

Market Bulletin

Ref: Y5326

Title	Additional Securities Limited (ASL) – 2021 Collection & Distribution
Purpose	To notify Managing Agents of the forthcoming 2021 ASL deposit collection and distribution exercise due to take place in April 2021
Type	Scheduled
From	François Jolly Treasury & Investment Management
Date	23 rd February 2021
Deadline	
Related links	

2021 Collection

As in previous years, it is proposed that collections will only be made for countries with material deposits. The April collection is expected to consist of the Australian statutory deposit and the deposits for Bahamas, Brazil, Grenada, Hong Kong, Namibia, St Vincent's and Trinidad & Tobago.

The collection and distribution exercise will take place on the 27 April 2021, with the exception of Hong Kong on 30 April 2021 and Namibia on 21 April 2021.

The 2021 collection will continue to be debited in local currency (where possible or US Dollars for the Caribbean territories) or alternatively in GBP via the Currency Conversion Service (CCS).

Switzerland

Switzerland will continue to be funded on a quarterly basis with the Q1 collection due to take place on the 8 May 2021. The Q4 2020 deposit is due to be adjusted on the 30 March 2021 instead of the usual end of February adjustment.

Deferral of Cayman Islands & Singapore adjustments

The adjustments to the Cayman Islands, Singapore and Lloyd's Asia deposits will take place on the 27 July 2021.

Basis of apportionment

For those countries where collections are made, each syndicate's deposit requirement will be collected from the appropriate year of account which has given rise to the local funding requirement based on the 2020 calendar year signed premium data from XIS.

The collections for Switzerland and Hong Kong are also partially based on outstanding claims as per the local regulatory funding requirements.

ASL Investment and Hedging Policy

Where permitted by local insurance regulations and achievable within local financial markets, ASL's assets are invested in high quality money market securities of up to 12 months to maturity. However, regulations in certain jurisdictions such as Switzerland and Australia may require some assets to be invested in longer-term debt instruments which mean the capital value of these assets is affected by movements in local interest rates. A quarterly update of investment returns and terms of ASL loans is available on <https://www.lloyds.com/resources-and-services/finance-and-investment/treasury-and-investment-management>

For deposits directly funded by syndicates, ASL ceased foreign exchange hedging activities in June 2001 and Agents are reminded of this each year prior to the ASL funding exercise. As a result the sterling value of syndicates' assets invested with ASL will fluctuate in line with the local currency of the investment.

Agents may conclude that hedging is appropriate to their particular circumstances and are free to arrange appropriate hedging activities on behalf of such syndicates.

ASL Insurance

Following approval from the Franchise Board, Council and the LMA Board, ASL no longer insures any of the ASL regulatory deposits effective from the 1 January 2012.

Syndicate Statements

Individual syndicate statements will be sent to Managing Agents via central accounting two days before the settlement date. Statements for Cayman Islands, Lloyd's Asia and Singapore will be issued nearer the respective adjustments.

Any queries related to these figures should be directed to either François Jolly 020 7327 5752 or Mat Stone on 01634 392 202, or by sending an email to francois.jolly@lloyds.com. Queries should be raised no later than 2pm on Wednesday 14 April 2021.