be used instead of Lloyd’s preferred method. Depending on the circumstances:

- new (286) records may be reported for the renewing and new original currencies with a not renewed (288) record for the renewing original currency (method 1)
- renewed (287) records may be reported for the renewing and new original currencies with a not renewed (288) record for the renewing original currency (method 2) or
- renewed (287) records may be reported for the renewing and new original currencies without a not renewed (288) record for the renewing original currency (method 3).

Method 1

- Report a new (286) record for the renewing original currency.
- Report a new (286) record for the new original currency.
- Report a not renewed (288) record for the renewing original currency with:
    - expiring syndicate and 100% premium amounts set to the expiring premium amounts that are in the renewing original currency.

Method 2

- Report a renewed (287) record for the renewing original currency:
    - expiring syndicate and 100% premium amounts set to zero
    - ‘change’ fields (fields 180 – 210) set to “N/C”.
- Report a renewed (287) record for the new original currency with:
    - expiring syndicate and 100% premium amounts set to zero
    - ‘change’ fields (fields 180 – 210) set to “N/C”.
- Report a not renewed (288) record for the renewing original currency with:
    - expiring syndicate and 100% premium amounts set to the expiring premium amounts that are in the renewing original currency.

Method 3

- Report a renewed (287) record for the renewing original currency with:
    - expiring syndicate and 100% premium amounts set to the expiring premium amounts that are in the renewing original currency
    - ‘change’ fields (fields 180 – 210) set to “N/C”.

- Report a renewed (287) record for the new original currency with:
    - expiring syndicate and 100% premium amounts set to zero
    - ‘change’ fields (fields 180 – 210) set to “N/C”.

Example: Expiring 100% GWP 200 GBP
renewing
half to current 100% GWP 110 GBP and
half to current 100% GWP 165 USD
(GBP 1 = USD 1.50)

Method 1

PMDR form	Original Currency Code [140]	Expiring 100% Gross Written Premium [170]	Change Due to Other Factors [200]	Current 100% Gross Written Premium [220]
286	GBP			110
286	USD			165
288	GBP	200		

Method 2

PMDR form	Original Currency Code [140]	Expiring 100% Gross Written Premium [170]	Change Due to Other Factors [200]	Current 100% Gross Written Premium [220]
287	GBP	0	N/C	110
287	USD	0	N/C	165
288	GBP	200		

Method 3

PMDR form	Original Currency Code [140]	Expiring 100% Gross Written Premium [170]	Change Due to Other Factors [200]	Current 100% Gross Written Premium [220]
287	GBP	200	N/C	110
287	USD	0	N/C	165

6.5 One original currency changes to two with the former original currency not being renewed

6.5.1 Preferred method

When a risk with one original currency renews to two risks, both with another original currency, Lloyd’s preferred method is that:

- a renewed (287) record is reported for each of the new original currencies, with the expiring syndicate and 100% premium amounts populated with the former expiring premium amounts split between the two new original currencies, and if the reporting currency of either of the new original currencies differs from that of the former original currency, the amounts in that new original currency converted to its reporting currency and
- a not renewed (288) is reported for the former original currency.

Preferred method details

- Define 1N1 and 1N2 as the expiring syndicate and 100% premium amounts to be expressed in the first new original currency.

- Define 2N1 and 2N2 as the expiring syndicate and 100% premium amounts to be expressed in the second new original currency.
- If the reporting currency of the first new original currency differs from that of the former original currency, convert the expiring syndicate and 100% premium amounts in the first new original currency (1N1 and 1N2) to the reporting currency of the first new original currency.
- If the reporting currency of the second new original currency differs from that of the former original currency, convert the expiring syndicate and 100% premium amounts in the second new original currency (2N1 and 2N2) to the reporting currency of the second new original currency.
- Report a renewed (287) record for the first new original currency with:
  - expiring syndicate and 100% premium amounts in the first new original currency (1N1 and 1N2)
  - 'change' fields (fields 180 – 210) populated, if possible, in the first new original currency.
- Report a renewed (287) record for the second new original currency with:
  - expiring syndicate and 100% premium amounts in the second new original currency (2N1 and 2N2)
  - 'change' fields (fields 180 – 210) populated, if possible, in the second new original currency.
- Report a not renewed (288) record for the non-renewing original currency with:
  - expiring syndicate and 100% premium amounts set to zero.

Example: Expiring 100% GWP 400 GBP
renewing
one quarter to expiring 100% GWP 175 USD and
three quarters to current 100% GWP 721 AUD expressed as 350 GBP
(GBP 1 = USD 1.50, GBP 1 = AUD 2.06)

Preferred method

PMDR form	Original Currency Code [140]	Expiring 100% Gross Written Premium [170]	Change Due to Other Factors [200]	Current 100% Gross Written Premium [220]
287	USD	150	25	175
287	AUD	300	50	350
288	GBP	0		

6.5.2 Alternative methods

Two alternative methods may be used instead of Lloyd's preferred method. Depending on the circumstances:

- new (286) records may be reported for the renewing and new original currencies with a not renewed (288) record for the renewing original currency (method 1) or
- renewed (287) records may be reported for the renewing and new original currencies with a not renewed (288) record for the renewing original currency (method 2.

Method 1

- Report a new (286) record for the first new original currency.
- Report a new (286) record for the second new original currency.
- Report a not renewed (288) record for the non-renewing original currency with:
  - the expiring syndicate and 100% premium amounts set to the expiring premium amounts in the non-renewing original currency.

Method 2

- Report a renewed (287) record for the first new original currency with:
  - expiring syndicate and 100% premium amounts set to zero
  - ‘change’ fields (fields 180 – 210) set to “N/C”.
- Report a renewed (287) record for the second new original currency with:
  - expiring syndicate and 100% premium amounts set to zero
  - ‘change’ fields (fields 180 – 210) set to “N/C”.
- Report a not renewed (288) record for the non-renewing original currency with:
  - expiring syndicate and 100% premium amounts set to the expiring premium amounts in the non-renewing original currency.

Example: Expiring 100% GWP 400 GBP
renewing
one quarter to expiring 100% GWP 175 USD and
three quarters to current 100% GWP 721 AUD expressed as 350 GBP
(GBP 1 = USD 1.50, GBP 1 = AUD 2.06)

Method 1

PMDR form	Original Currency Code [140]	Expiring 100% Gross Written Premium [170]	Change Due to Other Factors [200]	Current 100% Gross Written Premium [220]
286	USD			175
286	AUD			350
288	GBP	400		

Method 2

PMDR form	Original Currency Code [140]	Expiring 100% Gross Written Premium [170]	Change Due to Other Factors [200]	Current 100% Gross Written Premium [220]
287	USD	0	N/C	175
287	AUD	0	N/C	350
288	GBP	400		

6.6 Two original currencies change to one with one original currency being renewed

6.6.1 Preferred method

When two risks with different original currencies renew to one risk with one of the former original currencies, Lloyd’s preferred method is that:

- a renewed (287) record is reported for the renewing original currency with the expiring syndicate and 100% premium amounts populated with the former expiring premium amounts combined and expressed in the renewing original currency and
- a not renewed (288) is reported for the non-renewing original currency.

Preferred method details

- Define R1 and R2 as the expiring syndicate and 100% premium amounts in the renewing original currency.
- Define NR1 and NR2 as the expiring syndicate and 100% premium amounts in the non-renewing original currency.

- If the reporting currency of the non-renewing original currency differs from that of the renewing original currency, convert the expiring syndicate and 100% premium amounts in the non-renewing original currency (NR1 and NR2) to the reporting currency of the renewing original currency.
- Compute the expiring syndicate and 100% premium amounts in the renewing original currency by adding:
  - R1 to NR1 to give C1
  - R2 to NR2 to give C2.
- Report a renewed (287) record for the renewing original currency with:
  - expiring syndicate and 100% premium amounts set to the computed expiring premium amounts (C1 and C2)
  - 'change' fields (fields 180 – 210) populated, if possible, in the new original currency.
- Report a not renewed (288) record for the non-renewing original currency with:
  - expiring syndicate and 100% premium amounts set to zero.

Example: Expiring 100% GWP 100 GBP and expiring 100% GWP 200 USD
renewing to
current 100% GWP 390 USD
(GBP 1 = USD 1.50)

Preferred method

PMDR form	Original Currency Code [140]	Expiring 100% Gross Written Premium [170]	Change Due to Other Factors [200]	Current 100% Gross Written Premium [220]
287	USD	350 (150 + 200)	40	390
288	GBP	0		

6.6.2 Alternative methods

Three alternative methods may be used instead of Lloyd's preferred method. Depending on the circumstances:

- a new (286) record may be reported for the renewing original currency with a not renewed (288) record for each of the non-renewing and the renewing original currencies (method 1)
- a renewed (287) record may be reported for the renewing original currency with a not renewed (288) record for each of the non-renewing and the renewing original currencies (method 2) or
- a renewed (287) records may be reported for the renewing original currency with a not renewed (288) record for the non-renewing original currency (method 3).

Method 1

- Report a new (286) record for the renewing original currency.
- Report a not renewed (288) record for the non-renewing original currency with:
  - expiring syndicate and 100% premium amounts set to the expiring premium amounts that are in the non-renewing original currency.
- Report a not renewed (288) record for the renewing original currency with:
  - expiring syndicate and 100% premium amounts set to the expiring premium amounts that are in the renewing original currency.

Method 2

- Report a renewed (287) record for the renewing original currency with:
  - expiring syndicate and 100% premium amounts set to zero
  - 'change' fields (fields 180 – 210) set to "N/C".

- Report a not renewed (288) record for the non-renewing original currency with:
  - expiring syndicate and 100% premium amounts set to the expiring premium amounts that are in the non-renewing original currency.
- Report a not renewed (288) record for the renewing original currency with:
  - expiring syndicate and 100% premium amounts set to the expiring premium amounts that are in the renewing original currency.

Method 3

- Report a renewed (287) record for the renewing original currency with:
  - expiring syndicate and 100% premium amounts set to the expiring premium amounts that are in the renewing original currency
  - 'change' fields (fields 180 – 210) set to "N/C".
- Report a not renewed (288) record for the non-renewing original currency with:
  - expiring syndicate and 100% premium amounts set to the expiring premium amounts that are in the non-renewing original currency.

Example: Expiring 100% GWP 100 GBP and expiring 100% GWP 200 USD
renewing to
current 100% GWP 390 USD

Method 1

PMDR form	Original Currency Code [140]	Expiring 100% Gross Written Premium [170]	Change Due to Other Factors [200]	Current 100% Gross Written Premium [220]
286	USD			390
288	GBP	100		
288	USD	200		

Method 2

PMDR form	Original Currency Code [140]	Expiring 100% Gross Written Premium [170]	Change Due to Other Factors [200]	Current 100% Gross Written Premium [220]
287	USD	0	N/C	390
288	GBP	100		
288	USD	200		

Method 3

PMDR form	Original Currency Code [140]	Expiring 100% Gross Written Premium [170]	Change Due to Other Factors [200]	Current 100% Gross Written Premium [220]
287	USD	200	N/C	390
288	GBP	100		

6.7 Two original currencies change to one with neither original currency being renewed

6.7.1 Preferred method

When two risks with different original currencies renew to one risk with neither of the former original currencies, Lloyd's preferred method is that:

- a renewed (287) record is reported for the new original currency with the expiring syndicate and 100% premium amounts populated with the former expiring premium amounts combined and expressed in the new original currency and
- a not renewed (288) is reported each of the non-renewing original currencies.

Preferred method details

- Define 1NR1 and 1NR2 as the expiring syndicate and 100% premium amounts in the first non-renewing original currency.
- Define 2NR1 and 2NR2 as the expiring syndicate and 100% premium amounts in the second non-renewing original currency.
- If the reporting currency of the first non-renewing original currency differs from that of the new original currency, convert the expiring syndicate and 100% premium amounts in the first non-renewing original currency (1NR1 and 1NR2) to the reporting currency of the new original currency.
- If the reporting currency of the second non-renewing original currency differs from that of the new original currency, convert the expiring syndicate and 100% premium amounts in the second non-renewing original currency (2NR1 and 2NR2) to the reporting currency of the new original currency.
- Compute the expiring syndicate and 100% premium amounts in the new original currency by adding:
    - 1NR1 to 2NR1 to give C1
    - 1NR2 to 2NR2 to give C2.
- Report a renewed (287) record for the new original currency with:
    - expiring syndicate and 100% premium amounts set to the computed expiring premium amounts (C1 and C2)
    - 'change' fields (fields 180 – 210) populated, if possible, in the new original currency.
- Report a not renewed (288) record for the first non-renewing original currency with:
    - expiring syndicate and 100% premium amounts set to zero.
- Report a not renewed (288) record for the second non-renewing original currency with:
    - expiring syndicate and 100% premium amounts set to zero.

Example: Expiring 100% GWP 50 GBP and expiring 100% GWP 150 USD
renewing to
current 100% GWP 412 AUD expressed as 200 GBP
(GBP 1 = USD 1.50, GBP 1 = AUD 2.06)

Preferred method

PMDR form	Original Currency Code [140]	Expiring 100% Gross Written Premium [170]	Change Due to Other Factors [200]	Current 100% Gross Written Premium [220]
287	AUD	150 (50 + 100)	50	200
288	GBP	0		
288	USD	0		

6.7.2 Alternative methods

Two alternative methods may be used instead of Lloyd's preferred method. Depending on the circumstances:

- a new (286) record may be reported for the new original currency with a not renewed (288) record for each of the non-renewing original currencies (method 1) or
- a renewed (287) record may be reported for the new original currency with a not renewed (288) record for each of the non-renewing original currencies (method 2).

Method 1

- Report a new (286) record for the new original currency.
- Report a not renewed (288) record for the first non-renewing original currency with:
  - expiring syndicate and 100% premium amounts set to the expiring premium amounts that are in the first non-renewing original currency.
- Report a not renewed (288) record for the second non-renewing original currency with:
  - expiring syndicate and 100% premium amounts set to the expiring premium amounts that are in the second non-renewing original currency.

Method 2

- Report a renewed (287) record for the new original currency with:
  - expiring syndicate and 100% premium amounts set to zero
  - 'change' fields (fields 180 – 210) set to "N/C".
- Report a not renewed (288) record for the first non-renewing original currency with:
  - expiring syndicate and 100% premium amounts set to the expiring premium amounts that are in the first non-renewing original currency.
- Report a not renewed (288) record for the second non-renewing original currency with:
  - expiring syndicate and 100% premium amounts set to the expiring premium amounts that are in the second non-renewing original currency.

Example: Expiring 100% GWP 50 GBP and expiring 100% GWP 150 USD
renewing to
current 100% GWP 412 AUD expressed as 200 GBP
(GBP 1 = AUD 2.06)

Method 1

PMDR form	Original Currency Code [140]	Expiring 100% Gross Written Premium [170]	Change Due to Other Factors [200]	Current 100% Gross Written Premium [220]
286	AUD			200
288	GBP	50		
288	USD	150		

Method 2

PMDR form	Original Currency Code [140]	Expiring 100% Gross Written Premium [170]	Change Due to Other Factors [200]	Current 100% Gross Written Premium [220]
287	AUD	0	N/C	200
288	GBP	50		
288	USD	150		

7 REPORTING REQUIREMENTS - BINDING AUTHORITY AND LINESLIP CONTRACTS – FORMS 286 AND 287

7.1 Binding authority and lineslip contract ‘facility’ records

7.1.1 Basic requirement

To assist with monitoring capacity utilisation Lloyd’s needs to know how much income each syndicate has committed itself to writing; so any IDA element must be reported in one or more ‘facility’ records for all binding authority and lineslip contracts.

For each binding authority and lineslip contract, one or more ‘facility’ records with the single risk flag set to “N”, each representing an aggregation of risks, must be reported. In addition, declarations written under the facility may be reported with the single risk flag set to “Y”, but when this is done, one or more ‘facility’ records with the single risk flag set to “N” must still be reported(see subsection 7.1.3).

The following table specifies the requirements for the provision of ‘facility’ records. It shows that:

- for **new** binding authority and lineslip contracts, **new** ‘facility’ records are required for each combination of risk-identifying fields
- for **renewed** binding authority and lineslip contracts:
    - **new** ‘facility’ records are required for combinations of risk-identifying fields that are new to the contract
    - **renewed** ‘facility’ records are required for renewing combinations of risk-identifying fields, and
    - **not renewed** ‘facility’ records are required for combinations of risk-identifying fields that have not renewed, and
- for **not renewed** binding authority and lineslip contracts, **not renewed** ‘facility’ records are required for each combination of risk-identifying fields.

<table>
<tr><th>Binding authority or lineslip contract</th><th>Identifying fields</th><th>‘Facility’ record required</th><th>For each combination of:</th></tr>
<tr><td>New contract</td><td>All combinations of:
• Syndicate Class of Business Code
• Risk Code
• Risk Exposure Location Code, and
• Original Currency Code
• Domicile of the Insured
• Coverholder PIN
• Service Company Indicator</td><td>New</td><td rowspan="2">• Current UMR
• Syndicate Class of Business Code
• Risk Code
• Risk Exposure Location Code and
• Original Currency Code

• Domicile of the Insured
• Coverholder PIN
• Service Company Indicator</td></tr>
<tr><td>Renewed contract</td><td>New combinations of:
• Syndicate Class of Business Code
• Risk Code
• Risk Exposure Location Code, and
• Original Currency Code
• Domicile of the Insured
• Coverholder PIN
• Service Company Indicator</td><td>New</td></tr>
</table>

Binding authority or lineslip contract	Identifying fields	'Facility' record required	For each combination of:
Renewed contract	**Renewed** combinations of: • Syndicate Class of Business Code • Risk Code • Risk Exposure Location Code, and • Original Currency Code • Domicile of the Insured • Coverholder PIN • Service Company Indicator	Renewed	• Expiring UMR • Current UMR • Syndicate Class of Business Code • Risk Code • Risk Exposure Location Code and • Original Currency Code • Domicile of the Insured • Coverholder PIN • Service Company Indicator
Renewed contract	**Not renewed** combinations of: • Syndicate Class of Business Code • Risk Code • Risk Exposure Location Code, and • Original Currency Code • Domicile of the Insured • Coverholder PIN • Service Company Indicator	Not renewed	• Expiring UMR • Syndicate Class of Business Code • Risk Code • Risk Exposure Location Code and • Original Currency Code • Domicile of the Insured • Coverholder PIN • Service Company Indicator
Not renewed contract	**All** combinations of: • Syndicate Class of Business Code • Risk Code • Risk Exposure Location Code, and • Original Currency Code • Domicile of the Insured • Coverholder PIN • Service Company Indicator	Not renewed	

7.1.2 Gross Written Premium when declarations are not reported

This table specifies the Gross Written Premium to be reported in the ‘facility’ record when declarations are not reported.

Binding authority or lineslip contract	**Single Risk Flag [10]**	**Gross Written Premium reported**	**The specified combination of:**
New	“N”	The sum of all amounts already written and those still to be written under the facility for	• Current UMR • Syndicate Class of Business Code • Risk Code • Risk Exposure Location Code and • Original Currency Code • Domicile of the Insured • Coverholder PIN • Service Company Indicator
Renewed	“N”	The sum of all amounts already written and those still to be written under the facility for	• Expiring UMR • Current UMR • Syndicate Class of Business Code • Risk Code • Risk Exposure Location Code and • Original Currency Code • Domicile of the Insured • Coverholder PIN • Service Company Indicator

7.1.3 Gross Written Premium when declarations are reported

This table specifies the Gross Written Premium to be reported in the 'facility' record when declarations are reported.

Binding authority or lineslip contract	**Single Risk Flag [10]**	**Gross Net Premium Written reported**	**The specified combination of:**
New	"N"	The amounts still to be written under the facility, and therefore not yet reported, for declarations having	• Current UMR • Syndicate Class of Business Code • Risk Code • Risk Exposure Location Code and • Original Currency Code • Domicile of the Insured • Coverholder PIN • Service Company Indicator
Renewed	"N"	The amounts still to be written under the facility, and therefore not yet reported, for declarations having	• Expiring UMR • Current UMR • Syndicate class of business code • Risk Code • Risk Exposure Location Code and • Original Currency Code • Domicile of the Insured • Coverholder PIN • Service Company Indicator

In the December (18) PMDR the Gross Written Premium reported includes the Gross Written Premium for all declarations written since submission of the December (12) PMDR because declarations with an inception date later than the end of the return year cannot be reported individually.

7.1.4 Gross Written Premium estimates in 'facility' records

Lloyd's requires that the IDA element be reported in the 'facility' record:

- to assist with monitoring capacity utilisation, and
- so that the Gross Written Premium reported in forms 286 and 287 corresponds to the Gross Written Premium reported in form 263 which includes IDA.

Lloyd's does not monitor the estimates provided in 'facility' records by comparing the estimates made at the beginning of a contract, with the final value of the contract. Lloyd's is concerned only that the managing agents provide the estimates and provide them as accurately as possible.

7.1.5 Renewed 'facility' records

Populate the 'change' fields (180 – 210) in renewed 'facility' records on an **estimated** basis, since they need to account for the movement between the **actual** expiring Gross Written Premium and the **estimated** current Gross Written Premium.

If declarations records **are not** being reported, the 'change' field values reported are a weighted average of the known 'change' field values for the Gross Written Premium already written and of the estimated 'change' field values for the Gross Written Premium yet to be written.

If declarations records **are** being reported, the 'change' field values reported are the 'change' field values for the Gross Written Premium yet to be written (the IDA element).

Update the 'change' field values each month as the Gross Written Premium already written increases and the Gross Written Premium yet to be written becomes more accurate.

7.1.6 Inception and expiry dates of 'facility' records

The inception date reported in binding authority and lineslip contract 'facility' records is the inception date of the facility.

The expiry date reported in 'facility' records is the expiry date of the facility, not the latest expiry date of the declarations to be written under the facility. A warning is issued if the expiry date of the facility is greater than the inception date + 15 months e.g. a warning would be issued if the inception date were = 2010-07-15 and the expiry date were > 2011-10-15 or if the inception date were = 2010-11-29 or 2010-11-30 and the expiry date were > 2012-02-29.

7.2 Binding authority and lineslip contract declaration records

7.2.1 Relationship to 'facility' records

The declarations reported under new and renewed binding authority or lineslip contracts may be new, renewed or not renewed.

The declarations reported under a not renewed binding authority or lineslip contract must be not renewed. Neither new nor renewed declarations may be reported under a not renewed binding authority or lineslip contract.

Declarations that have expired may be reported as having:

- not renewed
- renewed as a declaration under a new or renewed binding authority or lineslip contract, or
- renewed to another method of placement.

In the latter two cases, a not renewed declaration does not need to be reported. However, all reported declarations that have not renewed must be reported individually as not renewed.

7.2.2 Gross Written Premium in declaration records

This table specifies the Gross Written Premium to be reported in declaration records.

Binding authority or lineslip contract	**Single Risk Flag [10]**	**Gross Written Premium reported**	**The specified combination of:**
New	"Y"	The amounts already written for	• current UMR • current syndicate risk id • syndicate class of business code • risk code • risk exposure location code and • original currency code • Domicile of the Insured • Coverholder PIN • Service Company Indicator
Renewed	"Y"	The amounts already written for	• expiring UMR • expiring syndicate risk id • current UMR • current syndicate risk id • syndicate class of business code • risk code • risk exposure location code and • original currency code • Domicile of the Insured • Coverholder PIN • Service Company Indicator

7.2.3 Renewed declaration records

Populate the 'change' fields (180 – 210) in renewed declaration records to account for the movement between the expiring Gross Written Premium and the current Gross Written Premium of the declaration.

7.2.4 UMRs of declarations records

Set the reported current UMR of each declaration to the reported current UMR of the 'facility' record for the binding authority or lineslip contract. This allows the 'facility' record for a given binding authority or lineslip contract to be linked to the declarations under that binding authority or lineslip contract.

7.2.5 Inception and expiry dates of declaration records

The inception date reported in declaration records is to be no later than the expiry date of the binding authority or lineslip contract facility **and no later than 31/12/yyyy**, where yyyy is the year of the inception date of the binding authority or lineslip contract facility.

The expiry date reported in declaration records is the expiry date of the declaration.

7.2.6 Declarations with an inception date later than 31/12/yyyy

It is not possible to report individually declarations with an inception date later than 31/12/yyyy, where yyyy is the year of the inception date of the binding authority or lineslip contract facility. The reason is that validation M023 requires that the year of the inception date be equal to the year of the return period.

Any IDA element for such declarations must be reported in the 'facility' record for the associated binding authority or lineslip contract.

In the December (18) PMDR for yyyy, update the premium amounts in the 'facility' record to take account of declarations under the facility with inception dates between 01/01/yyyy+1 and 30/06/yyyy+1, for which the premiums are no longer estimates but are known amounts.

Note that just as declarations with an inception date later than 31/12/yyyy, where yyyy is the year of the inception date of the binding authority or lineslip contract facility, cannot be reported as new/renewed in the PMDRs for yyyy+1, they also cannot be reported as renewed/not renewed in the PMDRs for yyyy+2.

8 EXAMPLES - BINDING AUTHORITY AND LINESLIP CONTRACTS – FORMS 263, 286 AND 287

These examples illustrate:

- the level of granularity at which the PMDR forms are to be completed for binding authority and lineslip contracts
- how to complete forms 263 and 286 for a binding authority or lineslip contract, and
- the relationship between forms 263 and 286.

Completion of form 287 is similar to completion of form 286. The relationship between forms 263 and 287 is also similar to the relationship between forms 263 and 286.

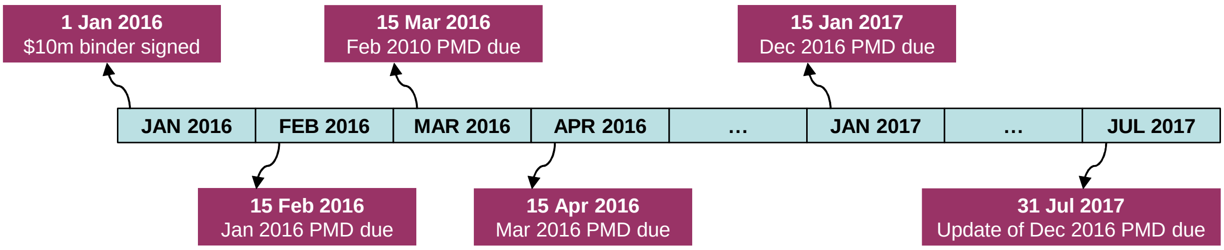
8.1 Binding authority contract – two risk codes, premium estimate variation, no declarations

Risk details

On 1 January 2016 Lloyd’s syndicate 0001 underwrites a new 12-month binding authority contract with a Coverholder who will write insurance business with exposure in the United States of America. The contract allows the Coverholder to write the following types of insurance:

- directors’ and officers’ liability for financial institutions (risk code D4), and
- professional indemnity for legal professionals (risk code E2).

As the binding authority contract was written on 1 January 2016 data needs to be reported in the PMDR forms relating to the 2016 return year. These forms are to be completed according to the timetable shown in the diagram below:



Additional details regarding the binding authority contract include:

- The managing agent expects the Coverholder to write $10m USD of GPW
- The managing agent believes that approximately 80% of this premium will be directors’ and officers’ liability insurance and the remaining 20% will be professional indemnity for legal professionals
- All business written by the Coverholder is allocated to the same syndicate class of business, and
- Acquisition costs are 30% of gross premiums written
- The managing agent elects not to report the declarations individually but to report only the ‘facility’ records.

Completing the January 2016 PMDR forms

The January 2016 PMDR forms must be submitted by 15 February 2016. When the January PMDR forms are completed, the managing agent has not received any information from the Coverholder. The values in forms 263 and 286 are therefore based entirely on the managing agent’s best estimate of premiums which will be written by the Coverholder during the year.

Form 263
The corresponding value in form 263 must agree with the information reported in form 286 (this is one of the validation checks that Lloyd's performs when a file is submitted). The Gross Written Premium reported in form 263 must equal the sum of the current syndicate Gross Written Premium in form 286.

10	Currency Code	USD
20	Gross Written Premium (not inc. IDA & Bonuses/Rebates)	0
30	Bonuses and Rebates	0
40	IDA Premiums Gross of Acquisition Costs	10000000
50	Gross Written Premium	10000000
60	Acquisition Costs	-3000000

Zero as no declarations have been received from the Coverholder

= +$10m (Estimate of Gross Premium not yet written)

= -$3m (30% Acquisition Costs within field 50)

As the declarations come in monthly (shown in field 20), – the amount in field 40 reduces. The sum of fields 20 and 40 should equal amount in field 50 (if total estimate remains unchanged).

Form 286
For each binding authority contract, managing agents must aggregate data and report separate records for each combination of syndicate class of business, risk code, risk exposure location and original currency. In this example there are two such combinations and therefore there are two separate records in form 286 as shown below:

Single Risk Flag	Current UMR	Current Syndicate Risk ID	Syndicate Class of Business Code	Risk Code	Inception Date	Expiry Date	Risk Exposure Location Code	Lloyd's Slip Leader Flag
10	40	50	60	70	80	90	100	110
N	B1234HX5678	XYZBIND	10	D4	2016-01-01	2017-01-01	US	Y
N	B1234HX5678	XYZBIND	10	E2	2016-01-01	2017-01-01	US	Y

Distribution Channel Code	Method of Placement Code	Original Currency Code	Current Syndicate Gross Written Premium	Current Syndicate Acquisition Costs	Current 100% Gross Written Premium	Current 100% Benchmark Price
120	130	140	160	160a	220	230
LNDN	BNDR	USD	8000000	-2400000	8000000	8000000
LNDN	BNDR	USD	2000000	-600000	2000000	2000000

Note the following features of the data:

- For binding authority contract 'facility' records, all fields are completed based on the insurance business which is expected to be written under the contract; the premium fields in form 286 (i.e. field numbers 160, 220 and 230) therefore represent the total amount of premium expected to be written under the contract, not just the premium reported as written
- Each record represents the estimated premium income for many declarations written via the binding authority contract; the single risk flag field is therefore reported as "N"
- Field 40 contains the UMR for the binding authority contract
- The inception date and expiry date refer to the binding authority contract, and
- As the original currency code is USD, all premium amounts in the form are given in USD.

Completing the February 2016 PMDR
The February 2016 PMDR forms must be submitted by 15 March 2016. By this time the managing agent has received several bordereaux from the Coverholder informing them that they have written $2m of GWP and that this is approximately split in the expected proportions between the two types of insurance business that the Coverholder is authorised to write. The managing agent does not alter their initial estimate that $10m will be written under the binding authority contract throughout the year or that business will be split 80%/20% between the two classes.

Form 263

The value in form 263 is updated to reflect the premium reported as written by the Coverholder.

10	Currency Code	USD	
20	Gross Premium Written (not inc. IDA & Bonuses/Rebates	2000000	As reported in the Bordereaux, gross of acquisition costs
30	Bonuses and Rebates	0	
40	IDA Premiums Gross of Acquisition Costs	8000000	= +$8m (remainder of estimated Gross Premium not yet written)
50	Gross Written Premium	10000000	
60	Acquisition Costs	-3000000	= -$3m (30% Acquisition Costs within field 50)

Form 286

The values in form 286 for this binding authority contract are unaltered. More generally, if the estimate of total premium to be written under each combination of syndicate class of business, risk code, risk exposure location and original currency does not change then the managing agent does not need to update the binding authority contract value.

Single Risk Flag	Current UMR	Current Syndicate Risk ID	Syndicate Class of Business Code	Risk Code	Inception Date	Expiry Date	Risk Exposure Location Code	Lloyd's Slip Leader Flag
10	40	50	60	70	80	90	100	110
N	B1234HX5678	XYZBIND	10	D4	2016-01-01	2017-01-01	US	Y
N	B1234HX5678	XYZBIND	10	E2	2016-01-01	2017-01-01	US	Y

Distribution Channel Code	Method of Placement Code	Original Currency Code	Current Syndicate Gross Written Premium	Current Syndicate Acquisition Costs	Current 100% Gross Written Premium	Current 100% Benchmark Price
120	130	140	160	160a	220	230
LNDN	BNDR	USD	8000000	-2400000	8000000	8000000
LNDN	BNDR	USD	2000000	-600000	2000000	2000000

Completing the March 2016 PMDR

The March 2016 PMDR forms must be submitted by 15 April 2016. By this time the managing agent has been informed that $4m of GWP has been written under the binding authority contract. This is less than the managing agent expected and their estimate of the total premium which will be written under the contract is reduced to $8m.

Form 263

This form needs to be updated to reflect both the new estimate of premium income and the updated notification of premiums written. As always, the Gross Written Premium in form 263 must correspond to the sum of the current syndicate Gross Written Premium in form 286.

10	Currency Code	USD	
20	Gross Premium Written (not inc. IDA Bonuses/Rebates	4000000	As reported in the Bordereaux, gross of acquisition costs
30	Bonuses and Rebates	0	
40	IDA Premiums Gross of Acquisition Costs	4000000	= +$4m (remainder of estimated Gross Premium not yet written)
50	Gross Written Premium	8000000	Total Binding Authority contract amount adjusted to $8m
60	Acquisition Costs	-2400000	= -$2.4m (30% Acquisition Costs within field 50)

Form 286

The values in form 286 need to be updated to reflect this new expectation of income.

Single Risk Flag	Current UMR	Current Syndicate Risk ID	Syndicate Class of Business Code	Risk Code	Inception Date	Expiry Date	Risk Exposure Location Code	Lloyd's Slip Leader Flag
10	40	50	60	70	80	90	100	110
N	B1234HX5678	XYZBIND	10	D4	2016-01-01	2017-01-01	US	Y
N	B1234HX5678	XYZBIND	10	E2	2016-01-01	2017-01-01	US	Y

Distribution Channel Code	Method of Placement Code	Original Currency Code	Current Syndicate Gross Written Premium	Current Syndicate Acquisition Costs	Current 100% Gross Written Premium	Current 100% Benchmark Price
120	130	140	160	160a	220	230
LNDN	BNDR	USD	6400000	-1920000	6400000	6400000
LNDN	BNDR	USD	1600000	-320000	1600000	1600000

Completing the 2016 18 Month PMDR

A final update on the status of the binding authority contract business relating to the 2016 return year is reported in the PMDR due on 31 July 2017. This PMDR includes changes reported since the 15 January 2017 PMDR. Note that the 15 January 2017 PMDR reported an IDA premium amount for the declarations that had not yet attached to the binding authority contract as at 31 December 2016. The December (18) PMDR due on 31 July 2017 does not include details of the individual declarations incepting from 1 January 2017 - 30 June 2017 and attaching to the 2016 return year. Instead, any premium change is reported by revising the IDA premium amount.

8.2 Binding authority or lineslip contract – one risk code, no premium estimate variation, no declarations

This simple example assumes that:

- a syndicate writes one new binder or lineslip only for a single risk code
- there is an increase in the estimated premium through the course of the year, and
- the managing agent elects not to report the declarations individually but to report only the 'facility' record.

The diagram shows how, when no declarations are reported, the values in fields 20 – 60 in form 263 change from month to month.

Form 263

	Curr Code	GWP exc. IDA & B/R	Bon/Reb (Gross of Acq Costs)	IDA (Gross of Acq Costs)	GWP	Acq Costs
	10	20	30	40	50	60
Month 1	USD	0	0	200	200	-20
Month 2	USD	20	0	180	200	-20
Month 3	USD	49	0	161	210	-21
Month 4	USD	180	0	50	230	-23
. . .						
Month 12	USD	250	0	0	250	-25

Form 286

	SR Flag	Current UMR	Current SRI	Synd COB Code	Risk Code	REL Code	MoP Code	Orig Curr Code	Crnt Synd GWP	Crnt Synd Acq Cost
	10	40	50	60	70	100	130	140	160	160a
Month 1	N	B0509AA	A001	COB1	D4	US	BNDR/LNSL	USD	200	-20
Month 2	N	B0509AA	A001	COB1	D4	US	BNDR/LNSL	USD	200	-20
Month 3	N	B0509AA	A001	COB1	D4	US	BNDR/LNSL	USD	210	-21
Month 4	N	B0509AA	A001	COB1	D4	US	BNDR/LNSL	USD	230	-23
. . .										
Month 12	N	B0509AA	A001	COB1	D4	US	BNDR/LNSL	USD	250	-25

8.3 Binding authority or lineslip contract – one risk code, no premium estimate variation, declarations

This simple example assumes that:

- a syndicate writes one new binder or lineslip only for a single risk code

- there is an increase in the estimated premium through the course of the year, and
- the managing agent elects to report the declarations individually in addition to the ‘facility’ record.

The diagram shows how, when declarations are reported, the values in fields 20 – 60 in form 263 and in field 160 of the ‘facility’ record in form 286 change from month to month.

Form 263

	Curr Code	GWP exc. IDA & B/R	Bon/Reb (Gross of Acq Costs)	IDA Gross Acq Costs	GWP	Acq Costs
	10	20	30	40	50	60
Month 1	USD	0	0	200	200	-20
Month 2	USD	20	0	180	200	-20
Month 3	USD	49	0	161	210	-21
Month 4	USD	180	0	50	230	-23
.						
.						
.						
Month 12	USD	250	0	0	250	-25

Form 286

SR Flag	Current UMR	Current SRI	Synd COB Code	Risk Code	REL Code	MoP Code	Orig Curr Code	Crnt Synd GWP	Crnt Synd Acq Cost	
10	40	50	60	70	100	130	140	160	160a	
N	B0509AA	A001	COB1	D4	US	BNDR/LNSL	USD	200	-20	
								200	-20	
N	B0509AA	A001	COB1	D4	US	BNDR/LNSL	USD	180	-18	Facility
Y	B0509AA	A002	COB1	D4	US	BNDR/LNSL	USD	5	-0.5	
Y	B0509AA	A003	COB1	D4	US	BNDR/LNSL	USD	6	-0.6	
Y	B0509AA	A004	COB1	D4	US	BNDR/LNSL	USD	5	-0.5	
Y	B0509AA	A005	COB1	D4	US	BNDR/LNSL	USD	4	-0.4	
						Total Fac + Decs		200	-20	
N	B0509AA	A001	COB1	D4	US	BNDR/LNSL	USD	161	-16.1	Facility
Y	B0509AA	A002	COB1	D4	US	BNDR/LNSL	USD	5	-0.5	
Y	B0509AA	A003	COB1	D4	US	BNDR/LNSL	USD	6	-0.6	
Y	B0509AA	A004	COB1	D4	US	BNDR/LNSL	USD	5	-0.5	
Y	B0509AA	A005	COB1	D4	US	BNDR/LNSL	USD	4	-0.4	
Y	B0509AA	A006	COB1	D4	US	BNDR/LNSL	USD	8	-0.8	
Y	B0509AA	A007	COB1	D4	US	BNDR/LNSL	USD	10	-1	
Y	B0509AA	A008	COB1	D4	US	BNDR/LNSL	USD	11	-1.1	
						Total Fac + Decs		210	-21	
N	B0509AA	A001	COB1	D4	US	BNDR/LNSL	USD	50	-5	Facility
Y	B0509AA	A002	COB1	D4	US	BNDR/LNSL	USD	5	-0.5	
Y	B0509AA	A003	COB1	D4	US	BNDR/LNSL	USD	6	-0.6	
Y	B0509AA	A004	COB1	D4	US	BNDR/LNSL	USD	5	-0.5	
Y	B0509AA	A005	COB1	D4	US	BNDR/LNSL	USD	4	-0.4	
Y	B0509AA	A006	COB1	D4	US	BNDR/LNSL	USD	8	-0.8	
Y	B0509AA	A007	COB1	D4	US	BNDR/LNSL	USD	10	-1	
Y	B0509AA	A008	COB1	D4	US	BNDR/LNSL	USD	11	-1.1	
Y	B0509AA	A009	COB1	D4	US	BNDR/LNSL	USD	60	-6	
Y	B0509AA	A010	COB1	D4	US	BNDR/LNSL	USD	31	-3.1	
Y	B0509AA	A011	COB1	D4	US	BNDR/LNSL	USD	20	-2	
Y	B0509AA	A012	COB1	D4	US	BNDR/LNSL	USD	20	-2	
						Total Fac + Decs		230	-23	
				.						
				.						
				.						
N	B0509AA	A001	COB1	D4	US	BNDR/LNSL	USD	0	0	Facility
Y	B0509AA	A002	COB1	D4	US	BNDR/LNSL	USD	5	-0.5	
Y	B0509AA	A003	COB1	D4	US	BNDR/LNSL	USD	6	-0.6	
Y	B0509AA	A004	COB1	D4	US	BNDR/LNSL	USD	5	-0.5	
Y	B0509AA	A005	COB1	D4	US	BNDR/LNSL	USD	4	-0.4	
Y	B0509AA	A006	COB1	D4	US	BNDR/LNSL	USD	8	-0.8	
Y	B0509AA	A007	COB1	D4	US	BNDR/LNSL	USD	10	-1	
Y	B0509AA	A008	COB1	D4	US	BNDR/LNSL	USD	11	-1.1	
Y	B0509AA	A009	COB1	D4	US	BNDR/LNSL	USD	60	-6	
Y	B0509AA	A010	COB1	D4	US	BNDR/LNSL	USD	31	-3.1	
Y	B0509AA	A011	COB1	D4	US	BNDR/LNSL	USD	20	-2	
Y	B0509AA	A012	COB1	D4	US	BNDR/LNSL	USD	20	-2	
Y	B0509AA	A013	COB1	D4	US	BNDR/LNSL	USD	1	-0.1	
Y	B0509AA	A014	COB1	D4	US	BNDR/LNSL	USD	2	-0.2	
Y	B0509AA	A015	COB1	D4	US	BNDR/LNSL	USD	5	-0.5	
Y	B0509AA	A016	COB1	D4	US	BNDR/LNSL	USD	7	-0.7	
Y	B0509AA	A017	COB1	D4	US	BNDR/LNSL	USD	5	-0.5	
Y	B0509AA	A018	COB1	D4	US	BNDR/LNSL	USD	3	-0.3	
Y	B0509AA	A019	COB1	D4	US	BNDR/LNSL	USD	2	-0.2	
Y	B0509AA	A020	COB1	D4	US	BNDR/LNSL	USD	1	-0.1	
Y	B0509AA	A021	COB1	D4	US	BNDR/LNSL	USD	1	-0.1	
Y	B0509AA	A022	COB1	D4	US	BNDR/LNSL	USD	4	-0.4	
Y	B0509AA	A023	COB1	D4	US	BNDR/LNSL	USD	13	-1.3	
Y	B0509AA	A024	COB1	D4	US	BNDR/LNSL	USD	12	-1.2	
Y	B0509AA	A025	COB1	D4	US	BNDR/LNSL	USD	14	-1.4	
						Total Fac + Decs		250	-25	

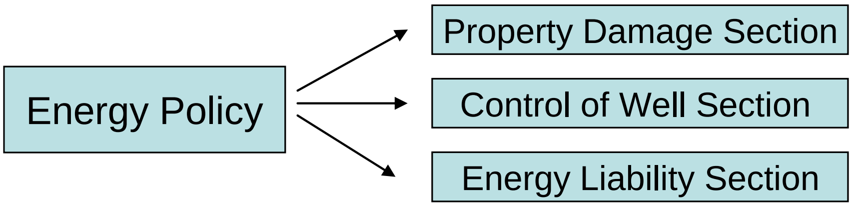
9 EXAMPLE – LEVEL OF GRANULARITY – PACKAGE POLICY

This example illustrates:

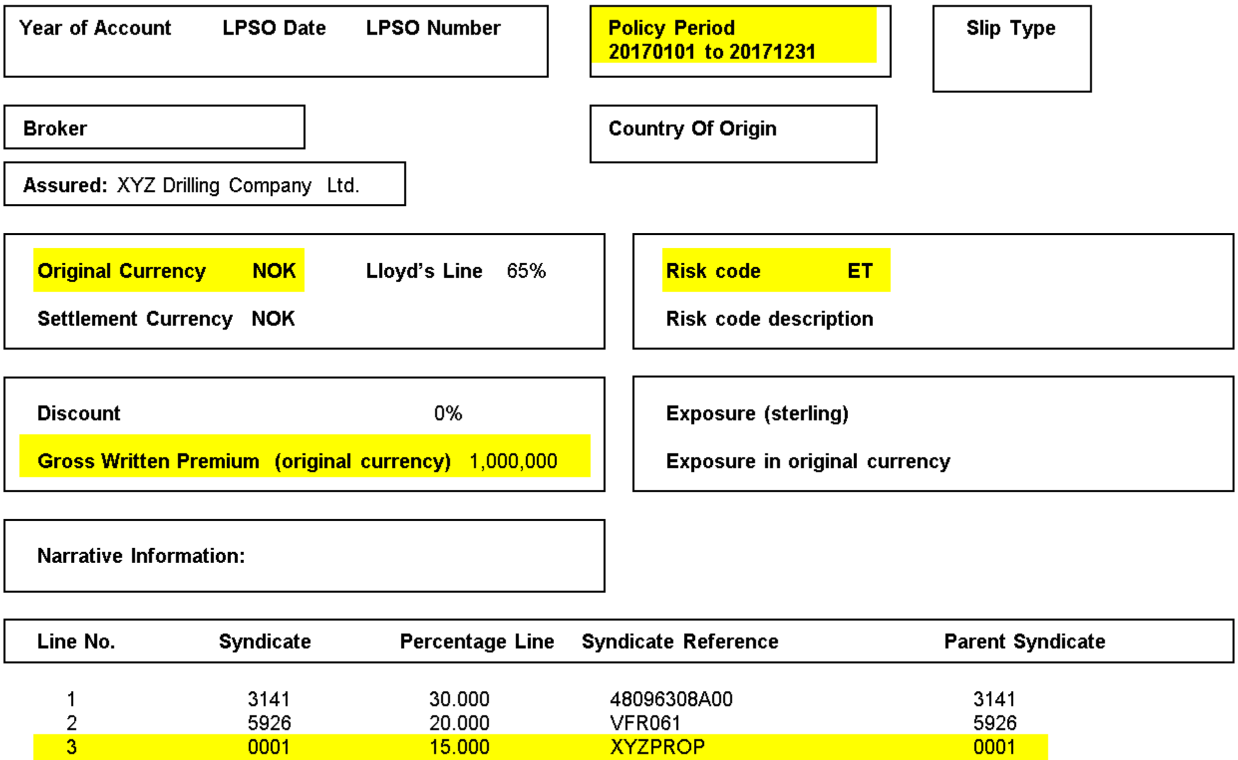
- the level of granularity at which the PMDR forms are to be completed for business written in the open market, and
- the data required to complete form 286.

This policy contains three material sections (property damage, control of well and energy liability) and so the managing agent reports the package as a minimum of three separate lines of information in form 286.

Risk details
Lloyd's syndicate 0001 is approached to co-underwrite a package policy for the off-shore energy interests of XYZ Drilling Company Ltd. A single policy will provide property damage, control of well and liability insurance in three separate sections:



Upon reviewing the policy details agreed by the lead underwriter, the managing agent for syndicate 0001 writes a 15% line on each section. The front sheet which summarises the property damage section is shown in the diagram below (the highlighted information is required for the PMDR).


Year of Account   LPSO Date   LPSO Number

Policy Period
20170101 to 20171231

Slip Type

Broker

Country Of Origin

Assured: XYZ Drilling Company Ltd.

Original Currency NOK   Lloyd's Line 65%
Settlement Currency NOK

Risk code ET
Risk code description

Discount 0%
Gross Written Premium (original currency) 1,000,000

Exposure (sterling)
Exposure in original currency

Narrative Information:

Line No.	Syndicate	Percentage Line	Syndicate Reference	Parent Syndicate
1	3141	30.000	48096308A00	3141
2	5926	20.000	VFR061	5926
3	0001	15.000	XYZPROP	0001

Additional information on the policy includes:

- the policy period is the same for all sections of the policy; the only different data on these sections are the risk code and the premium amounts, and
- the insured's energy interests are located in Norway's territorial waters.

Form 286

As the risk is new to syndicate 0001 it is reported on form 286. The following tables show the data that is reported on this form.

Single Risk Flag	Current UMR	Current Syndicate Risk ID	Syndicate Class of Business Code	Risk Code	Inception Date	Expiry Date	Risk Exposure Location Code	Lloyd's Slip Leader Flag
10	40	50	60	70	80	90	100	110
Y	B0507N07QA010	XYZPROP	10	ET	2017-01-01	2018-01-01	NO	N
Y	B0507N07QA010	XYZWLL	10	EW	2017-01-01	2018-01-01	NO	N
Y	B0507N07QA010	XYZENRG	10	EG	2017-01-01	2018-01-01	NO	N

Distribution Channel Code	Method of Placement Code	Original Currency Code	Current Syndicate Gross Net Premium Written	Current 100% Gross Net Premium Written	Current 100% Benchmark Price
120	130	140	160	220	230
LNDN	OPDR	NOK	14851.49	99009.90	118812.88
LNDN	OPDR	NOK	59405.94	396039.60	396039.60
LNDN	OPDR	NOK	4455.45	29702.97	29702.97

Note the following features of the data.

- The policy is reported via three rows in form 286. Each row represents one of the policy sections on which the syndicate has participated.
- As each row relates to a single risk, the single risk flag is set to “Y”.
- The current UMR is identical for each row. The UMR must adhere to the format set out in subsection 3.15 and subsection 4.2 of these instructions.
- The current syndicate risk ID is created at the managing agent’s discretion. The only restrictions on this value are that the field length must be less than or equal to 50 characters and that comma, single quote and double quote must not be used.
- The syndicate class of business code corresponds to a syndicate class of business used in the approved SBF for the return year implied by the policy inception date. In this example, all sections are assigned to the same syndicate class of business; however there is no requirement for this to be the case.
- The risk codes correspond to risk codes used in the approved SBF for the return year implied by the policy inception date.
- The inception date is taken straight from the contract sections. The expiry date is modified before being reported – when completing PMDRs the expiry date is defined as the first date on which for any part or all of the day cover is not provided. As the policy expires on 31 December 2017 (at the end of the day), the first day on which cover is not provided for any part or all of the day is 1 January 2018. This date convention has been designed so that Lloyd’s is informed of the status of the expiring policy on the same transaction date for both the renewal and non-renewal scenarios. This helps ensure that renewal and lapse rates can be calculated on a consistent basis.
- The risk exposure location field is “Norway” as the risk is located in Norwegian territorial waters. So the risk exposure location code is set to “NO”.
- The risk is written in the open market via the Lloyd’s underwriting room. Therefore, the distribution channel is Lloyd’s London and the distribution channel code is set to “LNDN”.
- As the syndicate is a Lloyd’s follower, the leader flag is set to “N”. The method of placement is “Open Market - Direct” and the method of placement code is set to “OPDR”.
- The original premium was denominated in Norwegian Kroner. The original currency code is therefore set to “NOK”. However, the premium amounts reported for this risk are not reported in the original currency of Norwegian Kroner. Premium amounts for this risk are converted to GBP (as explained in subsection 3.26 of these instructions).
- The current syndicate Gross Written Premium is the syndicate’s share of the Gross Written Premium, expressed in the original currency amounts. For the property damage section, the syndicate took a 15% line and received 15% of the total premium. The syndicate’s share is therefore 15% x 1,000,000 =

150,000 Norwegian Kroner. This is converted to GBP using the published PMDR exchange rates for the return year* of the PMDR. The resulting calculation is 150,000/10.10* = £14,851.49.

- The current 100% Gross Written Premium is the total Gross Written Premium for the section. For the property section this is 1,000,000 Norwegian Kroner. This is converted to GBP using the formula 1,000,000 / 10.10 = £99,009.90.
- The current 100% benchmark price is the Gross Written Premium at which the managing agent should deliver their required results, in line with the approved SBF for the return year. Syndicate 0001 has reported a 70% loss ratio in their approved SBF for the return year for both classes of business 10 and 20. Due to commercial pressures in the energy property market the managing agent believes that a greater premium of 1,200,000 Norwegian Kroner would be required to achieve a 70% loss ratio for the property damage risk. This is converted to GBP before being reported using the formula 1,200,000 / 10.10 = £118,812.88. The other sections are thought to be in line with the business plan as given in the approved SBF for the return year.

* Please note that the exchange rate used for NOK is for illustrative purposes.

10 EXAMPLES – APPORTIONMENT OF GROSS WRITTEN PREMIUM

These examples illustrate:

- how to apportion Gross Written Premium.

Splitting the data reported by any of the following risk-identifying fields is optional:

- Syndicate Class of Business Code
- Risk Code
- Risk Exposure Location Code, and
- Original Currency Code.

However, when the data is split by any of these risk-identifying fields, Lloyd's expects the premium data to be apportioned in a specific manner.

Two of the scenarios below illustrate how Lloyd's would expect the premium data to be completed when the data reported is split by risk code and the third scenario illustrates how Lloyd's would expect the premium data to be completed when the data reported is split by risk code and also by risk exposure location.

Example 1
Consider a slip which covers hull and cargo risks (75 % premium for risk code V and 25% of premium for risk code B) with a total premium of £1M.
Three syndicates, 1, 2 and 3, participate on all risks on the slip in proportions 25%, 25% and 50% respectively. The syndicates are to report their 100% split premium and syndicate share premium as follows:

Syndicate	Risk Code [70]	Risk Exposure Location Code [100]	Current Syndicate Gross Written Premium [160]	Current 100% Gross Written Premium [220]
1	V	QU	287500	750000
1	B	QU	62500	250000

Syndicate	Risk Code [70]	Risk Exposure Location Code [100]	Current Syndicate Gross Written Premium [160]	Current 100% Gross Written Premium [220]
2	V	QU	287500	750000
2	B	QU	62500	250000

Syndicate	Risk Code [70]	Risk Exposure Location Code [100]	Current Syndicate Gross Written Premium [160]	Current 100% Gross Written Premium [220]
3	V	QU	375000	750000
3	B	QU	125000	250000

Example 2
Consider a slip which covers hull and cargo risks (75 % premium for risk code V and 25% of premium for risk code B) with a total premium of £1M.
Three syndicates participate on the slip but the policy is sectioned so syndicate 1 covers the entire cargo element (risk code V) and syndicates 2 and 3 cover the hull element (risk code B). The syndicates are to report their 100% split premium and syndicate share premium as follows:

Syndicate	Risk Code [70]	Risk Exposure Location Code [100]	Current Syndicate Gross Written Premium [160]	Current 100% Gross Written Premium [220]
1	V	QU	750000	750000

Syndicate	Risk Code [70]	Risk Exposure Location Code [100]	Current Syndicate Gross Written Premium [160]	Current 100% Gross Written Premium [220]
2	B	QU	125000	250000

Syndicate	Risk Code [70]	Risk Exposure Location Code [100]	Current Syndicate Gross Written Premium [160]	Current 100% Gross Written Premium [220]
3	B	QU	125000	250000

Example 3
Consider a slip which covers property risks (75 % of premium for risk code F3 and 25% of premium for risk code P5) with a total premium of £1M. 60% of the premium relates to UK property with 40% in France. The risk code level split for each location matches the overall slip level split.
Three syndicates, 1, 2 and 3, participate on all risks on the slip in proportions 25%, 25% and 50% respectively. The syndicates are to report their 100% split premium and syndicate share premium as follows:

Syndicate	Risk Code [70]	Risk Exposure Location Code [100]	Current Syndicate Gross Written Premium [160]	Current 100% Gross Written Premium [220]
1	F3	UK	112500	450000
1	P5	UK	37500	150000
1	F3	FR	75000	300000
1	P5	FR	25000	100000

Syndicate	Risk Code [70]	Risk Exposure Location Code [100]	Current Syndicate Gross Written Premium [160]	Current 100% Gross Written Premium [220]
2	F3	UK	112500	450000
2	P5	UK	37500	150000
2	F3	FR	75000	300000
2	P5	FR	25000	100000

Syndicate	Risk Code [70]	Risk Exposure Location Code [100]	Current Syndicate Gross Written Premium [160]	Current 100% Gross Written Premium [220]
3	F3	UK	225000	450000
3	P5	UK	75000	150000
3	F3	FR	150000	300000
3	P5	FR	50000	100000

11 EXAMPLE – CURRENCY CONVERSION

This example illustrates:

- how to complete form 263 and forms 286, 287 and 288 with respect to different currencies, and
- the link between the premium amounts reported on forms 263 and forms 286 and 287.

Background
Subsection 3.26 of these instructions details the currencies and exchange rates that are to be used when preparing the PMDR.

Form 263
This form collects premium information for the return year at the whole account level, as recognised under a UK GAAP basis. Lloyd's requests premium information on a UK GAAP basis in order to understand the premium income figures typically used by managing agents in their internal reports.

The return year is field 50 in the data return file header. For example, the return year for the 15 January 2010 PMDR is 2009 while the return year for the 15 May 2010 PMDR is 2010. The return year for the December (18) PMDR due on 31 July 2010 is 2009.

All premiums are to be reported in either USD or GBP according to the following rules:

- GBP: Report in GBP premiums written by the managing agent in GBP
- USD: Report in USD premiums written by the managing agent in USD
- Other: Convert premiums written by the managing agent in currencies other than GBP and USD to GBP before reporting them.

In addition to the GBP and USD records, there is to be a third record on form 263 where all premiums written in non-GBP currencies, including those written in USD, are converted to GBP before being aggregated. Identify this record by reporting "CNV" in the currency code field.

Forms 286, 287 and 288
These forms also collect premium information for the return year. The monetary amounts reported on these forms are to be based on premiums underwritten without any accounting adjustments. All premiums are to be reported in either USD or GBP amounts according to the following rules:

- GBP: Report in GBP premiums originally **written** in GBP
- USD: Report in USD premiums originally **written** in USD
- Other: Convert premiums originally **written** in currencies other than GBP and USD to GBP before reporting them.

Lloyd's requires that all premiums reported in GBP (expiring, renewed and new business) be converted based on the return year at the relevant published PMDR rates. Prescribing a fixed exchange rate makes the data easily comparable month on month. Since the original currency is included in the PMDRs Lloyd's is able to rebase the premiums in our analysis to ensure the PMDRs and the SBF are analysed using the same rates.

Link between form 263 and form 286 and 287
Lloyd's wishes to maintain a link between the total premiums reported in form 263 and the total premiums from new and renewed risks reported on forms 286 and 287. The gross premium field 50 should match the total gross premium in field 160 in forms 286 and 287 while the acquisition costs in form 263 field 60 should match the acquisition costs in field 160a in forms 286 and 287.

Example
Consider the following risk which incepts in 2016:

- gross premium written is 90,000 South African Rand (ZAR)
- premium is denominated in ZAR
- syndicate has taken a 100% line on this risk, and

- acquisition costs are 10% of the gross premium written (i.e. 9,000 ZAR).

For form 286, Lloyd's requests the Gross Written Premium for the risk. In the original currency, this is 90,000 ZAR; however premiums written in non-USD currencies are to be converted to GBP for reporting purposes. South African Rand is one of the non-USD currencies for which Lloyd's prescribes an exchange rate, so the published PMDR exchange rate for the return year is used to make the conversion. Assuming that the published PMDR exchange rate for the return year is 1 GBP = 16.15 ZAR*.

The Gross Written Premium reported in form 286 is therefore 90,000 ZAR / 16.15 = 5,572.76 GBP. The Acquisition costs are 10% of the premium = -557.28 GBP.

When the premium for this risk is actually received by the managing agent it has been converted into the settlement currency by Xchanging at the prevailing rate of exchange. In this example, the prevailing rate of exchange used by Xchanging is 1 GBP = 15.20 ZAR so the gross premium written is 90,000 ZAR / 15.20 = 5,921.05 GBP and acquisition costs are 592.10 GBP. The gross written premium reported in PMDR should be 5,572.76 not 5,921.05.

* Please note that the exchange rates used are for illustrative purposes.

Form 263
For the purposes of this example, we shall assume that the risk above is the only one that has been written and that there is no binder IDA.

10	Currency Code	GBP
20	Gross Premium Written (not inc. IDA Bonuses/Rebates)	5572.76
30	Bonuses and Rebates	0
40	IDA Premiums Gross of Acquisition Costs	0
50	Gross Written Premium	5572.76
60	Acquisition Costs	-557.28

Form 286

Single Risk Flag	Expiring UMR	Expiring Syndicate Risk ID	Current UMR	….	Original Currency Code	….	Current Syndicate GWP	Current Syndicate Acq Costs	….	Current 100% GWP	Current 100% Acq Costs
10	20	30	40		140		160	160a		220	220a
Y	B1234DEF9012	XCXV3737	B1234ABC5678		ZAR		5572.76	-557.28		5572.76	-557.28

If this risk were to be renewed one year later, the expiring gross premium reported would be the equivalent of 90,000 ZAR. However, assuming the ZAR rate for the following year's PMDR is 1 GBP = 13.63 ZAR*, the expiring premium would be reported as 6,603.08 GBP. If we assume the renewed premium amount for the following year was 100,000 ZAR, this would also be converted at the 13.63 ZAR exchange rate as 7,336.76 GBP. This approach insures that all premium amounts in the following year's return are on the same exchange rate basis.

* Please note that the exchange rates used are for illustrative purposes.

12 EXAMPLES – MULTI-YEAR POLICIES

These examples illustrate:

- how to complete forms 286, 287 and 288 in respect of multi-year policies.

Background
Multi-year policies are defined as policies for which the policy period (defined by the inception and expiry dates) exceeds 18 months.

No option to re-sign
For a multi-year policy for which there is no option to re-sign the policy on a regular basis:

- report the inception and expiry dates that define the full multi-year period
- report the full premium amounts for the entire multi-year term defined by the inception and expiry dates, and
- report the policy as new business or a renewal in the return year corresponding to its inception year and not again until the return year corresponding to its expiry year at the end of the full period when it renews on or after the expiry date (report as a renewal) or expires on the expiry date (report as not renewed).

Option to re-sign
For a multi-year policy for which there is an option to re-sign the policy on a regular basis, Lloyd's preference is that the managing agent reports the policy as above (see Example 2), but if an accurate Gross Written Premium can be reported only for a shorter period e.g. the period up to the next re-signing, it is acceptable to report a part-term policy as follows (see Example 3):

- report the re-signing date as the inception date and the date of the next re-signing as the expiry date
- report the premium amounts only for the period specified by the reported inception and expiry dates, and
- report the policy again as a renewal at the date of the next re-signing.

In both methods, the premium amounts reported must correspond to the period defined by the inception and expiry dates.

These concepts are illustrated in the worked examples given below.

Example 1 – No option to re-sign
On 1 January 2019 the managing agent acting on behalf of syndicate 0001 writes a new insurance policy giving three years of cover starting on 1 January 2019 and ending at midnight on 31 December 2021. The insured will pay a premium of $3,000,000 for the insurance policy which is written in such a way that there is no option to re-sign during the three-year term.

Because there is no option to re-sign, the risk is reported only in the PMDRs relating to the 2019 return year. The premium amounts reported are for the entire period of the policy. The relevant values in form 286 are as follows.

Form 286

Single Risk Flag	Current UMR	Current Syndicate Risk ID	Syndicate Class of Business Code	Risk Code	Inception Date	Expiry Date	Risk Exposure Location Code	Lloyd's Slip Leader Flag
10	40	50	60	70	80	90	100	110
Y	B0507A0XDA011	XYZMULTI09	10	3E	2019-01-01	2022-01-01	US	Y

Distribution Channel Code	Method of Placement Code	Original Currency Code	Current Syndicate Gross Written Premium	Current Syndicate Acquisition Costs	Current 100% Gross Written Premium	Current 100% Benchmark Price
120	130	140	160	160a	220	230
LNDN	OPDR	USD	3000000	-300000	3000000	3000000

Note the following features of the data:

- the policy is new and therefore reported on form 286
- the inception date and expiry date define the full multi-year term; the expiry date is given as 2022-01-01 in line with the instruction on expiry dates given in subsection 3.20 and subsection 4.2 of these instructions
- the premium amounts for the full three years of cover are reported i.e. the policy in-force period and the premium amounts correspond, and
- the policy is reported as new premium only in the 2019 return year.

The policy expires on 1/1/2022 and, if it is not renewed, there will be a record for the expiry in form 288 in the January 2022 PMDR due in February 2022.

Single Risk Flag	Expiring UMR	Expiring Syndicate Risk ID	Syndicate Class of Business Code	Risk Code	Inception Date	Expiry Date	Risk Exposure Location Code	Lloyd's Slip Leader Flag
10	20	30	60	70	80	90	100	110
Y	B0507A0XDA011	XYZMULTI09	10	3E	2019-01-01	2022-01-01	US	Y

Distribution Channel Code	Method of Placement Code	Original Currency Code	Expiring Syndicate Gross Written Premium	Expiring 100% Gross Written Premium	Expiring 100% Acquisition Costs
120	130	140	150	170	170a
LNDN	OPDR	USD	3000000	3000000	-300000

Example 2 – Option to re-sign

Consider a risk that is identical to that given in example 1 except that:

- the insurance contract includes the option to re-sign the policy on 1 January 2020 and 1 January 2021 and review the premiums and policy terms and conditions
- the insured pays $1,000,000 for the first year of cover and, subject to review on the re-signing dates, will pay a further $1,000,000 for each of the subsequent years of cover, and
- the agent is able to report the policy as if there were no option to re-sign.

Because the risk is being reported as if there were no option to re-sign, the risk is reported only in the PMDRs relating to the 2019 return year. The premium amounts reported are for the entire period of the policy. The risk is therefore reported in the same way as described in example 1.

Single Risk Flag	Current UMR	Current Syndicate Risk ID	Syndicate Class of Business Code	Risk Code	Inception Date	Expiry Date	Risk Exposure Location Code	Lloyd's Slip Leader Flag
10	40	50	60	70	80	90	100	110
Y	B0507A0XDA011	XYZMULTI09	10	3E	2019-01-01	2020-01-01	US	Y

Distribution Channel Code	Method of Placement Code	Original Currency Code	Current Syndicate Gross Written Premium	Current Syndicate Acquisition Costs	Current 100% Gross Written Premium	Current 100% Benchmark Price
120	130	140	160	160a	220	230
LNDN	OPDR	USD	1000000	-100000	1000000	1000000

Note the following features of the data:

- the policy is new and therefore reported on form 286
- the inception date and expiry date define the term up to the next re-signing date; the expiry date is given as 2020-01-01 in line with the instructions on expiry dates given in subsection 3.20 and subsection 4.2 of these instructions
- the premium amounts are for the period of cover reported i.e. between the policy inception and the next re-signing date, and
- the policy is reported as new premium only in the 2019 return year.
- If it is re-signed in 2020 and 2021 it will appear as a renewed risk.

The policy expires on 1/1/2022 and, if it is not renewed, there will be a record for the expiry in form 288 in the January 2022 PMDR due in February 2022.

Single Risk Flag	Expiring UMR	Expiring Syndicate Risk ID	Syndicate Class of Business Code	Risk Code	Inception Date	Expiry Date	Risk Exposure Location Code	Lloyd's Slip Leader Flag
10	20	30	60	70	80	90	100	110
Y	B0507A0XDA011	XYZMULTI09	10	3E	2019-01-01	2022-01-01	US	Y

Distribution Channel Code	Method of Placement Code	Original Currency Code	Expiring Syndicate Gross Written Premium	Expiring 100% Gross Written Premium	Expiring 100% Acquisition Costs
120	130	140	150	170	170a
LNDN	OPDR	USD	3000000	3000000	-300000

Example 3 – Option to re-sign

Consider a risk that is identical to that given in example 1 except that:

- the insurance contract includes the option to re-sign the policy on 1 January 2020 and 1 January 2021 and review the premiums and policy terms and conditions
- the insured pays $1,000,000 for the first year of cover and, subject to review on the re-signing dates, will pay a further $1,000,000 for each of the subsequent years of cover, and
- the agent is not able to report the policy as if there were no option to re-sign so reports the policy as a series of one-year re-signings in successive return years.

This example is based on USD figures; hence the expiring and renewed premium amounts in 2019, 2020 and 2021 are the same because the figures are not being restated in pounds at the different exchange rates for each return year.

Because the risk is being reported as three separate one-year policies, the risk is reported in the 2019 return year PMDR as a new policy and in the 2020 and 2021 return year PMDRs as one-year renewals. Assuming that the managing agent does re-sign the policy without changing the terms and conditions, the relevant values are as follows.

Form 286 relating to the 2019 return year

Single Risk Flag	Current UMR	Current Syndicate Risk ID	Syndicate Class of Business Code	Risk Code	Inception Date	Expiry Date	Risk Exposure Location Code	Lloyd's Slip Leader Flag
10	40	50	60	70	80	90	100	110
Y	B0507A0XDA011	XYZMULTI09	10	3E	2019-01-01	2020-01-01	US	Y

Distribution Channel Code	Method of Placement Code	Original Currency Code	Current Syndicate Gross Written Premium	Current Syndicate Acquisition Costs	Current 100% Gross Written Premium	Current 100% Benchmark Price
120	130	140	160	160a	220	230
LNDN	OPDR	USD	1000000	-100000	1000000	1000000

Note the following features of the data:

- in 2019 the policy is new and therefore reported on form 286
- the inception date and expiry date define the first one-year period to the date of the first re-signing, and

the premium amounts for the first year of cover only are reported i.e. the policy in-force period and the premium amounts correspond. *Form 287 relating to the 2020 return year*

Single Risk Flag	Expiring UMR	Expiring Syndicate Risk ID	Current UMR	Current Syndicate Risk ID	Syndicate COB Code	Risk Code	Inception Date	Expiry Date
10	20	30	40	50	60	70	80	90
Y	B0507A0XDA011	XYZMULTI09	B0507A0XDA011	XYZMULTI10	10	3E	2020-01-01	2021-01-01

Risk Exposure Location Code	Lloyd's Slip Leader Flag	Distribution Channel Code	Method of Placement Code	Original Currency Code	Expiring Syndicate GWP	Current Syndicate GWP	Current Syndicate Acquisition Costs
100	110	120	130	140	150	160	160a
US	Y	LNDN	OPDR	USD	1000000	1000000	-100000

Expiring 100% GWP	Change 100% GWP Limit / Attachment Point	Change 100% GWP Breadth of Cover	Change 100% GWP Other Factors	Change 100% GWP Pure Rate	Current 100% GWP
170	180	190	200	210	220
1000000	0	0	0	0	1000000

Note the following features of the data:

- in 2020 the policy is renewed and therefore reported on form 287
- the inception date and expiry date define the second one-year period which follows the first re-signing
- the premium for the second year of cover only is reported i.e. the policy in-force period and the premium correspond, and
- as the managing agent has not amended the premium or policy terms and conditions the ‘change’ fields (fields 180 – 210) are all set to 0.

Form 287 relating to the 2021 return year

Single Risk Flag	Expiring UMR	Expiring Syndicate Risk ID	Current UMR	Current Syndicate Risk ID	Syndicate COB Code	Risk Code	Inception Date	Expiry Date
10	20	30	40	50	60	70	80	90
Y	B0507A0XDA011	XYZMULTI10	B0507A0XDA011	XYZMULTI11	10	3E	2021-01-01	2022-01-01

Risk Exposure Location Code	Lloyd's Slip Leader Flag	Distribution Channel Code	Method of Placement Code	Original Currency Code	Expiring Syndicate GWP	Current Syndicate GWP	Current Syndicate Acquisition Costs
100	110	120	130	140	150	160	160a
US	Y	LNDN	OPDR	USD	1000000	1000000	-100000

Expiring 100% GWP	Change 100% GWP Limit / Attachment Point	Change 100% GWP Breadth of Cover	Change 100% GWP Other Factors	Change 100% GWP Pure Rate	Current 100% GWP
170	180	190	200	210	220
1000000	0	0	0	0	1000000

Note the following features of the data:

- in 2021 the policy is renewed and therefore reported on form 287
- the inception date and expiry date define the third one-year period which follows the second re-signing
- the premium for the third year of cover only is reported i.e. the policy in-force period and the premium correspond, and
- as the managing agent has not amended the premium or policy terms and conditions the ‘change’ fields (fields 180 – 210) are all set to 0.

The policy expires on 1/1/2022 and, if it is not renewed, there will be a record for the expiry in form 288 in the January 2012 PMDR due in February 2022.

Single Risk Flag	Expiring UMR	Expiring Syndicate Risk ID	Syndicate Class of Business Code	Risk Code	Inception Date	Expiry Date	Risk Exposure Location Code	Lloyd's Slip Leader Flag
10	20	30	60	70	80	90	100	110
Y	B0507A0XDA011	XYZMULTI11	10	3E	2021-01-01	2022-01-01	US	Y

Distribution Channel Code	Method of Placement Code	Original Currency Code	Expiring Syndicate Gross Written Premium	Expiring 100% Gross Written Premium	Expiring 100% Acquisition Costs
120	130	140	150	170	170a
LNDN	OPDR	USD	1000000	1000000	-100000

13 EXAMPLES – CHANGE OF DISTRIBUTION CHANNEL TO BRUSSELS

These examples illustrate:

- how to complete forms 286 and 287 in respect of renewals that have part or all of their risk coverage that needs to be processed through the Europe distribution channel in Brussels.

Background

The risk coverage elements of renewing policies that are required to be placed through the Europe Distribution Channel in Brussels cannot be treated as renewals as the business will be new to this channel. Therefore the renewals need to be reported across the 286 and 287 forms depending on how the risk is territorially split.

Process

For renewals that have both EU and non-EU elements the EU element should be reported as 'new' in the 286 form and the non-EU element should be reported as 'renewed' in the 287 form.

Example 1a – No change to premium with syndicate having 100% share

A risk that was placed through the London distribution channel in 2018 with a premium of £100k is due to renew on 01/01/19 with no changes to the premium.

For the 2019 renewal: -

20% of the risk (£20k) is moving to the EU distribution channel which will be placed as new business through Brussels.

80% of the risk (£80k) is renewing under the London distribution channel.

The reduction in the premium going through the London distribution channel should be reflected in the Other Factors field [200].

The risk is being written at an estimated GLR of 60% on £100k GWP against an SBF loss ratio of 50% and so Benchmark Price = (60%/50%)*£100k = £120k across the whole risk (split EU - (60%/50%)*£20k = £24k and LNDN - (60%/50%)*£80k = £96k).

Form 286 relating to the new EU element

Current UMR	Current Syndicate Risk ID	Syndicate Class of Business Code	Risk Code	Inception Date	Expiry Date	Domicile of the Insured	Distribution Channel Code	Method of Placement Code	Original Currency Code	Current Syndicate Gross Written Premium	Current 100% Gross Written Premium	Current 100% Benchmark Price
40	50	60	70	80	90	105	120	130	140	160	220	230
B0123ABCDEF234	ABCXYZ234	10	LE	01/01/2019	01/01/2020	FR	EU	OPDR	EUR	20,000	20,000	24,000

Form 287 relating to the renewed non-EU element

Expiring UMR	Expiring Syndicate Risk ID	Current UMR	Current Syndicate Risk ID	Syndicate Class of Business Code	Risk Code	Inception Date	Expiry Date	Domicile of the Insured	Distribution Channel Code
20	30	40	50	60	70	80	90	105	120
B0123ABCDEF123	ABCXYZ123	B0123ABCDEF234	ABCXYZ234	10	LE	01/01/2019	01/01/2020	GB	LNDN

Method of Placement Code	Original Currency Code	Expiring Syndicate Gross Written Premium	Current Syndicate Gross Written Premium	Expiring 100% Gross Written Premium	Change in Expiring 100% Gross Written Premium Due to Change in Limit / Attachment Point	Change in Expiring 100% Gross Written Premium Due to Change in Breadth of Cover	Change in Expiring 100% Gross Written Premium Due to Other Factors	Change in Expiring 100% Gross Written Premium Due to Pure Rate Change	Current 100% Gross Written Premium	Current 100% Benchmark Price
130	140	150	160	170	180	190	200	210	220	230
OPDR	GBP	100,000	80,000		0	0	-20,000	0	80,000	96,000

<u>Example 1b – No change to premium with syndicate having 50% share</u>

As per Example 1a but where the syndicate has a 50% share of the risk

Form 286 relating to the new EU element

Current UMR	Current Syndicate Risk ID	Syndicate Class of Business Code	Risk Code	Inception Date	Expiry Date	Domicile of the Insured	Distribution Channel Code	Method of Placement Code	Original Currency Code	Current Syndicate Gross Written Premium	Current 100% Gross Written Premium	Current 100% Benchmark Price
40	50	60	70	80	90	105	120	130	140	160	220	230
B0123ABCDEF234	ABCXYZ234	10	LE	01/01/2019	01/01/2020	FR	EU	OPDR	EUR	10,000	20,000	24,000

Form 287 relating to the renewed non-EU element

Expiring UMR	Expiring Syndicate Risk ID	Current UMR	Current Syndicate Risk ID	Syndicate Class of Business Code	Risk Code	Inception Date	Expiry Date	Domicile of the Insured	Distribution Channel Code
20	30	40	50	60	70	80	90	105	120
B0123ABCDEF123	ABCXYZ123	B0123ABCDEF234	ABCXYZ234	10	LE	01/01/2019	01/01/2020	GB	LNDN

Method of Placement Code	Original Currency Code	Expiring Syndicate Gross Written Premium	Current Syndicate Gross Written Premium	Expiring 100% Gross Written Premium	Change in Expiring 100% Gross Written Premium Due to Change in Limit / Attachment Point	Change in Expiring 100% Gross Written Premium Due to Change in Breadth of Cover	Change in Expiring 100% Gross Written Premium Due to Other Factors	Change in Expiring 100% Gross Written Premium Due to Pure Rate Change	Current 100% Gross Written Premium	Current 100% Benchmark Price
130	140	150	160	170	180	190	200	210	220	230
OPDR	GBP	50,000	40,000	100,000	0	0	-20,000	0	80,000	96,000

Example 2a – Change to premium with syndicate having 100% share

A risk that was placed through the London distribution channel in 2018 with a premium of £100k is due to renew on 01/01/19 with a total increase in premium of £10k due to rate change.

For the 2019 renewal: -

20% of the risk (£22k after rate has been applied) is moving to the EU distribution channel which will be placed as new business through Brussels.

80% of the risk (£88k after rate has been applied) is renewing under the London distribution channel.

The reduction in the premium going through the London distribution channel as a result of it moving to the EU distribution channel should be reflected in the Other Factors field [200] (-£20k) whilst the premium increase due to rate (£8k) should be reflected in the Pure Rate Change Field [210] in the 287 form.

The risk is being written at an estimated GLR of 60% on £110k GWP against an SBF loss ratio of 50% and so Benchmark Price = (60%/50%)*£110k = £132k across the whole risk (split EU - (60%/50%)*£22k = £26.4k and LNDN - (60%/50%)*£88k = £105.6k).

Form 286 relating to the new EU element

Current UMR	Current Syndicate Risk ID	Syndicate Class of Business Code	Risk Code	Inception Date	Expiry Date	Domicile of the Insured	Distribution Channel Code	Method of Placement Code	Original Currency Code	Current Syndicate Gross Written Premium	Current 100% Gross Written Premium	Current 100% Benchmark Price
40	50	60	70	80	90	105	120	130	140	160	220	230
B0123ABCDEF234	ABCXYZ234	10	LE	01/01/2019	01/01/2020	FR	EU	OPDR	EUR	22,000	22,000	26,400

Form 287 relating to the renewed non-EU element

Expiring UMR	Expiring Syndicate Risk ID	Current UMR	Current Syndicate Risk ID	Syndicate Class of Business Code	Risk Code	Inception Date	Expiry Date	Domicile of the Insured	Distribution Channel Code
20	30	40	50	60	70	80	90	105	120
B0123ABCDEF123	ABCXYZ123	B0123ABCDEF234	ABCXYZ234	10	LE	01/01/2019	01/01/2020	GB	LNDN

Method of Placement Code	Original Currency Code	Expiring Syndicate Gross Written Premium	Current Syndicate Gross Written Premium	Expiring 100% Gross Written Premium	Change in Expiring 100% Gross Written Premium Due to Change in Limit / Attachment Point	Change in Expiring 100% Gross Written Premium Due to Change in Breadth of Cover	Change in Expiring 100% Gross Written Premium Due to Other Factors	Change in Expiring 100% Gross Written Premium Due to Pure Rate Change	Current 100% Gross Written Premium	Current 100% Benchmark Price
130	140	150	160	170	180	190	200	210	220	230
OPDR	GBP	100,000	88,000		0	0	-20,000	8,000	88,000	105,600

Example 2b – Change to premium with syndicate having 50% share

As per Example 2a but where the syndicate has a 50% share of the risk

Form 286 relating to the new EU element

Current UMR	Current Syndicate Risk ID	Syndicate Class of Business Code	Risk Code	Inception Date	Expiry Date	Domicile of the Insured	Distribution Channel Code	Method of Placement Code	Original Currency Code	Current Syndicate Gross Written Premium	Current 100% Gross Written Premium	Current 100% Benchmark Price
40	50	60	70	80	90	105	120	130	140	160	220	230
B0123ABCDEF234	ABCXYZ234	10	LE	01/01/2019	01/01/2020	FR	EU	OPDR	EUR	11,000	22,000	26,400

Form 287 relating to the renewed non-EU element

Expiring UMR	Expiring Syndicate Risk ID	Current UMR	Current Syndicate Risk ID	Syndicate Class of Business Code	Risk Code	Inception Date	Expiry Date	Domicile of the Insured	Distribution Channel Code
20	30	40	50	60	70	80	90	105	120
B0123ABCDEF123	ABCXYZ123	B0123ABCDEF234	ABCXYZ234	10	LE	01/01/2019	01/01/2020	GB	LNDN

Method of Placement Code	Original Currency Code	Expiring Syndicate Gross Written Premium	Current Syndicate Gross Written Premium	Expiring 100% Gross Written Premium	Change in Expiring 100% Gross Written Premium Due to Change in Limit / Attachment Point	Change in Expiring 100% Gross Written Premium Due to Change in Breadth of Cover	Change in Expiring 100% Gross Written Premium Due to Other Factors	Change in Expiring 100% Gross Written Premium Due to Pure Rate Change	Current 100% Gross Written Premium	Current 100% Benchmark Price
130	140	150	160	170	180	190	200	210	220	230
OPDR	GBP	50,000	44,000	100,000	0	0	-20,000	8,000	88,000	105,600

Example 3a – No change to premium with syndicate having 100% share and 100% of risk moving to the new distribution channel

A risk that was placed through the London distribution channel in 2018 with a premium of £100k is due to renew on 01/01/19 with no changes to the premium.

For the 2019 renewal: -

100% of the risk is moving to the EU distribution channel which will be placed as new business through Brussels.

Therefore no premium is renewing under the London distribution channel and this should be reflected in the Other Factors field [200] (-£100k).

The risk is being written at an estimated GLR of 60% on £100k GWP against an SBF loss ratio of 50% and so Benchmark Price = (60%/50%)*£100k = £120k across the whole risk (split EU - (60%/50%)*£20k = £24k and LNDN - (60%/50%)*£80k = £96k).

Form 286 relating to the new EU element

Current UMR	Current Syndicate Risk ID	Syndicate Class of Business Code	Risk Code	Inception Date	Expiry Date	Domicile of the Insured	Distribution Channel Code	Method of Placement Code	Original Currency Code	Current Syndicate Gross Written Premium	Current 100% Gross Written Premium	Current 100% Benchmark Price
40	50	60	70	80	90	105	120	130	140	160	220	230
B0123ABCDEF234	ABCXYZ234	10	LE	01/01/2019	01/01/2020	FR	EU	OPDR	EUR	100,000	100,000	120,000

Form 287 relating to the non-EU element

Expiring UMR	Expiring Syndicate Risk ID	Current UMR	Current Syndicate Risk ID	Syndicate Class of Business Code	Risk Code	Inception Date	Expiry Date	Domicile of the Insured	Distribution Channel Code
20	30	40	50	60	70	80	90	105	120
B0123ABCDEF123	ABCXYZ123	B0123ABCDEF234	ABCXYZ234	10	LE	01/01/2019	01/01/2020	GB	LNDN

Method of Placement Code	Original Currency Code	Expiring Syndicate Gross Written Premium	Current Syndicate Gross Written Premium	Expiring 100% Gross Written Premium	Change in Expiring 100% Gross Written Premium Due to Change in Limit / Attachment Point	Change in Expiring 100% Gross Written Premium Due to Change in Breadth of Cover	Change in Expiring 100% Gross Written Premium Due to Other Factors	Change in Expiring 100% Gross Written Premium Due to Pure Rate Change	Current 100% Gross Written Premium	Current 100% Benchmark Price
130	140	150	160	170	180	190	200	210	220	230
OPDR	GBP	100,000	0		0	0	-100,000	0	0	0

<u>Example 3b – Change to premium with syndicate having 50% share and 100% of risk moving to the new distribution channel</u>

A risk that was placed through the London distribution channel in 2018 with a premium of £100k is due to renew on 01/01/19 with a total increase in premium of £10k due to rate change.

For the 2019 renewal: -

100% of the risk is moving to the EU distribution channel which will be placed as new business through Brussels.

Therefore no premium is renewing under the London distribution channel and this should be reflected in the Other Factors field [200] (-£100k).

The risk is being written at an estimated GLR of 60% on £110k GWP against an SBF loss ratio of 50% and so Benchmark Price = (60%/50%)*£110k = £132k across the whole risk (split EU - (60%/50%)*£22k = £26.4k and LNDN - (60%/50%)*£88k = £105.6k).

Form 286 relating to the new EU element

Current UMR	Current Syndicate Risk ID	Syndicate Class of Business Code	Risk Code	Inception Date	Expiry Date	Domicile of the Insured	Distribution Channel Code	Method of Placement Code	Original Currency Code	Current Syndicate Gross Written Premium	Current 100% Gross Written Premium	Current 100% Benchmark Price
40	50	60	70	80	90	105	120	130	140	160	220	230
B0123ABCDEF234	ABCXYZ234	10	LE	01/01/2019	01/01/2020	FR	EU	OPDR	EUR	55,000	110,000	132,000

Form 287 relating to the non-EU element

Expiring UMR	Expiring Syndicate Risk ID	Current UMR	Current Syndicate Risk ID	Syndicate Class of Business Code	Risk Code	Inception Date	Expiry Date	Domicile of the Insured	Distribution Channel Code
20	30	40	50	60	70	80	90	105	120
B0123ABCDEF123	ABCXYZ123	B0123ABCDEF234	ABCXYZ234	10	LE	01/01/2019	01/01/2020	GB	LNDN

Method of Placement Code	Original Currency Code	Expiring Syndicate Gross Written Premium	Current Syndicate Gross Written Premium	Expiring 100% Gross Written Premium	Change in Expiring 100% Gross Written Premium Due to Change in Limit / Attachment Point	Change in Expiring 100% Gross Written Premium Due to Change in Breadth of Cover	Change in Expiring 100% Gross Written Premium Due to Other Factors	Change in Expiring 100% Gross Written Premium Due to Pure Rate Change	Current 100% Gross Written Premium	Current 100% Benchmark Price
130	140	150	160	170	180	190	200	210	220	230
OPDR	GBP	50,000	0	100,000	0	0	-100,000	0	0	0

14 EXAMPLE – CALCULATION OF RISK-ADJUSTED RATE CHANGE

This example illustrates:

- the principles behind the calculation of risk-adjusted rate change, gross and net of acquisition costs
- the calculation of benchmark price

Risk details
On 1 January 2020 Lloyd's syndicate 0001 **renews** a 12 month marine hull policy. The original policy incepted on 1 January 2019 and had a term of 12 months.

The following details are relevant to the renewed and expiring policies:

- for the shipping interests of XYZ Cargo Ltd
- on both the expiring policy and the new policy the managing agent is the Lloyd's slip leader and has written a 60% line
- last year £100k was the total gross amount charged for the policy; the syndicate's share of this Gross Written Premium was £60k. Acquisition costs were 20%, i.e. £12k for the syndicate share and £20k for the 100% acquisition costs
- this year £120k is the total gross amount charged for the policy; the syndicate's share of this Gross Written Premium is £72k. Acquisition costs were 25%, i.e. £18k syndicate share and £30k 100%
- upon renewal, there have been a number of changes in the terms and conditions of the policy as well as the general underwriting environment:
  - at the request of the policyholder the deductible has been significantly decreased
  - the policyholder has also requested that additional perils be added to the policy
  - the effects of inflation have substantially increased the cost of hull repairs during the last year
  - due to commercial pressures in the marine insurance market, premium rates have softened during the year and
  - The renewed policy is estimated as being written at a gross loss ratio (GLR = ultimate gross claims/ultimate gross written premium) of 70% against an approved SBF GLR of 60%

Completing Form 287: Fields 10 to 160

Fields 10, 40 – 140, 160 and 160a are the same fields that are present in form 286. There are also three additional fields (numbered 20, 30 and 150) which are completed with reference to the expiring policy. The diagram below shows the values that are reported in all these fields for the risk above.

Single Risk Flag	Expiring UMR	Expiring Syndicate Risk ID	Current UMR	Current Syndicate Risk ID	Syndicate Class of Business Code	Risk Code	Inception Date	Expiry Date	Risk Exposure Location Code
10	20	30	40	50	60	70	80	90	100
Y	B1234ABC5678	XYZCARG09	B1234DEF9012	XYZCARG10	10	T	2020-01-01	2021-01-01	US

Domicile of the Insured	Lloyd's Slip Leader Flag	Distribution Channel Code	Coverholder PIN	Method of Placement Code	Service Company Indicator	Original Currency Code	Expiring Syndicate GWP	Current Syndicate GWP	Current Syndicate Acq Costs
105	110	120	125	130	135	140	150	160	160a
UK	Y	LDLN	999999AAA	OPDR	N	GBP	60000	72000	-18000

Completing Form 287: Fields 170 to 240

Expiring 100% GWP	Expiring 100% Acq Costs	Change 100% GWP Limit / Attachment Point	Change 100% GWP Breadth of Cover	Change 100% GWP Other Factors	Change 100% GWP Pure Rate	Current 100% GWP	Current 100% Acq Costs	Current 100% Benchmark Price	Expiring Renewed 100% Acq Costs
170	170a	180	190	200	210	220	220a	230	240
100000	-20000	40000	20000	20000	-60000	120000	-30000	140000	-36000

Field 170 – Expiring 100% Gross Written Premium
In this field the managing agent reports the 100% Gross Written Premium for the expiring risk. As stated in the risk details above, this is £100k.

Field 170a – Expiring 100% Acquisition Costs
In this field the managing agent reports the 100% Acquisition costs for the expiring risk. As stated in the risk details above, acquisition costs are 20% of the expiring Gross Written Premium of £100K, i.e. £20k. Please note, this is reported as a negative number.

Field 180 – Change in expiring 100% Gross Written Premium due to change in limit / attachment point
The limit has decreased. In the absence of any other changes in policy terms or market conditions this would increase the amount charged for the policy. The underwriter estimates that the effect of the decreased limit would have been to increase the 100% Gross Written Premium for the risks covered by last year's policy by approximately £40k.

Field 190 – Change in expiring 100% Gross Written Premium due to change in breadth of cover (e.g. perils insured)
An extra peril has extended the policy coverage. The underwriter estimates that the effect of the additional perils would have been to increase the 100% Gross Written Premium by approximately £20k last year.

Field 200 – Change in expiring 100% Gross Written Premium due to other factors (e.g. exposure, claims experience, claims inflation and other risk characteristics)
The effects of inflation have substantially increased the cost of hull repairs during the last year. In order to cover this increased cost in claims alone, the 100% Gross Written Premium would have increased by an additional £20k after taking into account the changes specified in fields 180 and 190.

Field 210 – Change in expiring 100% Gross Written Premium due to pure rate change
Increasing competition has led to a softening in rates. Due to these commercial pressures the underwriter charged £60k less than they would otherwise have charged for the 100% Gross Written Premium after taking into account the changes specified in fields 180 – 200 (note field 210 is negative). Please note that this is the gross pure rate change. Section **Error! Reference source not found.** deals with how net of acquisition costs pure rate change is calculated.

Field 220 – Current 100% Gross Written Premium
The managing agent reports the 100% Gross Written Premium charged for the renewed risk. As stated in the risk details, this is £120k.

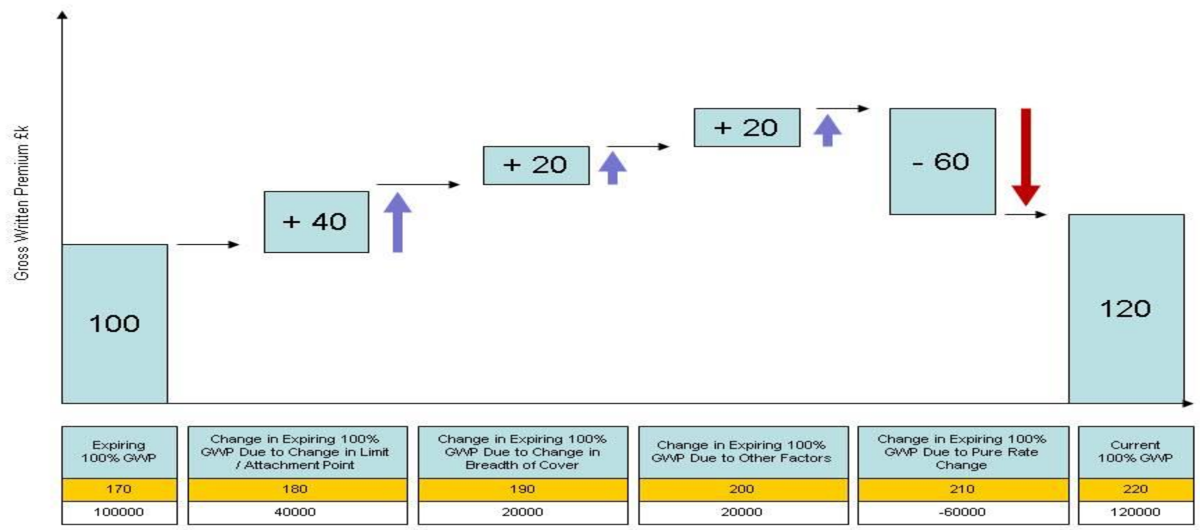
Field 220a – Current 100% Acquisition Costs
This is the 100% Acquisition Cost amount charged for the renewed risk. As stated in the risk details, this is 25% of the £120k Gross Written Premium, i.e. £30k. Please note that this is reported as a negative number.

Field 230 – Current 100% Benchmark Price
This is the 100% Gross Written Premium amount that would need to be charged to meet the Gross Loss Ratio in the syndicate's approved SBF. As stated in the risk details, the risk is being written at an estimated GLR of 70% at £120k GWP against an SBF loss ratio of 60% and so Benchmark Price = {70%/60%}*£120k = £140k.

Field 240 – Expiring Renewed 100% Acquisition Costs
This is the 100% Acquisition Cost for the expiring risk adjusted for the exposure at renewal but at the expiring pricing basis, i.e. Acquisition Cost element of [170] + [180] + [190] + [200]. Last year, acquisition costs were 20% so ={100000+40000+20000+20000}*20% = £36k. This is reported as a negative number.

14.1 Risk Adjusted Rate Change (Gross Basis)

The diagram below illustrates how the premium charged for the risk has changed based on the 100% Gross Written Premium in fields 170 to 220.



Relationship between field 220 and fields 170 – 210
The following relationship between fields 220 and fields 170 – 210 must hold:

Field 220 = Fields (170+180+190+200+210)

In this way the fields combine to describe how the 100% gross written premium charged for the risk has changed at renewal.

Allocating Premium to these fields
Lloyd's understands that some pricing models, particularly those based on multiplicative methods; do not produce output that is directly compatible with the information requested in fields 180 – 210. Managing agents must ensure that field 210, the change in expiring 100% Gross Written Premium due to gross pure rate change, is completed accurately.

Gross Premium Metrics calculated by Lloyd's
This section describes how Lloyd's uses the information in form 287 to monitor gross premium changes for renewed risks.

One measure of premium change is comparing gross written premium (GWP) income this year with last year, which is calculated using the formula:

$$\textbf{Gross Premium Change} = \frac{\textbf{Field 220}}{\textbf{Field 170}} - 1$$

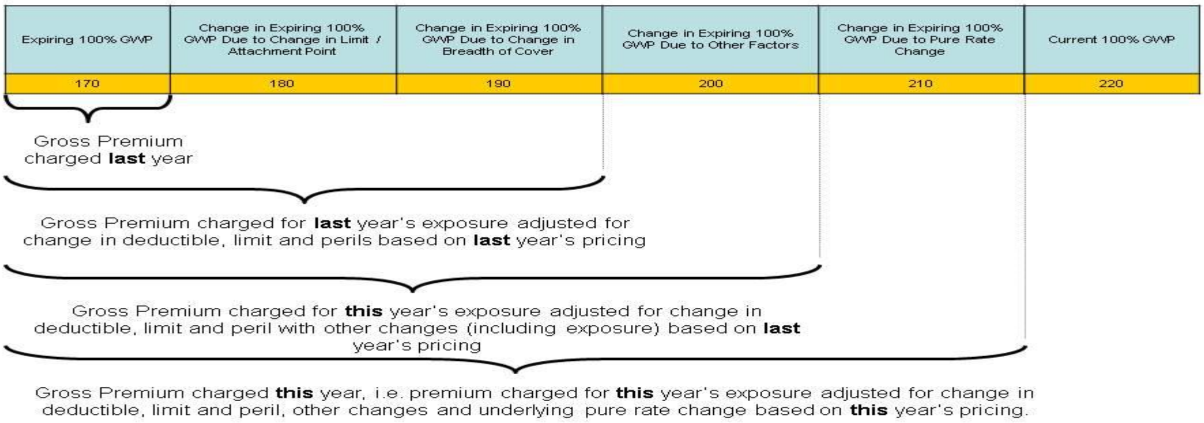
In this example, the premium change is:

$$\textbf{Gross Premium change} = \frac{\textbf{£120k}}{\textbf{£100k}} - 1 = \textbf{+20\%}$$

Although this measure can give a good indication of GWP changes across the market, it is very basic and combines the effects of the changes in policy terms and market conditions that have occurred at renewal. Because of this, Lloyd's primary measure is the risk-adjusted rate change (RARC).

RARC strips out the effects of all changes other than those due to the softening or hardening of market conditions and should be provided on a gross of acquisition costs basis.

To understand how the gross risk-adjusted rate change percentage is calculated, consider the diagram below.



The sum of fields 170,180,190 and 200 is in effect the price (in GWP) that would have been charged last year based on the terms, conditions and exposure of the current contract, while the sum of fields 170, 180, 190, 200 and 210 (= 220) is the premium actually charged this year.

$$\textbf{Risk-adjusted rate change (Gross)} = \frac{\textbf{GWP charged this year} - \textbf{GWP charged for this year's coverage last year}}{\textbf{GWP charged for this year's coverage last year}}$$

$$\textbf{Risk-adjusted rate change (Gross)} = \frac{\textbf{Field 220} - \textbf{Fields (170+180+190+200)}}{\textbf{Fields (170+180+190+200)}}$$

but

Field 220 = Fields (170+180+190+200+210)

Therefore

$$\textbf{Risk-adjusted rate change (Gross)} = \frac{\textbf{Fields (170+180+190+200+210–170–180–190–200)}}{\textbf{Fields (220–210)}}$$

$$\textbf{Risk-adjusted rate change (Gross)} = \frac{\textbf{Field 210}}{\textbf{Fields (220–210)}}$$

$$\textbf{Risk-adjusted rate change (Gross)} = \frac{\textbf{Field 220}}{\textbf{Fields (220–210)}} - \mathbf{1}$$

In this example, the risk-adjusted rate change is:

$$\textbf{Risk-adjusted rate change (Gross)} = \frac{\pounds 120k}{\pounds 120K - (-\pounds 60k)} - 1$$

i.e.

$$\textbf{Risk-adjusted rate change (Gross)} = \frac{\pounds 120k}{\pounds 180k} - 1 = -33.3\%$$

The gross risk-adjusted rate change shows that, once adjustments have been made for the various changes to the policy terms, there has been a considerable fall in the renewed gross written premium as a result of commercial pressures rather than the rise indicated by the gross premium change.

Note also the interpretation of the fields in PMDR:

Gross Written Premium charged for last year's exposure adjusted for change in deductible, limit and perils based on last year's pricing	**=**	**Fields (170 +180+190)**

and

Gross Written Premium charged for this year's exposureadjusted for change in deductible, limit and perils with other changes (including exposure) based on last year's pricing	**=**	**Fields (170 +180+190+200)**

Given that these fields represent premium amounts then:

Fields (170+180+190) > 0

and

Fields (170+180+190+200) > 0

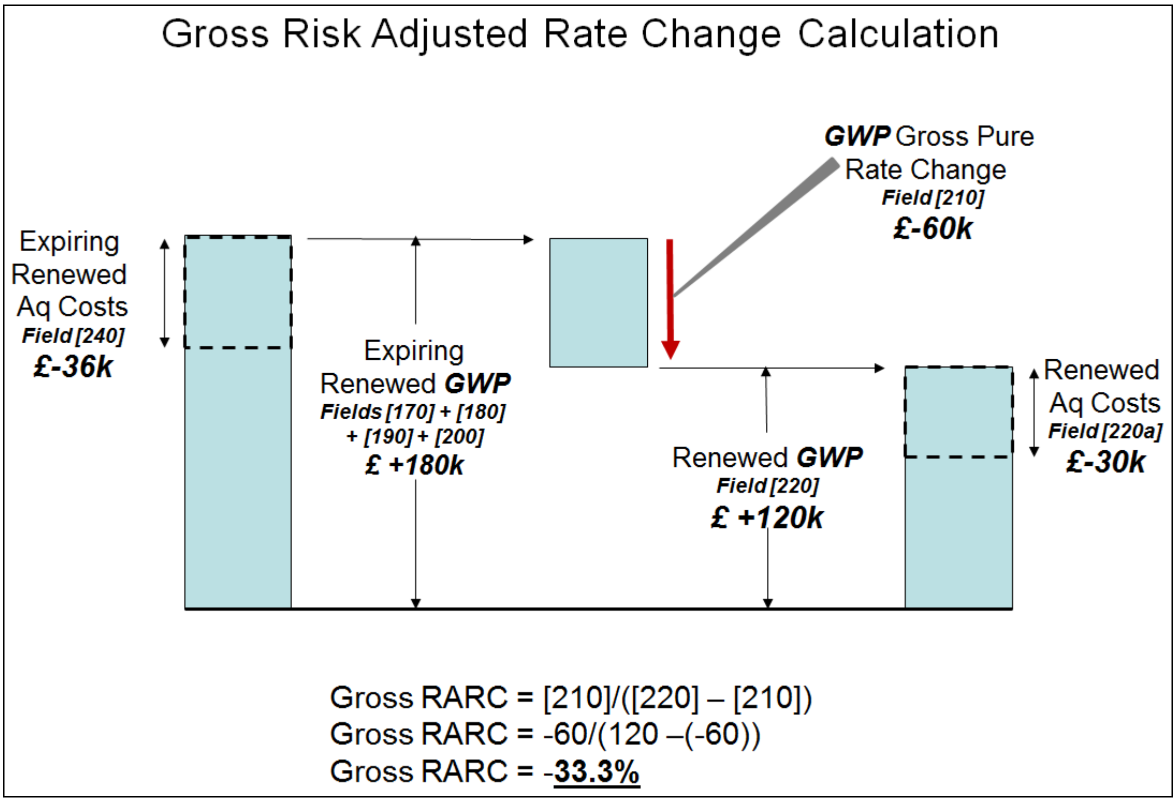
In addition, the values in fields 180 and 190 represent the effects of deductible, attachment point, limit and peril changes on the original exposure of the contract. While there is in principle no limit to the positive change that can be reported in these fields, any negative changes cannot reduce the gross premium related to last year's exposure to zero or less than zero. The following conditions therefore also hold:

Fields (170+180) > 0

and

Fields (170+190) > 0

The following graph illustrates Gross RARC based on the figures in the example risk.



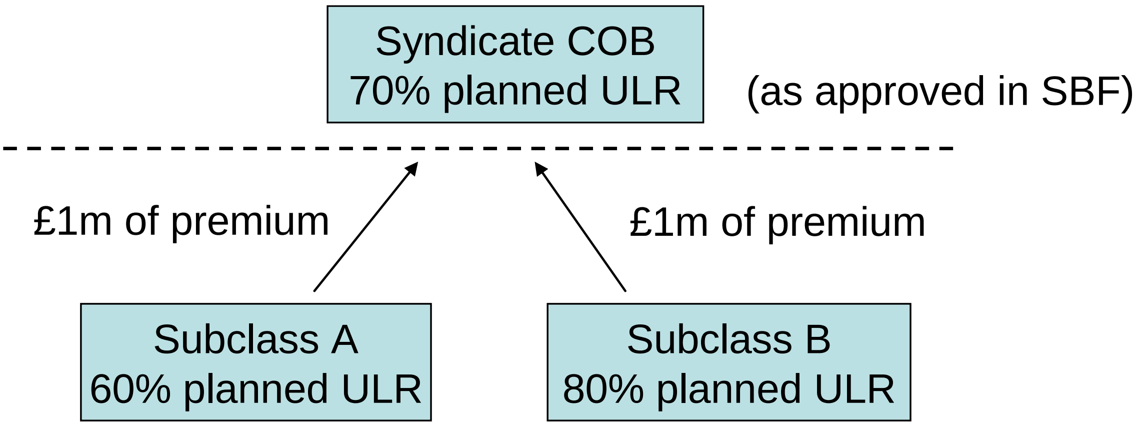
15 EXAMPLE – CURRENT 100% BENCHMARK PRICE

This example illustrates:

- How to complete the current 100% benchmark price field in forms 286 and 287.

Risk details
Consider the situation in which a syndicate's class of business (COB) is made up of two distinct subclasses, each with a different planned gross ultimate loss ratio (GULR). The SBF details only a planned ULR for the syndicate's COB. The expected mix of business of the two subclasses determines the GULR for the COB in the business plan as given in the approved SBF for the return year.

An example is given in the diagram below:



In this example, the current 100% benchmark price for each risk is the gross written premium required to achieve the planned 70% COB GULR. The current 100% benchmark price is not to reflect:

- the planned loss ratio of the subclasses (A and B above), or
- other internal measures of pricing adequacy used by the managing agent, including targets across an underwriting cycle.

Note also that since the current 100% benchmark price is based on the loss ratios in the business plan as given in the approved SBF for the return year, the approval of a new SBF for the return year with different loss ratios for some classes affects the current 100% benchmark price figures for all contracts related to those classes. The re-calculated current 100% benchmark prices are to appear in the next PMDR submitted for the syndicate following the approval of a new SBF for the return year.

16 EXAMPLE – LIMIT OF INDEMNITY [FIELD 98]

These examples illustrate:

- how to complete the ‘Sum Insured/Limit of Indemnity’ [Field 98] where there are multiple limits across different Lloyd’s risk codes on the same UMR.

Example 1 – Package Open Market

An Energy Package Policy comprises three Lloyd’s Risk Codes, two of which, EM and EY, have one Exposure Location Code whilst the other, EG, has two. The US exposure for EG (Risk Exposure Location Code QU) has a LOI of £3m whilst the Non US exposure (NO) has a LOI of £1.5m.

In this scenario risk codes EM and EY will be reported with their respective LOIs of £1m and £2.5m whilst both rows for risk code EG will be reported an LOI of £3m, the maximum across that risk code. If aggregated the total maximum exposure on this policy would be reported as £6.5m.

Current UMR	Current Syndicate Risk ID	Syndicate Class of Business Code	Risk Code	Inception Date	Expiry Date	Industry Sector for Insured	Sum Insured/Limit of Indemnity	Risk Exposure Location Code
40	50	60	70	80	90	95	98	100
A1234ABCDEF	XYZ123456	ABC1	EM	01/04/2019	01/04/2020	10002	1,000,000	QU
A1234ABCDEF	XYZ123457	ABC1	EY	01/04/2019	01/04/2020	10002	2,500,000	QU
A1234ABCDEF	XYZ123458	ABC1	EG	01/04/2019	01/04/2020	10002	3,000,000	NO
A1234ABCDEF	XYZ123459	ABC1	EG	01/04/2019	01/04/2020	10002	3,000,000	US

Example 2 – Package with Sub-Limits

A Liability Package Policy comprises two main elements under Lloyd’s Risk Codes W4 (Intl Workers Comp And EL) and NA (Nm General And Misc Liability All Other) with Med Mal (GM) and EIL (EP) extensions within the GL section. The two main elements both have a LOI of £5m whilst the extensions are both sublimited to £1m each. The Risk Exposure Location for all of the risks is France (FR).

In this scenario risk codes W4 and NA will be reported with their respective LOIs of £5m whilst the extensions will both be reported with their LOIs of £1m. If aggregated the total maximum exposure on this policy would be reported as £12m.

Current UMR	Current Syndicate Risk ID	Syndicate Class of Business Code	Risk Code	Inception Date	Expiry Date	Industry Sector for Insured	Sum Insured/Limit of Indemnity	Risk Exposure Location Code
40	50	60	70	80	90	95	98	100
A1234ABCDEF	XYZ123456	ABC2	W4	01/04/2019	01/04/2020	10002	5,000,000	FR
A1234ABCDEF	XYZ123457	ABC2	NA	01/04/2019	01/04/2020	10002	5,000,000	FR
A1234ABCDEF	XYZ123458	ABC2	GM	01/04/2019	01/04/2020	10002	1,000,000	FR
A1234ABCDEF	XYZ123459	ABC2	EP	01/04/2019	01/04/2020	10002	1,000,000	FR

Example 3a – Reinstatement of Limits

The limits on a policy which comprises elements under Lloyd's Risk Codes 3E and 4E are exhausted and as a result reinstatement premiums are taken up to restore the limits. Both elements retain the original LOIs of £1m and £500k. If aggregated the UMR will reflect a total maximum exposure of £3m across the original and reinstatement lines. The reinstatement premiums are reported as separate lines in the return.

Original Policy

Single Risk Flag	Expiring UMR	Expiring Syndicate Risk ID	Current UMR	Current Syndicate Risk ID	Syndicate Class of Business Code	Risk Code	Inception Date	Expiry Date	Industry Sector for Insured	Sum Insured Limit of Indemnity	Risk Exposure Location Code	Domicile of the Insured	Lloyd's Slip Leader Flag	Distribution Channel Code	Coverholder PIN
10	20	30	40	50	60	70	80	90	95	98	100	105	110	120	125
Y	B1000ABCDEF1	ABCDEF123	B1000ABCDEF2	ABCDEF234	10	3E	01/01/2019	01/01/2020	10002	1,000,000	US	US	N	LNDN	ABC123456
Y	B1000ABCDEF1	ABCDEF123	B1000ABCDEF2	ABCDEF234	10	4E	01/01/2019	01/01/2020	10002	500,000	US	US	N	LNDN	ABC123456

Method of Placement Code	Service Company Indicator	Original Currency Code	Expiring Syndicate Gross Written Premium	Current Syndicate Gross Written Premium	Current Syndicate Acquisition Costs	Expiring 100% Gross Written Premium	Expiring 100% Acquisition Costs	Change in Expiring 100% Gross Written Premium Due to Change in Limit / Attachment Point	Change in Expiring 100% Gross Written Premium Due to Change in Breadth of Cover	Change in Expiring 100% Gross Written Premium Due to Other Factors	Change in Expiring 100% Gross Written Premium Due to Pure Rate Change	Current 100% Gross Written Premium	Current 100% Acquisitions Costs	Current 100% Benchmark Price	Expiring Renewed 100% Acquisition Costs
130	135	140	150	160	160a	170	170a	180	190	200	210	220	220a	230	240
OPDR	NSC	USD	0	400,000	-40,000	0	0	N/C	N/C	N/C	N/C	400,000	-40,000	N/C	N/C
OPDR	NSC	USD	0	200,000	-20,000	0	0	N/C	N/C	N/C	N/C	200,000	-20,000	N/C	N/C

Reinstatement Policy

Single Risk Flag	Expiring UMR	Expiring Syndicate Risk ID	Current UMR	Current Syndicate Risk ID	Syndicate Class of Business Code	Risk Code	Inception Date	Expiry Date	Industry Sector for Insured	Sum Insured Limit of Indemnity	Risk Exposure Location Code	Domicile of the Insured	Lloyd's Slip Leader Flag	Distribution Channel Code	Coverholder PIN
10	20	30	40	50	60	70	80	90	95	98	100	105	110	120	125
Y	B1000ABCDEF1	REINSTATEMENT 1 2018	B1000ABCDEF2	REINSTATEMENT 1 2019	10	3E	01/01/2019	01/01/2020	10002	1,000,000	US	US	N	LNDN	ABC123456
Y	B1000ABCDEF1	REINSTATEMENT 1 2018	B1000ABCDEF2	REINSTATEMENT 1 2019	10	4E	01/01/2019	01/01/2020	10002	500,000	US	US	N	LNDN	ABC123456

Method of Placement Code	Service Company Indicator	Original Currency Code	Expiring Syndicate Gross Written Premium	Current Syndicate Gross Written Premium	Current Syndicate Acquisition Costs	Expiring 100% Gross Written Premium	Expiring 100% Acquisition Costs	Change in Expiring 100% Gross Written Premium Due to Change in Limit / Attachment Point	Change in Expiring 100% Gross Written Premium Due to Change in Breadth of Cover	Change in Expiring 100% Gross Written Premium Due to Other Factors	Change in Expiring 100% Gross Written Premium Due to Pure Rate Change	Current 100% Gross Written Premium	Current 100% Acquisitions Costs	Current 100% Benchmark Price	Expiring Renewed 100% Acquisition Costs
130	135	140	150	160	160a	170	170a	180	190	200	210	220	220a	230	240
OPDR	NSC	USD	0	500,000	-50,000	0	0	N/C	N/C	N/C	N/C	500,000	-50,000	N/C	N/C
OPDR	NSC	USD	0	250,000	-25,000	0	0	N/C	N/C	N/C	N/C	250,000	-25,000	N/C	N/C

Example 3b – Reinstatement of Limits

A policy has a £2m limit with 2x reinstatements and either reinstatements of limits are negotiated as part of the original deal and premium included within the original GWP paid or additional premium is paid and the original premium is updated on the existing entry accordingly (as per Section 3.30). In this case, this would all fall under the one line with the total limit being reported as £6m.

Current UMR	Current Syndicate Risk ID	Syndicate Class of Business Code	Risk Code	Inception Date	Expiry Date	Industry Sector for Insured	Sum Insured/Limit of Indemnity	Risk Exposure Location Code
40	50	60	70	80	90	95	98	100
B1000ABCDEF2	ABCDEF234	10	3E	01/04/2019	01/04/2020	10002	6,000,000	US

Example 4 – Reinsurance

A policy has a vertical layer limit of £1m in excess of £1m but the policy also has a sideways aggregate limit of £8m so there could be multiple claims throughout the year over £1m and up to £2m which continue to be payable until they meet the £8m threshold at which point limit is spent. The policy also incorporates two Lloyd's Risk Codes which both contribute towards the limits, therefore each line will reflect the LOI as £8m. If aggregated the total maximum exposure on this policy would be reported as £8m.

Current UMR	Current Syndicate Risk ID	Syndicate Class of Business Code	Risk Code	Inception Date	Expiry Date	Industry Sector for Insured	Sum Insured/Limit of Indemnity	Risk Exposure Location Code
40	50	60	70	80	90	95	98	100
A1234ABCDEF	XYZ123456	ABC1	EM	01/04/2019	01/04/2020	10002	8,000,000	QU
A1234ABCDEF	XYZ123457	ABC1	EY	01/04/2019	01/04/2020	10002	8,000,000	QU

Example 5 – Binders

For binders where declarations are not reported individually, an estimate of the aggregated sum insured will need to be calculated on the same basis as GWP.

For instance the expected average limit [in January] may be £500k with 100 individual declarations (based on assumptions taken at renewal of binder).

This would equate to an aggregate sum insured of £50m, unless there is an aggregate attaching to the entire binder in which case this will be the aggregate.

As more of the figures included on the facility record are based on written/signed figures then the totals will be updated accordingly.

For instance, at the time of reporting the June return 10 risks have been written with a LOI of £500k, 10 with a LOI of £1m and 10 with a LOI of £1.5m. The remaining 70 risks expected to be written still have an expected average of £500k

In this instance the total LOI would equate to £65m

January PMDR Return

Current UMR	Current Syndicate Risk ID	Syndicate Class of Business Code	Risk Code	Inception Date	Expiry Date	Industry Sector for Insured	Sum Insured/Limit of Indemnity	Risk Exposure Location Code
40	50	60	70	80	90	95	98	100
A1234ABCDEF	XYZ123456	ABC1	EM	01/01/2019	01/01/2020	10002	50,000,000	QU

June PMDR Return

Current UMR	Current Syndicate Risk ID	Syndicate Class of Business Code	Risk Code	Inception Date	Expiry Date	Industry Sector for Insured	Sum Insured/Limit of Indemnity	Risk Exposure Location Code
40	50	60	70	80	90	95	98	100
A1234ABCDEF	XYZ123456	ABC1	EM	01/01/2019	01/01/2020	10002	65,000,000	QU

17 APPENDIX 1 – LLOYD'S BRUSSELS COMMISSION CHARGE

Brexit Reporting Examples							
Examples are shown on a policy level, however please note that any overseas levy reduction is applied at the syndicate level							
		Slip Doc	Direct	Direct	Direct	Inwards RI (Prop Treaty)	Inwards RI (Prop Treaty)
Return Type		**Policy**	**SBF**	**PMD**	**QMB**	**QMA**	**QSR / ASR**
Gross Gross Written Premiums		£ 200.00	£ 200.00	£ 200.00	£ 200.00	£ 200.00	£ 200.00
Acquisition costs:							
Broker 1	20%	-£ 40.00	-£ 40.00	-£ 40.00	-£ 40.00	-£ 40.00	-£ 40.00
Lloyd's Brussels charge	2.75%					-£ 5.50	-£ 5.50
Net Gross Written Premiums		£ 160.00	£ 160.00	£ 160.00	£ 160.00	£ 154.50	£ 154.50
Expenses							
Overseas Levy reduction						TBC	TBC
Result		£ 160.00	£ 160.00	£ 160.00	£ 160.00	£ 154.5 + OSL reduction	£ 154.5 + OSL reduction
Calculation of the overseas levy will take account of reinsurance commission paid to Lloyd's Brussels and a reduction will be applied to syndicates.*							
**The reduction will not fully match the reinsurance commission paid as it will be after taking account of tax in Lloyd's Brussels. No negative rates will be applied*							