

Reserving Return Quarterly (RRQ)

Return Instructions

Version 1.4 March 2025

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1. Introduction

1.1. Reserving Return Quarterly (RRQ)

The Reserving Return Quarterly (RRQ) is a Lloyd's return which, in 2024, replaced data previously collected quarterly through the GQD return. The purpose of this was to improve Lloyd's data accuracy and to better align the data against the syndicate's own reserving class of business and an improved set of Lloyd's line of business.

The importance of the RRQ is that it is the only dataset which Lloyd's collects quarterly from the market by risk code, syndicate reserving class of business and the latest 20 pure years of account. It also provides quarterly development points. The Lloyd's line of business has been re-aligned to work better with the syndicate's own reserving class of business; further detail on this can be found in Sections 5.2, 5.3 and 5.4.

The information in the return is fundamental to the requirements of Lloyd's central Actuarial Function. Most of the key uses of the RRQ require analysis on homogenous data (risks in each class behaving in the same way) that is credible (data volumes sufficient for valid analysis). Risk codes provide a balance between homogeneity and credibility.

As the RRQ is a "factual" return in that there are no IBNR or future premium items to be calculated (or apportioned), Lloyd's expects this to be close to a direct transfer of the data from a managing agent's system into the Core Market Returns (CMR) website. Once the process is established, Lloyd's expects that the return should be able to be produced with relatively low ongoing effort. The main data items required are all signed premium, paid and outstanding claims; not just signed data from Velonetic. The return is only required gross of reinsurance. Also, as with the Syndicate Accounts and RRA returns, there should be no double count in your submitted RRQ.

The return should be subject to agent checks and reconciliations but does not need to be audited.

1.2. Background

The RRQ is one of the key data sources used by Lloyd's in fulfilling its own regulatory requirements as well as many of its supervisory objectives in terms of monitoring syndicate performance across the market in a timely manner.

The RRQ return has been designed to allow Lloyd's to centrally fulfil the duties of the Actuarial Function, especially the monitoring of market reserves and the comparison of actual to expected experience. It will also be used to form the basis of a central allocation methodology. This enables the managing agents to provide the RRA at lower level of granularity in comparison to the previous annual reserving submission (TPD).

1.3. Benefits to managing agents

The primary (direct and indirect) benefits of collection of the RRQ to managing agents are:

- Use in production of returns calculated centrally on behalf of the market. For example, the PRA return.
- Production of syndicate level and class of business level comparisons with the overall market in the form of benchmarking.
- Allows Lloyd's to carry out the activities of the central Actuarial Function without more detailed quarterly returns.
- Forms the basis of the Underwriting Development Triangles available via the Insights Hub

1.4. Overview of the RRQ

The RRQ consists of several forms which must be completed in respect of each syndicate writing (re)insurance business during the current return year:

Form 081 collects a breakdown of the syndicate's reserving class of businesses by the mapped Lloyd's line of business (LOB) code. Additionally, it collects:

- A Reserving Class Tag to identify additional information about regional and onshore/offshore exposure in relevant classes
- A Reserving Class Facilities Tag to identify if a syndicate reserving class contains, or are fully related to, Market facility business (i.e. Aon Client Treaty). Form 091 collects the metrics related to Loss Portfolios Transfers and Adverse Development Cover business for transactions for receiving syndicates.

Form 191 collects a breakdown of the Gross premiums, Gross acquisition costs, Gross paid claims and Gross outstanding claims, in respect of each reporting year, by pure year, Lloyd's line of business, syndicate reserving class, risk code and carve out RITC flag.

Form 192 collects a breakdown of Gross paid and outstandings for catastrophe claims in respect of each reporting year, by pure year, Lloyd's line of business, syndicate reserving class, major loss code and currency.

A CSV file is created for each RRQ 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.

[Section 2](#) of these instructions contains general instructions and [Section 3](#) specifies the basis of preparation for completing the forms.

The data template detailing the required format for the return file header and the CSV file is published in the RRQ return specifications which can be found, along with this document and a set of FAQs in the document section of the CMR platform.

2. General Instructions

2.1. RRQ's required

A separate return must be submitted in respect of each syndicate. In the case of a mirror syndicate (i.e. a syndicate which is identical to another in respect of constitution, shares and members participating therein) both syndicates must be included in one return.

Parallel corporate syndicates, special purpose syndicates and life syndicates must complete and submit a separate RRQ return.

The RRQ return is mandatory and must be completed in respect of **each quarterly development point for the latest 20 pure years of account** on a quarterly basis. Where 'mid- year closure' has occurred, the return will include the year of account in question in order to reflect the total insurance business transacted by underwriting members of Lloyd's. Definition of year of account is discussed below.

Life syndicates should report a return on the same basis as non-life syndicates.

Figures submitted in the return will need to be reported on a cashflow basis. Therefore the signage of a column should be determined by whether it is an asset (positive) or a liability (negative).

2.2. Reporting timetable

2024/5 submissions of the RRQ are required **before** 14:00 on the following dates:

- Q4 2024 (As at 31 December 2024): Thursday 30 January 2025
- Q1 2025 (As at 31 March 2025): Thursday 17 April 2025
- Q2 2025 (As at 30 June 2025): Thursday 17 July 2025
- Q3 2025 (As at 30 September 2025): Thursday 16 October 2025

It is a Lloyd's requirement that RRQ returns are correctly completed and submitted on time i.e. **before** 14:00 on the above due dates.

Failure to submit the RRQ on time inhibits the Lloyd's processes which use this data and is a serious matter as well as being a breach of the relevant Lloyd's Byelaw and may therefore result in a fine being imposed. Please refer to the market bulletins (ref: Y5265 and Y5371) for more information about the consolidated fining policy for Lloyd's returns.

Lloyd's will follow up with the managing agent concerned regarding any failure to meet this requirement. If managing agents believe that they may not be able to submit a RRQ on time they should contact Lloyd's in advance of the deadline to discuss the matter.

Lloyd's will validate the return (as discussed below) and agents should expect to be asked questions on the return. However, managing agents should also note that Lloyd's will treat inaccurate RRQ submissions seriously and accordingly an agent must tell Lloyd's immediately if it becomes aware of an error or inaccuracy in any RRQ return.

2.3. RRQ creation and submission processes

The RRQ is submitted via the CMR website.

The control form within CMR 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 RRQ.

The RRQ forms in CMR are populated only via an upload of CSV files in ANSI format. Manual editing of data is not available.

The data templates detailing the required format for the return file header and the CSV file for each form are published in the RRQ return specifications.

A CSV file must be created for each RRQ form. Each CSV file must have a return file header as the first record in the file. This helps Lloyd's to identify the key details regarding the form.

The CSV files should be zipped to create the RRQ and then uploaded via the CMR website.

It is possible to attach supporting documents and comments in form 990. This form is editable, and the user can save and delete attachments and comments. It is accessed separately through the CMR website rather than uploaded as a CSV file.

For assistance with the creation of your zipped CSV file or uploading this to the CMR, please consult the user manual on the CMR 'Help' page. For assistance, please contact RRQ@lloyds.com.

2.4. RRQ validations

A number of validation checks are performed by CMR, these are published in the RRQ return specifications.

RRQ 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.

Reconciliation checks are performed between forms. These are the final validation checks, and they are not performed until all the reference data in the RRQ is correct.

2.4.1. Online validation

All online validation tests are performed by the online validator. The online validation process is as follows:

- Once the zipped RRQ file containing the CSV files has been uploaded, it is placed in a queue for validation and given a status of “pending” and given a queue number. This status will change to processing once the validation process has started.
- The RRQ status remains at “processing” while the validation checks are being performed as the validation takes place offline. This should not take longer than thirty minutes. If a RRQ has a “processing” status for longer than one hour, please contact the Market Reserving and Capital team.
- Once validation checks have been performed, the user receives notification via email stating whether the validation has been successful. A validation report is made available for download and printing. The validations messages can also be viewed with the CMR system, using the “view validations” page within the submitted file.

Close to the deadline day, the CMR can get very busy and a large queue can develop. If you are still trying to resolve validations within your file, Lloyd’s would strongly recommend you use the User Acceptance Testing (UAT) CMR which has the same validation process as the production CMR. The UAT CMR requires different permissions to production CMR so please contact your devolved admin for access to this. Once you have resolved all your validation issues using the UAT CMR, you will then need to upload this to the production CMR, as Lloyd’s requires the final submission to be in production CMR.

Lloyd’s appreciates that the CMR validation process can require several uploads to correct errors and warnings. If however, you upload a file and subsequently discover that the submission was incorrect and therefore need to upload a new file, please inform Lloyd’s as soon as possible. Lloyd’s can then remove the incorrect submission from the queue and therefore speed up the processing time. Lloyd’s will monitor the queue in the run up to submission day and may contact agents if one of its syndicates has multiple submissions waiting to be processed.

2.4.2. Offline validation

An offline validator is available which allows managing agents to perform initial validation prior to submission of the RRQ, the offline validator can be downloaded from the RRQ homepage of the [CMR website](#).

The CSV files must be submitted individually to the offline validator. Some validation tests are unable to be performed by the offline validator and are carried out post submission. The validations performed by the offline validator are detailed in the RRQ specifications.

A validation report is made available for download and printing.

2.5. RRQ final submission process

2.5.1. Submission via CMR

The final submission process for Forms 081, 091, 191 and 192 is as follows:

- If errors have been reported, correct the errors and resubmit the RRQ.
- If warnings have been given, check that the records to which the warnings refer are correct. If not, correct the record and resubmit the RRQ.
- When all errors have been eliminated and the warnings are acceptable, confirm that the warnings have been reviewed, then lock, sign off and submit the RRQ. Sign-off must be by someone acting on the behalf of the Financial Director.

Warnings do not necessarily mean that a submitted record is wrong but does need to be reviewed as they can indicate errors in the underlying submission process. These warnings will not prevent a submission but if a comment is not entered on the RRQ 990 they may be queried by MRC at a later date. This applies even where MRC may have queried the agent

on a previous RRQ return, as previous explanations cannot be assumed to remain valid for a subsequent RRQ submission.

2.6. RRQ Secure Share and 990 Form

All documents associated with the RRQ process are now being distributed via Secure Share.

Lloyd's Secure Share is a secure web-based facility that allows Lloyd's Market users to exchange files with Lloyd's Corporation users. Secure Share can be used by the Corporation to distribute files to market users and authorized 3rd parties, and vice-versa.

Additionally, supporting documentation can be submitted via the 990 Form of the return in CMR.

2.7. RRQ Feedback

Several feedback reports are provided within CMR.

To view these reports for a return, select View. To download them, select Print Return.

The following are also available for downloading:

- Cover page
- 010 Control page
- 020 Exchange Rates
- 191a Cumulative Triangles - Gross Signed Premium
- 191b Cumulative Triangles - Gross Signed Acquisition Costs
- 191c Cumulative Triangles - Gross Claims Paid
- 191d Cumulative Triangles - Gross Claims Outstanding
- 192a Gross Paid and Outstanding Claims (Cat Only) - Pure Year of Account summary
- 990 Syndicate comments.

2.8. Frequently asked questions

The RRQ must be prepared in accordance with the latest version of these instructions. In addition to the instructions, Lloyd's has provided a Frequently Asked Questions (FAQs) document which is published on 'Help' section of the CMR platform and can be downloaded from there.

3. Basis Of Preparation

3.1. Reporting requirements

There are no fields within the return that require extensive calculations of estimates and as such Lloyd's anticipates that all data should be readily available from managing agents' systems. The gross signed premium, gross acquisition costs, gross claims paid and gross outstanding claim fields should be reported by the below:

Reporting year of account. This is the 'traditional' Lloyd's method of identifying years of account and is defined as each year of account upon which members had a participation during the return year. For example, this will be for either the 2023, 2024 or 2025 years of account during 2025 and for any 2022 and prior run-off years of account which have not been reinsured to close as at 31 December 2024. When disclosing the transactions for a reporting year of account, it is necessary to include the movements on any earlier years of account previously closed into that reporting year of account.

Pure year of account. This relates to the year of account in which the business was originally written and to which the original premiums and all subsequent transactions are signed. The pure year of account may still be open or may have been subsequently reinsured to close into another year of account. The pure year may be from 2005 until 2024; these years will roll-forward each year. When reporting on the transactions for a pure year of account, only the transactions relating specifically to that pure year of account must be reported.

Analysis by pure year of account will be required in respect of each reporting year of account. For example, if a syndicate that started trading in 2005 has a 2022 reporting year of account into which the 2021 and prior years closed at 31 December 2023 and has separately accepted the RITC of a 2010 run-off year of account of another syndicate into its 2024 reporting year of account at 31 December 2023, the analysis by pure year for the 2010 and prior pure years of account will be required separately in respect of the 2022 and 2024 reporting years of account.

3.2. Data required

Lloyd's is collecting Reserving Return Quarterly (RRQ) from syndicates for the latest 20 pure years of account. This means that for Q4 2024 the syndicates will be expected to provide data for any business written between 2005 and 2024, and, as this will be a rolling 20-year period, Q1 2025 will provide the same between 2006 and 2025. Also, data will be required for all quarterly development points for all those years of account.

Information on how to access the reference data required to complete the RRQ is provided in [Section 4](#) of these instructions.

3.3. Scope of collection

The following forms must be submitted:

3.3.1. Form 081 – Reserving Class Information

If no LOB Code / Syndicate Reserving Class of Business combination requires a Reserving Class or Reserving Class Facilities Tag, then the Managing Agent will still be required to submit a Nil Return by completing just the Header line of the CSV file and including that within the submission.

Field Name	Field Number	Optionality	Definition
LOB Code	10	Mandatory	Lloyd's Line of Business Code in relation to the syndicate reserving class of business.
Syndicate Reserving Class of Business	20	Mandatory	Syndicate's own Reserving Class of Business.
Reserving Class Tag	30	Mandatory	Provides additional specific information on the Syndicate Reserving Class for certain LOBs. This would include, for example, whether the class has a geographic split (US, Non-US or World Wide), whether energy classes are onshore or offshore or mixed.
Reserving Class Facilities Tag	40	If relevant	Provides additional specific information on the syndicate reserving class. Identifies where Reserving Classes contain or are fully related to portfolio business.

Reserving Class Tags provide additional specific information on the Syndicate Reserving Class for certain Lloyd's Line of

Business codes, for example by region of business. The LOB codes impacted, and the valid tags are listed in Section 5.2

Reserving Class Facilities Tags will provide a flag for any reserving class that contains a Market Facility component, particularly for Aon Client Treaty (ACT) and Marsh Fast Track (MFT). The options for these would be:

- Fully ACT
- Contains ACT
- Fully MFT
- Contains MFT
- Fully Other Facilities
- Contains Other Facilities
- Contains ACT and MFT
- Contains ACT, MFT and Other Facilities

3.3.2. Form 091 – Loss Portfolio Transfers (LPT)

If no Loss Portfolio Transfer or Advance Development Cover arrangements have been made, then the Managing Agent will still be required to submit a Nil Return by completing just the Header line of the CSV file and including that within the submission.

Field Name	Field Number	Optionality	Definition
Syndicate Reserving Class of Business	10	Mandatory	Syndicate's own Reserving Class of Business.
LPT/ADC Ceding Syndicate Number	20	Mandatory	Flag used to identify metrics related to Loss Portfolio Transfers and Adverse Development Cover business for transactions for receiving syndicates only. Receiving syndicate to populate with the ceding syndicate number which will then convert several fields into optional inputs. Form 191 the Lloyd's Line of Business and Risk Code fields will be optional fields and for Form 192 the Lloyd's Line of Business and Catastrophe Code fields will be optional fields.

3.3.3. Form 191 – Cumulative Data

Field Name	Field Number	Optionality	Definition
As At Date ID	10	Mandatory	End date for each development quarter.
Pure Year of Account	20	Mandatory	Pure Year of Account. Latest 20 pure years of account only.
Reporting Year of Account	30	Mandatory	The reporting year relating to the pure year of account.
LOB Code	40	Mandatory	Lloyd's Line of Business Code in relation to the syndicate reserving class of business.
Syndicate Reserving Class of Business	50	Mandatory	Syndicate's own Reserving Class of Business
Risk Code	60	Mandatory	Lloyd's Risk Code
Carve out RITC flag	80	If Relevant	Flag used to identify metrics related to carve out RITCs for transactions following implementation of the new reserving return.
Gross Premiums Signed	100	Mandatory	Total amount of gross premiums signed at period end.
Gross Signed Acquisition Costs	110	Mandatory	Total amount for all the costs arising from signed insurance contracts at period end.
Gross Claims Paid including ALAE	120	Mandatory	Total amount paid for claims including claims handling expenses (ALAE) at period end.
Gross Amount Claims Outstanding Reported Claims	130	Mandatory	Total amount of claims reported but yet to be paid as at the date of the return.

3.3.4. Form 192 – Incurred Catastrophe Claims

Field Name	Field Number	Optionality	Definition
Pure Year of Account	10	Mandatory	Pure Year of Account. Latest 20 pure years of account only.
Reporting Year of Account	20	Mandatory	The reporting year relating to the pure year of account.
LOB Code	30	Mandatory	Lloyd's Line of Business Code in relation to the syndicate reserving class of business.
Syndicate Reserving Class of Business	40	Mandatory	Syndicate's own Reserving Class of Business
Catastrophe Code	50	If Relevant	Catastrophe Coded claims and Major Loss event data (per QMR Market Bulletin) Material Loss Codes are not required.
Settlement Currency Code	60	Mandatory	The ISO 4217 three-letter code or the Lloyd's-defined code for the currency in which the monetary values are returned. Currencies submitted should be all those stored following managing agents reserving exercise, with the minimum Lloyd's requirement of settlement currency being submitted by USD and GBP.
Gross Claims Paid including ALAE	70	Mandatory	Total amount paid for claims including claims handling expenses (ALAE) at period end.
Gross Amount Claims Outstanding Reported Claims	80	Mandatory	Total amount of claims reported but yet to be paid as at the date of the return.

Catastrophe Code should include Catastrophe codes and Major loss codes specified in the Quarterly bulletin, but should no longer include Material Loss Codes. Material loss codes are events that are currently reported in the QMA 800, but not specified in the QMR market bulletin. The definition of these are:

- 1) Ultimate expected to be in excess of £1m to the Syndicate
- 2) Other material cats: specifically monitored by the Managing Agent.

Settlement Currency Code must be provided in a minimum of USD and GBP currencies. Any additional currencies, use as part of the Syndicate's own reserving exercise should also be used.

3.4. Separate RRQ returns for each syndicate

As for the RRA, a separate RRQ 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 RRQ return.

3.5. Dealing with closure of a year of account at any time other than year-end

In the case of run-off years closing during a quarter but before the quarter end, a RRQ return is still required from such syndicates. For example, this applies even where the closing date is 1 January 2025 for the 2025 Q1 return.

A syndicate which has accepted an RITC from another syndicate which has closed during the quarter must reflect the premium receivable for accepting the RITC in this return. The transactions arising on the reinsured liabilities subsequent to the reinsuring syndicate assuming them, up to the quarter end, and the value of the assumed liabilities as at that date must also be accounted for in the return.

3.6. Risk codes

All risk codes must be valid for the pure year of account. A link to a list of valid risk codes by return year is available in the reference data (see [Section 4](#)). Lloyd's validation procedures will reject any invalid risk codes.

Reference should be made to the Risk Coding Guidance Notes produced by Velonetic and also the Lloyd's Risk Codes section on www.lloyds.com for the list of valid risk codes. Lloyd's has encountered problems in the past with the improper use of risk codes so please ensure that due care is taken.

In particular:

- UK Motor: Although it is recognised that most of this business is not signed through DXC, figures are required on a risk code basis.
- Third Party RITC: Business coded to the TC risk code must be analysed by underlying risk codes for the purposes of completing this return. This must be done by the year of account of the original policy, not the year of account accepting the RITC.

For Lloyd's Brussels risk code reporting, we would expect risk codes to be reported as though it was direct business. You should continue to submit the return on the current basis and treat Lloyd's Brussels like any other treaty business (look-through basis for risk code reporting)

3.7. Currency Basis

The RRQ 191 must be submitted in GBP, converted from settlement currency, using the quarter-end exchange rates provided in the latest quarter's QMR Market Bulletin.

This will apply to all the metrics in the form meaning that every development point will need to be re-converted using the latest rates to ensure consistency across the dataset.

The RRQ 192 can be submitted in any Settlement Currency but must be provided in a minimum of GBP and USD. It should also align with those settlement currencies that are used as part of the Syndicate's own reserving exercise.

3.8. Lloyd's Line of Business and Syndicate Reserving Class of Business mapping

We've restructured our class of business system to better align with how Managing Agents group and conduct business.

We are planning to align to the new Line of Business (Lloyd's line of business) structure throughout the entire Corporation over time, covering all collections, including RRQ, RRA, SBF, QMB, etc., except in cases where regulations require a separate class structure.

This change eliminates some divisions that are relevant at the Corporation level but don't necessarily indicate different characteristics at the Agent level. As a result, we've reduced the number of Lloyd's line of business to 47 (40 Pure Lines + 7 Buckets). The new Lloyd's line of business structure is intended to eventually replace the current Lloyd's Generic Classes ("L60") and the plan is for Managing Agents to start aligning to this structure for the management of their own business, minimising the need for allocations and simplifying processes for everyone.

Additionally, we're working on a best-efforts approach to map to these Lloyd's generic line of business:

- If over 80% of the exposure for the latest underwriting year for a syndicate class corresponds to the Lloyd's Line of Business, then the entire syndicate class can be placed within the Lloyd's Line of Business.
- We've introduced "Bucket" classes for more diverse and heterogeneous risk code classes from Managing Agents that fall below a certain premium volume threshold.
- If over 80% of the exposure for the latest underwriting year for a syndicate class maps to the Bucket class, and the class doesn't already map to a non-Bucket class, then the entire syndicate class can be placed in the Bucket class, provided that:
- The ultimate premium volume for the class, when broken down to determine what should be included within each Lloyd's Line of Business, is below £30 million.

This approach enables Managing Agents to map all Syndicate Reserving Classes to Lloyd's Line of Business on a many-to-one basis, with potential minor adjustments to the Managing Agent's classes. This will allow Managing Agents to hold more granular classes but remove the need for allocations. We will collect data at both the Syndicate Reserving Class level and the Lloyd's Line of Business it corresponds to.

An example is provided in the Section 5.4.

3.9. Transaction dates and de-linked premium

Premium

All premium amounts (including deferred premiums) should be reported by Settlement Due Date (SDD).

One of the main uses of RRQ signed premium information is calculating our own view of Lloyd's aggregate technical provisions; for this we will need an expectation of premium due each quarter in order to estimate a development pattern for future premium (and this quarterly information is not available elsewhere e.g. from the RRA). It is important that the premium information on which we base this pattern is premium due, as once overdue, premium will move out of the technical provisions into premium debtors on the balance sheet. We cannot base this on actual premium cashflow as, our patterns for technical provisions for premium would then be based on a mixture of due and overdue premium which is not appropriate.

Additionally, de-linked items should not be reported in the data provided to Lloyd's until they have been released to settlement.

Where premiums are settled in instalments (deferred premiums), the amount reported should be the amount due for collection in the quarter rather than the full premium amount. It should be noted that the instalment scheduled to be paid in the quarter should be reported regardless of the payment actually being received i.e. for all premiums including deferred premiums, Settlement Due Date should be used.

In the case where corrections are made to premiums after the RRQ submission date, the correction should be picked up in the next submission, rather than excluded completely.

Claims

Ideally, Settlement Due Date would be used for both premium and claims. However, in its absence, the closest thing available is processing date as this is the best proxy available for a claim becoming 'due' i.e. as soon as it is processed, there is an expectation that it will be paid and so it becomes 'due' at that time. Under this convention, as soon as a claim payment is recorded on the system (processing/transaction date), it effectively becomes due to be paid and so moves out of the SII technical provisions and remains on the balance sheet as a creditor until the ASD (cashflow date).

So, claim payments should be reported in the quarter the claim transaction occurred/was processed, regardless of the money actually leaving the managing agent's account.

Please see the Section 5.1 for examples.

3.10. Payments into Loss Funds

The RRQ should only report paid claims by their Settlement Due Date (or Processing Date), rather than based on any cashflows into loss funds. It should therefore not include cash advances to loss funds. This reflects the fact that the RRQ should be on a settlement basis rather than on a pure cash flow basis. This means that the RRA and the RRQ should be on the same basis for loss funds reporting.

3.11. Parent to Special Purpose Arrangements

The data reported for the parent syndicate of an SPA should be the amount gross of the quota share reinsurance ceded to the SPA.

3.11.1. Funds Withheld Contract

When a SPA is set up under a funds withheld contract, Lloyd's requires the SPA to report its RRQ, **during** the funds withheld period, as though premium has been received from the parent and claims have been paid by the SPA. As these premiums and claims are not due for settlement, this approach differs slightly from the standard reporting detailed above. This approach is required however, to ensure that paid and premium patterns aren't distorted by these funds withheld contracts.

3.12. Reporting configuration

All forms are to be completed in currency units, not 000s. All income/asset items are to be entered as positives and expenditures/liabilities as negatives.

Great care must be taken over the use of negatives. For instance, premiums should only be entered as negatives if return premiums paid exceed premiums received. Note that warnings regarding sign convention will be added to the validation process although there may be tolerance levels set before warnings are triggered.

3.13. Completion of the RRQ return

Please complete the RRQ return carefully in accordance with the instructions. Failure in doing so will result in the return being invalid and returned to the managing agent for resubmission. Any resubmitted return, received after the deadline date, may be considered a late return.

In addition to the validations carried out on the CMR platform, Lloyd's may carry out other checks on the submitted returns. These may include checks on:

- Very large positive or negative movements (especially negative)
- Negative cumulative claims positions (especially paid claims)
- Negative cumulative gross signed premium
- Positive cumulative gross signed acquisition costs
- Claims in a class where there are no gross signed premiums.

4. REFERENCE DATA

4.1. Currency Codes

Currency Codes can include any of the following settlement currencies and should follow those utilised within the syndicate's reserving exercise. As a minimum, it must include GBP and USD:

- GBP
- USD
- EUR
- CAD
- AUD
- JPY
- DKK
- NZD
- NOK
- SGD
- ZAR
- SEK
- CHF
- OTH

4.2. Risk Codes

The latest Risk Codes can be found on Lloyds.com [here](#).

These datasets will also include the first and last years of account for which the risk code is valid.

5. APPENDICES

5.1. Transaction dates and de-linked premium

Premium

If at 31st March the systems show a policy that has a premium due date of 5th April, it should be reported in the Q2 RRQ not the Q1 RRQ. If however, on 3rd June a correction is processed where the premium due date is changed from the 5th April back to 30th March, the due date will now have been shifted back into Q1 but the RRQ for Q1 has already been submitted and does not reflect the due date amendment. In this case, the premium should be reported in Q2 so as to maintain the correct cumulative premium total. Although this will slightly distort the premium pattern, we assume that the instance and effect of cases such as this will be largely immaterial.

Example:

Premiums 100% Signed Premium = 100

Quarter	Instalment due by Quarter End	Amount Actually Received by Quarter End	Amount Reported to Lloyds at Quarter End
2011Q1	25	25	25
2011Q2	25	0	25
2011Q3	25	50	25
2011Q4	25	25	25

Claims

Claims should be reported on processing date rather than actual payment date, the below is an example of what should be reported should the two diverge.

Example:

Paid Claims Reporting

Quarter	Processing/transaction date	Amount Actually Paid in Quarter: Actual Payment Date	Amount Reported to Lloyds at Quarter End
2011Q1	50	50	50
2011Q2	75	0	75
2011Q3	100	175	100
2011Q4	20	20	20

5.2. Lloyd's line of business codes

Lloyd's Aggregate Line of Business	Lloyd's Line of Business	LOB Code	Risk Codes	Original L60	Reserving Class Tag
Accident & Health	Personal Accident & Medical Expenses	AH101	K, KA, KB, KC, KD, KG, KK, KP, KS, KT, SA	Accident & Health (direct)	
			KM	Medical Expenses	
			DX, KL, KX	Personal Accident XL	
	Contingency	AH102	PA, PC, PF, PN, PO, PU, PW, PZ	Contingency	
	Pecuniary	AH103	P, PB, PE, PP, PS, TT	Pecuniary	
	Term Life	AH104	TL	Term Life	
Aviation	Aviation Hull & Liability	AV201	1, 2, 3, 4, 5, 6, 7, 8, 9, H, L, Y1, Y2, Y3, Y4, Y5, Y6, Y7, Y8, Y9	Airline/ General Aviation	
			H2, L2	Airline	
			AO, AP, PX	Aviation Products/ Airport Liabilities	
			H3, L3	General Aviation	
	Aviation War	AV202	AW, RX	Aviation War	
	Aviation XL	AV203	AR, AX, HX, LX, X1, XY, XZ	Aviation XL	
	Space	AV204	CX, SC, SL, SO, SX, ZX	Space	

Lloyd's Aggregate Line of Business	Lloyd's Line of Business	LOB Code	Risk Codes	Original L60	Reserving Class Tag
Casualty FinPro	Cyber	CF301	CY, CZ, RY, RZ	Cyber	
	D&O	CF302	D3, D7, D9	Directors & Officers (non-US)	US / Non-US / Worldwide
			D2, D6, D8	Directors & Officers (US)	
	Financial Institutions	CF303	BB	BBB/ Crime	US / Non-US / Worldwide
			D5, F3	Financial Institutions (non-US)	
			D4, F2	Financial Institutions (US)	
	Professional Indemnity	CF304	PI, PM	Professional Indemnity	US / Non-US / Worldwide
			E3, E5, E7, E9, ED, EE, F5	Professional Indemnity (non-US)	
			E2, E4, E6, E8, F4	Professional Indemnity (US)	
Casualty Other	Casualty Treaty	CO401	XG, XH	Casualty Treaty (non-US)	US / Non-US / Worldwide
			X4, XD, XF, XL, XQ	Casualty Treaty (US)	
	Employers Liability/ WCA	CO402	WC	Employers Liability	US / Non-US / Worldwide
			W3, W4	Employers Liability/ WCA (non-US)	
			W2, W5, W6	Employers Liability/ WCA (US)	
	Medical Malpractice	CO403	GH, GM, GN, GO, GP, GQ, GT	Medical Malpractice	
	Motor	CO404	MD, ME, MF, MG, MH, MI, MM, MN, MP	Overseas Motor	
			M2, M3, M4, M5, M6, M7, MA, MB, MC, MK, ML, PQ	UK Motor	
	Motor XL	CO405	XM, XN	Motor XL	
	NM General Liability	CO406	EP, NA, NC, NR, NS, PL	NM General Liability (non-US direct)	US / Non-US / Worldwide
			UA, UC, UR, US	NM General Liability (US direct)	

Lloyd's Aggregate Line of Business	Lloyd's Line of Business	LOB Code	Risk Codes	Original L60	Reserving Class Tag
Marine & Energy	Energy Property	ME501	EC	Energy Construction	Onshore / Offshore / Mixed
			EM, EN, ET, EW, EY, EZ	Energy Offshore Property	
			EF	Energy Onshore Property	
	Cargo, Fine Art & Specie	ME502	FC, V, VL	Cargo	
			FA	Fine Art	
			CT, FR, GS, JB	Specie	
	Marine & Energy Liability	ME503	EG, EH	Energy Offshore Liability	Onshore / Offshore / Mixed
			EA, EB	Energy Onshore Liability	
			G, GC	Marine Liability	
	Marine Hull	ME504	B, T, TS	Marine Hull	
			O	Yacht	
	Marine War	ME505	Q, QX, W, WB, WX	Marine War	
	Marine XL	ME506	GX, OX, SR, TX, VX, X2, X5, XE, XT	Marine XL	
	Nuclear	ME507	NL, NP, NV	Nuclear	
	Power Generation	ME508	PG, R1, R2, R3, R4	Power Generation	

Lloyd's Aggregate Line of Business	Lloyd's Line of Business	LOB Code	Risk Codes	Original L60	Reserving Class Tag
Property (D&F)	Property D&F Binder	PD601	DC	Difference in Conditions	US / Non-US / Worldwide
			B4, B5, HP	Property D&F (non-US binder)	
			B2, B3	Property D&F (US binder)	
	Property D&F Open Market	PD602	F, PD	Property (direct & facultative)	US / Non-US / Worldwide
			P3, P5, P7	Property D&F (non-US open market)	
			P2, P4, P6	Property D&F (US open market)	
Property Treaty	Agriculture & Hail	PT701	AG, HA	Agriculture & Hail	
	Property Cat XL	PT702	X3, XJ, XP, XR, XU, XX	Property Cat XL (Non-US)	US / Non-US / Worldwide
			XA	Property Cat XL (US)	
	Property pro rata	PT703	TR	Property pro rata	
	Property Risk XS	PT704	XC	Property Risk XS	
Specialties	Engineering	SP801	CA, CB, CC	Engineering	
	Extended Warranty	SP802	WA, WS	Extended Warranty	
	Legal Expenses	SP803	LE	Legal Expenses	
	Livestock & Bloodstock	SP804	N, NB, NX	Livestock & Bloodstock	
	Political Risks, Credit & Financial Guarantee	SP805	BS, CF, CN, CP, CR, FG, FM, FS, PR, SB	Political Risks, Credit & Financial Guarantee	
	Terrorism	SP806	1E, 1T, 2E, 2T, 3E, 3T, 4E, 4T, 5T, 6T, 7T, 8T, BD, QL, RS, RW, TE, TO, TU, TW, WL	Terrorism	
	Lloyd's Japan	SP807	LJ	Lloyd's Japan	
	RITC	SP808	TC	RITC	

Bucket Classes

Lloyd's Aggregate Line of Business	Bucket Class		Risk Codes	Original L60
Casualty FinPro	Professional Liability Bucket	CF30B	CY, CZ, RY, RZ	Cyber
			BB	BBB/ Crime
			XG, XH	Casualty Treaty (non-US)
			X4, XD, XF, XL, XQ	Casualty Treaty (US)
			D3, D7, D9	Directors & Officers (non-US)
			D2, D6, D8	Directors & Officers (US)
			D5, F3	Financial Institutions (non-US)
			D4, F2	Financial Institutions (US)
			GH, GM, GN, GO, GP, GQ, GT	Medical Malpractice
			EP, NA, NC, NR, NS, PL	NM General Liability (non-US direct)
			UA, UC, UR, US	NM General Liability (US direct)
			E3, E5, E7, E9, ED, EE, F5	Professional Indemnity (non-US)
			E2, E4, E6, E8, F4	Professional Indemnity (US)
Casualty Other	Generic Liability Bucket	CO40B	XG, XH	Casualty Treaty (non-US)
			X4, XD, XF, XL, XQ	Casualty Treaty (US)
			W3, W4	Employers Liability/ WCA (non-US)
			W2, W5, W6	Employers Liability/ WCA (US)
			XM, XN	Motor XL
			EP, NA, NC, NR, NS, PL	NM General Liability (non-US direct)
			UA, UC, UR, US	NM General Liability (US direct)
			MD, ME, MF, MG, MH, MI, MM, MN, MP	Overseas Motor
			M2, M3, M4, M5, M6, M7, MA, MB, MC, MK, ML, PQ	UK Motor

Lloyd's Aggregate Line of Business	Bucket Class	LOB Code	Risk Codes	Original L60
Marine & Energy	Marine Bucket	ME50B	FC, V, VL	Cargo
			EG, EH	Energy Offshore Liability
			EA, EB	Energy Onshore Liability
			FA	Fine Art
			B, T, TS	Marine Hull
			G, GC	Marine Liability
			Q, QX, W, WB, WX	Marine War
			GX, OX, SR, TX, VX, X2, X5, XE, XT	Marine XL
			CT, FR, GS, JB	Specie
			O	Yacht
Property (D&F)	Property Bucket	PD60B	DC	Difference in Conditions
			EM, EN, ET, EW, EY, EZ	Energy Offshore Property
			EF	Energy Onshore Property
			X3, XJ, XP, XR, XU, XX	Property Cat XL (Non-US)
			XA	Property Cat XL (US)
			B4, B5, HP	Property D&F (non-US binder)
			P3, P5, P7	Property D&F (non-US open market)
			B2, B3	Property D&F (US binder)
			P2, P4, P6	Property D&F (US open market)
			TR	Property pro rata
			AG, HA	Agriculture & Hail
			XC	Property Risk XS
			1E, 1T, 2E, 2T, 3E, 3T, 4E, 4T, 5T, 6T, 7T, 8T, BD, QL, RS, RW, TE, TO, TU, TW, WL	Terrorism

5.3. Portfolio Buckets

Short Tail Low Volatility (SP80B)

LOB Code	LOB Name
AV201	Aviation Hull & Liability
CO404	Motor
ME501	Energy Property
ME502	Goods in Transit
ME503	Marine & Energy Liability
ME504	Marine Hull
ME506	Marine XL
ME508	Power Generation
PD601	Property D&F Binder
PD602	Property D&F Open Market
PT703	Property pro rata
PT704	Property Risk XS
SP801	Engineering

Short Tail High Volatility (SP81B)

LOB Code	LOB Name
AH101	Personal Accident & Medical Expenses
AH102	Contingency
AV202	Aviation War
AV203	Aviation XL
AV204	Space
CF301	Cyber
ME505	Marine War
ME507	Nuclear
PT701	Agriculture & Hail
PT702	Property Cat XL
SP802	Extended Warranty
SP803	Legal Expenses
SP804	Livestock & Bloodstock
SP805	Political Risks, Credit & Financial Guarantee
SP806	Terrorism

Long Tail (SP82B)

LOB Code	LOB Name
AH103	Pecuniary
CF302	D&O
CF303	Financial Institutions
CF304	Professional Indemnity
CO401	Casualty Treaty
CO402	Employers Liability/ WCA
CO403	Medical Malpractice
CO405	Motor XL
CO406	NM General Liability

5.4. Lloyd's Line of Business and Syndicate Reserving Class of Business mapping examples assuming premium used for exposure

Example 1 – map to a Lloyd's Line of Business

A Managing Agent groups data for a Syndicate into an Accident and Health reserving class with the following ultimate premium risk code mix

- KA £50m (Lloyd's Line of Business: Personal Accident & Medical Expenses)
- KM £40m (Lloyd's Line of Business: Personal Accident & Medical Expenses)
- PC £10m (Lloyd's Line of Business: Contingency)
- Total £100m

As more than 80% of the ultimate premium maps to Personal Accident & Medical Expenses the total premium for the reserving class will map to Personal Accident & Medical Expenses.

Example 2 – map to a Bucket Class

A Managing Agent groups data for a Syndicate into a Property Misc reserving class with the following ultimate premium risk code mix

- B4 £5m (Lloyd's Line of Business: Property D&F Binder)
- B5 £8m (Lloyd's Line of Business: Property D&F Binder)
- P3 £8m (Lloyd's Line of Business: Property D&F Open Market)
- EP £4m (Lloyd's Line of Business: NM General Liability)
- Total £25m

Less than 80% of the ultimate premium maps to a single Lloyd's Line of Business. However, more than 80% of ultimate premium maps to the Property Bucket class and no component (Lloyd's Line of Business) exceeds the maximum of £30m. Therefore the Property Bucket class can be used.

Example 3 – mapping does not work - material pure class in bucket class

A Managing Agent groups data for a Syndicate into a Property Misc reserving class with the following ultimate premium risk code mix

- B4 £20m (Lloyd's Line of Business: Property D&F Binder)
- B5 £16m (Lloyd's Line of Business: Property D&F Binder)
- P3 £16m (Lloyd's Line of Business: Property D&F Open Market)
- EP £8m (Lloyd's Line of Business: NM General Liability)
- Total £60m

Less than 80% of the ultimate premium maps to a single Lloyd's Line of Business. However, more than 80% of ultimate premium maps to the Property Bucket class and the Property D&F Binder component (Lloyd's Line of Business) exceeds the maximum of £30m. Therefore the Property Bucket class cannot be used. The Managing Agent should use another appropriate risk grouping (i.e. to split the class) or a reserving subclass created for reporting of data to Lloyd's and to converse with Lloyd's on these classes.

Example 4 – Portfolios buckets to simplify a complex allocation

A Managing Agent groups data for Aon Client Treaty into a single Reserving Class with the following mixture of LOBs by premium

- 20% D&O
- 20% Cyber
- 10% Marine War
- 15% Terrorism
- 10% Marine Hull
- 15% Engineering
- 10% Property D&F Open Market

Less than 80% of the ultimate premium maps to a single Lloyd's Line of Business or to a Bucket class and there are many component LOBs, so the Managing Agent should allocate the data across the three Portfolios Buckets:

- 20% Long Tail Portfolios (20% D&O)
- 45% Short Tail, High Volatility Portfolios (20% Cyber + 10% Marine War + 15% Terrorism)
- 35% Short Tail, Low Volatility Portfolios (10% Marine Hull + 15% Engineering + 10% Property D&F Open Market)

Example 5 - simple allocation

A Managing Agent holds a War Reserving Class containing

- 50% Marine War

- 50% Aviation War

Since this class has only 2 component LOBs, it should not be placed in the Portfolios Buckets which are designed for highly mixed business. Therefore, the Managing Agent should use another appropriate risk grouping (i.e. to split the class) or a reserving subclass created for reporting of data to Lloyd's and to converse with Lloyd's on these classes.

5.5. Summary Calculations

192c Summary: Cat Code Summary

Summary of each applicable pure year of account, converted to Sterling using average rates entered in form 020

5.6. Key contacts

Market Reserving and Capital Team

Any queries regarding the completion of the RRQ forms (excluding IT issues) should be directed to the RRQ team at:

- Email: RRQ@lloyds.com
- RRQ help line: 020 7327 5276/5478

All queries will be responded to by the end of the following working day. Please contact Joe Churchill or Chas Clarke via e-mail (joe.churchill@lloyds.com or chas.clarke@lloyds.com) if a response remains outstanding at that time.

Lloyd's CMR Support

Any queries regarding IT issues, including the upload of data files via the CMR website, should be directed to Lloyd's Group Technology at:

- Email: ITMDC@lloyds.com
- CMR Help Line: 020 7327 5350

