

Market Bulletin

Ref: Y5322

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|----------------------|---|
| Title | 2020 year end returns |
| Purpose | To provide managing agents with information required for the completion of the 2020 year end QMA, QMB and Pillar 3 returns including the list of major losses to be reported, suggested exchange rates and confirmation of the instructions |
| Type | Scheduled |
| From | George Nicholson, Associate, UK Reporting, Central Finance Contact details: 020 7327 5609 George.Nicholson@lloyds.com |
| Date | 4 January 2021 |
| Deadline | See table below |
| Related links | N/A |

This bulletin provides:

- (a) the list of major losses to be reported in QMA800u (see Appendix 1);
- (b) suggested exchange rates (see Appendix 2);
- (c) other information relevant to the completion of the Q4 2020 Quarterly Monitoring Return; and
- (d) contact details.

Deadlines

The submission dates for the returns as at 31 December 2020 relevant to this bulletin are as noted in the following table:

| | | |
|---------------------------|----------------------------------|------------------|
| QSR & QAD | 2:00pm Thursday 21 January 2021 | Unaudited |
| QMA* | 2:00pm Tuesday 16 February 2021 | Audited |
| QMB | 2:00pm Thursday 11 February 2021 | Unaudited |
| Syndicate Annual Accounts | 2:00pm Thursday 4 March 2021 | Audited |
| ASR | 2:00pm Thursday 11 March 2021 | Audited – partly |
| ASB | 2:00pm Thursday 11 March 2021 | Unaudited |
| AAD | 2:00pm Thursday 11 March 2021 | Unaudited |

*The 2018 results and 2019 forecasts as a percentage of capacity will be released to the Stock Exchange and included on Lloyds.com on Thursday 31 March 2021.

The year-end timetable for the completion of the market results is very tight and it is important that syndicate returns and annual accounts are submitted by their respective deadlines. We may take action against agents submitting late returns and / or accounts. Agents should bear this in mind when planning, not just the completion of the return, but also the audit and approval processes, including the timing of board meetings.

Forms and instructions

QMA

Updates have been made to the QMA instructions for Q4 2020. Version 2.1 is the latest version of the instructions. We have emailed all QMA contacts a copy of the instructions and the instructions will also be available on the MDC platform by pressing the help button (an option located on the top right side of the page) within the syndicate QMA return screen.

Please note there are three additional excel templates which all syndicates are required to submit alongside the Q4 2020 QMA submission. These templates should be populated and attached to the QMA submission on the MDC platform before the return is submitted to Lloyd's:

- 1) COVID-19 additional reporting template which supplements information reported via QMA 800u to enable Lloyd's to assess the loss at a more granular level. The template has been updated for Q4.
- 2) Managing agent sign off checklist will be required for Q4 reporting. No changes to this template from Q2.
- 3) A new template required for Q4 is the calendar year results analysis template which provides further analysis on underwriting results in the following areas:
 - a. Splitting the result into contributions from continued and discontinued classes of business;
 - b. Commentary on the key drivers of change for key reporting metrics between 2019 and 2021; and
 - c. Explanations of the drivers of prior year movements by class of business.

All additional templates will be available for download on the MDC platform. Instructions for the completion of each template is included in the templates themselves.

QMB

Version 6.11 of the QMB instructions is also available on the MDC platform by pressing the help button within the syndicate QMB return screen.

Pillar 3 returns

Updates have been made to QSR and QAD instructions (refer version 1.13) and to ASR, AAD and ASB (version 1.5) and these are available on CMR and final instructions are available on Lloyd's.com.

Software

The software for QMA and QMB is now available in the Production environment. Software for QSR, QAD, ASR, AAD and ASB returns will be available from approximately 07 January 2021.

Contacts

Reporting performance issues (not validation or content issues)

We would encourage all agents to report any issues they have with the performance of the software and accessing the systems as soon as they arise. This will enable the IT help desk to resolve the

issue earlier in the process, monitor service levels in real time, and respond quickly as issues emerge. The contacts e-mail is itcustomersupport@lloyds.com or call 020 7327 5333. Any questions concerning the MDC platform should be directed to MDCsupport@lloyds.com.

General queries

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

| Return | Department | E-mail |
|----------------------------|------------------------|--|
| QMA | Central Finance | Lloyds-MRD-ReturnQueries@lloyds.com |
| QMB | Performance Management | Lloyds-QMBReturns@lloyds.com |
| QSR/QAD ASR/ASB/ AAD | Central Finance | Lloyds-SolvencyReturns@lloyds.com |

This bulletin is being sent to the compliance officers, finance directors and QMA contacts of all managing agents.

George Nicholson

Appendix 1

Major losses

The XIS catastrophe codes which must be reported in the Q4 2020 QMA800u are:

| | Code | Loss name | Loss date |
|----|------|--|-----------------------|
| 1 | 10P | New Zealand Earthquake | 4 September 2010 |
| 2 | 11C | New Zealand Earthquake | 22 February 2011 |
| 3 | 11N | Losses arising from New Zealand earthquake at Sumner | 13 June 2011 |
| 4 | 12J | Hurricane Sandy from Caribbean and ongoing | 24 October 2012 |
| 5 | 13A | Cyclone Oswald affecting Queensland and New South Wales, Australia. | 27 to 29 January 2013 |
| 6 | 13F | Flooding following heavy rain in Alberta | 20 June 2013 |
| 7 | 14F | Brisbane and South-East Queensland Storm | 27 to 28 Nov. 2014 |
| 8 | MADO | Collapse of Madoff Investment Securities LLC | - |
| 9 | SUBS | Losses arising from sub prime | - |
| 10 | 16D | Wildfire – Fort McMurray, Alberta, Canada | 1 May 2016 & ongoing |
| 11 | 16N | New Zealand earthquake, South Island near Hammer Springs | 14 November 2016 |
| 12 | FPSO | Losses arising from Kwame Nkrumah in the jubilee oil field | 20 March to 31 Dec 16 |
| 13 | 17D | Tropical cyclone Debbie (Australia) | 27 March 2017 |
| 14 | ADNC | Losses arising from the Vapour Cloud explosion at the ADNOC/Takreer Ruwais Refinery | 11 January 2017 |
| 15 | 17F# | Hurricane Harvey | 24 August 2017 |
| 16 | 17G# | Hurricane Irma | 1 September 2017 |
| 17 | 17H | Hurricane Maria | 17 September 2017 |
| 18 | 17J | Mexico Earthquake | 19 September 2017 |
| 19 | 17L# | Northern California wildfires | 8 October 2017 |
| 20 | 17N | Thomas wildfire in Santa Barbara and Ventura Counties | 4 December 2017 |
| 21 | 18A | Winter storm affecting the US Eastern Seaboard and parts of Canada | 3 January 2018 |
| 22 | HONA | Losses arising from the Maersk Honam fire in the Arabian Sea | 6 March 2018 |
| 23 | 18B | Volcanic eruption affecting Hawaii | 3 May 2018 |
| 24 | 18C | Carr Wildfire, Redding, and affecting Shasta County and Trinity County, California. | 23 July 2018 |
| 25 | 18D | Ranch Fire (Mendocino Complex) affecting Colusa County, Lake County and Mendocino County | 27 July 2018 |
| 26 | 18E | Hurricane Lane affecting Hawaii | 22 August 2018 |
| 27 | 18F# | Hurricane Florence | 4 September 2018 |
| 28 | 18G | Typhoon Jebi | 29 August 2018 |
| 29 | 18H | Typhoon Mangkhut | 9 September 2018 |
| 30 | SASS | Losses arising from the Lürssen Shipyard fire damaging superyacht "Sassi" | 14 September 2018 |
| 31 | 18J | Hurricane Michael | 6 October 2018 |
| 32 | 18K | Camp Wildfire | 8 November 2018 |
| 33 | 18L | Woolsey Wildfire | 8 November 2018 |

| | | | |
|----|------|---|------------------------|
| 34 | USCC | Capture costs arising out of climate change litigation for claims originating in the US | 1 January 2018 |
| 35 | RWCC | Capture costs arising out of climate change litigation for claims not originating in the US | 1 January 2018 |
| 36 | USOC | Capture claim payments and costs arising out of opioid claims origination in the US | 1 January 2018 |
| 37 | RWOC | Capture claim payments and costs arising out of opioid claims not origination in the US | 1 January 2018 |
| 38 | 19A | Brumadinho dam burst in Minas Gerais, Brazil | 29 January 2019 |
| 39 | RCMB | Claims arising out of the Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry in Australia | 1 November 2017 |
| 40 | BOEI | Losses arising out of accidents and groundings of the Boeing 737 MAX Aircraft from October 2018 | October 2018 |
| 41 | 19B | Ridgecrest Earthquakes encompassing a series of earthquakes, emanating in the vicinity of Ridgecrest, California | 4 July 2019 |
| 42 | 19C | Storm Barry | 10 July 2019 |
| 43 | 19D# | Storm Dorian affecting the Caribbean/Bahamas | 26 August 2019 |
| 44 | 19E | Typhoon Faxai | 6 September 2019 |
| 45 | 19F | Typhoon Hagibis | 10 October 2019 |
| 46 | THOM | Losses arising from out of the administration of Thomas Cook in September 2019 | 1 September 2019 |
| 47 | HHSB | All personal lines household claims where subsidence has occurred in the UK within 2019 | 1 January 2019 |
| 48 | DLTR | Dallas Tornado strikes | 20 October 2019 |
| 49 | CHLR | 2019 Chilean Protests | 1 October 2019 |
| 50 | 19G# | California Wildfires | 1 January 2019 |
| 51 | 20A | Australian Wildfires within 2019 | 1 August 2019 |
| 52 | 20B# | Australian hailstorms | 20 January 2020 |
| 53 | 20C | Storm Ciara | 5 February 2020 |
| 54 | 20D | Storm Dennis | 15 February 2020 |
| 55 | 20E | Tornadoes affecting Tennessee, United States | 2 March 2020 |
| 56 | MAFU | Losses arising out of vessel engine problems resulting or connected to the implementation of the IMO 2020 regulations and use of low sulphur fuels | 1 January 2020 |
| 57 | CORO | Losses arising from or connected to the current outbreak of novel coronavirus (2019-nCov) that was first reported from Wuhan, China | 31 December 2019 |
| 58 | 20F | Severe weather affecting South Carolina, United States | 12 April 2020 |
| 59 | 20G | Tornadoes affecting Tennessee, United States | 12 April 2020 |
| 60 | EASY | Claims arising over the cyber-attack data breach impacting EasyJet airline. | January 2020 & ongoing |
| 61 | PRDE | Claims due to damages arising from protests carried out as a result of racial injustice following George Floyd's death – not only in the US but rest of the world too | 26 May 2020 |
| 62 | 20H | Hailstorm affecting Calgary, Alberta | 13 June 2020 |
| 63 | 20J | Storm Hanna | 25 July 2020 |
| 64 | 20K | Explosion in the Port of Beirut, Lebanon | 4 August 2020 |
| 65 | 20L# | Hurricane Isaias | 30 July 2020 |

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|----|------|--|-------------------|
| 66 | 20M# | Hurricane Laura commencing 23 August and ongoing | 23 August 2020 |
| 67 | 20N | California wildfires | 1 July 2020 |
| 68 | 20P | Derecho severe weather situation affecting the US mid-west including Iowa, Illinois and other States | 10 August 2020 |
| 69 | 20Q | Hurricane Sally | 14 September 2020 |
| 70 | 20R | Hurricane Delta | 5 October 2020 |
| 71 | 20S | Hurricane Zeta | 24 October 2020 |
| 72 | 20T | Hurricane Eta | 3 November 2020 |
| 73 | 20U | Oregon Wildfires | 5 August 2020 |
| 74 | 20V | Hurricane Lota | 15 November 2020 |

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

As noted in section 2.21 to the current QMA instructions, if a 2020 event receives a loss code after this bulletin has been published, notification that the event is required in the QMA800u will be made through inclusion in the FAQs.

Agents are reminded that if they have any major loss to be reported on QMA800u that does not have an XIS catastrophe code they need to ensure that the loss has been allocated a major loss code. Any agent wishing to request a new major loss code should send an e-mail to Lloyds-MRD-ReturnQueries@lloyds.com or MajorLossCodes@lloyds.com and the relevant procedures and template will be provided by return. The deadline for submission of requests for new major loss codes to Central Finance is Monday 4 February 2021.

Major loss codes

Additional (non-XIS) catastrophe codes where QMA800u reporting is required are as follows:

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

Please note:

Major loss codes relating to 2019 and prior are still maintained in the database. Syndicates are asked to report on major losses in accordance with the QMA800u instructions.

Appendix 2

Rates of Exchange

The settlement currency rates as at 31 December 2020 (balance sheet), and average currency rates (profit and loss account) for the calendar year to 31 December 2020 are as follows (to the £):

| | Accounts etc | | GQD |
|--------------------|--------------|---------|---------------------|
| | Period end | Average | In-quarter average* |
| US dollars | 1.37 | 1.28 | 1.32 |
| Canadian dollars | 1.74 | 1.72 | 1.72 |
| Euro | 1.12 | 1.13 | 1.11 |
| Australian dollar | 1.77 | 1.86 | 1.81 |
| Danish krone | 8.31 | 8.39 | 8.24 |
| Hong Kong dollar | 10.60 | 9.96 | 10.24 |
| Japanese yen | 141.12 | 137.02 | 137.96 |
| New Zealand dollar | 1.90 | 1.97 | 1.92 |
| Norwegian krone | 11.70 | 12.06 | 11.91 |
| Singapore dollar | 1.81 | 1.77 | 1.78 |
| South African rand | 20.08 | 21.08 | 20.63 |
| Swedish krona | 11.22 | 11.80 | 11.37 |
| Swiss franc | 1.21 | 1.20 | 1.19 |

It is not a requirement that the above rates are used in your QMR submission but they may be used in the absence of another source for these indices.

* All original currencies that are reported in the GQD under 'currency code' OTH should be converted to Sterling either at the rates of exchange suggested by Lloyd's in this Market Bulletin or at the agent's chosen exchange rates (bearing in mind that outstanding claims should be converted at period-end spot rates).