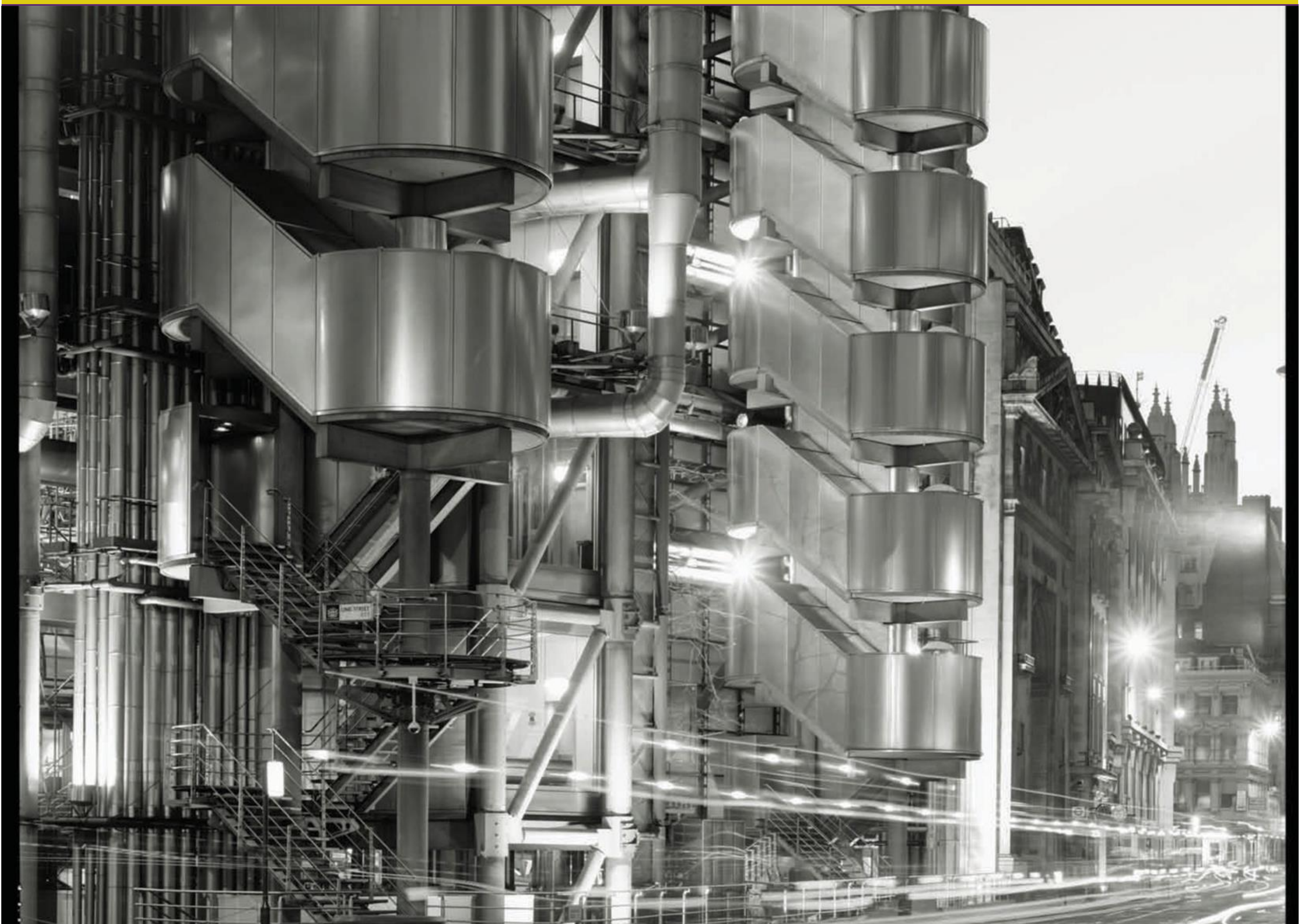
LLOYD'S

Solvency II Pillar 3

Annual reporting instructions
ASR, ASB and AAD

31 December 2022

Version 1.7



Contents

Summary of main changes from Version 1.6

The **main** changes from version 1.6 of the instructions (which applied for reporting as at 31 December 2021) are summarised below.

General

Please note that taxonomy version 2.6.0 provided by EIOPA continues to be used for Pillar 3 reporting in the UK. Version 2.7.0 has not been adopted, and no further updates are anticipated until the more widespread changes for UK-specific Solvency II reporting going forward that the PRA is currently consulting with the market about. As a result, the changes this year are fewer than have been seen previously.

ASR/AAD Specifications

Key changes are listed below however, please refer to spec and instructions to understand the full extent of changes made to CMR.

ASR 002

- Updated guidance on the risk margin (refer to pages 30-31 of these instructions). This is relevant for syndicates who do not have an approved internal model and whose capital is set based on the Lloyd's Standard Model. This states that the risk margin should be set to zero when the syndicate starts and should stay zero for the first year of account. Subsequently, the risk margin should be set to the value calculated in the LSM at the start of the capital setting period and should stay constant throughout the year. This is a recommended simplication given that the risk margin should be immaterial for new syndicates.

ASR 025

- As a result of the changes to ASR430/430s/431/431s, ASR025 is no longer required to be completed.

ASR 210

- Clarification that lines 4, 19 and 20 are expected to be populated in all quarters (not just in Q2 and Q4).
- Clarification that the earned margin and unearned profit tests will no longer be performed outside Q4 (to be consistent with the QSR updates).

ASR 430/430s/431/431s

- These templates have been significantly simplified for Lloyd's purposes. Only column C0010 of ASR430s/431s and column C0110 of ASR430/431 should now be populated by syndicates. No other columns should be populated under any circumstances and validations in CMR will restrict this. The detailed instructions for these forms provide the background to this, and updated examples are given in Appendix 5.

ASR441

- The guidance has been updated for direct business to be consistent with the revised guidance on ASR430/430s/431/431s.

AAD 230/236

- Asset liquidity : new requirements in CMR. Requirements to state the expected number of days in which an asset can be redeemed for cash in a normal market environment. The relevant trust fund in which the asset is held should also be reported. Please refer to the detailed instructions for these forms for further detail.

Section 1: Introduction

1.1 Solvency II

1.1.1 Solvency II came into force with effect from 1 January 2016.

1.2 Pillar 3 reporting

1.2.1 Pillar 3 represents the supervisory reporting and disclosure requirements under Solvency II. Insurers are required to provide information, both for public disclosure and for private reporting to the supervisor.

1.2.2 The Pillar 3 requirements include annual and quarterly quantitative reporting (the completion of standardised templates). In addition, the annual supervisory reporting requirements include an element of qualitative reporting, which insurers are required to submit with their public Solvency and Financial Condition Report (SFCR) as well as the private Regular Supervisory Report (RSR).

1.3 Application at Lloyd's

1.3.1 Solvency II applies to Lloyd's as a single undertaking – the 'association of underwriters known as Lloyd's' – as defined within the Solvency II Directive. However, within this, Lloyd's expects each managing agent to meet the full set of Solvency II tests and standards. In addition, the PRA expects that the supervisory reporting requirements for each syndicate at Lloyd's are consistent with treating it as 'any other insurer'. Therefore managing agents are required to complete Solvency II Pillar 3 returns to Lloyd's on a similar basis to other European Union insurers.

1.3.2 The basis of Lloyd's Pillar 3 reporting to the PRA is that Lloyd's provides a SFCR, RSR and quantitative reporting templates to the PRA. These returns are prepared from an aggregation of syndicate level returns made to the PRA, together with the additional data held by the Corporation, in respect of the Corporation and Central Fund, and members' funds at Lloyd's.

1.3.3 In addition Lloyd's must submit syndicate level quantitative information to the PRA. All syndicate level data submitted to the PRA shall remain private. No syndicate level qualitative information is required to be reported and an SFCR and RSR are not required at syndicate level.

1.3.4 This basis of submitting to the PRA affects the timetable for syndicates reporting to Lloyd's. In order to provide Lloyd's with sufficient time to review and aggregate the syndicate level data, as well as adding the data held centrally, go through Lloyd's governance process and audit requirements (applicable to some of the annual data), it is necessary for Lloyd's to collect returns from syndicates in advance of Lloyd's (and other insurers') submission deadline to the PRA.

1.4 Annual reporting data requirements

1.4.1 The requirements for annual reporting are based on EIOPA Solvency II Data Point Model (DPM) and XBRL taxonomy package version 2.6.0, EIOPA filing rules and its underlying regulations.

1.5 Data requirements

1.5.1 The data must be submitted using the Annual Solvency Return – Part A (ASR), Annual Solvency Return - Part B (ASB) and Annual Asset Data Return (AAD) within the Core Market Returns (CMR) system.

1.5.2 The return must be submitted to Lloyd's in accordance with the deadlines set out in section 2.2 below.

1.5.3 The specific forms to be submitted for annual reporting are listed below:

ASR Form Description	**ASR Reference**	**EIOPA template code**
Balance sheet	ASR002	S.02.01.02
Members providing capital (FIS)	ASR204	Lloyd's specific requirement
Solvency II Balance Sheet Reconciliation	ASR210	Lloyd's specific requirement
Off-Balance sheet items	ASR215	S.03.01.01 / S.03.02.01 / S.03.03.01
Own funds	ASR220	S.23.01.01
Non-Life Technical Provisions – Part A	ASR240	S.17.01.02
Non-Life Technical Provisions – Part B	ASR241	S.17.01.01
Non-Life Gross Best Estimate by Country	ASR242	S.17.02.01
Projection of Future Cash Flows (Best Estimate - Non-Life)	ASR244	S.18.01.01
Underwriting Risks Non-Life	ASR251	S.21.02.01
Assets and Liabilities by Currency	ASR260	S.02.02.01
Life Technical Provisions	ASR280	S.12.01.01
Life Gross Best Estimate by Country	ASR281	S.12.02.01
Health SLT Technical Provisions	ASR283	S.12.01.01
Health SLT Gross Best Estimate by Country	ASR284	S.12.02.01
Projection of Future Cash Flows (Best Estimate – Life)	ASR286	S.13.01.01
Life Obligations Analysis	ASR288	S.14.01.01
Information on Annuities Stemming from Non-Life Insurance Obligations	ASR289	S.16.01.01
Share of reinsurers (including Finite Reinsurance and SPVs)	ASR290	S.31.01.01
Activity by Country - Non-Life	ASR430	S.04.01.01 / S.04.02.01
Activity by Country - Non-Life	ASR430s	S.04.01.01 / S.04.02.01
Activity by Country – Life	ASR431	S.04.01.01 / S.04.02.01
Activity by Country – Life	ASR431s	S.04.01.01 / S.04.02.01

Premiums, claims and expenses by line of business – Non-life	ASR440	S.05.01.01
Premiums, claims and expenses by Country – Non-life	ASR441	S.05.02.01
Premiums, claims and expenses by line of business – Life	ASR450	S.05.01.01
Premiums, claims and expenses by Country – Life	ASR451	S.05.02.01
Minimum capital requirement – Non-life	ASR510	S.28.01.01
Minimum capital requirement – Life	ASR511	S.28.01.01
Solvency Capital Requirement - for Syndicates on Full Internal Models	ASR522	S.25.03.01
Managing Agent's Report	ASR910	Lloyd's specific requirement
Cash Transfer Statement (**required for annual**)	ASR923	Lloyd's specific requirement
Auditors' report	ASR930	Lloyd's specific requirement
Comments form	ASR990	Lloyd's specific requirement

ASB Form Description	**ASB Reference**	**EIOPA template code**
Non-Life Insurance Claims – Claims Paid	ASB245	S.19.01.01
Non-Life Insurance Claims – Best Estimate Claims Provisions	ASB246	S.19.01.01
Non-Life Insurance Claims – Reported But Not Settled (RBNS)	ASB247	S.19.01.01
Non-Life Insurance Claims Information – Inflation Rates	ASB248	S.19.01.01
Managing Agent's Report	ASB910	Lloyd's specific requirement
Comments form	ASB990	Lloyd's specific requirement

AAD Form Description	**AAD Reference**	**EIOPA template code**
Investment data – Portfolio list	AAD230	S.06.02.01
Structured Products Data – Portfolio List	AAD232	S.07.01.01
Derivatives Data – Open Positions	AAD233	S.08.01.01
Derivatives Transactions	AAD234	S.08.02.01

Income / Gains and Losses in the Period	AAD235	S.09.01.01
Investment Funds (look-through approach)	AAD236	S.06.03.01
Securities Lending and Repos	AAD237	S.10.01.01
Assets held as Collateral	AAD238	S.11.01.01
Managing Agent's Report	AAD910	Lloyd's specific requirement
Comments Form	AAD990	Lloyd's specific requirement

1.5.4 The ASR (Part A and B) and AAD are required to be submitted electronically only. However, **hard copies of the signed Managing Agent's Reports (ASR910, ASB910 and AAD910) and Auditors' Report (ASR930 for ASR) are required to be submitted to Lloyd's by the designated deadline.** The ASR910, ASB910 and AAD910 formats for this purpose are attached as Appendix 2. As at year end a hard copy audit report (ASR 930) is also required as described in 2.1.5 and 2.2 below).

1.5.5 This document provides instructions to managing agents in respect of completion of the ASR, ASB and AAD which have been developed within the CMR system. The ASR, ASB and AAD form specifications for this purpose are attached at Appendix 3.

1.6 Confidentiality of information

1.6.1 The information provided by managing agents to comply with these annual requirements shall remain confidential to Lloyd's and the PRA.

1.7 Audit Requirements

1.7.1 The PRA have confirmed audit requirements in respect of certain templates of the SFCR, as set out in PS24/16.

1.7.2 Lloyd's requires the audit of certain forms in the ASR, consistent with the scope of the audit requirements required by the PRA. The following forms in the ASR are required to be audited:

ASR002 – Balance Sheet*

ASR210 – Solvency II Balance Sheet Reconciliation, excluding lines 19 and 20*

ASR220 – Own Funds

ASR240 – Non-Life Technical Provisions Part A*

ASR280 – Life Technical Provisions*

ASR283 – Health SLT Technical Provisions*

ASR510 – Minimum Capital Requirement (Non-Life)

ASR511 – Minimum Capital Requirement (Life)

ASR910 – Managing Agent's Report

* The risk margin is not subject to audit where (as in the case of Lloyd's syndicates) it is dependent on an SCR generated by an internal model. This means that the risk margin reported on ASR002, ASR210, ASR240, ASR280 and ASR283 is **not** subject to audit.

For the avoidance of doubt, auditors are not required to opine on forms in the ASR that are out of scope of the audit ie not listed above, or the return and form level comments associated with those out of scope forms (collectively defined as ‘other information’). The auditors have no responsibility to read the other information or consider whether it is consistent with the ASR or the auditors knowledge obtained during their audit, nor to express any form of assurance on the other information.

1.7.3 There is no audit requirement for the remainder of the ASR, or any part of the ASB and AAD.

1.7.4 A ‘reasonable assurance’ audit is required. The ASR930 wording is provided at Appendix 6.

Section 2: General instructions

The following instructions are common to the ASR, ASB and AAD

2.1 Pillar 3 returns

2.1.1 The annual Pillar 3 returns required to be submitted by syndicates are based on EIOPA Solvency II DPM and XBRL taxonomy package version 2.6.0, EIOPA filing rules and its underlying regulations, but tailored where necessary to cover areas of relevance to Lloyd's syndicates.

2.1.2 The asset data should be reported in the AAD with the remaining Solvency II information reported in the ASR and ASB.

2.1.3 The ASR is a synchronous return, similar to the QMA, while the AAD and ASB are asynchronous returns due to the high volume of data required.

Synchronous

This has been the standard approach used for returns with relatively low volume of data, for example, QMA. Below are some of the features:

- data can be input to CMR either through the user interface or in csv format
- data submitted in csv format can be edited via the user interface
- validations are done as and when the data is input
- all data can be printed

Asynchronous

This approach has been used for returns with high volume of data, for example, PMD/GQD/TPD returns. Below are some of the features:

- data is input to CMR as a series of zipped csv files
- edits to the data are made by updating the csv and re-uploading it
- validations are done when the data is uploaded
- prior to submission, a validation tool is provided to pre-process the data for format compliance
- summary data can be printed

2.1.4 A managing agent's report (ASR910, ASB910 and AAD910) must be completed for ASR, ASB and AAD respectively. The format is provided as Appendix 2 to these instructions.

2.1.5 An audit report (ASR930) must be completed covering the relevant part of the ASR in scope for audit (see 1.7). The wording of the ASR930 is attached at Appendix 6.

2.2 Reporting timetable

2.2.1 The electronic version of the completed returns must be submitted by the managing agent to the CMR site by 2pm of the relevant submission date.

Submission date	Audited?	Type of submission
Friday 10 March 2023	Partial (part of ASR only, see section 1.7)	Electronic only*

* Hard copies of the return are not required. Copies of the signed Managing Agent's reports (ASR 910, ASR 910 and AAD 910) and Auditors' report (ASR 930) must be emailed to Lloyd's via inbox: LLoyds-SolvencyReturns@lloyds.com by the designated deadline.

2.2.2 Late submissions: Failure to submit the return by the due deadline will be considered a breach of the Solvency and Reporting Byelaw (No.5 of 2007), as amended. A resubmission of the return after the deadline date will be considered a late submission.

Where a managing agent has reason to believe that it may be unable to submit the return on time it is encouraged to contact Lloyd's Central Finance at the earliest opportunity in advance of the deadline to discuss the matter. Failure to do so will be a factor Lloyd's will take into account in deciding whether a fine is appropriate.

If an inaccurate or incomplete submission has been submitted then Lloyd's may at its discretion regard that submission as being "late" in which case a fine may be imposed. In deciding whether to exercise that discretion Lloyd's Market Supervision and Review Committee (MSARC) will have regard to whether the managing agent itself identified the inaccuracy and brought the matter to Lloyd's attention at the earliest opportunity.

Where Lloyd's is satisfied that a fine is appropriate then the following fining regime will be applied:

Per return per syndicate – flat fine	£20,000
Per return per syndicate – additional fine per working day late	£1,000

Persistent delays will lead to further disciplinary action.

Please note that in accordance with the above policy Lloyd's will take disciplinary action against managing agents who fail to submit market returns on time and fines will be imposed in appropriate circumstances, a policy supported by MSARC. Please refer to market bulletin Y5265 for further clarification.

2.3 Key Contacts

2.3.1 Any queries about the completion of the Pillar 3 returns should be directed by e-mail to Central Finance at Lloyds-SolvencyReturns@lloyds.com. All queries will be responded to by the end of the following working day. Please contact Angus Mackenzie (angus.mackenzie@lloyds.com) via email if a response remains outstanding at that time.

2.3.2 Please include the relevant form number(s) and a reference to the issue raised in the email header.

2.3.3 The key contacts within the Corporation of Lloyd's in relation to the Pillar 3 returns are:

Angus Mackenzie	Angus.Mackenzie@lloyds.com
Nazia Rahman	Nazia.Rahman@lloyds.com
Mukesh Bains	Mukesh.Bains@lloyds.com

2.4 Overview of return

2.4.1 Parallel corporate syndicates must complete and submit separate Pillar 3 returns.

2.4.2 The return must be completed in respect of all open years of account and all run-off years of account, in order to reflect the total insurance business transacted by underwriting members of Lloyd's.

2.4.3 When setting up a return, the system will generate the forms to be completed, and establish the validation rules to be adhered to, as appropriate to that syndicate's circumstances.

2.5 Basis of preparation

2.5.1 The returns must be prepared in accordance with these instructions. Where additional clarification is required this will be issued via Frequently Asked Questions posted on the CMR website. This will clearly set out whether the update is a change to the instructions or for guidance purposes only.

2.5.2 The return must be prepared in accordance with the Solvency II Directive (2009/138/EC), the Delegated Act (Commission Delegated Regulation (EU) 2015/35) and EIOPA Implementing Technical Standards, except where an alternative treatment is specifically required in these instructions.

2.5.3 The instructions in respect of each form state the level at which the forms should be completed. Each form must be completed at one of the following levels:

- Whole syndicate (all reporting years combined)
- Reporting year
- Pure/Underwriting year

2.5.4 **Whole syndicate or all reporting years combined** means all of the transactions or assets and liabilities as appropriate for the syndicate as a whole.

2.5.5 **Reporting year** is the 'traditional' Lloyd's method of identifying years of account and means each open year of account upon which members had a participation at the period end. For returns in 2022 this will be the 2020, 2021 or 2022 years of account during 2022 and also any 2019 or prior run-off years of account which had not been reinsured to close as at 31 December 2022. When reporting on 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 unless the instructions explicitly state otherwise. (For ASR002 a Solvency II result for the following reporting year will also be expected).

2.5.6 **Pure/Underwriting year** relates to the year in which the business was originally written and to which the original premiums and all subsequent transactions are signed. The pure original year may still be open, or subsequently reinsured to close into another year of account. For general (non-life) business the pure original year may be from the 1993 to the 2022 year of account, all liabilities in respect of 1992 and prior years having been reinsured into Equitas effective at 31 December 1995. When reporting on the transactions for a pure original year, only the transactions relating specifically to that pure year must be reported.

2.6 Exchange rates

2.6.1 All figures are to be provided in GBP. A market bulletin will be issued on the next working day following the year end providing suggested, but not mandatory, average and closing rates.

2.6.2 Syndicates should translate foreign currency items in accordance with section 30 of FRS 102 and paragraph 2.26 of FRS 103. In particular, paragraph 2.26 of FRS 103 requires that when applying the requirements of section 30 of FRS 102, you should treat all assets and liabilities arising from an insurance contract as monetary items.

2.6.3 Solvency II requires that all assets and liabilities should be measured at fair value, hence all foreign currency assets and liabilities should be translated at closing rate.

2.7 Reporting configuration

2.7.1 All forms are to be completed in currency units, not 000's, unless specified on the form. Generally, all values must be entered as positive numbers unless otherwise stipulated on the forms and instructions.

2.8 Completion of forms

2.8.1 All amounts on each form must be completed as indicated on the form. Additional guidance is provided in respect of each form in these instructions.

2.8.2 Certain figures disclosed on some forms in the return must agree or relate to figures on other forms.

2.8.3 The Pillar 3 returns must be prepared on the same underlying data as used in the preparation of the QMA. In other words, no adjustment is made in respect of post balance sheet events in the returns unless such an adjustment is made in accordance with UK GAAP for the purpose of the QMA. Furthermore, any adjustments made to technical provisions for Solvency II purposes shall be based on the underlying technical provisions reported in the QMA.

2.9 'Analysis' cells

2.9.1 Certain cells require analysis of material amounts to be provided in the analysis section (i.e. a description and details of the material amount must be disclosed). For such items, the system will generate a sequentially numbered continuation sheet. Where we have identified common reasons for an 'other' entry, please use the suggested description in the analysis section where appropriate.

2.9.2 Any amount greater than £1m must be given a description that is sufficient for the reader to understand its nature. General terms such as "other," "miscellaneous," etc. should not be used for amounts greater than £1m. Descriptions given to amounts below £1m will be at the discretion of the agent and auditor given the circumstances of the syndicate and the nature of the analysis figure.

2.10 Equitas

2.10.1 The Pillar 3 returns must be prepared on a basis of recognising the reinsurance to close of all 1992 and prior non-life business into Equitas, effective as at 31 December 1995. In particular, only transactions, assets and liabilities relating to 1993 and post non-life business (and ALL life business) must be reported in the return. Any transactions occurring in the current year relating to 1992 and prior non-life business must NOT be reported in this return.

2.11 Scope of these instructions

2.11.1 These instructions are specifically for completion of the annual Pillar 3 reporting required from 31 December 2022 onwards**.**

2.12 Use of ASR990, ASB990 and AAD990 to clarify approach to completion

2.12.1 Managing agents are encouraged to use the 'comments' facility provided at ASR990, ASB990 and AAD990 where they consider that this would help Lloyd's understand the approach taken in the completion of any part of the submission, if the agent considers that this could minimise the need for Lloyd's to raise a subsequent query with the agent.

2.12.2 In addition, an explanation should be provided on the ASR990, ASB990 or AAD990 as appropriate for items where a 'warning' message appears on the CMR software. One explanation shall be sufficient in respect of a group of related items with the same warning message.

2.12.3 Areas which the managing agent may wish to comment on include, but are not limited to:

- An explanation as to why the Solvency II results for any reporting year is significantly different from their respective UK GAAP results.
- Where there are unexpected adjustments between UK GAAP and Solvency II such as on QMA002 Line 26 “Deposits to Cedants”, Line 38 “Provisions other than technical provisions” and Line 42 “Deposits from reinsurers”, they should be confirmed.
- At 31 December, agents should ensure that there is consistency between the ASR and the TPD technical provisions (see link setting out mapping with PTD provided with ASR240 instructions).
- Explain if the elimination of the unearned premium reserve as shown in the GAAP balance sheet is different to that shown on ASR210, Line 2.
- Explain any difference between the elimination of DAC shown on ASR002 and ASR210. Agents who have grossed up DAC for reinsurance in the reanalysis column of QMA002 between Lines 28 and 51 and have consequently entered gross DAC on Line 2 of the ASR002 with the Reinsurance amount analysed on Line 87 should ensure that the net amount is shown on Line 3 of ASR210.
- Explain if there are any unusual circumstances surrounding the elimination of the margin for prudence (ASR210 Line 4) and in particular if the margin is greater than that shown on the signing actuary’s opinion, with supporting commentary from the signing actuary where appropriate.
- Explanation of instances where the reinsurance receivables/payables transferred to technical provisions on Line 7 of ASR210 are different to the ASR002 amounts shown.
- We would expect to see amounts for ENIDs on ASR210, but in some cases they may be nil or very small thus requiring an explanation.
- We would expect discounting amounts to be shown as a positive amount on ASR210 (making the result better); any negative amounts should be explained.
- Explain if the change in Solvency II profit commission is not in line with the impact of the Solvency II adjustments on the result.
- At 31 December, ensure that the Solvency II adjustments on ASR210 Column 1, Line 15 reflect those relating to the closing year and that there is an equal and opposite transfer to the reinsuring year on the same line.
- At 31 December, Column 1 Line 17 (total adjustments) is expected to be nil.

Furthermore, Lloyd’s would expect the managing agent to provide an explanation in respect of each item where an amount is reported in a cell where (as indicated in the instructions) Lloyd’s is not expecting an item to be reported.

Section 3: form instructions for Annual Solvency Return – Part A (ASR)

3.1 ASR010: Control page

Purpose of form: *This form collects/confirms basic information regarding the syndicate, including the syndicate number, managing agent, reporting years of account and their status (open/closed/run-off) and pure years comprising each reporting year.*

The software will generate the forms required to be completed in accordance with the data in the matrix. It is important that you check that the matrix is populated correctly.

When you set up a return, you are required to enter a person as the contact for the return. Any queries on the return will be addressed to this person together with the person who clicks the action "sign off" prior to submission of the return.

Each syndicate will have a return Administrator. The Administrator is responsible for adding/amending contact details for the return. Please ensure that all contact details are correct. Details can be updated via the 'Admin' link on the Core Market Returns menu.

We do recognise, however, that the persons signing off the return may not necessarily be those to whom queries should be sent to. If this is the case, please email Central Finance via Lloyds-SolvencyReturns@lloyds.com, with details of an alternative contact, who shall be included on the queries distribution list relating to the syndicate.

3.2 ASR025: Country (EEA Member State) Selection

Purpose of form: *This form presents a list of EEA countries required for ASR430 and ASR431.*

This form provides a list of European Economic Area (EEA) countries (excluding UK) that are required for ASR430 and ASR431. Given the revised guidance on ASR430 and ASR431, whereby EEA countries are no longer disclosed, ASR025 should no longer be completed.

3.3 ASR026: Additional Material Currency Selection

Purpose of form: *This form allows syndicates to select additional material currencies required on ASR260.*

This form allows syndicates to select additional currencies required in ASR260 i.e. other than the 6 currencies (USD, GBP, EUR, CAD, AUD and JPY) already presented in ASR260. Syndicates are required to report separately any additional currencies that represent 20% or more of both assets and liabilities.

3.4 ASR027: Technical Provisions Non-Life: Line of Business and Currency Selection

Purpose of form: *This form allows syndicates to select lines of business and currencies required on ASR289.*

This form allows syndicates to select the lines of business and currencies that are required to be reported on ASR289. Therefore ASR027 is only required to be completed if ASR289 is to be completed..

3.5 ASR002: Overall Balance Sheet (EIOPA ref: S02.01.02)

Purpose of form: *This form presents an overall view of the balance sheet of the syndicate under Solvency II valuation rules.*

This form is required for all reporting years combined with a breakdown of the result by reporting year on line 90.

Overall approach – basis of completion of ASR002

UK GAAP amounts (per QMA) – Column A

Column A must be completed in accordance with the UK GAAP balance sheet submitted as QMA002 column C, as part of the QMA, which will have been reviewed by syndicate auditors. The UK GAAP numbers must agree and their categorisation must be consistent with the audited QMA. A comment is required on ASR990 if there are known differences in the treatment of certain items.

Specifically, it is expected that when comparing the GAAP columns between the QMA and ASR002 column A, the following categories when individually aggregated will not produce differences:

Balance sheet line	QMA 002 Column C Reference	ASR 002 Column A Reference
Investments and cash	C8+C23+C24	A30+A31+A50
Reinsurance share of technical provisions	C13	A43
Insurance receivables	C14+C18	A45
Reinsurance receivables	C15+C19	A45 (for balances related to inwards reinsurance) + A46 (for balances related to outwards reinsurance)
Other assets	C31-C8-C13-C14-C15-C18-C19-C23-C24	A52-A30-A31-A43-A45-A46-A50 – A33
Technical provisions	C36	A56+A60+A64+A68
Insurance payables	C39+C45	A82
Reinsurance payables	C40+C46	A82 (for balances related to inwards reinsurance) + A83 (for balances related to outwards reinsurance)
Other payables	C52-C32-C36-C39-C40-C45-C46	A88-A56-A60-A64-A68-A82-A83
Excess of assets over liabilities (members' balance)	C32	A89

Adjustments to reach a Solvency II balance – Column B

Column C must report the Solvency II valuation for each line as specified in these instructions. Accordingly the adjustment between the UK GAAP and Solvency II valuations must be reported in column B.

Solvency II amounts – column C

The Solvency II value column (C0010) shall be completed using the valuation principles set out in the Directive 2009/138/EC, Delegated Regulation (EU) 2015/35 and EIOPA Implementing Technical Standards and in accordance with these instructions.

Column C (Solvency II amounts) - General areas for consideration

Asset and liability categories – analysis by CIC table and comparison with AAD230

Certain asset and liability categories must agree to their underlying classification in accordance with the Complementary Identification Code (CIC) Table, attached at Appendix 1.

For each syndicate level return, it is **essential** in the case of each category of asset reported on ASR002, that the amount reported on ASR002, column C agrees **exactly** with the total for the relevant category of asset reported on AAD230 as identified by CIC code on that form, by reference to the allocation of CIC codes as set out in the instructions for ASR002. The playback summary AAD230s, which is the summary of AAD230 by each asset category, can be used to reconcile between ASR002 and AAD230 and total Solvency II amount must agree between two forms. The reconciliation must be done at each syndicate level return, not at managing agent level. Agents will be required to resubmit both ASR and AAD where this is not the case.

Technical provisions

Technical provisions should be valued in accordance with Lloyd's Solvency II guidance titled "Lloyds Solvency II Technical Provisions Guidance Nov 2019". These instructions can be accessed through the following link: Lloyds Solvency II Technical Provisions Guidance Nov 2019 .

Treatment of SPA technical provisions within the Solvency II balance sheet

For the purpose of clarification, Lloyd's recognises that there is more than one way to report SPA technical provisions within the Solvency II balance sheet (ASR002) depending on a particular host syndicate's accounting policy with regard to the raising of payments or reinsurance accruals relating to the SPA within the host syndicate. It is for the managing agent to determine the most appropriate way of reporting these transactions, liaising with their auditors as appropriate, within this framework. Lloyd's accepts submissions of overall negative technical provisions in circumstances where these can be explained by the operation of a syndicate.

Lloyd's expectation is that, as the same accounting policy applies, a consistent treatment of cashflows should be applied for the host and SPA, i.e. if the host is accounting for a payment to the SPA, the SPA should be accounting for its receipt.

For the avoidance of doubt, the treatment prescribed in the TPD return must be followed for the purpose of that return and any reconciliation issues that arise commented on in the TPD 990.

Actuarial opinion

There is currently no requirement for an actuarial opinion to be provided on the Solvency II technical provisions. However, key GAAP adjustments arising from actuarial analysis that increase members' balances in the ASR must be consistent with the opinion of the SAO actuary, if they are to be recognised in the Lloyd's capital setting process.

There are three key adjustments that could increase members' balances which the managing agent might make to UK GAAP figures previously agreed with the SAO actuary:

- The use of a ‘best estimate’ of unpaid future claims on business treated as earned in the UK GAAP accounts

  This refers to the earned claims reserve margin which is removed to convert to a Solvency II basis. Lloyd’s will look to the signing actuary’s best estimate of earned claims as a reference point when comparing to the managing agent’s booked best estimate in their Solvency II balance sheet. We will not be expecting or expect to allow significant differences at 31 December or 30 June in respect of the prior year-end opinion.

- Higher future premiums

  This can arise where the managing agent’s finance function determine a "haircut" on the ultimate premiums that are then reported in the UK GAAP accounts. This is designed to be prudent and Lloyd’s is aware that this happens. The implication for SAO actuaries is that this can lead to a lower Unearned Premium Reserve (UPR) than is technically needed (especially if UPR = ultimate premium - earned) and the SAO actuary would be unable to provide an opinion. This could then impact on the premium provisions in the Solvency II balance sheet. We would expect to see the signing actuary’s view of future premium if this is significantly different to the managing agent’s view and this to be reported explicitly and separately to other margins in the SAO report.

- Difference in earned premium (that would increase members' balances)

  This arises where the managing agent's finance function’s view of earning patterns (especially for reinsurance) is materially different from the view of their actuarial function. This would also lead to potential differences in the respective functions’ view on the UPR and the concept is the same as the "haircut on premiums" point. Again, this could then impact on the premium provisions in the Solvency II balance sheet and we would expect to see the signing actuary’s view reflected in the Solvency II balance sheet if different from the managing agent or at least see documented evidence in the SAO report of how the signing actuary judged the approach as reasonable.

Where the adjustments in technical provisions for the above items result in a material change to members’ balances, Lloyd’s remind both agents and signing actuaries that if these would impact the signing actuary’s ability to provide an opinion then the agent should make the signing actuary aware of these and that the signing actuary should also be specifically asking about the existence of any such items when checking for reasonableness.

The above does not include an assessment of the bound but not incepted business (BBNI) or profitability in the unearned element (except for assessing for Additional Unexpired Risk Reserve (AURR)).

Where members' balances are materially higher after these adjustments either at 31 December or 30 June, Lloyd’s requires the managing agent to obtain in writing, confirmation from the SAO actuary that the adjustments are suitable for the purpose of Lloyd's capital setting. Signing actuaries should be aware that Market Reserving and Capital (MRC) at Lloyd's may request evidence to support these statements.

Lloyd’s will not regard any such confirmation as constituting an actuarial opinion on the Solvency II technical provisions.

Managing agents should therefore note, that Lloyd’s shall review the impact of UK GAAP adjustments reflected in the ASR002 which cause members’ balances to increase in connection with the information reported in the SAO. Where Lloyd’s considers the increase in members’ balances reflected in the ASR002 to be excessive in this respect, Lloyd’s will either ask the managing agent to resubmit the ASR002 to adjust for this, or alternatively to increase the syndicate’s SCR by the

‘excess’ amount, which would impact directly on the capital requirements for the member(s) supporting that syndicate.

ASR002 – 31 December

Lloyd’s expects that all releases of “reserve margins” in respect of earned claims provisions which might be claimed for capital setting in the ASR002 to be consistent with that identified by the signing actuary in the SAO report (or a separate formal letter) by reporting year. Although the valuation principles for SAOs and Solvency II are not the same this step in the valuation process is on a consistent basis and as such Lloyd’s will generally limit the release of reserve margins (on a Solvency II basis) as reported in ASR210, line 4, to the margin stated on earned reserves within the SAO report.

Lloyd’s usually expects the SAO signing actuary to produce their opinion on a pure best estimate basis (under the UK GAAP definition of “reasonably foreseeable outcomes”) with no allowance for prudence. Where the managing agent has included ENIDs in their UK GAAP provisions (i.e. amounts in excess of “reasonably foreseeable” events under the UK GAAP definition of best estimate) it should claim these as “reserve margins” for capital setting (ASR210, line 4) to the extent that they are clearly identified in the SAO report. This will ensure the full margin in excess of the UK GAAP best estimate is declared in the ASR210. Information on how these should be presented in ASR210 is detailed in the instructions for that form.

However, Lloyd’s recognises that there are instances where a greater margin may be warranted, for example, if the SAO provisions are still prepared on a “prudent” basis. If this is the case and the managing agent is expecting to claim a larger margin, then the signing actuary must clearly quantify the amount and state in the SAO report or a separate formal letter, how this additional amount is arrived at and that they would have signed the opinion with the larger margin or the amount is appropriate on a Solvency II basis (explaining the differences in valuation requirements, including quantification, that lead to the higher margin).

In all cases without the additional sign-off from the SAO actuary, Lloyd’s is expecting to disallow the excess margin claimed.

Future cash flows transferred from (re)insurance receivables/payables to technical provisions

Solvency II requires transfer of future cash flows from (re)insurance receivables/payables to technical provisions. Under contract boundary rules, the key consideration is that amounts included in (re)insurance receivables/payables are legally bound and they are to be consistent with inwards policies included at the balance sheet date. Agents should ensure that adjustments made to (re)insurance receivables/payables in relation to future cash flows agree to respective amounts included in the calculation of the technical provisions and reported in the TPD in accordance with the revised technical provisions guidance issued by Lloyd’s in November 2019. We would not expect any adjustments against reinsurance receivables in respect of recoverables on paid claims as these amounts should be left as debtors in the balance sheet.

Bound But Not Incepted (BBNI) provisions

In the calculation of technical provisions, the nature of legal obligations business should be considered for each syndicate in its own right. One particular example of this application is that for SPAs (formerly known as SPSs) with quota share business from the host syndicate that is a legal obligation, this should be included as such. A look through approach to any underlying business is not appropriate in this case as the reinsurance is itself a contract of (re)insurance. This may result in cases where the SPA’s legal obligations business is a larger amount than that of the host; this is appropriate where it results from the correct application of the consideration of legal obligations business, as outlined above.

LCA balances

LCA balances are future cash flows and hence should be included in the Technical Provisions. However, any amount included in the LCA balances where the contractual settlement due date has passed by the period end date but which at the period end date have not been received should be reported as debtors in ASR002.

From a premium stand point the agent needs to consider what has been received. If the agent is notified of a premium signing which has not yet been settled and has a due date after the balance sheet date then this is a future cash flow and should be reported in technical provisions. This remains as a future cash flow in technical provisions until the cash is received by the syndicate.

From a claims standpoint, the managing agent will know when a claim has been paid and can deem the cash flow as having occurred. If it is reported in LCA balances once paid at the balance sheet date then it should be left in creditors on the balance sheet i.e. should not be considered a future cash flow in technical provisions.

In summary, managing agents need to consider the cash flow between the syndicate and LCA and decide if it is a future cash flow from the syndicate's perspective.

Reinsurance recoveries

The key defining characteristic is that recoveries are to be included to the extent that they relate to inwards business included in technical provisions. There is to be no allowance for recoveries on expected future business not existing at the balance sheet date. Expenses such as counterparty default (bad debts), reinstatement premiums, and costs associated with any special purpose vehicle (such as management or administration expenses) should be assessed and offset against recoveries.

Recoveries would remain within technical provisions for Solvency II until they are processed as paid (and collection notices issued). Hence, on Line 46 Reinsurance receivable we would not expect any adjustments (relating to claims paid) to technical provisions. The same principles would apply to any associated reinstatement or outwards adjustment premiums.

Reinsurance future premiums and contract boundaries

Under Solvency II, reinsurance premiums should be included as described in Section 8 of the November 2019 Lloyd’s guidance on Technical Provisions.

The updated rules regarding reinsurance contract boundaries require the premium for all existing and legally obliged reinsurance contracts to be included to the contractual minimum. This is expected to increase the level of technical provisions. Premiums for contracts that are not yet written or legally obliged, but would apply to existing inwards business, can be treated on a principle of correspondence basis.

Example (in £m):

(a) Total RI UPR; £40m (all contractually obliged)

(b) The above £40m includes a contractual minimum of RI premium of £10m relating to direct inward policies not written at the balance sheet date.

JOURNAL ENTRIES TO REFLECT RI ON UPR: UK GAAP vs SOLVENCY II (BEFORE AND AFTER REVISED SOLVENCY II TREATMENT OF CONTRACT BOUNDARIES)	DR £m	CR £m
UK GAAP LEDGER ENTRIES (Same treatment before and after November 2019 Solvency II TP update)		
(1a) RI UPR (Balance Sheet)	40	

(1b) Change of gross provisions for unearned premiums, reinsurers' share Being recognition of RI unearned premium on the balance sheet		40
SOLVENCY II ENTRIES – BEFORE UPDATE (AND THUS SUPERCEDED)		
(2a) Excess of assets over liabilities (members' balances) – ASR002 column B line 89 (2b) RI UPR (Balance Sheet) – ASR002 column B line 43 Being the elimination of the UK GAAP RI that is not recognised under Solvency II	30	 30
(3a) Any Other Assets - ASR002 column B line 51 (3b) RI UPR (Balance Sheet) – ASR002 column B line 43 Being the RI UPR element not supported by correspondence business transferred to Other Assets (correspondence principle valid)	10	 10
SOLVENCY II ENTRIES – AFTER UPDATE (AND THUS BASIS NOW TO BE USED)		
(4a) Excess of assets over liabilities (members' balances) – ASR002 column B line 89 (4b) RI UPR (Balance Sheet) - ASR002 column B line 43 Being the elimination of the UK GAAP RI that is not recognised under Solvency II (corresponding principle no longer valid)	40	 40

Assuming that the RI UPR has also not been paid, hence in the UK GAAP balance there is RI payable amount of £40m, the following additional entries would be expected:

SOLVENCY II ENTRIES – BEFORE UPDATE (AND THUS SUPERCEDED)		
(5a) Reinsurance payables - ASR 002 column B line 83	30	30

(5b) Reinsurance recoverables (Reinsurers' share of technical provisions) - ASR 002 column B line 43 Being transfer of reinsurance payables to technical provisions (correspondence principle applies)		
SOLVENCY II ENTRIES – AFTER UPDATE (AND THUS BASIS NOW TO BE USED)		
(6a) Reinsurance payables - ASR 002 column B line 83 (6b) Reinsurance recoverables (Reinsurers' share of technical provisions) - ASR 002 column B line 43 Being transfer of reinsurance payables to technical provisions (correspondence principle does not apply)	40	 40

In the above example, after applying the November 2019 updated technical provisions guidance on reinsurance contract boundaries, there is an additional £10m included in the best estimate cash flow as the full level of contractual premium (the contractual obligation is to all of the RI costs), resulting in an adverse impact on members' balance of £10m.

Other assets and other liabilities

These should be valued at fair value by discounting expected cash flows using a risk free rate. However, book value as per UK GAAP may be used as a proxy to the fair value for Solvency II balance sheet purposes where the impact of discounting is not material because the balances are due/payable within one year or amounts due/payable in more than one year are not material. Materiality should be determined in accordance with International Accounting Standards (IAS1) i.e. "Omissions or misstatements of items are material if they could, individually or collectively, influence the economic decisions that users make on the basis of the financial information. Materiality depends on the size and nature of the omission or misstatement judged in the surrounding circumstances."

Profit commission

Where the profit under Solvency II would be different to that under UK GAAP, agents should recalculate the profit commission to reflect the change in the profit. Hence, the profit commission recognised in the Solvency II column should be based on the Solvency II profit.

However, where the syndicate year is closing, there is no recalculation of the profit commission in respect of the closing year as distribution will be based on the QMA (UK GAAP result). However, the effect of Solvency II valuation differences on the liabilities accepted by the reinsuring year of account, either for the same or another syndicate, should be taken into account when calculating the notional Solvency II profit commission for the reinsuring syndicate year.

Funds in syndicate (FIS)

Where a syndicate holds FIS, this should be reported within the respective investments lines i.e. ASR002, C7 to C29.

Solvency II valuation differences in respect of a year which is closing

Where a year of account is closing as at the reporting date, the result for that year has crystallised and the QMA result, based on UK GAAP will be used as the basis for distribution, without exception. This means for any reporting year of account closing at the balance sheet date, the result shown for that year in column C **must** be the same as shown in column A.

Therefore the net impact of the Solvency II valuation differences in respect of the liabilities being transferred by RITC should not be reflected in the Solvency II result in the syndicate year that is closing, but should instead be reflected in the Solvency II result in the reinsuring syndicate year, whether it is the same or another syndicate. The amounts in Column C will be valued based on Solvency II valuation. The Solvency II amounts reported in column C are expected to be positive but there are cases where these amounts can be negative for instance in respect of technical provisions best estimate where the cash in-flows are greater than cash out-flows.

Column C (Solvency II valuation) – specific line instructions

Line C1 - Goodwill: This is valued nil under Solvency II

Line C2 – Deferred acquisition costs: There are no deferred acquisition costs under Solvency II given the cashflow basis of technical provisions. Hence, no amount is expected within C2.

Line C3 – Intangible assets: These are intangible assets other than goodwill. They should be valued at nil under Solvency II valuation principles, unless they can be sold separately and the syndicate can demonstrate that there is a market value for the same or similar assets that has been derived in accordance with Delegated Regulation (EU) 2015/35.

Line C4 – Deferred tax assets: This is an asset that may be used to reduce any subsequent period's income tax expense. Deferred tax assets can arise due to net loss carry-overs, which are only recorded as assets if it is deemed more likely than not that the asset will be used in future fiscal periods (i.e. where it is probable that future taxable profit will be available against which the deferred tax asset can be utilised). We do not expect syndicates to report any amount within this line since tax would apply at member level.

Line C5 – Pension benefit surplus: This is net surplus related to staff pension scheme, if applicable. We would not expect syndicates to report any amount within this line.

Line C6 – Property, plant & equipment held for own use: These are tangible assets which are intended for permanent use and property held by the undertaking for own use, but Lloyd's would not expect any amount to be reported within this line. This amount relates to assets with a CIC of ##93, ##95 and ##96 on AAD230.

Line C7 - Property (other than for own use): This is investment property and Lloyd's is not expecting any amount to be reported within this line. Where a syndicate has investment in funds investing in real estate, this should be reported within line A21, real estate funds. This amount relates to assets with a CIC of ##91, ##92, ##94, and ##99 on AAD230.

Line C8 – Holdings in related undertakings, including participations: This is defined in Article 13(20) and 212(2) and holdings in related undertakings in Article 212(1)(b) of Directive 2009/138/EC. Lloyd's does not expect syndicates to have any participations, hence no amount is expected within this line. This amount relates to assets with a CIC of ##3# and ##4# on AAD230 that are not held in index-linked investments.

When part of the assets regarding related undertakings including participations refer to unit and index linked contracts, these parts shall be reported in "Assets held for index-linked and unit-linked contracts" in A31.

Line C9 – Equities-listed: These are shares representing corporations' capital, e.g. representing ownership in a corporation, listed on a public stock exchange. The amount reported within this line should exclude holdings in related undertakings, including participations. This amount relates to assets with a CIC category 3#, excluding XL3#, XT3# on AAD230.

Line C10 – Equities –unlisted: These are shares representing corporations' capital, e.g. representing ownership in a corporation, not listed on a public stock exchange. The amount reported within this line should exclude holdings in related undertaking, including participations. This amount relates to assets with CIC categories of XL3# and XT3# on AAD230.

From Q1 2019 onwards, there is a requirement for syndicates to make loans to the Central Fund (refer to market bulletin Y5236 issued on 20 February 2019 for further details). Lloyd's considers that the loans meet the criteria to be recognisable as an asset under FRS 102 2.27 and meet the conditions to be recognisable as a basic financial instrument under FRS 102 section 11. Syndicates should report these loans as part of assets on their balance sheet, and these loans should be accounted for within "Syndicate loans to the Central Fund" on QMA 201 line 13 (part of financial investments). However, in QMA 002 it is expected that syndicate reclassify the loans into line 1, shares and other variable yield securities.

In order to maintain consistency, for Pillar 3 reporting purposes, the loans should be reported in ASR 002 line 10 (R0120) "Equities - unlisted" and classified as CIC code XT34 in the AAD 230.

Consistency of where syndicates report these loans is essential so that Lloyd's can make required eliminations in production of the market financial statements and Pillar 3 returns.

Line C12 – Government Bonds: These are bonds issued by public authorities, whether by central government, supra-national government institutions, regional governments or municipal governments. This amount relates to assets (market value plus accrued interest) with a CIC category of ##1# on AAD230.

Line C13 – Corporate Bonds: These are bonds issued by corporations including those issued by government agencies, for example, Federal National Mortgage Association (Fannie Mae) and Federal Home Loan Mortgage Corporation (Freddie Mac). This amount relates to assets (market value plus accrued interest) with a CIC category of ##2# on AAD230.

Line C14 – Structured notes: These are hybrid securities, combining a fixed income instrument with a series of derivative components. Excluded from this category are fixed income securities that have been issued by sovereign governments. These are all securities that have embedded all categories of derivatives, including Credit Default Swaps (CDS), Constant Maturity Swaps (CMS) and Credit Default Options (CDO). This amount relates to assets (market value plus accrued interest) with a CIC category of ##5# on AAD230.

Line C15 – Collateralised securities: These are securities whose value and payments are derived from a portfolio of underlying assets. These include Asset Backed Securities (ABS), Mortgage Backed Securities (MBS), Commercial Mortgage Backed Securities (CMBS), Collateralised Debt Obligations (CDO), Collateralised Loan Obligations (CLO) and Collateralised Mortgage Obligations (CMO). This amount relates to assets (market value plus accrued interest) with a CIC category of ##6# on AAD230.

Lines C17 - C25 – Collective investment undertaking (Investment funds): These should include all the funds (including money market funds) that are held by the syndicate. This amount relates to assets with a CIC category of ##4# on AAD230. Overseas trust funds that are managed by Lloyd's should also be reported as investment funds and the type of fund should be based on the CIC coding as set out below:

- Equity funds (A17) – CIC ##41
- Debt funds (A18) – CIC ##42
- Money market funds (A19) – CIC ##43
- Asset allocation funds (A20) – CIC ##44

- Real estate funds (A21) – CIC ##45
- Alternative funds (A22) – CIC ##46
- Private equity funds (A23) – CIC ##47
- Infrastructure funds (A24) – CIC ##48
- Other (A25) – CIC ##49

Line C27 – Derivatives: A financial instrument or other contract with all of the following characteristics:

(a) These should be derivative assets that are directly held by the syndicate and hence do not include those that are held indirectly through investments funds or structured notes. This amount relates to assets with CIC assets category from A to F.

(b) Its value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract (sometimes called the 'underlying').

(c) It requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts that would be expected to have a similar response to changes in market factors.

(d) It is settled at a future date.

Only derivative assets should be included on this line i.e. those with positive values. These should be derivative assets that are directly held by the syndicate and hence do not include those that are held indirectly through investments funds or structured notes. This amount relates to assets with a CIC of A to F (where the value is positive). In the case of a negative value, please see line A79.

Line C28 - Deposits other than cash and cash equivalents: These are deposits other than transferable deposits. This means that they cannot be used to make payments at any time and that they are not exchangeable for currency or transferable deposits without any kind of significant restriction or penalty. This amount relates to assets with a CIC category of ##73, ##74 and ##79 on AAD230.

Line C29 – Other investments: Other investments not covered already within investments reported above. This cell is an analysis cell. All material amounts included in this cell must be separately listed in the analysis table (see section 2.9 'analysis cell' above for details of materiality). This amount relates to assets with a CIC category of ##09 on AAD230.

Line C31 – Assets held for unit-linked & index-linked contracts: These are assets held for insurance products where the policyholder bears the risk (classified in line of business 31 as defined in Annex I of Delegated Regulation (EU) 2015/35). Lloyd's would not expect any amount reported within this line.

Line C32 – Loans & mortgages to individuals: These are financial assets created when creditors lend funds to debtors - individuals, with collateral or not, including cash pools. This amount relates to assets with a CIC category of ##8#, excluding ##86 on AAD230.

Line C33 – Other loans & mortgages: These are financial assets created when creditors lend funds to debtors - others, not classifiable as loans & mortgages to individuals, with collateral or not, including cash pools. This amount relates to assets with a CIC category of ##8#, excluding ##86 on AAD230.

For the 2019 and 2020 years of account, there is a requirement for syndicates to make loans to the Central Fund (refer to market bulletin Y5236, Y5312 and Y5295 for further details). Lloyd's considers that the loans meet the criteria to be recognisable as an asset under FRS 102 2.27 and meet the conditions to be recognisable as a basic financial instrument under FRS 102 section 11. Syndicates should report these loans as part of assets on their balance sheet, and these loans should be accounted for within "Syndicate loans to the Central Fund" on QMA 201 line 13 (part of financial investments). However, in QMA 002 it is expected that syndicate reclassify the loans into line 1, shares and other variable yield securities.

In order to maintain consistency, for Pillar 3 reporting purposes, the loans should be reported in ASR 002 line 10 (R0120) "Equities - unlisted" and classified as CIC code XT34 in the AAD 230.

Consistency of where syndicates report these loans is essential so that Lloyd's can make required eliminations in production of the market financial statements and Pillar 3 returns.

Common with the treatment applied for Solvency II for other such assets, accrued income will be reallocated to the value of the loan via ASR002 column B before arriving at the amount to be reflected in line C33.

Line C34 – Loans on policies: These are loans to policyholders collateralised on policies (underlying technical provisions). We do not expect syndicates to have this type of asset. This amount relates to assets with a CIC category of ##86 on AAD230.

Lines C36 & 37 – Reinsurance recoverables (Non-life excluding health and health similar to non-life): Reinsurers' share of technical provisions relating to non-life and health similar to non-life business should be reported within the appropriate lines.

Line C39 - Reinsurance recoverables (Health similar to life): Reinsurers' share of technical provisions relating to health similar to life business should be reported within this line.

Line C40 - Reinsurance recoverables (Life excluding health and index-linked and unit-linked): Reinsurers' share of technical provisions relating to life business should be reported within this line.

Line C42 – Life index-linked and unit-linked: Reinsurers' share of technical provisions relating to life index-linked and unit-linked business should be reported within this line. Syndicates do not write this type of business hence no amount is expected to be reported within this line.

Line C43 - Sub-total reinsurance recoverables (R0270, C0010): Lines C38 + C41 + C42 must equal to recoverables reported on forms ASR 240 + ASR 280 + ASR 283.

Line C44 – Deposits to cedants: These are deposits relating to reinsurance accepted. This amount relates to assets with a CIC category of ##75 on AAD230.

Line C45 – Insurance & intermediaries receivables: These are amounts for payment (e.g. premiums due but not yet received) by policyholders, intermediaries, other insurers, and linked to insurance business, that are not included in technical provisions. These shall also include receivables from reinsurance accepted business. For SII column, this cell should only include amounts past-due.

Line C46 – Reinsurance receivables: These are amounts for payment from reinsurers and linked to reinsurance business that are not included in reinsurance recoverables (RI share of technical provisions). It may include amounts due from reinsurers that relate to settled claims of policyholders or beneficiaries and payments in relation to other than insurance events or settled insurance claims, for example commissions. Only outwards reinsurance receivables shall be included within this line (as reinsurance accepted receivables are included in line 45 above). For SII column, this cell should only include amounts past-due.

Line C47 – Receivables (trade, not insurance): Includes amounts owed by employees or various business partners (not insurance-related), including public entities.

Line C48 – Own shares (held directly): These are own shares held directly by the undertakings. Syndicates do not have shares, hence no amount is expected within this line.

Line C49 – These are amounts due in respect of own fund items or initial fund called up but not yet paid in: This would mainly relate to Funds in Syndicate (FIS) that has been called up but had not been paid by year end. We do not expect syndicates to have any unpaid FIS, hence no amount is expected within this line.

Line C50 – Cash and cash equivalents: These are notes and coins in circulation that are commonly used to make payments, and deposits exchangeable for currency on demand at par and which are directly usable for making payments by cheque, draft, giro order, direct debit/credit, or other direct payment facility, without penalty or restriction. These are assets classified with CIC codes ##71 and ##72 on AAD230.

Bank accounts shall not be netted off, thus only positive accounts shall be recognised in this item and bank overdrafts shown within liabilities unless where both legal right of offset and demonstrable intention to settle net exist.

Line C51 – Any other assets, not elsewhere shown: This cell is an analysis cell. All material amounts included in this cell must be separately listed in the analysis table (see section 2.9 'analysis cell' above for details of materiality).

Line C52 – This is the overall total amount of all assets.

Liabilities

Technical provisions (lines C53 to C73)

These should be valued in accordance with Lloyd's Solvency II guidance titled "Lloyds Solvency II Technical Provisions Guidance Nov 2019". These instructions can be accessed through the following link: Lloyds Solvency II Technical Provisions Guidance Nov 2019 .

Treatment of unexpired risks

- The Solvency II best estimate should include the best estimate from a distribution of all possible future outcomes and therefore should consider appropriate scenarios reflecting the inherent uncertainty in the year end reserve estimates.
- Where unearned premium is unprofitable at a level which the Managing Agent considers the business is managed together consideration should be given to inclusion of an unexpired risk reserve (URR) on a UK GAAP basis.
- URR included in the GAAP balance sheet should be removed in preparing the SII balance sheet, along with UPR and DAC.
- When calculating the premium provision element of the SII best estimate, the assumptions used regarding future profit should be consistent with those that required the URR to be established in the GAAP balance sheet, i.e. expected losses should be recognised on the Solvency II balance sheet immediately even if unearned.

Risk margin

A risk margin increases the discounted best estimate technical provisions to the theoretical value needed to transfer the obligations to another insurance entity. The approach is to determine the cost of providing an amount of own funds equivalent to the Solvency Capital Requirement (SCR).

The calculation of the risk margin **as at 31 December** should be based on the following year's SCR submitted to Lloyd's in the most recent Lloyd's Capital Return (LCR), plus any capital add-on notified by Lloyd's by 31 December. However, if a revised SCR has been produced then this should be used. Adjustments to or recalculation of the risk margin should be in particular carried out if there are material deviations between the projected technical provisions used in the LCR and technical provisions reported in this return. If the syndicate does not have an approved internal model and capital is set based on the Lloyd's Standard Model, the capital guidance for new syndicates should be followed. This states that the risk margin should be set to zero when the syndicate starts and should stay zero for the first year of account.

Subsequently, the risk margin should be set to the value calculated in the LSM at the start of the capital setting period and should stay constant throughout the year. This is a recommended simplication given that the risk margin should be immaterial for new syndicates. However, syndicates can overwrite the risk margin in the LSM and update it quarterly (as for syndicates with their own internal model). The same requirements apply to the risk margin calculation then as for syndicates with their own internal model. **The SCR to be used for the calculation of the risk margin is the 'one year' SCR, not the SCR to ultimate and should be based on current obligations on the balance sheet only (i.e. not allowing for business to be written in the future which is not included on the Solvency II balance sheet).**

In discounting technical provisions, managing agents should use the risk free yield curves curves published by the PRA. The rates used should be the basic risk-free rate curves with no volatility adjustment. Syndicates cannot apply matching or volatility adjustments to technical provision calculations.

For currencies for which the PRA does not publish technical information/discount rates, it is a firm's responsibility to propose discount rates that complies with Solvency II requirements and justify its approach to its supervisor. The PRA considers that suitable approaches may include, subject to discussion with a firm's supervisor, use of:

(i) publicly available source of discount rates (e.g. from EIOPA). However, firms should consider carefully whether the public source complies with the Solvency II requirements, and what adjustments may be necessary before it is suitable for the calculation of its UK technical provisions; or

(ii) the discount rates of one of the PRA's relevant currencies that is a suitable proxy for another currency, with adjustments where necessary.

Further information can be found at the following link.

https://www.bankofengland.co.uk/prudential-regulation/key-initiatives/solvency-ii/technical-information

Technical Provisions calculated as a whole: Separate calculation of the best estimate and risk margin are not required where the future cash-flows associated with insurance obligations can be replicated using financial instruments for which a market value is directly observable. The portfolio must be replicable/hedgeable. Lloyd's does not expect syndicates to calculate technical provisions as a whole, however, where a syndicate has transferred its liabilities to another syndicate through RITC and the technical provisions transferred cannot be split into best estimate and risk margin, the price payable can be considered to be the market price of the technical provisions and hence should be reported within "technical provisions calculated as a whole".

Managing agents should note that Lloyd's shall review the impact of GAAP adjustments reflected in the ASR002 which cause members' balances to increase (improve) in connection with the information reported in the SAO. Where Lloyd's considers the increase in members' balances reflected in the ASR002 to be excessive in this respect, Lloyd's will either ask the managing agent to resubmit the ASR002 to adjust for this, or alternatively to increase the syndicate's SCR by the 'excess' amount, which would impact directly on the capital requirements for the member(s) supporting that syndicate. Lloyd's does not require auditors

to examine the calculation of the SCR, which is used to derive the risk margin, or the risk margin itself as reported on ASR002 lines 55/59/63/67 and ASR210 line 13.

Reconciliation with Technical Provisions Data return (TPD) – 31 December only

The technical provisions amounts reported in the ASR002 return as at year-end should agree to the TPD. Please see link to mapping with TPD provided with the ASR240 instructions.

Lines C69-72 – Technical provisions – index linked and unit linked: Syndicates do not write this type of business, hence no amount is expected to be reported within these lines.

Line C73 – Other technical provisions: These are other technical provisions arising from UK GAAP. This line should be nil.

Other liabilities

Line C74 – Contingent liabilities: These are liabilities that are contingent, therefore off-balance sheet according to IAS 37, *Provisions, Contingent Liabilities and Contingent Assets*. The standard defines a contingent liability as:

(a) A possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or

(b) A present obligation that arises from past events if:

  (i) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

  (ii) the amount of the obligation cannot be measured with sufficient reliability.

These are neither related to insurance, nor financing nor lease; they are, for example, related to legal expenses (with an expected probability of less than 50%).

The amount of contingent liabilities recognised on the balance sheet should follow the criteria set in Article 11 of the Delegated Regulation (EU) 2015/35.

Line C75 – Provisions other than technical provisions: These are liabilities of uncertain timing or amount, excluding the ones reported under “Pension benefit obligations”. The provisions are recognised as liabilities (assuming that a reliable estimate can be made) when they represent obligations and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligations, for example, provisions for legal expenses or deferred income reserve.

Line C76 – Pension benefit obligations: These are the total net obligations related to employees’ pension scheme, if applicable according to the pension scheme. We would not expect syndicates to report any amount within this line.

Line C77 – Deposits from reinsurers: These are amounts received from reinsurers or deducted by the reinsured according to the reinsurance contract.

Line C78 – Deferred tax liabilities: these are the amounts of income taxes payable in future periods in respect of taxable temporary differences. We do not expect syndicates to report any amount within this line since tax would apply at member level.

Line C79 – Derivatives: These should be derivative liabilities that are directly held by the syndicate and hence do not include those that are held indirectly through investments funds or structured notes. **Only**

derivative liabilities should be included in this line. This amount must agree to total Solvency II value on AAD233 where the value is negative. Derivatives assets shall be reported under Line 27.

Line C80 - Debts owed to credit institutions: Debts, such as mortgage and loans, owed to credit institutions, excluding bonds held by credit institutions (it is not possible for the undertaking to identify all the holders of the bonds that it issues) and subordinated liabilities. This shall also include bank overdrafts.

Line C81 – Financial liabilities other than debts owed to credit institutions: This includes bonds issued by the undertaking (whether they are held by credit institutions or not), structured notes issued by the undertaking itself (not by SPV) and mortgage and loans due to entities other than credit institutions. Subordinated liabilities should not be included here.

Line C82 – Insurance & intermediaries payable: These are amounts payable to policy holders, insurers and other business linked to insurance, that are not included in technical provisions. This includes amounts payables from reinsurance accepted.

These excludes loans & mortgages due to insurance companies, if they are not linked to insurance business but are only related to financing (and are therefore included in financial liabilities).

For SII column, this cell should only include amounts past-due.

Line C83 – Reinsurance payables: These are amounts payable to reinsurers other than deposits and linked to reinsurance business, but that are not included in reinsurance recoverables i.e not transferred to RI share of technical provisions. These include payables to reinsurers that relate to ceded premiums. No reinsurance accepted payables shall be included in this line (as these are included in line 82 above). For SII column, this cell should only include amounts past-due.

Line C84 – Payables (trade, not insurance): This includes amounts due to employees, suppliers, etc. and not insurance-related, similar to receivables (trade, not insurance) on asset side; includes public entities.

Line C85 – Subordinated liabilities not in basic own funds (BOF): These are debts which rank after other debts when the company is liquidated, only subordinated liabilities that are not classified in BOF should be presented here. We do not expect syndicates to report any amounts within this line.

Line C86 – Subordinated liabilities in BOF: These are debts which rank after other debts when the company is liquidated, only subordinated liabilities that are classified in BOF should be presented here. We do not expect syndicates to report any amounts within this line.

Line C87 – Any other liabilities, not elsewhere shown: This includes any liabilities not included in the other balance sheet items.

Line C88 – This is the overall total amount of all liabilities.

Line C89 - Excess of assets over liabilities (members' balances): This is the total of the undertaking's excess of assets over liabilities, valued in accordance with Solvency II valuation basis.

Analysis of the Excess of assets over liabilities (Members' balances) – lines C90 to C93

Analysis of line C89 Excess of assets over liabilities (members' balances) by reporting year of account is required so that a Solvency II balance by reporting year may be allocated to members for the purpose of the quarterly solvency test and calculation of the member level reporting point required under Solvency II. In addition this information is also required for the Lloyd's member level capital tests.

Syndicates that reported "amounts due from members" on QMA215 and transferred this amount on Line 32 in Column B to "Other debtors" on QMA002 will not need to enter it on Line 91 of ASR002. This is because the GAAP results from QMA360 and those now reflected in Column C of Line 32 of QMA002 would have been unaltered. If this adjustment is not done on QMA002, then the "amounts due from members" needs to be entered on Line 91 of ASR002, Column A.

Syndicates that entered "Funds in syndicate" on QMA202 whereby these items were a part of "Balance due from members" on Line 32, Column C of QMA002 will need to enter this amount on Line 91 of ASR002, Column A.

As noted above, where the syndicate year of account is closing at the reporting date, the result for distribution is determined on a UK GAAP basis and thus column B for the relevant year of account must be zero. This means for any reporting year of account closing at the balance sheet date, the result shown for that year in column C must be the same as shown in column A. The net impact of the Solvency II valuation differences in respect of the liabilities of the closing year being transferred should be reflected in column B for the reinsuring syndicate year, whether it is the same or another syndicate.

The Solvency II balance sheet as at 31 December may include future profit relating to contracts assigned to the following reporting year of account (i.e. 2023 for 31 December 2022). Syndicates should report this future profit on column B of the respective reporting year of account.

Reinsurance contract boundary change impact – line 94

This captures the impact on the technical provisions of the change to the treatment of reinsurance contract boundaries set out in Lloyd's November 2019 updated technical provisions guidance as described above. This must be provided by reporting year of account and shown as a positive figure (i.e. the value of the increase to the technical provisions resulting from the change).

This impact should be the figure that would be calculated in the relevant YOA row of LCR Form 571 Question 1 column D if the syndicate was to submit a Mid-Year CIL LCR prepared as at the same year-end as the ASR submission.

3.6 ASR204: Members Providing Capital (FIS)

Purpose of form: *This data is required for the conduct of the Solvency II quarterly members' solvency test including the calculation of the member level reporting point.*

This form must be completed in respect of funds in syndicate only (FIS) not funds at Lloyd's (FAL).

If the syndicate has one corporate member then the code for that member should be entered in column A and the total of the assets included within ASR002 entered in column C, as a positive.

If the syndicate has more than one corporate member then the code for each member should be entered in column A and each member's share of the total assets included within ASR002 entered in column C.

The total of ASR204 column C must equal ASR002 Column C, line 92.

3.7 ASR210: Solvency II Balance Sheet Reconciliation

Purpose of form: *This form provides a detailed overview of Solvency II Balance Sheet Reconciliation.*

Basis of completion

The figures should be entered undiscounted (discounting is reported on line 12) and the signage should be as per the specification and instructions below.

<u>Solvency II valuation differences in respect of a year which is closing</u>

In the case of a year of account which is closing at the reporting date, the individual Solvency II valuation differences per lines 2 to 13 and 16 (but not in respect of line 14 profit commission, see below) should be reported in the column of the closing year. Then the net amount of these differences should be entered as an opposing entry on line 15, which will result in line 17 for the closing syndicate year being zero.

The net impact of the Solvency II valuation differences in respect of the closing syndicate year (but not in respect of line 14 profit commission, see below) should be recognised on line 15 of the reinsuring syndicate year, whether it is the same or another syndicate.

Profit commission is accounted for separately from other Solvency II valuation differences being transferred between years, as assessment of notional Solvency II profit commission on the reinsuring syndicate will be affected by the Solvency II result for the pure year as well as the impact of the Solvency II valuation differences on the liabilities represented by the RITC received.

Reinsurance to close into a different syndicate

Example, Syndicate A's 2017 reporting year of account closing into Syndicate B's 2018 reporting year of account

Syndicate A – Ceding syndicate

- On ASR002 – Solvency II adjustments in respect of the liabilities represented by the 2017 year of account RITC must be analysed in column B with the reverse of the net impact of these adjustments reported within line 51 "any other assets" or line 87 "any other liabilities", depending on the impact of the Solvency II adjustments on the members' balances i.e. where the Solvency II adjustments have a positive impact on the members' balances, the adjustment should be reported within line 87 and vice versa. Lines 51 and 87 are analysis cells, hence clear descriptions should be provided in respect of the reported amounts. The impact of this is that there will be zero impact on the result for the reinsured year due to Solvency II adjustments.
- On ASR210 – Solvency II adjustments in respect of the liabilities represented by the 2017 year of account RITC are reported within the respective lines. To eliminate these adjustments, a reverse entry should be reported within line 15. Thus line 17 for the reinsured year will be zero.

Syndicate B – Reinsuring syndicate

- On ASR002 – the net Solvency II adjustments in respect of the liabilities reinsured from the 2017 year of account of Syndicate A must be reported within line 51 "any other assets" or line 87 "any other liabilities" depending on the impact of the Solvency II adjustments on the members' balances i.e. where the Solvency II adjustments have a positive impact on the members' balances, the adjustment should be reported within line 51 and vice versa. Lines 51 and 87 are analysis cells, hence clear descriptions should be provided in respect of the reported amounts.
- On ASR210 – the net Solvency II adjustments in respect of the liabilities reinsured from the 2017 year of account of Syndicate A must be reported within line 15. Hence, under the 2018 year of account, the breakdown of the Solvency II adjustments reported within lines (2-13 & 16) should not include Solvency II adjustments resulting from the RITC. However, any notional profit commission arising as a result of the RITC should be reported within line 14.

UK GAAP members' balance (line 1)

This must agree to ASR002 line 90, column A for the respective reporting year of account and shall be automatically populated by the system.

Elimination of 100% UPR requirement (line 2)

The UPR provision (net of reinsurers' share) is a UK GAAP item and is not relevant for Solvency II. Thus its removal or elimination is being shown on this line as an expected positive entry which improves Line 1, members' balance. The total amount for all the years of account should agree to the net amount of QMA002, column C, lines 11 (Reinsurers' share of unearned premiums) and line 33 (Provision for unearned premiums).

Elimination of deferred acquisition cost (DAC) (net of RI DAC) (line 3)

There is no DAC under Solvency II, thus the net DAC amount needs to be eliminated on this line as a normally negative amount (reduction in members' balance). On QMA002 Line 28, syndicates would have grossed up DAC by the related RI in column B to show a gross DAC value on this line. The corresponding double entry of the RI on DAC adjustment would be made in column B of Line 51, Accruals and deferred income, of that form. These gross and RI DAC values would be replicated in column A of ASR002 on Line 2 (DAC gross) and Line 87 (DAC RI value) with the net of these being entered on ASR210 Line 3.

Elimination of margin of prudence within earned claims provisions and RI bad debt (line 4)

UK GAAP earned technical provisions may contain an element of prudence in the future anticipated insurance losses whereas the Solvency II amount is determined using a probability weighted average of all possible outcomes which takes account of all uncertainties in its best estimate cash flow. Thus any element of prudence which exceeds the probability weighted best estimate within the UK GAAP basis technical provisions must be eliminated here. This will be a positive adjustment and will improve the net result. In the Q4/annual submissions, the amount of the adjustment to remove prudence will be restricted to that identified by the signing actuary in the SAO template and report (or separate formal letter).

Compliance with this requirement will be reviewed by Lloyd's. However rather than any non-compliance result in a capital loading, Lloyd's will require resubmission of the ASR form and will require that the tests are met, either via Line 4 or as an adjustment to ASR210 Line 16.

Lloyd's is no longer performing testing at other quarters aside from Q4 to check that the amount of adjustment to remove prudence is restricted to that identified by the signing actuary. Lloyd's expects that each syndicate has appropriate processes and governance frameworks in place such that the adjustment to remove prudence is appropriate for the Q1, Q2 and Q3 technical provisions. Lloyd's may seek further details from syndicates on validations performed on this area.

Future premiums included in technical provisions incepted contracts (net of acquisition costs) (line 5)

This represents the cash flows on "existing" contracts at the balance date which are recognised once the syndicate becomes party to the contract (subject to contract boundaries) and which are yet to be received. This line requires premiums (net of acquisition costs) on incepted contracts. This will be the sum of earned and unearned future premium and should be net of RI on future premium. This will normally be a positive adjustment (and hence a favourable impact on the members' balance) but may be negative where the gross future premium is less than future RI premium. All relevant cash flows are to be included including premiums paid in instalments, inwards reinstatements from an incurred reinsurance claim and other 'minimum and deposit' (M&D) adjustments.

Future premiums included in technical provisions – unincepted contracts (net of acquisition costs)

(line 6)

Under Solvency II, insurance contracts are recognised if the insurer is bound to the contract as at the balance sheet date, even if the coverage has not incepted. Accordingly, premiums (net of acquisition costs) in respect of contracts bound but not incepted must be reported on this line. This will normally be a positive adjustment but may be negative where future reinsurance premium is greater than future gross premium. Items to consider would be: tacit or automatic renewals, premiums written before the valuation date but incepting afterwards and pipeline renewals through binder business.

(Re)insurance receivables/payables transferred to Technical Provisions (line 7)

Under Solvency II, (re)insurance receivables/payables shown within the respective lines on the UK GAAP balance sheet are reallocated and shown as part of Solvency II technical provisions, where these amounts are not overdue. The net adjustment must be reported on this line and may be a positive or negative. This amount should agree to the adjustments made on the balance sheet within the (re)insurance receivables/payables lines in respect of future premiums (net of acquisition costs).

The key principle is to ensure that items on this line are consistent with the Lloyd's technical provisions guidance, in particular the inclusion of all reinsurance premiums for existing or legally obliged contracts, to the extent this is contractually obliged.

EIOPA have suggested that reinsurance recoveries may be (i) calculated directly as the probability-weighted average of future recoverable cash flows or (ii) calculated indirectly as the difference between the gross and net best estimates. However, it is expected that syndicates will use current methods such as direct net projections or net to gross projections. In any event, this methodology will produce different amounts as calculated under UK GAAP with the only common element being the earned reinsurance elements which will create equal and opposite adjustments within ASR 210 Lines 5 and 7.

Net premium provision - net future claims cost incepted (including ALAE and ULAE) (line 8)

The future claims cost in respect of existing and contractually bound written business at the balance sheet date where the premiums have been recognised in line 5 above, should be reported on this line. This will be a negative adjustment. This line should not include ENID amounts as this should be reported within line 11 but should include ULAE relating to these future claims and bad debt provision.

Net premium provision - net future claims cost unincepted (including ALAE and ULAE) (line 9)

The future claims cost in respect of existing and contractually bound written business at the balance sheet date where the premiums have been recognised in line 6 above, should be reported on this line. This will be a negative adjustment. This line should not include ENID amounts as this should be reported within line 11 but should include ULAE relating to these future claims and bad debt provision.

Additional expenses not included under UK GAAP (line 10)

Under Solvency II, managing agents should take into account all expenses that would be incurred in servicing existing policies to final run-off and consists of allocated costs which are directly assignable to a claim as well as unallocated costs. Unallocated costs would include a share of the relevant overhead expenses e.g. professional fees, investment management fees, IT costs, and other administration expenses not conventionally included under UK GAAP. This share should be assessed on the basis that the syndicate continues writing new business. It is expected that expense provisions will be higher under Solvency II; as such a negative adjustment would be expected. Acquisition costs are excluded as they are reported within future premium. ULAE on premium provision should be excluded from this line as they are included within line 8 for incepted business and line 9 for unincepted business.

Events not in data (ENIDs) (line 11)

Technical provisions under UK GAAP only make allowance for items that are implicitly included within the data or are 'reasonably foreseeable'. Added to this would be a margin for prudence where an additional loading is required. This is eliminated on line 4 (see above). Under Solvency II, technical provisions consist of a probability weighted average of all possible outcomes which takes account of all uncertainties. This will include latent claims or very extreme high severity, low probability claims which are similarly considered as being over and above the parameters of the best estimate cash flow as an additional loading. Such items are known as ENIDs and adjustment will need to be made to identify their inclusion in Solvency II technical provisions. This will lead to an increase in technical provisions and must be reported on this line as a negative adjustment.

Discounting (line 12)

The net discounting applied to the Solvency II best estimate must be reported here. This will be a positive adjustment. The discount rates applied should be as provided by the PRA as at the valuation date.

Risk margin (line 13)

The explicit risk margin which is calculated for Solvency II technical provisions must be shown here as a negative adjustment. The total risk margin for all years of account (line 13, 'total' column) must agree to ASR002, lines 55+59+63+67, column C.

Change in profit commission provision (line 14)

For Solvency II, managing agents should calculate 'notional' profit commission based on the Solvency II result. The difference between the UK GAAP profit commission and the 'notional' Solvency II profit commission should be reported here. This will be a negative item if the profit commission increases, otherwise a positive adjustment.

The 'notional' Solvency II profit commission is only calculated for a reporting year of account which is naturally open or in run-off at the reporting date. Where the reporting year is closing, there is no adjustment made to the provision made for profit commission on a UK GAAP basis. This is because the net impact on any Solvency II valuation differences for the closing year is transferred to the reinsuring year (see below), as the distribution to members in respect of a closing year shall be based solely on the UK GAAP per QMA.

Therefore nothing is entered on line 14 in respect of a year closing at the reporting date. The 'notional' Solvency II profit commission in respect of the syndicate year of account accepting the RITC should reflect the impact of the Solvency II valuation differences in respect of the RITC being assumed.

Where Solvency II adjustments are negative (i.e. reduces members' balance), negative notional profit commission may be determined but only to the extent of the already booked positive UK GAAP profit commission. Therefore, cumulative notional Solvency II profit commission reflected in the Solvency II balance sheet (ASR002) should not be negative. In the event that there are no entries on this line or the Solvency II adjustment is not in line with the Solvency II change in result, Lloyd's will require an explanation on ASR990.

Transfer of Solvency II valuation difference to reinsuring syndicate year (line 15)

Where the reporting year of account is closing as at the reporting date, then the UK GAAP balance per QMA shall be used for distribution purposes, without exception, and the impact of any underlying Solvency II valuation differences on the liabilities being transferred by RITC should be assumed by the reinsuring syndicate year.

Therefore, for the closing year, the net impact of any valuation differences for Solvency II reported in lines 2 to 13 (as above there will be no entry on line 14 for the closing year) and Line 16 must be reversed out as a single net adjustment on line 15. In such a case, line 17 must be zero and line 18 must equal line 1.

For the reinsuring year of the same syndicate, the reverse of the entry made in line 15 for the closing year shall be made, which will thus reflect the Solvency II valuation adjustments in respect of the reinsured year. Hence line 15, 'total' column will be nil.

Where the syndicate year has closed into another syndicate, whether managed by the same or another managing agent, the reverse of the entry made in line 15 for the closing syndicate year shall be reported in the ASR210 of the reinsuring syndicate year. In addition, details of the reinsuring/ceding syndicate and YOA should be provided in the ASR990 of both the reinsuring and ceding syndicate.

Note that for the ASR as at any date other than 31 December, we would not be expecting any amount to be reported within this line.

Other adjustments (line 16)

The sum of any other adjustments must be reported here. Where the total of “other” adjustments is more than £1m, individual adjustments making up the amount must be separately listed in the analysis table with clear descriptions provided. Where a loading is being included due to the earned margin test or the profit in unearned premium test these should be communicated within ASR 990 as well as in the analysis table.

Where a loading has been applied for the restriction of line 4 of ASR 210 (Elimination of margin for prudence within earned claims provisions and RI bad debt) or restriction of profit in unearned premium based on lines 19/20 of ASR 210 the adjustment can be included as part of line 16 of the ASR 210 (Other Adjustments). A corresponding entry should be included on the ASR 002 so that the members balances reconcile and can be included within line 87 (Any other liabilities, not elsewhere shown). Where this approach is being used please provide appropriate commentary.

The preferred format is for an adjustment to be made to line 4 or line 8 of the ASR 210 rather than line 16

Total adjustments (line 17)

This is the sum of lines 2 to 16 and the amount must agree to ASR002 line 90 column B for the respective reporting year. Where the year is closing at the reporting date, the entry in line 17 must be zero.

Solvency II members’ balance (line 18)

This is the sum of lines 1 and 17 and the amount must agree to ASR002 line 90 column C for the respective reporting year.

Unearned incepted ultimate premium (Line 19)

This line is required for all quarterly/annual submissions.

The total unearned incepted premium must be reported here. It should be net of RI and should be considered as the ultimate equivalent to the component entry for line 5 that only contains the portion related to future unearned premiums. This should be a positive entry.

31 December

The unearned incepted loss ratio that will be derived in conjunction with Line 20 (Line 20 divided by Line 19) must not be less than that corresponding to the value identified by the Signing Actuary in the SAO template and report (or formal letter). We expect a consistent premium basis (i.e. Net-Gross or Net-Net with consistent assessment of DAC) as reported by the Signing Actuary although it is not necessarily the case that the ultimate premium identified would be the same.

Any adjustment can be made in Other Adjustment (Line 16) and will have to flow into the balance sheet ASR002 with corresponding entry in any other liabilities, not elsewhere shown (Line 87). This will be treated as an adjustment for capital setting purposes. Where an adjustment is made, commentary should be included on ASR990 and commented on in the ASR 210. For the avoidance of doubt an offset cannot be applied between any surplus in the earned and unearned margins when deriving the solvency load.

Compliance with this requirement at Q4 will be reviewed by Lloyd’s. However, rather than any non-compliance resulting in a capital loading, Lloyd’s will require resubmission of the ASR form and will require that the tests are met, either via Line 19 and Line 20 or as an adjustment to ASR210 Line 16.

31 March, 30 June and 30 September

Lloyd's is no longer performing testing at other quarters to check that the unearned incepted loss ratio is not less than the value identified by the Signing Actuary. Lloyd's expects that each syndicate has appropriate processes and governance frameworks in place such that the unearned incepted loss ratio is appropriate for the Q1, Q2 and Q3 technical provisions. Lloyd's may seek further details from syndicates on validations performed on these areas.

Unearned incepted ultimate claims (Line 20)

This line is required for all quarterly/annual submissions.

The total unearned incepted claims must be reported here. That includes ALAE, ULAE and bad debt provision and should be considered as exclusively the claims portion of line 8 which reports all future costs. This should be a negative entry. Explanation for any difference between Line 8 and Line 20 must be included within the ASR990 comments.

This entry will be used in conjunction with line 19 to produce the unearned loss ratio to compare with the SAO template as described in the Guidance for Line 19. As detailed in the guidance for Line 19, at Q4, Lloyd's will check that the unearned incepted loss ratio is not less than the value identified by the Signing Actuary by reporting year. However, Lloyd's will no longer perform this check at other quarters.

This is expected to be estimated on a consistent basis to the Signing Actuary but does not have to be the same amount. The amount is expected to be negative.

3.8 ASR215: Off-Balance Sheet Items (EIOPA ref: S03.01.01)

Purpose of form: *This form presents an overall view of the off-balance sheet items, which could impact the financial position of the syndicate, if realised.*

This form is required for all reporting years combined.

Details relating to letters of credit and bank guarantees provided as funds at Lloyd's (FAL) should not be reported on this form.

All guarantees provided and received by the syndicate, including letters of credit (LoCs), should be reported in the appropriate fields. However, these items should not include guarantees stemming from insurance contracts, which are recognised in technical provisions.

Collateral received from reinsurers and/or pledged to cedants, but which has not been reported in the balance sheet, should be reported under the collateral held/pledged section.

Collateral held

Assets pledged by reinsurers for ceded technical provisions (R0120):

- Solvency II Value (of guarantee / collateral) (C0020) – This relates to the full value of the collateral available, pledged by reinsurers.
- Solvency II Value of guaranteed assets (C0030) – This relates to the value of the assets (i.e. ceded technical provisions) for which the reinsurer has provided collateral.

Collateral pledged

Assets pledged to cedants for technical provisions (R0230):

- Solvency II Value (of guarantee / collateral) (C0020) – This relates to the full value of collateral pledged to cedants.

- Solvency II Value of guaranteed liabilities (C0040) – This relates to the value of the liabilities (i.e. technical provisions) for which the assets are pledged to cedants.

The contingent liabilities included in this form have been split into those included (R0330) and not included (R0310) within the Solvency II balance sheet (ASR002). Contingent liabilities not included in the Solvency II balance sheet relate to contingent liabilities that are immaterial.

Contingent liabilities must also be valued at their maximum possible value; regardless of their probability (i.e. future cash out-flows required to settle the contingent liability over the lifetime of that contingent liability, discounted at the relevant risk-free rate term structure).

The value of Contingent Liabilities in the Solvency II balance sheet (A17) should agree with ASR 002, C74.

3.9 ASR220: Own Funds (EIOPA ref: S.23.01.01 / S.23.02.01 / S.23.03.01)

Purpose of form: *This form provides a detailed overview of the syndicate's own funds.*

This form is required for all reporting years combined.

The syndicate should report funds in syndicate (FIS) on this form but funds at Lloyd's (FAL) should be excluded. All items of own funds should be reported in Tier 1. If the managing agent considers that this is not appropriate, it should contact Lloyd's.

Line 1 – **Members' contributions:** This is the amount of capital contributed by and held by syndicates. Only FIS should be reported on this line. FIS is Tier 1 (unrestricted), hence we would expect that only B1 is completed.

Line 2 – **Reconciliation reserve:** The reconciliation reserve represents reserves (e.g. retained earnings), net of adjustments (e.g. foreseeable distributions). It also reconciles differences between the accounting valuation and Solvency II valuation. In the case of syndicates, the value on this line will equal members' balances, less foreseeable distributions and FIS (if applicable).

Line 3 – **Other items approved by supervisory authority as basic own funds not specified above:** This is the total of any items of basic own funds not identified above. We don't expect syndicates to have any amount reported within this line.

Line 5 – **Total available own funds to meet the SCR:** This is the total own funds of the syndicate, comprising basic own funds after adjustments plus ancillary own funds that are available to meet the SCR. In the case of syndicates, this is the total amount of basic own funds.

Line 6 – **Total available own funds to meet the MCR:** This is the total own funds of the syndicate, comprising basic own funds that are available to meet the MCR.

Line 7 – **Total eligible own funds to meet the SCR:** At least 50% of the SCR should be covered by Tier 1 own funds and a maximum of 15% may be covered by Tier 3. Also, restricted Tier 1 eligible funds to cover SCR cannot be more than 20% of the total Tier 1 funds used to cover SCR. The balance of the restricted Tier 1 funds may be included as Tier 2 funds. Lloyd's expect that all syndicates' own funds would fall under unrestricted Tier 1 funds.

Line 8 – **Total eligible own funds to meet the MCR:** At least 80% of the MCR should be covered by Tier 1 eligible own funds with the balance being covered by Tier 2 basic own funds.

Line 9 – **Solvency Capital Requirement (SCR):** This is the total SCR of the syndicate and should correspond to SCR amount reported in ASR510, line 19 for non-life syndicates and ASR511, line 8 for life syndicates.

Line 10 – **Minimum Capital Requirement (MCR):** This is the MCR of the syndicate and should correspond to the total MCR disclosed in ASR510, A24 or ASR511, A13 for non-life and life syndicates respectively.

Line 13 – **Excess of assets over liabilities:** This amount should agree to the excess of assets over liabilities amount reported in ASR002, C89.

Line 14 – **Foreseeable distributions:** The equivalent line in EIOPA's specification defines this as 'these are the dividends, distributions and charges foreseeable by the undertaking'. For this purpose, this is the net amount expected by the managing agent to be distributed to or called from members supporting the syndicate over the next 12 months following the balance sheet date in respect of the result recognised as at the balance sheet date across all reporting years of account. However, if the net amount calculated for foreseeable distributions is negative, please enter zero.

Line 15 – **Other basic own fund items:** This is the sum of "members' contributions (Funds in syndicate – FIS) (line 1)" and "other items approved by supervisory authority as basic own funds not specified above (line 3)".

Line 16 – **Restricted own fund items due to ring fencing:** This line should be nil.

Line 18 & 19 – **Expected profits included in future premium (EPIFP)** – Life/non-life: These are the expected profits included in future premiums and that are recognised in technical provisions. Only one line is to be completed i.e. either line 18 or line 19 for life and non-life respectively.

The following is the definition of EPIFP split between incepted and unincepted business:

- **For incepted business:** take the future premium relating to incepted business and subtract the anticipated claims and expenses, related to this future premium only. These anticipated claims are not the same as the incepted insurance losses since these insurance losses include anticipated losses in respect of premiums already received. Expenses should be treated similarly.

- **For un-incepted business:** on the assumption that no premiums have been received for un-incepted business, simply take the un-incepted premium within the premium provisions, and subtract the un-incepted claims and expenses within the premium provisions.

The calculation of EPIFP is to be reported:

- Net of taxation payments which are, or expected to be, charged to policy holders or are required to settle the insurance or reinsurance obligations;
- Gross of taxation payments of the insurance undertaking;
- Gross of reinsurance, as the best estimate is to be calculated gross, and the EPIFP in the reconciliation reserve is based on the best estimate

The technical provisions used for calculating EPIFP should not include the risk margin.

All the amounts should be determined on a Solvency II basis.

Line 18 & 19 – Expected profits included in future premium (EPIFP) – Life (R0770, C0060)/non-life (R0780, C0060): These are the expected profits included in future premiums and that are recognised in technical provisions. Only one line is to be completed i.e. either line 18 or line 19 for life and non-life respectively.

The following is the definition of EPIFP split between incepted and unincepted business:

- **For incepted business:** take the future premium relating to incepted business and subtract the anticipated claims and expenses, related to this future premium only. These anticipated claims are not the same as the incepted insurance losses since these insurance losses include anticipated losses in respect of premiums already received. Expenses should be treated similarly.

- **For un-incepted business:** on the assumption that no premiums have been received for un-incepted business, simply take the un-incepted premium within the premium provisions and subtract the un-incepted claims and expenses within the premium provisions.

The calculation of EPIFP is to be reported:

- Net of taxation payments which are, or expected to be, charged to policy holders or are required to settle the insurance or reinsurance obligations;
- Gross of taxation payments of the insurance undertaking;
- Gross of reinsurance, as the best estimate is to be calculated gross, and the EPIFP in the reconciliation reserve is based on the best estimate.

The technical provisions used for calculating EPIFP should not include the risk margin.

All the amounts should be determined on a Solvency II basis.

Line 21 – Paid in - Members' contributions (FIS) – Movement in the period: This is the amount of FIS that has been paid in and should agree to the amount reported in the ASR002 / ASR204. The balance b/fwd amount should be the same as the amount reported in the prior year's ASR002 / ASR204 (for the 2022 ASR this will be the amount of FIS as at 31 December 2021). The movement during the year as a result of additional/released capital or valuation differences should be reported under increase or reduction column, as appropriate.

Line 22 – Called up but not yet paid in - Members' contributions (FIS) – Movement in the period: Lloyd's expect this to be nil as FIS will have been paid in and reported on line 21.

Line 24, **25 & 26 – Difference in the valuation of assets / technical provisions / other liabilities:** The amount reported within this line is automatically calculated from the amounts reported in the balance sheet (ASR002).

Line 27 – **Total of reserves and retained earnings from financial statements:** This is the members' balances excluding FIS (where applicable to syndicates as FIS is reported within line 30). Where the members' balances is a surplus (balance due to members), this should be reported as a positive amount, but if it is a deficit (balance due from members), it should be reported as a negative amount. This should agree to QMA 360 cell A6.

Line 28 – **Other:** This is an analysis cell hence all material amounts included in this cell must be separately listed in the analysis table (see section 2.9 'analysis cells' above for details of materiality). The syndicate should report within this line any amount making up the excess of assets over liabilities that is not reported in lines 24-27. Lloyd's does not expect any amount to be reported within this line.

Line 30 - **Excess of assets over liabilities attributable to basic own fund items (excluding the reconciliation reserve):** This is basic own funds making up the excess of assets over liabilities other than retained earnings and valuation differences. In the case of syndicates with FIS, this will be the value of FIS. Otherwise it should be nil.

Line 31 - **Excess of assets:** This should agree with the excess of assets over liabilities reported in ASR002, C89.

3.14 ASR240: Non-life Technical Provisions (By line of business – Part A) (EIOPA ref: S17.01.01)

Purpose of form: *This form reports an overview of the non-life technical provisions by Solvency II line of business and split into main components; best estimate (gross and net), reinsurance recoverable, claims/premiums provisions and risk margin.*

This form is required for all reporting years combined.

The technical provisions should be valued in accordance with Lloyd's Solvency II guidance titled "Lloyds

Solvency II Technical Provisions Guidance Nov 2019”. These instructions can be accessed through the following link: Lloyds Solvency II Technical Provisions Guidance Nov 2019 .

Technical provisions calculated as whole: This is the amount of technical provisions in the case of replicable or hedgeable (re)insurance obligations, as defined in Article 77.4 of the Framework Directive. The best estimate and risk margin are calculated together where future cash flows associated with the (re)insurance obligations can be replicated reliably using financial instruments for which a reliable market value is observable. In this case, the value of technical provisions should be determined on the basis of the market value of those financial instruments. Lloyd’s does not expect syndicates to calculate technical provisions as a whole, however, where a syndicate has transferred its liabilities to another syndicate through RITC and the technical provisions transferred cannot be split into best estimate and risk margin, the price payable can be considered to be the market price of the technical provisions and hence should be reported within “technical provisions calculated as a whole”.

Technical provisions calculated as a sum of Best Estimate and Risk Margin: The valuation of the best estimate should be calculated separately in respect of premium provisions and claims provisions. Furthermore, gross business needs to be split between Direct, Accepted Proportional and Accepted Non-Proportional Reinsurance business.

Classification of business as direct business should be based on the insured i.e. insurance contracts issued to policyholder either directly by the syndicate or through an intermediary should be classified as “direct” business.

Additional disclosures of recoverables before the adjustment for expected losses due to counterparty default are required.

This form requires reporting of technical provisions by Solvency II lines of business. Agents also submit similar information by risk codes, via the Technical Provisions Data return (TPD). To assist in the completion of this form, there is already an existing mapping between risk codes and Solvency II lines of business that was provided as part of the TPD reporting. This may be accessed via the following link: Risk code mapping to Solvency II class of business.

Amount of the transitional on Technical Provisions: Lloyd’s does not expect this section to be relevant to syndicates.

Cross form validations with ASR 002: The amounts reported in this form should agree to the amount reported in the balance sheet as follows:

(i) Total technical provisions must agree with ASR 002 column C as below:

Item	ASR240 Col Q	ASR002 Col C
TPs calculated as a whole	Line 1	Line 53 + 57
Best estimate	Line 26	Line 54 + 58
Risk margin	Line 28	Line 55 + 59
Gross technical provisions	Line 32	Line 56 + 60
Reinsurance recoverable	Line 33	Line 38

(ii) Validations have been implemented to ensure that non-life technical provisions as split between ‘non-life (excluding health’) and ‘health (similar to non-life)’ are consistent between ASR002 and ASR240.

Technical provisions assigned to columns A to C and M, in ASR240, must be reported as ‘health (similar to non-life)’ on ASR002 column C:

Item	ASR240 Cols A+B+C+M	ASR002 Col C
TPs calculated as a whole	Line 1	Line 57
Best estimate	Line 26	Line 58
Risk margin	Line 28	Line 59
Reinsurance recoverable	Line 33	Line 37

(iii) All other technical provision items on ASR240, columns D to L and N to P, **in aggregate** must be reported as 'non-life excluding health' on ASR002 Col C:

Item	ASR240 Cols D to L + N to P	ASR002 Col C
TPs calculated as a whole	Line 1	Line 53
Best estimate	Line 26	Line 54
Risk margin	Line 28	Line 55
Reinsurance recoverable	Line 33	Line 36

Risk margin: If best estimate is greater than zero then corresponding risk margin should also be greater than zero. Otherwise if best estimate is nil, corresponding risk margin must also be nil.

3.15 ASR241: Non-life Technical Provisions (By line of business – Part B) (EIOPA ref: 17.01.01)

Purpose of form: *This form reports an overview of the premium and claims provisions cash out-flows and in-flows and details of the number of homogeneous risk groups, by Solvency II line of business.*

This form is required for all reporting years combined.

Article 80 of the Solvency II Directive requires that "(re)insurance undertakings shall segment their insurance and reinsurance obligations into homogeneous risk groups and as a minimum by lines of business, when calculating their technical provisions". Hence, where syndicates have segmented their business in homogeneous risks groups other than Solvency II lines of business, they are required to report on this form, the number of homogeneous risk groups per Solvency II line of business.

The form also requires a split of cash flows (discounted) used in the calculation of claims and premium provision. The cash in-flows should include future premiums (gross of acquisition costs) and receivables for salvage and subrogation while the cash out-flows should include claims, benefits and expenses.

The net cash flows for each Solvency line of business should agree to the gross best estimate reported in ASR240 (i.e. ASR241 line 7 and 12 should agree to ASR240, lines 6 and 16 respectively).

Percentage of gross Best Estimate calculated using approximations: The calculation should be based on Total Best Estimate Gross (ASR 240 line 26). The term 'approximations' refers to the use of simplified methods and techniques in which a specific valuation technique has been simplified in line with the proportionality principle, or where a valuation method is considered to be simpler than a certain reference or benchmark method. The percentage should be reported as an absolute positive amount.

Lloyd's does not expect syndicates to calculate any Best Estimates subject to:

- **Transitional measure on technical provisions**
- **Volatility adjustment**
- **Matching adjustment**

3.16 ASR242: Non-life Gross Best Estimate by Country (EIOPA ref: S.17.02.01)

Purpose of form: *This form reports the split of gross best estimate for direct business (excluding accepted reinsurance) by material countries.*

This form is required for all reporting years combined.

Gross best estimate for different countries: Only the gross best estimate (including technical provisions calculated as a whole) relating to direct business should be reported here i.e. excluding reinsurance accepted. For the avoidance of doubt, business written though Lloyd's Brussels must be excluded from this form.

Information is required by localisation of risk for medical expenses, income protection, workers' compensation, fire and other damage to property and credit suretyship lines of business. For all other lines of business, information is required by country of underwriting.

For this form, country of underwriting (i.e. country where the contract was entered into) means:

a. The country where the syndicate is established (UK - home country) when the contract was not sold through a branch or freedom to provide services (i.e. Open market or Coverholder/Service Company with prior submit authority, excluding FPS business);

b. The country where the branch is located (host country) when the contract was sold through a branch (please refer to ASR430 for definitions of branch as applicable to Lloyd's);

c. The country where the freedom to provide services was notified (host country) when the contract was sold through freedom to provide services.

d. If an intermediary is used or in any other situation, it is a), b) or c) depending on who sold the contract.

Information is required on all countries representing up to 90% of the best estimate (direct business) with the rest reported in "other EEA" or "other non-EEA". This materiality applies at Lloyd's level and hence syndicates should report best estimate by either localisation of risk or country of underwriting (based on the rules set out above) for the following countries: United Kingdom, France, Germany, Italy, Other EEA, United States of America, Australia, Bermuda, Canada, Japan, New Zealand and Other non-EEA, irrespective of materiality to the syndicate.

The allocation should be done on a reasonable basis and should be used consistently year on year. The total per line of business for all countries should agree to the amount (direct business) reported in ASR240, lines 2, 7 and 17.

3.17 ASR244: Projection of future cash flows (Best Estimate – Non-life) (EIOPA ref: S.18.01.01)

Purpose of form: *This form provides an overview of the timing of the future cash flows expected to be required to settle the insurance obligations.*

This form is required for all reporting years combined.

This template applies only to Best Estimate and the following shall be considered:

- All cash flows expressed in different currencies shall be considered and converted in the reporting currency (GBP) using the exchange rate at the reporting date;

- The cash flows shall be reported gross of reinsurance and undiscounted;
- The amounts should be reported positive if in line with its nature (e.g. cash in-flows related to future premiums as positive and cash out-flows related to future expenses as positive as well)

Each of the items below is required for each year from year 1 to year 30 separately and from year 31 and after in aggregate. Thus for the 2022 ASR this will be for each of 2023 to 2052 separately, and for all projected cash flows for 2053 and beyond in aggregate.

Best Estimate Premium Provision (Gross) – Cash out-flows - Future Benefits (Column A): Amounts of all the expected payments to policyholders and beneficiaries as defined in Article 78 (3) of Directive 2009/138/EC, relating to the whole portfolio of non-life obligations falling within the contract boundary, used in the calculation of premium provisions.

Best Estimate Premium Provision (Gross) – Cash out-flows - Future expenses and other cash-out flows (Column B): Amount of expenses that will be incurred in servicing insurance and reinsurance obligations as defined in Article 78 (1) of Directive 2009/138/EC and in Article 31 of Delegated Regulation (EU) 2015/35 and other cash-out flow items such as taxation payments which are charged to policyholders used in the calculation of premium provisions, relating to the whole portfolio of non-life obligations.

Best Estimate Premium Provision (Gross) – Cash in-flows - Future Premiums (Column C): Amounts of all the future premiums stemming from existing policies, excluding the past-due premiums, relating to the whole portfolio of non-life obligations, used in the calculation of premium provisions.

Best Estimate Premium Provision (Gross) – Cash in-flows - Other cash-in flows (Column D): Amount of recoverables from salvages and subrogations and other cash-in flows (not including investment returns), used in the calculation of premium provisions, relating to the whole portfolio of non-life obligations.

Best Estimate Claims Provision (Gross) – Cash out-flows - Future Benefits (Column E): Amounts of all the expected payments to policyholders and beneficiaries as defined in Article 78 (3) of Directive 2009/138/EC, referred to the whole portfolio of non-life obligations and relating existing contracts, used in the calculation of claims provisions.

Best Estimate Claims Provision (Gross) – Cash out-flows - Future Expenses and other cash-out flows (Column F): Amount of expenses that will be incurred in servicing insurance and reinsurance obligations as defined in Article 78 (1) of Directive 2009/138/EC and other cash-flow items such as taxation payments which are charged to policyholders used in the calculation of claims provisions, relating to the whole portfolio of non-life obligations.

Best Estimate Claims Provision (Gross) – Cash in-flows - Future premiums (Column G): Amounts of all the future premiums stemming from existing policies, excluding the past-due premiums, relating to the whole portfolio of non-life obligations used in the calculation of claims provisions.

Best Estimate Claims Provision (Gross) – Cash in-flows - Other cash-in flows (Column H): Amount of recoverables from salvages and subrogations and other cash-in flows (not including investment returns), used in the calculation of claims provisions, relating to the whole portfolio of non-life obligations and relating existing contracts.

Total recoverable from reinsurance (after adjustment) (Column I): Amount of undiscounted cash-flows expected. The future cash-flows undiscounted from amounts recoverables from reinsurance and SPVs/Finite Reinsurance, including ceded intra group reinsurance, including future reinsurance premiums. This amount shall be reported net of adjustment for counterparty default risk.

3.18 ASR251: Underwriting Risks Non-Life (EIOPA ref: S.21.02.01)

Purpose of form: *This form reports, for each direct Solvency II line of business, the risk profile of the underwriting risks and any corresponding net retentions that are irregular in terms of nature and size.*

This form is required for all reporting years combined.

This form should be completed for Non-Life Direct business (including Non-SLT Health) only.

This form shows the 20 biggest single underwriting risks, based on net retention, across all lines of business. Where for any Solvency II line of business this does not result in the syndicate reporting at least two risks, then you should additionally report the biggest single underwriting risks for any such lines of business to ensure that at least two are reported by line of business. In case a single underwriting risk of a specific line of business forms part of the top 20, the same risk of the affected line of business must only be filled in once. The selection of underwriting risks are syndicate specific hence syndicates will be required to determine their respective selection.

The risks to be reported should be based on policies on risk as at 31 December. All amounts to be reported should be in converted GBP, with the original currency (ISO) code of the risk reported under the 'currency' column.

Net retention of the underwriting risk means the maximum possible liability of the syndicate after the recoverables from reinsurers (including SPV and finite reinsurance) and the original deductible of the policyholder has been taken into account. In case the net retention is equal for too many risks the policy with the highest sum insured should be used as a second criteria. If the sum insured is also the same, then the most appropriate risk considering the risk profile of the syndicate must be used as the ultimate criteria.

Only reinsurance that protects single risk losses should be taken into account to determine the per risk net retention, e.g. facultative reinsurance, relevant proportional treaties, and per risk excess of loss. Treaty reinsurance that requires losses to be aggregated for the purpose of deductible and recovery should not be taken into account. Therefore catastrophe event protections, clash of retention protections, whole account or annual aggregate loss protections, and class of business or whole account Stop Loss protections are out of scope for this form.

Risk identification code: This code is a unique identifying number assigned by the syndicate that identifies the risk within the line of business; so this code cannot be reused for other risks in the same line of business (i.e. no duplicate codes within the same line of business) and remains unchanged for subsequent ASRs.

Insured: This is the name of the insured party to whom the risk relates. If the risk relates to a company, use the company name. Where the insured is a natural person, pseudonymise the policy number and report the pseudonymised information.

Description risk: This provides details on the risk, for example, chemical factory.

Line of business: These are the 12 direct Solvency II lines of business:

1 - Medical expense insurance

2 - Income protection insurance

3 - Workers' compensation insurance

4 - Motor vehicle liability insurance

5 - Other motor insurance

6 - Marine, aviation and transport insurance

7 - Fire and other damage to property insurance

8 - General liability insurance

9 - Credit and suretyship insurance

10 - Legal expenses insurance

11 – Assistance

12 - Miscellaneous financial loss

Description risk category covered: The description to be provided is syndicate specific. It provides additional information on the underwriting risk, for example;

- Fire & other damage: building, content and/or business interruption
- General liability insurance: product and/or directors and officers
- Other motor insurance: Personal cars and trucks

Currency: This is the ISO 4217 alphabetic code of the original currency of the risk.

Sum insured: This is the highest amount that the syndicate can be obliged to pay out without taking into account the original deductible of the policyholder. The insured sum relates to the underwriting risk. Where the policy covers a number of exposures / risks across the country the individual underwriting risk with the highest net retention shall be specified. Therefore, a facultative cover comprising a number of risks should be broken down. If the risk has been accepted on a co-insurance basis, the insured sum indicates the maximum liability of the syndicate. In case of a joint several liability, the part belonging to a defaulting co-insurer must be included as well. Example: 60% co-insurance on the original sum insured of GBP500,000 is GBP300,000. In addition, syndicates should report their line share of the slip, i.e. where a syndicate has 20% participation on a risk with a GBP400,000 sum insured, GBP80,000 should be reported.

In the case of unlimited sum insured, syndicates should use an estimation of the expected possible loss.

The sum insured should not be reduced for any policyholder deductible or any policy excesses.

Original deductible policyholder: This is the part of the sum insured which is retained by the policyholder. This line is strictly for deductibles. Policy excesses should not be reported here.

Type of underwriting model (SI, MPL, PML, EML or Other): This is the type of underwriting model which is used to estimate the exposure of the underwriting risk and the need for reinsurance protection and the various types are defined below:

- Sum Insured (SI) – This is the highest amount that the insurer can be obliged to pay out according to the original policy. SI must also be completed when type of underwriting model is not applicable.
- Maximum Possible Loss (MPL) - This may occur when the most unfavourable circumstances being more or less exceptionally combined, the peril is only stopped by impassable obstacles or lack of substance.
- Probable Maximum Loss (PML) – This is the estimate of the largest loss from a single fire or peril to be expected, assuming the worst single impairment of primary private fire protection systems but with secondary protection systems or organisations (such as emergency organisations and private and/or public fire department response) functioning as intended. Catastrophic conditions like explosions resulting from massive release of flammable gases, which might involve large areas of the plant, detonation of massive explosives, seismic disturbances, tidal waves or flood, falling aircraft, and arson committed in more than one area are excluded in this estimate.
- Estimated Maximum Loss (EML) – This could reasonably be sustained from the contingencies under consideration, as a result of a single incident considered to be within the realms of probability taking into

account all factors likely to increase or lessen the extent of the loss, but excluding such coincidences and catastrophes which may be possible but remain unlikely.

- Other (OTH) – This is other possible underwriting models used.

Amount underwriting model: This is the maximum loss amount which is the result of the underwriting model applied. Where no specific type of underwriting model is used the amount must be equal to the sum insured minus the original deductible of the policyholder.

Amount share sum insured facultative reinsurers: This is the part of the sum insured that the syndicate has reinsured on a facultative basis (by treaty and/or by individual cover) with reinsurers. When the facultative cover is not placed for 100% but only for 80% the 20% not placed should be considered as retention.

Amount share sum insured other reinsurers: This is the part of the sum insured that the syndicate has reinsured on another basis (including SPV and finite reinsurance) other than facultative reinsurance.

Net retention of the insurer: This is the net amount for which the syndicate acts as risk carrier, i.e. the part of the sum insured that exceeds the original deductible of the policyholder and is not reinsured. Any policy excesses should also be deducted to calculate the net retention. As a result, syndicates will have to input the net retention amount to exclude any applicable policy excesses.

Lloyd's level reporting

As in previous years, Lloyd's is requesting syndicates to provide **additional** data in a **separate** process to enable completion of this template at Lloyd's level. Further details of this exercise are set out in market bulletin '2019 Market Returns to PMD Risk Aggregation' (reference Y5219 dated 10 December 2018).

3.19 ASR260: Assets and liabilities by currency (EIOPA ref: S02.02.01)

Purpose of form: *This form reports analyses assets and liabilities by currency.*

This form is required for all reporting years combined.

The required materiality threshold for reporting this information for the insurer is that all currencies representing in aggregate up to 90% of both assets and liabilities (in Solvency II value) should be reported separately.

Materiality has been determined at Lloyd's level and there are 6+1 currencies that syndicates will be required to complete. These are: GBP, USD, EUR, CAD, AUD, JPY and OTHER. The syndicate must provide information for all these currencies, regardless of whether the currency is material for them or not.

The data based on the original currency should be converted into reporting currency (GBP) using the rate of exchange ruling at the end of the year and should be included in the appropriate/correct currency bucket. All other currencies (outside the 6 currencies listed above) should be converted to GBP and included as "OTHER".

Please note that these currencies are based on the original currency rather than settlement currencies and the amounts should be reported in GBP.

Where a syndicate has assets and liabilities in currencies other than the 6 listed currencies and these are material to them i.e. represent 20% or more of both assets and liabilities, these should be reported separately. Syndicates should not delete the 6+1 currencies already listed on the form and any additional currencies required should be selected on ASR026.

The amounts reported in this form in column A should agree with that reported in the balance sheet (ASR002) as per the mapping provided below:

Assets

Assets and liability by currency (ASR260)	Balance Sheet (ASR002)
Investments (other than assets held for index-linked and unit-linked funds)	C30 + C33
Other assets within scope of AAD230 (other than index-linked and unit linked funds)	C6+C35+C50
Assets held for index-linked and unit-linked funds	C31
Reinsurance recoverables	C43
Deposits to cedants and insurance and reinsurance receivables	C44+C45+C46
Any other assets	C1+C2+C3+C4+C5+C47+C48+C49+C51
Total assets	C52

Liabilities

Assets and liability by currency (ASR260)	Balance Sheet (ASR002)
Technical provisions (excluding index-linked and unit-linked funds)	C56+C60+C64+C68
Technical provisions – index- linked and unit-linked funds	C72
Deposits from reinsurers and insurance and reinsurance payables	C77+C82+C83
Derivatives	C79
Financial liabilities	C80+C81
Contingent liabilities	C74
Any other liabilities	C73+C75+C76+C78+C84+C85+C86+C87
Total liabilities	C88

3.20 ASR280: Life Technical Provisions (EIOPA ref: S.12.01.01)

Purpose of form: *This form reports an overview of life technical provisions (TP) by Solvency II line of business.*

This form is required for all reporting years combined. The form should be completed by life syndicates, however non-life syndicates with annuities arising from non-life insurance contracts other health insurance should complete the form. Where applicable, the non-life syndicates should complete column G only, “annuities stemming from non-life insurance contracts and relating to insurance obligations other than health insurance obligations” and the life syndicates should complete all other relevant columns/lines of business.

The segmentation required on this form should reflect the nature of the risks underlying the contract (substance), rather than the legal form of the contract (form).

This form requires reporting of technical provisions by Solvency II lines of business. Syndicates have already been submitting similar information by risk codes, via the Technical Provisions Data return (TPD). To assist in the completion of this form, there is already an existing mapping between risk codes and Solvency II lines of business that was provided as part of the TPD reporting. This may be accessed via the following link: Risk code mapping to Solvency II class of business.

Cells D18 and D19 have are automatic calculations and do not require any new data entry.

Amount of the transitional on Technical Provisions: Lloyd's does not expect this section to be relevant to syndicates.

Cash flows (out and in): These are discounted cash flows.

Future expenses and other cash out- flows: As per Article 78(1) of the Directive, these are expenses that will be incurred in servicing insurance and reinsurance obligations, and other cash-flow items such as taxation payments which are, or are expected to be, charged to policyholders, or are required to settle the insurance or reinsurance obligations.

Future premiums: These are cash-flows from future premiums and include premiums from accepted reinsurance business (gross of acquisition costs).

Other cash in-flows: This does not include investment returns, which are not other cash-in flows for best estimate calculation purposes.

The net cash flows for each Solvency line of business should agree to the gross best estimate (i.e. line 23 should agree to line 3).

Percentage of gross Best Estimate calculated using approximations: The calculation should be based on Gross Best Estimate (line 3). The term 'approximations' refers to the use of simplified methods and techniques in which a specific valuation technique has been simplified in line with the proportionality principle, or where a valuation method is considered to be simpler than a certain reference or benchmark method. The percentage should be reported as an absolute positive amount.

Lloyd's does not expect syndicates to calculate any Best Estimates subject to:

- **Transitional measure on technical provisions**
- **Volatility adjustment**
- **Matching adjustment**

Cross form validations with ASR 002: The amounts reported in this form should be less than or equal to that reported in the balance sheet as follows:

Item	ASR280 Col H	ASR002 Col C
TPs calculated as a whole	Line 1 + 11	Line 65
Best estimate	Line 3 + 12	Line 66
Risk margin	Line 10 + 12	Line 67
Reinsurance recoverable	Line 2 + 8	Line 40

Risk margin: Additional validations have been implemented where if gross estimate is greater than zero, corresponding risk margin must also be greater than zero. Otherwise if gross estimate is nil, corresponding risk margin must also be nil.

3.21 ASR281: Life Gross Best Estimate by Country (EIOPA ref: S.12.02.01)

Purpose of form: *This form reports an overview of life gross best estimate by country.*

This form is required for all reporting years combined. The form should be completed by life syndicates; however non-life syndicates with annuities stemming from non-life insurance contracts and relating to insurance obligations other than health insurance obligations should also complete this form. They should complete row 3, "annuities stemming from non-life insurance contracts and relating to insurance obligation other than health insurance obligations". The life syndicate will be required to complete all other relevant lines of business. This should be both direct and accepted reinsurance business.

Gross best estimate for different countries: On an annual basis, information is required on all countries representing up to 90% of the best estimate with the rest reported in "other EEA" or "other non-EEA". This should be reported based on the location where the risk was underwritten. Materiality applies at Lloyd's level and hence syndicates should report information for the following countries: United Kingdom, Norway, Italy, Other EEA, United States of America, Japan and Other non-EEA, irrespective of materiality to the syndicate.

The allocation should be done on a reasonable basis and should be used consistently year on year. The total per Solvency II line of business for all countries should agree to the sum of the amount reported in ASR280, lines 1 and 3.

3.22 ASR283: Health SLT Technical Provisions (EIOPA ref: S.12.01.01)

Purpose of form: *This form reports an overview of health SLT technical provisions (TP) by Solvency II line of business.*

This form is required for all reporting years combined. The form should be completed by life syndicates, however non-life syndicates with annuities arising from non-life insurance contracts relating to health insurance should also complete this form. Where applicable, the non-life syndicates should complete column E only, "annuities stemming from non-life insurance contracts and relating to health insurance obligations" and the life syndicates should complete all other relevant columns/lines of business.

SLT means: Similar to life techniques.

The segmentation required on this form should reflect the nature of the risks underlying the contract (substance), rather than the legal form of the contract (form).

Amount of the transitional on Technical Provisions: Lloyd's does not expect this section to be relevant to syndicates.

Cash flows (out and in): These are discounted cash flows.

Future expenses and other cash out-flows: As per Article 78(1) of the Directive, these are expenses that will be incurred in servicing insurance and reinsurance obligations, and other cash-flow items such as taxation payments which are, or are expected to be, charged to policyholders, or are required to settle the insurance or reinsurance obligations.

Future premiums: These are cash-flows from future premiums and include reinsurance premiums.

Other cash in-flows: This does not include investment returns, which are not other cash-in flows for best estimate calculation purposes.

Percentage of gross Best Estimate calculated using approximations: The calculation should be based on Gross Best Estimate (line 3). The term 'approximations' refers to the use of simplified methods and techniques in which a specific valuation technique has been simplified in line with the proportionality principle, or where a valuation method is considered to be simpler than a certain reference or benchmark method. The percentage should be reported as an absolute positive amount.

Lloyd's does not expect syndicates to calculate any Best Estimates subject to:

- **Transitional measure on technical provisions**
- **Volatility adjustment**
- **Matching adjustment**

Cross form validations withASR 002: The amounts reported in this form should agree to that reported in the balance sheet as follows:

Item	ASR283 Col F	ASR002 Col C
TPs calculated as a whole	Line 1 + 11	Line 61
Best estimate	Line 3 + 12	Line 62
Risk margin	Line 10 +13	Line 63
Reinsurance recoverable	Line 2 + 8	Line 39

Risk margins: Additional validations have been implemented where if gross estimate is greater than zero, corresponding risk margin must also be greater than zero. Otherwise if gross estimate is nil, corresponding risk margin must also be nil.

3.23 ASR284: Health SLT Gross Best Estimate by Country (EIOPA ref: S.12.02.01)

Purpose of form: *This form reports an overview of health SLT gross best estimate by country.*

This form is required for all reporting years combined. The form should be completed by life syndicates; however non-life syndicates with annuities arising from non-life insurance contracts relating to health insurance should also complete this form. Where applicable, the non-life syndicates should complete row 3 only, "annuities stemming from non-life insurance contracts and relating to health insurance obligations" and the life syndicates should complete all other relevant lines of business. This should be both direct and accepted reinsurance business.

Gross best estimate for different countries: On an annual basis, information is required on all countries representing up to 90% of the best estimate with the rest reported in "other EEA" or "other non-EEA". This should be reported based on the location where the risk was underwritten. Materiality applies at Lloyd's level and hence syndicates should report information for the following countries: United Kingdom, Norway, Italy, Other EEA, United States of America, Japan and Other non-EEA, irrespective of materiality to the syndicate.

The allocation should be done on a reasonable basis and should be used consistently year on year. The total per line of business for all countries should agree to the amount reported in ASR283, line 1 and 3.

3.24 ASR286: Projection of future cash flows (Best Estimate – Life) (EIOPA ref: S.13.01.01)

Purpose of form: *This form provides an overview of the duration of liabilities used in the calculation of the best estimate.*

This form is required for all reporting years combined. This template shall include information only in relation to the best estimates. The cash flows to be reported are gross of reinsurance and undiscounted.

Cash-flow projections such as central scenarios can be used as no perfect reconciliation with Best Estimate calculation is required. If it is difficult to project some future cash-flows like collective Future Discretionary Benefits the syndicate shall report the cash flow it effectively uses for calculating the Best Estimate.

All cash flows expressed in different currencies shall be considered and converted in the reporting currency (GBP) using the exchange rate at the reporting date.

The amounts should be reported positive if in line with its nature (e.g. cash in-flows related to future premiums as positive and cash out-flows related to future expenses as positive as well).

In case the syndicate uses simplifications for the calculation of technical provisions, for which an estimate of the expected future cash-flows arising from the contracts is not calculated, the information shall be reported only in those cases where more than 10% of total technical provisions have a settlement period longer than 24 months.

The form should be completed by both non-life and life syndicates. Where applicable, non-life syndicates will be required to complete the "annuities stemming from non-life insurance contracts" column. Life syndicates will be required to complete the other columns.

Annuities stemming from non-life contracts: These are lines of business for annuities stemming from non-life insurance contracts and relating to other than health insurance contracts.

Cash out-flows from non-life insurance contracts that will change to Annuities but are not yet formally settled as Annuities shall not be included.

Future expenses and other cash out-flows: As defined in Article 78(1) of the Directive, these are all expenses that will be incurred in servicing insurance and reinsurance obligations.

Other cash in-flows: These do not include investment returns which are not cash in-flows for best estimate calculation purposes.

3.25 ASR288: Life Obligation Analysis (EIOPA ref: S.14.01.01)

Purpose of form: *This form analyses life business by product type.*

This form is required for all reporting years combined. The form includes information about life insurance contracts (direct business and accepted reinsurance) as well as annuities stemming from non-life contracts (which are also analysed in ASR289), hence, it should be completed by both non-life and life syndicates. All insurance contracts shall be reported even if classified as investments contract on accounting basis. In case of products unbundled, the different parts of the product should be reported in different lines, using different ID codes.

Product denomination: This is the commercial name of the product and it is syndicate specific. If a given product has changed its commercial name, but kept the same characteristics, the old name should be included between brackets and the period in which it was used.

Product ID code: The PRA issued a supervisory statement (SS36/15) which sets out (in its appendix) the 3 character life product codes which must be used in ASR288.

Syndicates should use an approximation to apportion between product codes where parts of the technical provisions are calculated for a combination of products or if there is uncertainty as to which product code applies**Line of Business:** As defined in Annex 1 of Delegated Regulation 2015/35. The following closed list shall be used:

29 - Health insurance

30 - Insurance with profit participation

31 - Index-linked and unit-linked insurance

32 - Other life insurance

33 - Annuities stemming from non-life insurance contracts and relating to health insurance obligations

34 - Annuities stemming from non-life insurance contracts and relating to insurance obligations other than health insurance obligations

35 - Health reinsurance

36 - Life reinsurance

Number of HRGs in products: HRG (Homogeneous Risk Group) is a set of (re)insurance obligations which are managed together and which have similar risk characteristics. Please refer to Article 80 of the Framework Directive. If HRGs within the product are common to other products, specify the number of Homogeneous Risk Groups in the product that are common to other products.

Ring fenced fund or other internal funds: We do not expect this column to be applicable to syndicates. Leave blank if not applicable.

Product still commercialised? Y/N: This specifies if product is still for sale or if it is just in run-off. Please select from the closed list.

Type of product: This is the general qualitative description of the product type.

Product classification ID: Syndicates should select from the following closed list:

1 – single life

2 – joint life

3 – collective

4 – pension entitlements

5 – other

If more than one characteristic is applicable, use “5 – other”.

For annuities stemming from non-life, use “5 – other”.

Type of premium: Syndicates should select from the following closed list:

- Regular premium – premiums that policyholders have to pay at pre-determined dates and pre-determined or variable amounts in order to have the full effect of its guarantee, including those cases when contracts provide the right to policyholders of changing dates and amount of premiums
- Single premium – with possibility of additional premiums with additional guarantee according to amount paid.
- Single premium (NF) – without possibility to pay an additional premium in the future.
- Other - any other case not mentioned above.

For annuities stemming from non-life, use “4 – other”.

Country: This is the country where the risk is underwritten. There is a materiality threshold (10% of the technical provisions or written premiums for a given product) allowed in respect of reporting a separate line per country. However, this materiality threshold applies at Lloyd’s level, hence syndicates should report a separate line for each applicable country irrespective of materiality to the syndicate. ISO code should be used, for example, GB, US, ES etc.

Number of contracts at the end of the year: This is the number of contracts attached to each reported product. Contracts with more than one policyholder count as only one contract.

In case of inactive policyholder (no premium paid) the contract shall be reported anyway unless the contract is cancelled.

For annuities stemming from non-life use the number of annuities obligations.

Number of new contracts during year: This is the number of new contracts during reporting year (this is for all new contracts). Otherwise use the same instructions as above.

For annuities stemming from non-life use the number of annuities obligations.

Total amount of premiums written during the year: These are gross written premiums as defined in Article 1(11) of the Delegated Regulation (EU) 2015/35, which states:

"'written premiums' means the premiums due to an insurance or reinsurance undertaking during a specified time period regardless of whether such premiums relate in whole or in part to insurance or reinsurance cover provided in a different time period".

The form shall be completed on the basis of Solvency II valuation principles, i.e. written premiums are defined as the premiums due to be received by the undertaking in the period. Applying this definition means that written premiums including bound but not incepted in the given year are the premiums actually due to be received in that year, regardless of the coverage period. The definition of written premiums is consistent with the definition of "premium receivables".

The above definition is not GAAP but rather on the basis of Solvency II valuation (cash flow basis). Hence if bound but not incepted contracts (BBNI) are due during the period under consideration, then these should be considered as written premium.

In the example below, all contracts are legally obliged at the valuation date:

	Total Premium (£m)	**Due before 2022 (£m)**	**Due in 2022(£m)**	**Due after 2022 (£m)**
2022 YoA (Incepted by 2022 year-end)	35	10	20	5
2022 YoA (Unincepted by 2022 year-end)	75	-	50	25
2023 YoA (Unincepted by 2022 year-end)	15	-	10	5
Total	**125**	**10**	**80**	**35**

In this example, the written premium for the year ended 31 December 2022 on a UK GAAP basis would be £35m (the top left most cell); this would include £10m of premium for 2022 YoA (Incepted by 2022 year-end) but due in 2021. The written premium on a Solvency II basis for the same period is only the amounts due to be received (whether received or not) in the 2022 calendar year and this would be £80m.

For annuities stemming from non-life, this column shall not be applicable.

Total amount of claims paid during year: Total amount of gross claims paid during the year, including claims management expenses.

Use of financial instrument for replication: State whether the product is considered replicable by a financial instrument (i.e. hedgeable, with technical provisions calculated as a whole). Syndicates should select from the following closed list:

1 – Replicable by financial instrument
2 – Not replicable by financial instrument
3 – Partially replicable by financial instrument

HRG code:

The first three characters of the homogeneous risk group in column P and V must be one of the three digit product codes listed in SS36/15 and reported in column B and U. The fourth character of the homogeneous risk group will be "D" for direct business or "R" for reinsurance accepted. Homogeneous risk groups should only cover a single product code as indicated by the first three characters. .

Best Estimate and technical provisions as a whole: Amount of gross best estimate and technical provisions as a whole calculated by HRG.

Capital-at-risk: As defined in the Delegated Regulation (EU) 2015/35.

For annuities stemming from non-life contracts, this cell shall be filled in with zero unless the annuities have positive risk.

Surrender value: This is surrender value, as mentioned in Article 185 (3) (f) of Directive 2009/138/EC, net of taxes. This is the amount to be paid to the policyholder in case of early termination of the contract (i.e. before it becomes payable by maturity or occurrence of the insured event, such as death), net of charges and policy loans. This does not concern contracts without options, given that surrender value is an option.

Annualised guaranteed rate (over average duration of guarantee): This is the average guaranteed rate to the policyholder over the remaining lifetime of the contract expressed as a percentage. This is only applicable where a guaranteed rate is provided in the contract. Annualised guaranteed rate should be expressed as '%' between 0 and 1.

Syndicates are also required to identify the products (using Product ID code) that relate to HRGs (using HRG ID code) and vice versa. If one product corresponds to more than one HRG, identify which ones by rows, repeating the Product ID code. If different products correspond to one single HRG, report each product once identifying the HRG ID code.

3.26 ASR289: Information on annuities stemming from non-life insurance obligations (EIOPA ref: S.16.01.01)

Purpose of form: *This form reports an overview of non-life annuities stemming from non-life insurance obligations at a line of business level.*

This form is required for all reporting years combined.

This form should be completed for non-life business only . This form requires information on annuity claims provisions for the current reporting year but split by pure underwriting year for the 15 most recent years with the rest reported as "prior".

The sum of provisions in this form and ASB246 for non-life line of business represents the total claims reserves originating from this line of business.

Obligations are reported on ASR289 instead of ASB245/246, when both of the conditions below are met:

- All or part of the obligation has been formally settled as an annuity; and
- A best estimate of an obligation formally settled as an annuity can be established using life techniques.

'Formally settled as an annuity' typically means that a legal process has ordered that the beneficiary is to receive payments as an annuity.

In the event the obligation subsequently ends up being settled via a lump sum, the lump sum would be recorded as a payment in this form not on ASB245.

Prior to the point of transfer, the incurred but not reported (IBNR) provision in the best estimate in ASB246 should contain reserves for possible future annuities.

Year N is the reporting year.

The related non-life line of business: This is the name of the Solvency II line of business where the liability originated from. The following closed list shall be used:

1 – 1 and 13 Medical expense insurance

2 – 2 and 14 Income protection insurance

3 – 3 and 15 Workers' compensation insurance

4 – 4 and 16 Motor vehicle liability insurance

5 – 5 and 17 Other motor insurance

6 – 6 and 18 Marine, aviation and transport insurance

7 – 7 and 19 Fire and other damage to property insurance

8 – 8 and 20 General liability insurance

9 – 9 and 21 Credit and suretyship insurance

10 – 10 and 22 Legal expenses insurance

11 – 11 and 23 Assistance

12 – 12 and 24 Miscellaneous financial loss

25 – Non–proportional health reinsurance

26 – Non–proportional casualty reinsurance

27 – Non–proportional marine, aviation and transport reinsurance

28 – Non–proportional property reinsurance

Currency: This is the original currency of the liabilities. Syndicates should report the following '6+1' major currencies; GBP, USD, EUR, CAD, AUD, JPY and OTHER. The 6+1 currencies are to be reported in original currency (with 'OTH' currency in GBP) and also corresponding total converted (CNV) GBP amount by the 'related non-life lines of business' above, similar to the ASB return.

Undiscounted annuity claims provisions at the start of the year: This is the amount of annuity claims best estimate stemming from Non-Life Insurance obligations at beginning of the reporting year (year N).

This is a part of technical provisions set up during year N (Net movements between new reserves during N/release of serves during N).

Undiscounted annuity claims provisions set up during the year: This is the total amount of annuity claims provisions stemming from Non-Life Insurance obligations set up during year N as at the moment they were first set up (i.e., where assumptions used were for the first time based on life techniques).

Annuity payments paid during the year: This is the total amount of annuity payments stemming from Non-Life Insurance claims made during the calendar year N.

Undiscounted annuity claims provisions at the end of the year: This is the total amount of annuity claims provisions stemming from Non-Life Insurance obligations at end of year N.

Number of annuities obligations at the end of year N: This is the number of non-life insurance policies (contract) with an annuity obligation attached to it.

Best Estimate for annuity claims provisions at the end of year (discounted basis): This is the best estimate covering annuities stemming from Non-Life Insurance Obligations at the end of calendar year N. Information should be considered gross of reinsurance.

The average technical rate in the year: This is the average rate used in percentage (as a decimal) for the end of year N.

The average duration of the obligations: This is the average duration in years on total obligations basis for the end of year N.

The weighted average age of the beneficiaries: The weight should be the best estimate for annuity claims provisions at the end of the current reporting (year N). This is the age of beneficiaries calculated on a weighted average for total obligations. The beneficiary is the person to whom the payments are reverting to, following the occurrence of a claim (that affects the insured person) which originates this type of payment. Information should be considered gross of reinsurance.

3.27 ASR290: Share of reinsurers (including Finite Reinsurance and SPV's) (EIOPA ref: S.31.01.01)

Purpose of form: *This form collects information on reinsurance recoverables by reinsurer.*

This form is required for all reporting years combined.

The form should be completed by syndicates where a recoverable is recognised in relation to the reinsurer (even if all contracts with that reinsurer have expired) and whose reinsurer is reducing the gross technical provisions as per the end of the reporting year.

The form is by reinsurer (using LORS and LEI codes) and not separate treaties. The form can be populated by either entering the information manually on CMR or via CSV upload. In either case, the 'Legal name of reinsurer' field is not required as this will be auto-populated based on the LORS code.

We shall provide managing agents with our centrally held data containing LEI codes and Country of Domicile, which can be used as a reference guide for populating the form.

This will take the form of a snapshot of the reference data and has been attached as appendix 9. However an updated snapshot will be provided as part of the CMR FAQs closer to the date of submission. Whilst this will be the most up-to-date information held at the time of publication, it should, however, be noted that the reference data file within CMR is a living document and that certain records may be updated subsequent to the snapshot being provided through the CMR FAQs. We cannot provide reference data for any other fields as they need to be completed from the perspective of the syndicate, rather than Lloyd's.

All ceded technical provisions, including those ceded under Finite reinsurance must be completed. This also means that if an SPV or a syndicate at Lloyd's acts as a reinsurer, the SPV or the syndicate must be listed.

LORS Reinsurer Code: This should be an active LORS code. If entering manually, please select from the drop down list provided within CMR.

Risk carrying legal entities

When completing reinsurance counterparty level reporting, it is important that managing agents report the active risk carrying reinsurance legal entity. The selected LORS code should represent the actual risk carrying legal entity with whom the reinsurance obligation exists. Managing general agents, delegated underwriting arrangements (including consortium arrangements), brokers, pool managers and dissolved companies, for example, should not be reported. In the case of pooling arrangements, the name of the Pool can be filled only if the Pool is a risk carrying legal entity.

Reconciliation with the QMA 710

We would expect the panel of reinsurers, the associated LORS Reinsurer Codes and certain values reported in the ASR290 to correspond to those reported in the 31 December QMR form QMA710u for the equivalent period. As part of Lloyd's validation processes, the Lloyd's Outwards Reinsurance team will perform a cross form reconciliation between forms QMA710 and ASR290, discrepancies will be queried with managing agents for further investigation and resubmissions.

We strongly recommend that managing agents review the supplementary notes contained in the QMR guidance notes for form QMA710u under LORS Codes, as the same principles will be applied under ASR290 for the identification and reporting of the correct and current risk carrying legal entity.

Code reinsurer: This should be the Legal Entity Identifier (LEI) code (which should be 20 characters long and made up of alpha [A-Z] and numerics [0-9]. No symbols can be used).

If this is not available, please repeat the LORS code again.

Type of code reinsurer: Identification of the code used in "Code reinsurer" field. The following closed list shall be used:

1 – LEI

2 – Specific code (which should be LORS code)

Reinsurance recoverables: Premium provision Non-life including Non-SLT Health: The total amount reported in this column should reconcile with the recoverables reported on ASR240, Q10.

Reinsurance recoverables: Claims provisions Non-life including Non-SLT Health: The total amount reported in this column should reconcile with the recoverables reported on ASR240, Q20.

Reinsurance recoverables: Technical provisions Life including SLT Health: The total amount reported in this column should reconcile with the recoverables reported on ASR280, H4 and ASR283, F4.

Adjustment for expected losses due to counterparty default: This should be calculated separately per reinsurer and must be in line with Delegated Regulation (EU) 2015/35.

The amount reported should be a negative value.

The total amount reported in this column should reconcile with the 'adjustment for expected losses' that was deducted within ASR240, 280 and 283. This would be calculated as:

[ASR240, Q14 + Q24 – Q10 – Q20] + [ASR280, H8 – H4] + [ASR283, F8 – F4]

Reinsurance recoverables: Total reinsurance recoverables: The total of this column must be equal to reinsurance recoverables (A43) on ASR002.

Net receivables: The amounts past due resulting from: reinsurance recoveries yet to be settled by reinsurers associated with claims paid by the insurer plus commissions to be paid by the reinsurer and other receivables minus debts to the reinsurer. Cash deposits are excluded and are to be considered as guarantees received. The total of net receivables must be equal to the Reinsurance Receivables (A46) minus Reinsurance Payables (A83) on ASR002.

Assets pledged by reinsurer: This is the amount of assets pledged by the reinsurer to mitigate the counterparty default risk of the reinsurer.

Financial guarantees: This is the amount of guarantees received by the syndicate from the reinsurer to guarantee the payment of the liabilities due by the syndicate (includes letter of credit, undrawn committed borrowing facilities).

Cash deposits: This is the amount of cash deposits received by the syndicate from the reinsurers. The total of cash deposits must be less than or equal to Deposits from reinsurers (A77) on ASR002.

Legal name reinsurer: This will be auto-populated based on the LORS code selected. This is the legal name of the reinsurer which is stated in the reinsurance contract or the legal name of the reinsurer with whom the reinsurance obligation now exists. This change can occur where there has been a subsequent change of legal name or a legally recognised transfer to another reinsurer.

As stated in LORS Reinsurer Code, values should only be reported against risk carrying entities. It is not permitted to fill in the name of a reinsurance broker. Nor is it permitted to state a general or incomplete name as international reinsurers have several operating companies that may be based in different countries.**Type of reinsurer:** This is the type of reinsurer to whom the underwriting risk has been transferred. The following closed list shall be used:

1 - Direct Life insurer

2 - Direct Non-life insurer

3 - Direct Composite insurer

4 - Captive insurance undertaking

5 - Internal reinsurer (reinsurance undertaking which primary focus is to take risk from other insurance undertakings within the group)

6 - External reinsurer (reinsurance undertaking that takes risks from undertakings other than from insurance undertakings within the group)

7 - Captive reinsurance undertaking

8 - Special purpose vehicle

9 - Pool entity (where more than one insurance or reinsurance undertakings are involved)

10 - State pool

<u>The ‘type of reinsurer’ selected for each reinsurer in ASR290 must be consistent with the information provided to Lloyd’s in the 1 January Syndicate Reinsurance Structure (SRS) return</u>.

Country of residence: This is the ISO code for the country where the reinsurer is legally authorised / licensed.

External rating assessment by nominated ECAI: This is the actual / current rating that is considered by the syndicate.

<u>The external ratings provided in ASR290 must be consistent with the external ratings provided to Lloyd’s in the 1 January SRS return for each reinsurer</u>.

Nominated ECAI: This is the rating agency that rates the reinsurer that is considered by the syndicate.

<u>The rating agency provided in ASR290 must be consistent with the rating agencies provided to Lloyd’s in the 1 January SRS return for each reinsurer</u>.

Credit quality step: This is the credit quality step attributed to the reinsurer. The credit quality step shall reflect any readjustments to the credit quality made internally by the undertakings that use the standard formula.

This item is not applicable to assets for which undertakings using internal models, use internal ratings. If undertakings using internal models do not use internal ratings, this item should be reported.

One of the options in the following closed list shall be used:

0 - Credit quality step 0

1 - Credit quality step 1

2 - Credit quality step 2

3 - Credit quality step 3

4 - Credit quality step 4

5 - Credit quality step 5

6 - Credit quality step 6

9 - No rating available

Internal rating: This is the internal rating of the reinsurer to the extent that the internal ratings are used in their internal modelling. If the internal model is using solely external ratings this item shall not be reported.

The internal ratings provided in ASR290 must be consistent with the internal ratings provided to Lloyd's in the 1 January SRS return for each reinsurer.

3.28 ASR430/430s (Non-life) and ASR431/431s (Life): Activity by country (EIOPA ref: S.04.01.01 and S.04.02.01)

Purpose of form: *These forms shall specify information on activity by country, including EEA and non-EEA, applying the valuation and recognition principles used in the undertaking's financial statements for each line of business as defined in Annex I to Delegated Regulation (EU) 2015/35.*

The forms are required for all reporting years combined.

These templates shall be reported from an accounting perspective, i.e. UK GAAP but using Solvency II lines of business. Undertakings shall use the recognition and valuation basis as per the published financial statements. No new recognition or re-valuation is required.

These templates require disclosing gross premiums written, claims incurred and commission costs by home country (i.e. UK) and also material non-EEA countries. The UK no longer has FPS rights following its exit from the European Union, and Lloyd's has established Lloyd's Brussels to capture almost all European risks. The PRA have confirmed that all Lloyd's Brussels sourced business should be reported as "home country" (UK). Therefore, these templates have been significantly simplified for Lloyd's purposes.

Please see Appendix 5 for examples on how to populate ASR430(s)/431(s). These examples have been developed based on the guidance provided by the PRA.

Lines of business to be reported:

ASR430(s)

NL_ME – Medical expense

NL_IP – Income protection

NL_WC – Workers' compensation

NL_MVL – Motor vehicle liability

NL_OM – Other motor

NL_MAT – Marine, aviation and transport

NL_FP – Fire and other damage to property

NL_GL – General liability

NL_CS – Credit and suretyship

NL_LE – Legal expenses

NL_A – Assistance

NL_MFL – Miscellaneous financial loss

PR_ME – Proportional medical expense reinsurance

PR_IP – Proportional income protection reinsurance

PR_WC – Proportional workers' compensation reinsurance

PR_MVL – Proportional motor vehicle liability reinsurance

PR_OM – Proportional other motor reinsurance

PR_MAT – Proportional marine, aviation and transport reinsurance

PR_FP – Proportional fire and other damage to property reinsurance

PR_GL – Proportional general liability reinsurance

PR_CS – Proportional credit and suretyship reinsurance

PR_LE – Proportional legal expenses reinsurance

PR_A – Proportional assistance reinsurance

PR_MFL – Proportional miscellaneous financial loss reinsurance

NLNP_H – Non-proportional health reinsurance

NLNP_C – Non-proportional casualty reinsurance

NLNP_MAT – Non-proportional marine, aviation and transport reinsurance

NLNP_P – Non-proportional property reinsurance

L_AH – Annuities stemming from non-life insurance contracts and relating to insurance obligations other than health insurance obligations

L_ANH – Annuities stemming from non-life insurance contracts and relating to health insurance obligations

<u>ASR431(s)</u>

L_IPP – Insurance with profit participation (not applicable to Lloyd's)

L_ILUL – Index-linked and unit-linked insurance (not applicable to Lloyd's)

L_OL – Other life insurance

L_LR – Life reinsurance

L_H – Health insurance

L_HR – Health reinsurance

Premium written: This is on a UK GAAP basis as per ASR440 / 450. The total at H1 should reconcile back to ASR440 / 450 by line of business.

Claims incurred: This is on a UK GAAP basis as per ASR440 / 450. The total at H2 should reconcile back to ASR440 / 450 by line of business.

Acquisition expenses: This is on a UK GAAP basis as per ASR440 / 450. The total at H2 should reconcile back to ASR440 / 450 Acquisition Expenses by line of business.

UK's exit from the European Union

Following the United Kingdom's exit from the European Union, and the establishment of the Lloyd's Brussels entity, these forms have now been significantly simplified for Lloyd's purposes.

It has been confirmed with the PRA that entries for the Lloyd's market are only expected in the C0010 and C0070 columns of ASR 430 / 431s, and C0110 column of ASR430 / 431.

ASR430s / 431s

C0010: Business underwritten in the home country and all business sourced from **Lloyd's Brussels** should be reported in C0010 ("business underwritten in the home country, by the syndicate").

Business underwritten in the home country is business underwritten through:

- Open Market with the risk location either in the UK or Non-EEA country ; and/or
- Coverholder / Service Company with prior submit authority, if the risk location is either in the UK or Non-EEA country.

Lloyd's Brussels: Following the UK's exit from the European Union, and the establishment of Lloyd's Brussels, it has been confirmed with the PRA that all business assumed by the syndicate from Lloyd's Brussels should be disclosed in column C0010 of ASR 430 / 431.

Please refer to Appendix 5 for more detailed examples.

C0070: Total business underwritten by all Non-EEA branches: This is the sum of C0110 (including Other Non-EEA) from ASR430/431 and shall be auto-populated within CMR.

Total business underwritten (Lloyd's field): This is the sum of C0010 + C0020 + C0040 + C0050 + C0070 and shall be auto-populated in CMR.

C0020, C0030, C0040, C0050, C0060: Freedom to Provide Services (FPS) (as applicable to Lloyd's): Following the UK's exit from the European Union, UK firms no longer have FPS rights to write business in Europe. Therefore no entries should be made in any of the FPS columns within the templates. This includes coverholder / service companies that are located in the EEA (eg. an EEA branch of a syndicate). As UK firms do not have FPS rights, the PRA have confirmed that these policies are considered written in the UK as the "home country" and therefore reported under C0010.

ASR 430/431

C0110: Non-EEA Branch (as applicable to Lloyd's):C0110 is to be used for non-EEA Branch business. This is considered to be business written by the following:

- local Coverholders or Service Companies with full binding authority agreements; and
- a local Lloyd's General Representative.

This also includes business written through Lloyd's China and Lloyd's India.

For reporting in the ASR430(s)/431(s) managing agents need to consider the location of the branch as the first entity that they delegate their underwriting/pen to.

C0110 is to be disclosed by Lloyd's material countries - USA, Canada, Australia, Bermuda and Japan (for both Non-Life and Life) and all the remaining Non-EEA business to be disclosed as Other (OTH). For the avoidance of doubt, this means that there are only 6 options for countries to be disclosed in C0110, and Great Britain (GB) is not one of these. Instead, a UK coverholder is to be considered an extension of the UK firm's headquarters and therefore considered 'Home Country' and reported under C0010.

Coverholder / Service companies with prior submit authority, where the risk is non-EEA, are disclosed in C0010 rather than C0110.

Other fields: No entries are to be made in any of the other fields within ASR430/431, as these all relate to FPS.

Information on class 10 in Part A of Annex I of Solvency II Directive, excluding carrier's liability

Frequency of claims and average cost of claims for Motor Vehicle Liability (Except carrier's liability): These fields should no longer be completed, as FPS is no longer relevant to the United Kingdom, and no business is being reported as written through EEA branches.

3.29 ASR440: Premiums, claims and expenses (by line of business) (EIOPA ref: S.05.01.01)

Purpose of form: *This form reports written premiums, premiums earned, claims and expenses incurred by Solvency II lines of business.*

This form is required for all reporting years combined.

This template shall be reported from an accounting perspective, i.e. UK GAAP but using Solvency II lines of business. Undertakings shall use the recognition and valuation basis as per the published financial statements. No new recognition or re-valuation is required, except for the classification between investment contracts and insurance contracts when this is applicable in the financial statements. This template shall include all insurance business regardless of the possible different classification between investment contracts and insurance contracts applicable in the financial statements.

This form is completed on a year-to-date basis i.e. from 1 January to the reporting date.

Classification of business as direct business should be based on the insured i.e. insurance contracts issued to policyholders either directly by the syndicate or through an intermediary should be classified as "direct" business.

Premiums written: Premiums written comprise all premiums receivable for the period under cover provided by the contracts entered into and incepting during the reporting period, regardless of whether these are wholly due for payment in the reporting period. This should also include any adjustments arising in the reporting period to such premiums receivable in respect of business written in prior reporting periods. These are to be reported gross of acquisition costs.

Premiums earned: It is the sum of gross premiums written minus the change in the gross provision for unearned premiums related to relevant line of business during the reporting period.

Claims incurred: Claims incurred in the reporting period as defined in Directive 91/674/EEC where applicable: the claims incurred means the sum of the claims paid and the change in the provision for claims during the reporting period related to insurance contracts arising from relevant line of business. This shall exclude claims management expenses and the movement in provisions in claims management expenses.

Changes in other technical provisions: Changes in other technical provisions as defined in Directive 91/674/EEC where applicable. **Lloyd's does not expect anything to be reported on these lines.**

Expenses incurred: All technical expenses incurred by the syndicate during the reporting period, on accrual basis, which are broken down below into Administrative expenses, Investment management expenses, Claims management expenses, Acquisition expenses and Overhead expenses.

The sub-categories of Expenses incurred should reconcile with the QMA as follows:

(i) Administrative / Overhead / Other expenses = QMA100, lines 31 to 34
(ii) Investment management expenses = QMA100, line 46
(iii) Claims management expenses = QMA100, lines 15 + 20
(iv) Acquisition expenses = QMA100, lines 27 to 30, and 35.

Administrative expenses: Administrative expenses are expenses which are connected with policy administration including expenses in respect of reinsurance contracts and special purpose vehicles on an accrual basis. Some administrative expenses relate directly to insurance contract activity (e.g. maintenance cost) such as cost of premium billing, cost of sending regular information to policyholders and cost of handling policy changes (e.g. conversions and reinstatements). Other administrative expenses relate directly to insurance contracts or contract activity but are a result of activities that cover more than one policy such as salaries of staff responsible for policy administration.

Investment management expenses: Investment management expenses are usually not allocated on a policy by policy basis but at the level of a portfolio of insurance contracts. Investment management expenses could include expenses of record keeping of the investments' portfolio, salaries of staff responsible for investment, remunerations of external advisers, expenses connected with investment trading activity (i.e. buying and selling of the portfolio securities) and in some cases also remuneration for custodial services.

Claims management expenses: Claims management expenses are expenses that will be incurred in processing and resolving claims, including legal and adjuster's fees and internal costs of processing claims payments. Some of these expenses could be assignable to individual claim (e.g. legal and adjuster's fees), others are a result of activities that cover more than one claim (e.g. salaries of staff of claims handling department). This shall include the movement in provisions in claims management expenses. The syndicate should ensure there is no double counting hence allocated loss adjustment expenses (ALAE) already included in paid claims and RBNS should be excluded from the claims management expenses amount.

Acquisition expenses: Acquisition expenses include expenses, including renewal expenses, which can be identified at the level of individual insurance contract and have been incurred because the undertaking has issued that particular contract. These are commission costs, costs of selling, underwriting and initiating an insurance contract that has been issued. It includes movements in deferred acquisition costs. The net acquisition expenses represent the sum of the direct business and the accepted insurance business reduced by the amount ceded to reinsurers.

Overhead expenses: Overhead expenses include salaries to general managers, auditing costs and regular day-to-day costs i.e. electricity bill, office rent, IT costs. These overhead expenses also include expenses related to the development of new insurance and reinsurance business, advertising insurance products, improvement of the internal processes such as investment in system required to support insurance and reinsurance business (e.g. buying new IT system and developing new software). In the case of syndicates, this will be recharges for these types of costs incurred by the managing agent.

Other expenses: Other expenses not covered by above mentioned expenses and not split by lines of business. It should not include non-technical expenses such as tax, interest expenses, and losses on disposals.

This cell is an analysis cell. All material amounts included in this cell must be separately listed in the analysis table (see section 2.9 'analysis cells' above for details of materiality).

Additional warning validations have been implemented with effect from Q4 2019 between ASR440 and ASR240. If net premiums written is greater than or equal to zero, an amount is expected to be reported on

ASR240 technical provisions.

3.30 ASR441: Premiums, claims and expenses (by country) (EIOPA ref: S.05.02.01)

Purpose of form: *This form reports written premiums, premiums earned and claims incurred by major country where either the risk is localised or underwritten.*

This form is required for all reporting years combined

This template shall be reported from an accounting perspective, i.e. UK GAAP. Syndicates shall use the recognition and valuation basis as for the published financial statements, no new recognition or re-valuation is required. Accordingly the amounts reported should reconcile to the syndicate annual report/QMA100.

The criterion for country selection is as follows:

Direct insurance business

- Localisation of risk for the following lines of business:
    - medical expense
    - income protection
    - workers' compensation
    - fire and other damage to property
    - credit and suretyship
- Country of underwriting for all other lines of business

Proportional and Non-proportional reinsurance

- Country of localisation of the ceding underwriter.

Syndicates are required to report information by the following countries: United Kingdom (home country), USA, Canada, Belgium, Australia, Bermuda, Japan (irrespective of materiality to the syndicate) and the balance reported within "worldwide excluding US, GB, CA, BE, AU, BM & JP".

For business written through Lloyd's Brussels the country of localisation is Belgium.

Classification of business as direct business should be based on the insured i.e. insurance contracts issued to policyholders either directly by the syndicate or through an intermediary should be classified as "direct" business.

In line with the revised guidance on ASR430/430s/431/431s, this means that either home country (UK) or another non-EEA country should be reported. These should agree to the country reporting on the ASR430 for certain direct classes.

There is no change to location of risk for the following direct classes: medical expense, income protection, workers' compensation, fire and other damage to property and credit and suretyship.

Following the UK's exit from the European Union, UK firms no longer have FPS rights to write business in Europe. Therefore no entries should be made in any of the FPS columns within the templates. This includes coverholder / service companies that are located in the EEA (eg. an EEA branch of a syndicate). As UK firms do not have FPS rights, the PRA have confirmed that these policies are considered written in the UK as the "home country".

This form should be consistent with ASR440. Therefore, please refer to ASR440 above for definitions of line items. **To reconcile with ASR440, the totals in column J must agree with the relevant totals in column Q of ASR440.**

3.31 ASR450: Life premiums, claims and expenses (by line of business) (EIOPA ref: S.05.01.01)

Purpose of form: *This form reports written premiums, premiums earned, claims and expenses incurred by Solvency II lines of business.*

This form is required for all reporting years combined.

This template shall be reported from an accounting perspective, i.e. UK GAAP but using Solvency II lines of business. Undertakings shall use the recognition and valuation basis as for the published financial statements, no new recognition or re-valuation is required. Accordingly the amounts reported should reconcile to the syndicate annual report/QMA100.

This form is completed on a year-to-date basis i.e. from 1 January to the reporting date.

This is a life form; however this is also applicable for those non-life syndicates with annuities stemming from non-life insurance contracts. In the case of non-life syndicates with annuities stemming from non-life contracts, only the two annuities columns will require to be completed i.e. annuities stemming from non-life insurance contracts and relating to health insurance obligations and annuities stemming from non-life insurance contracts and relating to insurance obligations other than health insurance obligations.

The line requirements are the same as those on ASR440, hence refer above for definitions of the terms.

Line 31 – Total amount of surrenders: This amount represents the total amount of surrenders occurred during the year. This amount is also reported under claims incurred (line 7).

Additional warning validations have been implemented with effect from Q4 2019 between ASR450 and ASR280/283. If net premiums written is greater than or equal to zero, an amount is expected to be reported on relevant fields of ASR280/283 technical provisions.

3.32 ASR451: Life premiums, claims and expenses (by country) (EIOPA ref: S.05.02.01)

Purpose of form: *This form reports written premiums, premiums earned and claims incurred by major country where either the risk is localised or underwritten.*

This form is required for all reporting years combined.

This template shall be reported from an accounting perspective, i.e: UK GAAP. Undertakings shall use the recognition and valuation basis as for the published financial statements, no new recognition or re-valuation is required. Accordingly the amounts reported should reconcile to the syndicate annual report/QMA100.

This is a life form; however this is also applicable for those non-life syndicates with annuities stemming from non-life insurance contracts.

Syndicates are required to report information by the following countries: United Kingdom, USA, Norway, Italy, Mexico, Switzerland (irrespective of materiality to the syndicate) and “worldwide excluding GB, US, NO, IT, MX and CH”.

The criterion for country depends on the country of underwriting (i.e. country where the contract was entered into). Please see ASR441 for definition of country of underwriting.

This form should be consistent with ASR450. As ASR450 has the same line requirements as ASR440, please refer to ASR440 above for definitions of line items. **To reconcile with ASR450, the totals in column H must agree with the relevant totals in column G of ASR450.**

3.33 ASR510: Minimum Capital Requirement – Non-life (EIOPA ref: S.28.01.01)

Purpose of form: *This form provides details of the input and output of the minimum capital requirement (MCR) calculation.*

This form is required for all reporting years combined.

The calculation of the MCR combines a linear formula with a floor of 25% and a cap of 45% of the SCR. The MCR is subject to an absolute floor, expressed in euro, depending on the nature of the undertaking (as defined in Article 129 (1) (d) of the Directive 2009/138/EC).

The written premiums should be for the preceding 12 months to the reporting date e.g. as at 31 December 2022 this would be from 1 January 2022 to 31 December 2022 and should be net of reinsurance premiums ceded which corresponds to these premiums.

The definition for written premium (Article 1(11) of Delegated Regulation (EU) 2015/35) is as follows: 'in relation to a specified time period, the premiums due to an insurance or reinsurance undertaking during that time period regardless of the fact that such premiums may relate in whole or in part to insurance or reinsurance cover provided in a different time period'.

The above definition is not GAAP but rather on the basis of Solvency II valuation (cash flow basis). Please see the instructions for ASR288 for an illustration of how this compares with UK GAAP premium written. This has a floor equal to zero by line of business – i.e. if the written premium for the period for a particular line of business is negative, then zero should be reported for that line of business.

The technical provisions should be net of reinsurance recoverables and should be without the risk margin (ie sum of the net best estimate and technical provisions calculated as a whole should be used) and after deduction of the amounts recoverable from reinsurance contracts and SPVs, with a floor equal to zero by line of business – i.e. if the technical provisions for a particular line of business are negative, then zero should be reported for that line of business.

Line 19 – SCR: This should agree to the SCR amount reported in ASR220, A9.

Lines 20 & 21 – MCR cap and floor: MCR should fall between 25% (floor) and 45% (cap) of the syndicate's SCR as reported on line 19.

Line 23 – Absolute floor of the MCR: MCR reported shall have an absolute floor of:

(i) EUR 2,500,000 for non-life insurance undertakings, including captive insurance undertakings, except in the case where all or some of the risks included in one of the classes 10 to 15 listed in Part A of Annex 1 of the Solvency II Directive (2009/138/EC) are covered, in which case it shall be no less than EUR 3,700,000. Please refer to Appendix 1 of the Directive for the classes of business listed in Annex 1, Part A.

(ii) EUR 3,700,000 for life insurance undertakings, including captive insurance undertakings.

(iii) EUR 3,600,000 for reinsurance undertakings, except in the case of captive reinsurance undertakings, in which case the MCR shall be no less than EUR 1,200,000.

We would expect that most non-life syndicates will be writing at least one of the classes 10-15 and hence the expected absolute floor to be reported within line 23 would be EUR 3,700,000. The amount should be translated to GBP using the closing rate at the end of the period.

Additional validations have been implemented with effect from Q4 2019 between ASR510 and ASR440. Where field Net (of reinsurance) Written premiums in the last 12 months has been reported for a LOB, it should be greater than or equal to corresponding LOB reported on ASR440 for net written premiums (line 5).

3.34 ASR511: Minimum Capital Requirement – Life (EIOPA ref: S.28.01.01)

Purpose of form: *This form provides details of the input and output of the minimum capital requirement (MCR) calculation.*

This form is required for all reporting years combined.

The technical provisions should be net of reinsurance recoverables and should be without the risk margin (ie sum of the net best estimate and technical provisions calculated as a whole should be used) and after deduction of the amounts recoverable from reinsurance contracts and SPVs. This has a floor equal to zero by line of business – i.e. if the technical provisions for a particular line of business are negative, then zero should be reported for that line of business.

The non-life syndicates with annuities arising from non-life insurance contracts should also report on this form the MCR arising from these contracts. Hence, relevant amounts should be reported within lines 4 and 5.

Syndicates are not expected to be writing with profit and unit linked insurance contracts, hence lines 1 to 3 should be zero.

Line 5 - Total Capital at risk for all life (re)insurance obligations **-** Net (of reinsurance/SPV) total capital at risk**:** These are the total capital at risk, being the sum in relation to all contracts that give rise to life insurance or reinsurance obligations of the capital at risk of the contracts.

Line 8 – SCR: This should agree to the SCR amount reported in ASR220, A9.

Lines 9 & 10 – MCR cap and floor: MCR should fall between 25% (floor) and 45% (cap) of the syndicate's SCR as reported on line 8.

Line 23 – Absolute floor of the MCR: MCR reported shall have an absolute floor of:

(i) EUR 2,500,000 for non-life insurance undertakings, including captive insurance undertakings, except in the case where all or some of the risks included in one of the classes 10 to 15 listed in Part A of Annex 1 of the Solvency II Directive (2009/138/EC) are covered, in which case it shall be no less than EUR 3,700,000. Please refer to Appendix 1 of the Directive for the classes of business listed in Annex 1, Part A.

(ii) EUR 3,700,000 for life insurance undertakings, including captive insurance undertakings.

(iii) EUR 3,600,000 for reinsurance undertakings, except in the case of captive reinsurance undertakings, in which case the MCR shall be no less than EUR 1,200,000.

We would expect that life syndicates would report the absolute floor of the MCR (line 12) as EUR 3,700,000 but translated to GBP using the closing rate at the end of the period.

3.35 ASR522: Solvency Capital Requirement – for syndicates on full internal models (EIOPA ref: S.25.03.01)

Purpose of form: *This form reports the calculation of SCR using a full internal model.*

This form is required with respect to the prospective reporting year. For example, when reporting for the 2022 year end, the reporting year to be indicated on the form should be 2023 as the SCR being reported would relate to business due to be written in 2023. **The SCR to be reported should be the one year SCR amount, including any relevant one year capital add-ons.**

The risk components listed in the form are similar to those required in the Lloyd's Capital Return (LCR). Hence the amount reported in this form, per risk component, should agree to the amount reported in the

LCR submitted in September (including any agreed capital add-on) or a subsequent updated LCR that has been agreed with Lloyd's prior to the reporting year end date.

Component specific information (lines 1 to 5)

Unique number of component - Unique number of each component of the full internal model, agreed with their national supervisory authority to identify uniquely components from their model. This number shall always be used with the appropriate component description reported in each item C0020. Syndicates should use the codes provided in the specification.

Components description – Identification, using free text, of each of the components that can be identified by the undertaking within the full internal model. Each component shall be identified using a separate entry. Undertakings shall identify and report components consistently across different reporting periods, unless there has been some change to internal model affecting the categories. Syndicates should use the descriptions provided in the specification.

Net Solvency Capital Requirement - Amount of the net capital charge for each component, calculated by the full internal model, reflecting diversification within each component but not between components.

Consideration of the future management actions regarding technical provisions and/or deferred taxes - To identify if the future management actions relating to the loss absorbing capacity of technical provisions and/or deferred taxes are embedded in the calculation. The following closed list of options are available:

1 – Future management actions regarding the loss-absorbing capacity of technical provisions embedded within the component

2 – Future management actions regarding the loss-absorbing capacity of deferred taxes embedded within the component

3 – Future management actions regarding the loss-absorbing capacity of technical provisions and deferred taxes embedded within the component

4 - No embedded consideration of future management actions

Syndicates should always select <u>option 4</u>.

Calculation of the Solvency Capital Requirement

Line 6 –Total undiversified components: Sum of Line B1 to Line B5.

Line 7 – Diversification: The total amount of the diversification among components reported in Line B1 to B5 calculated using the full internal model. This amount does not include diversification effects inside each component, which shall be embedded in the values reported in Line B1 to B5. This amount should be negative.

Line 8 – Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC (transitional) deals with activities and supervision of institutions for occupational retirement provision. This does not apply to syndicates hence we would not expect any amount to be reported within this line.

Line 9 – Solvency capital requirement, excluding capital add-on: Amount of the total diversified SCR before any capital add-on. This should agree to the net SCR amount reported in the final LCR agreed with Lloyd's.

Line 10 – Capital add-ons already set: This is the amount of capital add-ons that had been agreed with Lloyd's by the reporting year end date of the ASR return. It will <u>not</u> include capital add-ons set between the reporting year end date and the submission of the return to Lloyd's.

Line 11 – Amount of total SCR calculated using internal model.

Line 12 & 13- Amount/estimate of the overall loss-absorbing capacity of technical provisions & Amount/estimate of the overall loss-absorbing capacity of deferred taxes**:** According to Article 108 of the Solvency II Directive, the only element to be considered as a "loss absorbing capacity of technical provisions" is the future discretionary benefits of insurance contracts. These two would not apply to syndicates so we would not expect syndicates to report any amount within these lines.

Line 14 – Total amount of Notional Solvency Capital Requirements for remaining part: Amount of the notional SCRs of remaining part when the undertaking has ring fenced funds. No amount should be reported here.

Line 15 - Total amount of Notional Solvency Capital Requirements for ring fenced funds: No amount should be reported on this line.

Line 16 – Net future discretionary benefits: These are amounts of technical provisions without risk margin in relation to future discretionary benefits **net** of reinsurance.

3.36 ASR923: Cash Transfer Statement

Purpose of form: *This form provides a detailed overview of Cash Transfer Statement.*

The Cash Transfer Statement must be completed in accordance with the instructions below.

Basis of completion

All syndicates with an open reporting year (naturally open or run-off) must use the ASR923 to report the open year transfers.

Open year profit transfers are at the discretion of the managing agent. Any transfers will be subject to the managing agent's sign-off that they have no liquidity or other concerns such as, for example, fundamental uncertainty regarding the ultimate outcome of the open year of account.

In making the decision to transfer monies from syndicate PTFs, managing agents will be exercising powers conferred on them by clause 14(b) (iv) of the PTD, clause 14(a) (ii) of the Lloyd's American Instrument and Article 4.1(D) of the LATD to direct the managing agent's trustees or the managing agent's dollar trustees to transfer funds from the syndicate PTFs and/or LDTFs and/or LATFs.

An agent must therefore act prudently and should ensure that it retains sufficient assets to cover its reasonable estimate of the liabilities. It should therefore be reasonably satisfied in making its decision that the retained assets will allow it to meet all liabilities as they are expected to fall due. In addition, by approving the cash transfer managing agents are providing a negative assurance that no material adverse development has occurred since the 31 December year end.

Completing the form

For the avoidance of doubt, if a syndicate is making an open year cash transfer, then the tick box "Confirmation of Open Year Profit Release" on the ASR923 for the year of account should be "ticked" and resulting validations on the form adhered to.

Where a managing agent proposes to make a transfer it must:

(i) Prepare cash flow projections for the business of the syndicate in order to satisfy itself that the transfer of syndicate funds will not cause cash flow difficulties in the future;

(ii) Complete and return ASR923 within the ASR;

(iii) Use the balance sheet rate of exchange for US Dollars in order to calculate the sterling equivalent of any cash transfer to be effected in US dollars.

Any cash* to be transferred from syndicate PTFs (Sterling, LDTF and, for life syndicates only, LATF) will be included for payment via Central Accounting Settlement on the same date as the closed year results are collected (*excluding where the members participate in accelerated profit distribution).

Managing agents should ensure that any open year profits transferred are in accordance with the profits in the underlying currency. Agents should not remit funds directly but ensure that their Central Settlement Accounts have sufficient funds to support settlement on the relevant date.

Impact of ASR002

The maximum available for transfer is the lower of the ASR002 (Solvency II Balance Sheet) column A or C line 90 for the relevant reporting year of account.

Agents must submit a hard copy ASR923 with the other hard copy reports relating to the ASR.

Lloyd's American Trust Fund (LATF) (Life syndicates only)

Transfers from open years will also be permitted from the LATF. Transfers from the LATF will be available for release into members' personal reserve fund (PRF) accounts to meet non LATF liabilities once the member is LATF solvent across all syndicate participations. The LATF solvency exercise is conducted centrally by Central Finance and Member Services. Where members are not LATF solvent, Market Services will retain any LATF balances in separate member level LATF accounts.

Transfers from the LATF cannot exceed any surplus reported on QMA250 line 28. Any LATF profits (either via DD File results or open year transfers) available for release are dependent upon completion of the LATF Solvency Test.

Approval

This form is to be signed by the agent's Compliance Officer and one Director for each reporting year where an entry is made on any of lines 4, 6 and 7 inclusive and is to be submitted to Lloyd's as part of the hard copy return. Hardcopies of all ASR923s are required, even where no transfer is to be made. This will avoid the need for us to contact any syndicates that report an open year solvency surplus but leave ASR923 blank, to check that this is the intention rather than an oversight. A nil return does not require board approval, the signature of one director or compliance officer will be sufficient.

Section 4: form instructions for Annual Solvency Return – Part B (ASB)

CSV upload requirements

ASB245, ASB246 and ASB247 shall be uploaded as one CSV as detailed in the technical specification. This methodology will streamline the upload of these forms and shall produce the summary playback data on the CMR system to review and print.

Please note, when creating the CSV for upload, if data exists (i.e. non zero values) for a currency and line of business combination, CMR requires all combinations of Underwriting Year and Development Year to be uploaded for that currency and line of business combination.

4.1 ASB010: Control page

Purpose of form: *This form collects/confirms basic information regarding the syndicate, including the syndicate number and managing agent.*

When you set up a return, you are required to enter a person as the contact for the return. Any queries on the return will be addressed to this person together with the person who clicks the action “sign off” prior to submission of the return.

Each syndicate will have a return Administrator. The Administrator is responsible for adding/amending contact details for the return. Please ensure that all contact details are correct. Details can be updated via the ‘Admin’ link on the Core Market Returns menu.

We do recognise, however, that persons signing off the return may not necessarily be those to whom queries should be sent to. If this is the case, please email Central Finance via Lloyds-SolvencyReturns@lloyds.com, with details of an alternative contact who will be included on the queries distribution list relating to the syndicate.

Due to the volume of data being reported in the ASB, this return is asynchronous. Hence syndicates will not be able to view the forms as they appear on the specifications, but will get playback summaries of the information loaded into CMR.

4.2 ASB245: Non-life insurance claims information - Claims paid (non-cumulative) (EIOPA ref: S19.01.01)

Purpose of form: *This form reports, for each line of business and material currency, development triangles for claims paid by pure underwriting year.*

This form is required for all reporting years combined. A split of gross amount, amount recoverable from reinsurance and net amount is required.

The default length of run-off triangle is 15+1 years for all lines of business (i.e. the 15 most recent pure years reported separately and all the earlier pure years reported in aggregate).

The information is required on a pure underwriting year basis.

Historical data is required. For the 31 December 2022 ASB, the earliest pure year required to be reported separately is 2008. Where a syndicate has liabilities relating to 2007 and earlier pure years, the amount for these years in aggregate should be entered on the ‘prior’ line. **Historical information should be converted at current year-end exchange rates for reporting of “CNV” currency (see ‘Currency’ section below)**.

In the case of RITC to/from another syndicate (both inwards and outwards), the ceding syndicate should only report claims paid up to the date of the RITC while the reinsuring syndicate should provide paid claims information from that date plus the historical information relating to underwriting years accepted through the RITC (as previously reported by the ceding syndicate). The ceding syndicate should restate the historical data submitted in the first reporting date after the RITC so as to eliminate paid claims related to underwriting years now RITC'd into another syndicate. For example, in the case of RITC as at 31 December 2022 into another syndicate, the ceding syndicate should submit full claims paid information for the reporting year 2022. However, when making the submission for the following reporting year (2023), the historical data should be adjusted to remove the paid claims amount relating to underwriting years transferred through the RITC as at 31 December 2022. This historical information will be required to be reported by the reinsuring syndicate from 31 December 2023 onwards.

RITC syndicates may not have historical information relating to claims paid pre RITC. Hence, Lloyd's would expect that accepting RITC syndicates would complete the claims paid triangle with available information i.e. from the date when they accepted RITC and for future RITC, they should ensure they obtain historical claims paid information from the ceding syndicate and complete the triangle as per above instructions.

Line of business: This form should be reported for each Solvency II line of business, but direct and accepted proportional reinsurance should be reported together. Hence there will a maximum of 16 lines of business (12 direct & proportional reinsurance and 4 non-proportional reinsurance lines of business).

Currency: There is a materiality threshold applicable in determining the number of currencies required to be reported. However, this materiality applies at the Lloyd's level and hence the following '6+1' currencies have been determined; USD, GBP, EUR, CAD, AUD, JPY and OTHER which must be reported irrespective of materiality to the syndicate. **The 6+1 currencies is to be reported in original currency (with 'OTH' currency in GBP)**.

Furthermore, the sum of the 6+1 currencies converted to GBP (i.e. "CNV" currency) is also required to be reported.

Gross claims paid (undiscounted): The data should be in absolute amount, non-cumulative (i.e. claims paid in the respective calendar year), and undiscounted. It should include all the elements that compose the claim itself but excludes any expenses (e.g. ALAE). The last diagonal will be automatically reflected in the "In Current year" column. The "Sum of years" contains the sum of all data in rows. This item should exclude annuity payments paid during the year that are reported in column C of ASR 289.

Reinsurance recoveries received: The amounts shall be considered after the adjustment for the counterparty default. It should include all the elements that compose the claim itself but excludes any expenses. The last diagonal will be automatically reflected in the "In Current year" column. This item should include any reinsurance recoverables on annuity payments paid during the year.

The "Sum of years" contains the sum of all data in rows ie cumulative claims/reinsurance recoveries for the pure year of account.

Net Claims Paid: This will automatically be populated based on the Gross and Reinsurance data provided.

Excluding any differences that arise due to use of different exchange rates between the ASB245 and QMA returns, Lloyd's expects the Total 'In-Current Year' for all lines of business, plus total annuity payments paid during the year reported in column C of ASR 289, should be less than or equal to the claims paid as per the QMA by YOA (due to the fact the ASB245 excludes all expenses). In other words, if the ASB245 and QMA had used the same exchange rates to calculate claims paid, then the Total 'In-Current Year' for all lines of business, plus annuity payments paid during the year reported in column C of ASR 289, should be less than or equal to the claims paid as per the QMA by YOA. The ASB245 should not be greater as SII requires all expenses (including ALAE) to be excluded.

4.3 ASB246: Non-life insurance claims information - Best estimate claims provisions (EIOPA ref: S19.01.01)

Purpose of form: *This form reports, for each line of business and material currency, development triangles for best estimate (undiscounted) claims provision by pure underwriting year.*

This form is required for all reporting years combined. A split of gross amount and recoverable from reinsurance should be provided.

The default length of run-off triangle is 15+1 years for all lines of business (i.e. the 15 most recent pure years reported separately and all the earlier pure years reported in aggregate).

The information will be required on a pure underwriting year basis.

Historical data, relating to year ends before the application of Solvency II (1 January 2016) is **not** required, but the number of year ends must ultimately extend to 15+1 years. So for the 31 December 2022 ASB, the best estimate claims provision must be reported as at 31 December 2020, 2021 and 2022. **Historical information should be converted at current year-end exchange rates for reporting of "CNV" currency (see 'Currency' section below)**.

In the case of RITC (both inwards and outwards), the ceding syndicate should only report gross undiscounted best estimate claims provisions up to the date of the RITC while the reinsuring syndicate should provide the gross undiscounted best estimate claims provisions from that date plus the historical information relating to underwriting years accepted through the RITC (as previously reported by the ceding syndicate). The ceding syndicate should restate the historical data submitted in the first reporting date after the RITC so as to eliminate undiscounted best estimate claims provisions related to underwriting years RITC'd. For example, in the case of RITC as at 31 December 2022, the ceding syndicate should submit full claims information (best estimate claims provisions) for the reporting year 2023. However, when making the submission for the following reporting year (2023), the historical data should be adjusted to remove the best estimate of claims provisions amount relating to underwriting years transferred through the RITC as at 31 December 2022. This historical information will be required to be reported by the reinsuring syndicate in the respective underwriting years.

Line of business: This form should be completed for the same lines of business as ASB245.

Currency: This form should be completed in the same currencies as ASB245 (i.e. **Lloyd's 6+1 material currencies reported in original currency (with 'OTH' currency in GBP), and the sum of the 6+1 currencies converted to GBP (i.e. "CNV" currency)**).

Gross Undiscounted Best Estimate Claims Provisions: This is the best estimate for claims provision relating to claims events that occurred before or at the valuation date irrespective of whether the claims arising from these events have been reported or not. The amounts included in the triangles should be in absolute amount, non cumulative and undiscounted, and the amount reported in the last diagonal will be automatically reflected in the "Year end (undiscounted)" column. Non-cumulative in this instance means each diagonal will represent the Best Estimate at the end of each year (as per the balance sheet). This item should <u>exclude</u> the best estimate in respect of annuity liabilities arising from non-life insurance business that is reported in column F of ASR 289.

Undiscounted Best Estimate Claims Provisions - Reinsurance recoverable: This is the reinsurance recoverables on the gross best estimate above. The amounts shall be considered after the adjustment for the counterparty default. The last diagonal will be automatically reflected in the "Year end (undiscounted)" column. This item should <u>include</u> any reinsurance recoverable best estimate in respect of annuity liabilities.

Discounting: This is the impact of discounting on the Gross Best Estimate Claims Provisions and the corresponding Reinsurance recoverables.

Net Undiscounted Best Estimate Claims Provisions: This will automatically be populated based on the

Gross and Reinsurance data provided.

For the gross best estimate claims provision, the "Year end (discounted data)" columns plus discounted Best Estimate of Annuities reported in column F of ASR289, should agree with the claims provisions as reported in ASR240, line 16 (Gross), plus annuities reported in ASR280/283, lines 3 (Gross),.

For the reinsurance recoverable best estimate claims provision, the "year end (discounted data)" columns should agree with the reinsurance recoverables as reported in ASR 240 line 24 (RI recoverable), plus annuities reported in ASR 280/283 line 8 (RI recoverable).

4.4 ASB247: Non-life insurance claims information - Reported But Not Settled (RBNS) (EIOPA ref: S19.01.01)

Purpose of form: *This form reports, for each line of business and material currency, development triangles for claims reported but not settled (RBNS) claims by pure underwriting year.*

This form is required for all reporting years combined. A split of gross claims, amounts recoverable from reinsurance and net claims should be provided.

RBNS: These are provisions in respect of claim events that have happened and been reported to the insurer, but have not yet been settled, excluding IBNR (incurred but not reported claims). These may be case-by-case reserves estimated by claim handlers and do not need to be on a best estimate Solvency II basis. For gross business only, RBNS excludes any part of an obligation that has been formally settled as an annuity, including where future annuity paymentsare still outstanding. Such liabilities are to be reported in column F of ASR 289.

The default length of run-off triangle is 15+1 years for all lines of business (i.e. the 15 most recent pure years reported separately and all the earlier pure years reported in aggregate).

The information will be required on an underwriting year basis.

Historical data is required. Hence, for the 31 December 2022 ASB, the earliest pure year required to be reported separately will be 2008. Where a syndicate has liabilities relating to 2007 and earlier pure years, the oldest year on the form should be taken to mean "prior years" i.e. where first year is 2022, the oldest year on the form would be shown as 2007 and this should be interpreted as "2007 and prior years". **Historical information should be converted at current year-end exchange rates for reporting of "CNV" currency (see 'Currency' section below)**.

In the case of RITC (both inwards and outwards), the ceding syndicate should only report RBNS claims amount up to the date of the RITC while the reinsuring syndicate should provide the RBNS claims information from that date plus the historical information relating to underwriting years accepted through the RITC (as previously reported by the ceding syndicate). The ceding syndicate should restate the historical data submitted in the first reporting date after the RITC so as to eliminate RBNS claims information related to underwriting years RITC'd. For example, in the case of RITC as at 31 December 2022, the ceding syndicate should submit full claims information (RBNS) for the reporting year 2022. However, when making the submission for the following reporting year (2023), the historical data should be adjusted to remove the RBNS claims amount relating to underwriting years transferred through the RITC as at 31 December 2022. This historical information will be required to be reported by the reinsuring syndicate in the respective underwriting years.

RITC syndicates may not have historical information relating to reported but not settled claims (RBNS) pre RITC. Hence, Lloyd's would expect that accepting RITC syndicates would complete the RBNS claims triangle with available information i.e. from the date when they accepted RITC and for future RITC, they should ensure they obtain historical RBNS claims information from the ceding syndicate and complete the triangle as per above instructions.

Line of business: This form should be completed for the same lines of business as ASB245.

Currency: This form should be completed in the same currencies as ASB245 (i.e. **Lloyd's 6+1 material currencies reported in original currency (with 'OTH' currency in GBP), and the sum of the 6+1 currencies converted to GBP (i.e. "CNV" currency)**).

Gross RBNS Claims: The data should be in absolute amount, non-cumulative and undiscounted. It should include all the elements that compose the claim itself but excludes any expenses (e.g. ALAE). The last diagonal will be automatically reflected in the "Year end (undiscounted)" column. Non-cumulative in this instance means that each diagonal will represent the RBNS at the end of each year (as per the balance sheet). This amount shall exclude gross liabilities in respect of gross annuity obligations arising from non-life insurance business that are reported in column F of ASR 289, i.e. there should be no gross outstanding claims reported in ASB 247 inrespect of gross annuity liabilities.

Reinsurance RBNS Claims: It should include all the elements that compose the claim itself but excludes any expenses. The amounts shall be considered before the adjustment for counterparty default (unlike ASB245 and 246 reinsurance recoveries which is disclosed after the adjustment for counterparty default). The last diagonal will be automatically reflected in the "Year end (undiscounted)" column.This amount should include any reinsurance RBNS claims in respect of annuity obligations arising from non-life insurance business.

Discounting: This is the impact of discounting on the Gross RBNS Claims and the corresponding Reinsurance recoverables. However, if the RBNS reported is not on a best estimate Solvency II basis, then the concept of discounting would not apply (i.e. enter discounting amount as zero). Discounting is only required for the RBNS in the current period (i.e. last diagonal).

Net RBNS Claims: This will automatically be populated based on the Gross and Reinsurance data provided.

We would expect the gross RBNS at the end of the current year (last diagonal), plus amounts in respect of outstanding claims within column F of ASR 289 to agree with the QMA 205, excluding adjustments for ALAE.

We would expect the reinsurance RBNS at the end of the current year (last diagonal) to agree with the QMA 201 excluding adjustments for ALAE and counterparty default.

4.5 ASB248: Non-life insurance claims information – Inflation rates (EIOPA ref: S.19.01.01)

Purpose of form: *This form reports additional information on inflation rates where a syndicate has used methods that take into account inflation to adjust data.*

This form is required for all reporting years combined. Historical information will be required for the 15 most recent pure years i.e. current year and the past 14 years.

The information is required on an underwriting year basis.

Historical data is required. For the 31 December 2022 ASB, the first pure year required to be reported separately is 2008.

Additional information- Inflation rates: Where a syndicate has used run-off techniques that explicitly take into account inflation in order to adjust data, it should disclose:

- historic inflation rate used to adjusted historical paid losses triangles

- future (expected) inflation rate used to increase the projected paid losses

For both historic/expected inflation rates, if used, the syndicate should indicate separately the estimate of:

- external inflation, which is the "economic" or "general" inflation, i.e. the increase of the price of goods and services in a specific economy (e.g. Consumer Price Index, Producer Price Index, etc.) and
- endogenous inflation, which is an increase of claim costs specific of the line of business under consideration.

Furthermore, syndicates are also required to enter a description of the inflation rate used through a form level comment on ASB248.

Section 5: form instructions for Annual Asset Data (AAD)

5.1 AAD010: Control page

Purpose of form: *This form collects/confirms basic information regarding the syndicate, including the syndicate number and managing agent.*

When you set up a return, you are required to enter a person as the contact for the return. Any queries on the return will be addressed to this person together with the person who clicks the action “sign off” prior to submission of the return.

Each syndicate will have a return Administrator. The Administrator is responsible for adding/amending contact details for the return. Please ensure that all contact details are correct. Details can be updated via the ‘Admin’ link on the Core Market Returns menu.

We do recognise, however, that persons signing off the return may not necessarily be those to whom queries should be sent to. If this is the case, please email Central Finance via Lloyds-SolvencyReturns@lloyds.com, with details of an alternative contact who will be included on the queries distribution list relating to the syndicate.

Due to the volume of data being reported in the AAD, this return is asynchronous. Hence syndicates will not be able to view the forms as they appear on the specifications, but will get playback summaries (AAD230s, AAD232s, AAD233s, AAD234s, AAD235s, AAD236s, AAD237s and AAD238s) of the information loaded into CMR.

5.2 AAD230: List of assets (Investment Data – Portfolio List) (EIOPA ref: S.06.02.01)

Purpose of form: *This form should reflect the list of all assets directly held by the syndicate (i.e. not on a look-through basis) and included in the balance sheet classifiable as asset categories 0 to 9 (i.e.CIC##0# to CIC##9#).*

This form is required for all years combined.

ASR002 balance sheet and AAD230 detailed asset listing must agree by asset category

For each syndicate level return, it is **essential** in the case of each category of asset reported on ASR002, that the amount reported on ASR002 agrees **exactly** with the total for the relevant category of asset reported on AAD230 as identified by CIC code on that form, by reference to the allocation of CIC codes as set out in the instructions for ASR002. The playback summary AAD230s, which is the summary of AAD230 by each asset category, can be used to reconcile between ASR002 and AAD230 and total Solvency II amount must agree between the two forms. The reconciliation must be done at each syndicate level return, not at managing agent level. Agents will be required to resubmit both ASR and AAD where this is not the case.

This template contains an item-by-item list of assets held directly by the syndicate (i.e. not on a look-through basis), classifiable as asset categories 0 to 9. In case of unit-linked and index-linked products managed by the syndicate (Lloyd’s does not expect these to arise), the assets to be reported are also only the ones covered by asset categories 0 to 9, e.g. recoverables and liabilities related to these products should not be reported. The following exceptions apply:

a) Cash in hand (CIC##71) shall be reported in one line per currency, for each combination of items (EIOPA cell reference: C0060, C0070, C0080 and C0090). Lloyd’s do not expect syndicates to report any significant amount with CIC #71;

b) Transferable deposits (cash equivalents) (CIC##72) and other deposits with maturity of less than one year shall be reported in one line per pair of bank and currency, for each combination of items (EIOPA cell reference: C0060, C0070, C0080, C0090 and C0290);

c) Mortgages and loans (CIC##8#) to individuals, including loans on policies, shall be reported in two lines, one line regarding loans to the administrative, management and supervisory body, for each combination of items (EIOPA cell reference: C0060, C0070, C0080, C0090 and C0290) and another regarding loans to other natural persons, for each combination of items C0060, C0070, C0080, C0090 and C0290);

d) Deposits to cedants (CIC##75) shall be reported in one single line, for each combination of items (EIOPA cell reference: C0060, C0070, C0080 and C0090);

e) Plant and equipment for the own use (CIC##95) of the syndicate shall be reported in one single line, for each combination of items (EIOPA cell reference: C0060, C0070, C0080 and C0090).

f) Cash balances collateralising Letters of Credit (LOCs) shall be reported with CIC XT79 in one line per pair of issuing bank and currency, for each combination of items (EIOPA cell reference: C0060, C0070, C0080, C0090 and C0290)

In the case of investment funds, these should be included in this form at a total level and not on a look-through basis, as the look-through is reported on AAD236 i.e. only one line per fund should be reported on this form.

This form will be used for reporting to the PRA as well as for collecting information required for the Lloyd’s Internal Model (LIM). To ensure that adequate information for the LIM is available, the original EIOPA template has been tailored to include fields to collect information on funds in syndicate (FIS). The two fields that have been added are market value (Non-FIS) and market value (FIS).

Syndicate loans

For the 2019 and 2020 years of account , there is a requirement for syndicates to make loans to the Central Fund (refer to market bulletin Y5236, Y5312 and Y5295 for further details). Lloyd’s considers that the loans meet the criteria to be recognisable as an asset under FRS 102 2.27 and meet the conditions to be recognisable as a basic financial instrument under FRS 102 section 11. Syndicates should report these loans as part of assets on their balance sheet, and these loans should be accounted for within “Syndicate loans to the Central Fund” on QMA 201 line 13 (part of financial investments). However, in QMA 002 it is expected that syndicate reclassify the loans into line 1, shares and other variable yield securities.

In order to maintain consistency, for Pillar 3 reporting purposes, the loans should be reported in ASR 002 line 10 (R0120) “Equities - unlisted” and classified as CIC code XT34 in the AAD 230.

Consistency of where syndicates report these loans is essential so that Lloyd’s can make required eliminations in production of the market financial statements and Pillar 3 returns.

Each tranche of loans should be reported separately on the AAD and identified using the appropriate asset ID code and item title.

The syndicate loans should be reported in the AAD230. Please use template attached in appendix 5 and update yellow cells according to guidance in instructions/specification, then copy and paste relevant rows into AAD 230 csv

Lloyd's managed and cash sweep investment funds

Funds managed by Lloyd's Treasury & Investment Management (LTIM) (ASL, Overseas Trust Funds and PTF Commingled Funds) will be reported as directly held assets and reported in AAD 230 with reduced look-through information provided by LTIM in AAD236.

Syndicates will receive the LMIF template from LTIM each quarter end containing the asset level data required for AAD230 and AAD236, which can also be used for AAD reporting at Q4. Syndicates need to input the value of the syndicate's holding within "Syndicate Valuation" on the summary tab and update the exchange rate. The new LMIF template will automatically populate your detailed AAD 230 form. When reporting these investments, please include the corresponding LMIF Fund Code in the "Fund Number" column. Detailed fund numbers and fund names are listed below. If you use LMIF templates for reporting, the fund number should be pre-populated.

Cash Sweep Investment Funds will continue to be reported as investment funds and look-through on AAD236 will be provided on the new LMIF templates.

For the key contact regarding LMIF data, please email:

TreasuryAnalysis@lloyds.com

Fund numbers and fund names

Additional Securities Limited (ASL)

The ASL Lloyd's Asia and ASL Singapore assets are managed together and should therefore be combined in your submission under ASL Singapore (ASLSG0001)

LMIF Fund Number	Investment Fund Name
ASLAU0001	ASL – Australia
ASLBS0001	ASL – Bahamas
ASLBR0001	ASL – Brazil
ASLKY0001	ASL - Cayman Islands
ASLGD0001	ASL – Grenada
ASLCN0001	ASL – China
ASLHK0001	ASL - Hong Kong
ASLNA0001	ASL – Namibia
ASLSG0001	ASL – Singapore
ASLVC0001	ASL - St Vincent & Grenadines
ASLCH0001	ASL – Switzerland
ASLTT0001	ASL – Trinidad

Overseas Securities Trust Funds (OSTF)

LMIF Fund Number	Investment Fund Name
AJATF2001	Australian JATF(2)
ATF000001	Australian Trust Fund

CMF000001	Canadian Margin Fund
ITF000001	Illinois Trust Fund
JATFRE001	JATF Reinsurance
JATFSL001	JATF Surplus Lines
KJATF0001	Kentucky JATF
KTF000001	Kentucky Trust Funds
SATTF0001	South Africa Transitional Fund
SATF00001	South Africa Trust Fund

PTF Commingled Funds

LMIF Fund Number	Investment Fund Name
PTFCA0001	Canadian PTF Commingled Account
LCBACA001	LCBA CAD Commingled Account
LCBAUS001	LCBA USD Commingled Account

Cash Sweep Investment Funds

As these are collective investment schemes these will continue to be reported in same way i.e. one line under CIC XL43 on the AAD 230 and one line under CIC XL39 on the AAD 236 on LMIF templates.

LMIF	Investment Fund Name
FIERACAD1	FIERA Canadian Dollar Short Term Blended Investment Account (RBC Sweep)
FIERAUSD1	FIERA US Dollar Short Term Blended Investment Account (RBC Sweep)
WALF00001	Western Asset (US Dollar) Liquidity Fund (WALF) previously Citi Institutional Liquidity Fund (CILF)
WAIGR0001	Western Asset Institutional Government Reserves (WAICR)

Issue Type

EIOPA does not provide specific CIC sub-categories for investments issued by government agencies, investments issued with a government guarantee, reverse repurchase agreements, securities with floating coupon or private equity investments, but Lloyd's requires these assets to be identified for modelling purposes. Therefore, please complete the Issue type field for agency, government guaranteed instruments, reverse repurchase agreements and floating rate notes as per the below table.

Asset Type	Issue Type
Agency	AGENCY
Floating Rate Notes	FRN
Government Guaranteed	GOVTGTD
Private Equity	PRIVEQ

Reverse Repurchase Agreements	REVREPO
Other	NA

Alternative Investment Funds

In addition to funds that follow the classification of CIC XX46 according to the EIOPA definition, any fund that contains assets considered private and that fall into the classification of issues types shown in the table below these should also be reported with a CIC code XX46. Look-through data should also be mapped to the issue types listed below.

Lloyd's are aware that for some alternative investment funds it is not deemed reasonable to obtain a look-through, in these cases please report the data as the CIC code that is most representative of the fund mandate, with the level of look-through **"M"** on the AAD 236 and use one of the following **Issue Types** if applicable (the same issue type can also be applied to the AAD 230). This instruction also applies to direct investments that are not part of a fund. In this case, please select the CIC code that is most appropriate and use the relevant issue type below. If none of the below Issue Types apply or if you are unable to assign a CIC code to the fund according to the investment mandate then please continue to report CIC XL39 and the level of look-through "O".

Description	Issue Type
High Yield and Emerging Market Debt Fund	HYEM
Emerging Market Debt Fund	EMDE
High Yield Debt Fund	HIYI
Hedge Fund	HEDG
Property Equity Fund	PREQ
Senior Secured Loans Fund	SSLS
Commodities Fund	COMM
Absolute Return Funds	ARF
Emerging Equity Central Fund (Lloyd's Internal Use Only)	EMCF
Generic private equity	PRIVEQ
PE: Venture capital strategy	PRIVEQ_VC
PE: Growth equity strategy	PRIVEQ_GR
PE: Buyout strategy	PRIVEQ_BO
Generic private debt	PRIVDT
PD: Distressed debt strategy	PRIVDT_DD
PD: Direct lending strategy	PRIVDT_DL
PD: Mezzanine strategy	PRIVDT_MZ
Infrastructure debt	PRIVDT_INF
Infrastructure generic (can incl. infrastructure equity)	INFRA

Timberland	TBLND
Forestry	FRSTRY
Real Estate	REALEST
Multi-Asset Private Asset Fund	PRIVASS
PD: Leveraged direct lending	PRIVDT_LDL**
PD: Read estate debt	PRIVDT_RE**

*** Note these are planned to be available from 2022 Q4*

An agency is a government-sponsored enterprise with an explicit full faith and credit guarantee from the Government. This means that there is an unconditional commitment by the government to back the interest and the principal of the debt issued by the agency. Therefore AGENCY Issue Type should be used only when **both** these conditions are satisfied:

- The issuer is a government-sponsored enterprise
- The issuer has an explicit full faith and credit guarantee from the Government

The Government National Mortgage Association (GNMA) is one example of agency that is currently backed by the full faith and credit of the U.S. government, therefore all the securities issued by this entity should have AGENCY Issue Type.

The Federal National Mortgage Association (FNMA) known as Fannie Mae and The Federal Home Loan Mortgage Corporation (FHLMC) known as Freddie Mac are examples of government sponsored entities that currently do not have an explicit full faith and credit guarantee from the U.S. government, therefore all the securities issued by this entity should have the Issue Type “NA”.

A government guaranteed instrument is issued by a simple corporation (e.g. Citibank). The only difference with a standard corporate bond is that it offers a full faith and credit guarantee that interest and principal payment will be made by the Government. In this case the syndicate should report GOVTGTD Issue Type.

For floating rate notes, Lloyd’s would expect the FRN Issue type to be used only for fixed income securities with a "simple" floating coupon (i.e. Coupon = LIBOR + % spread) and not for securities with a variable and more complex coupon (e.g. credit-linked notes and other structured products with the coupon linked to the performance of a reference asset - or basket of assets - to an index or to a specific event).

Where a floating rate note is also classifiable (as per the guidance above) as an agency bond or as a government guaranteed issue, please report the Issue type as AGENCY and GOVTGTD, respectively, rather than as FRN.

For reverse repurchase agreements, Lloyd’s also requires syndicates to identify the asset type of the collateral; when reporting a reverse repurchase agreement in AAD230, the CIC field should be completed using the asset class of the collateral. When reporting a reverse repurchase agreement in AAD236 the CIC and the Underlying asset category fields should also be completed using the asset class of the collateral.

Supra-national bonds

These are bonds issued by public institutions established by a commitment between national states, e.g. issued by a multilateral development bank as listed in Annex VI, Part 1, Number 4 of the Capital Requirements Directive (2006/48/EC) or issued by an international organisation listed in Annex VI, Part 1, Number 5 of the Capital Requirements Directive (2006/48/EC). These are:

Multilateral banks

- International Bank for Reconstruction and Development

- International Finance Corporation
- Inter-American Development Bank
- Asian Development Bank
- African Development Bank
- Council of Europe Development Bank
- Nordic Investment Bank
- Caribbean Development Bank
- European Bank for Reconstruction and Development
- European Investment Bank
- European Investment Fund
- Multilateral Investment Guarantee Agency.

International organisations

- European Community
- International Monetary Fund
- Bank for International Settlements.

Portfolio (C0060): Distinction between life, non-life, shareholders' funds, general (no split) and ring fenced funds.

Portfolio should be one of the closed list:

1 - Life (**L**)
2 - Non-life (**NL**)
3 - Ring fenced funds (**RF**)
4 - Other internal fund (**OIF**)
5 - Shareholders' funds (**SF**)
6 - General (**G**)

The split is not mandatory, except for identifying ring fenced funds, but shall be reported if the undertaking uses it internally. When an undertaking does not apply a split "general" shall be used. We do not expect syndicates have shareholders' funds.

Fund number (C0070): This is applicable to assets held in ring-fenced or other internal funds (defined according to national markets). If none is available this item shall not be reported, please leave cell blank. The number is attributed by the undertaking, corresponding to the unique number assigned to each fund. This number should be consistent over time and should be used to identify the funds in other templates.

For Lloyd's Managed Investment Funds (LMIF), this field must be reported using the correct fund number. This information can be found on page 94-96 or latest LMIF templates issued by LTIM.

Asset held in unit linked and index linked funds (Y/N) (C0090): There are two options for reporting i.e. "Y" or "N" and since syndicates do not write unit linked and index linked contracts, the option to be reported should be "N".

ID code (C0040): All assets reported in AAD230 should be allocated a unique ID code and where there are multiple holdings of the same asset these should be aggregated and reported as one line.

Asset ID code using the following priority:
- ISO 6166 code of ISIN when available. An ISIN code must the correct one for the reported instrument. It

must be 12 characters long, for example: “US5949181045”
- Other recognised codes (e.g.: CUSIP, Bloomberg Ticker, Reuters RIC)
- Code attributed by the undertaking, when the options above are not available. This code must be unique and kept consistent over time.

When the same Asset ID Code needs to be reported for one asset that is issued in two or more different currencies, it is necessary to specify the Asset ID code and the ISO 4217 alphabetic code of the currency, as in the following example for ID code reported was “**ISIN ID code+currency**” (i.e. UK1234567890+USD). Please note that the symbol “+” must be part of the code. The “ID code type” shall refer to option “CAU” and the option of original ID code type, therefore ID code type should be reported as “CAU/ISIN” not “ISIN”.

In the case of cash at bank, the bank account number may be used as ID code. Where this is not possible, a unique ID should be allocated and this should be used in all future submissions. In the case of investment funds, the ID code reported in this form should be the investment fund code (LMIF code if the fund is a LTIM fund or a cash sweep investment fund) and, for the same investment fund, this code should be the same as the investment fund code reported in AAD236.

ID code type (C0040): Type of ID Code used for the “Asset ID Code Type” item. One of the options in the following closed list must be used:

1 - **ISIN** (ISO 6166 for ISIN code)

2 - **CUSIP** (The Committee on Uniform Securities Identification Procedures number assigned by the CUSIP Service Bureau for U.S. and Canadian companies)

3 - **SEDOL** (Stock Exchange Daily Official List for the London Stock Exchange)

4 - **WKN** (Wertpapier Kenn-Number, the alphanumeric German identification number)

5 - **BT** (Bloomberg Ticker-Bloomberg letters code that identify a company's securities)

6 - **BBGID** (The Bloomberg Global ID)

7 - **RIC** (Reuters instrument code)

8 – **FIGI** (Financial Instrument Global Identifier)

9 - **OCANNA** (Other code by members of the Association of National Numbering Agencies)

10 - **CAU/INST/LMIF** (Cash Sweep Investment Funds – Western Asset & Fiera)

11 - **CAU/INST/LloydsCF** (Syndicate loans to the central fund)

13 - **CAU/CINS** (An extension to the CUSIP numbering system, which is used to uniquely identify securities offered outside of the United States and Canada)

99 – **CAU/INST** (Code attributed by the undertaking or unknown)

When the same “ID Code” needs to be reported for one asset that is issued in two or more different currencies, the “ID Code Type” shall refer to option “**CAU/ID code type**”. The following combination of ID code types should be used if one asset has been issued in two or more different currencies:

99/1-**CAU/ISIN** (Specific case for ISIN codes with two currencies)

99/2-**CAU/CUSIP** for same CUSIP code with two or more currencies

99/3-**CAU/SEDOL** for same SEDOL code with two or more currencies

99/4-**CAU/WKN** for same WKN code with two or more currencies

99/5-**CAU/BT** for same BT code with two or more currencies

99/6-**CAU/BBGID** for same BBGID code with two or more currencies

99/7-**CAU/RIC** for same RIC code with two or more currencies

99/8-**CAU/FIGI** for same FIGI code with two or more currencies

99/9-**CAU/OCANNA** for same OCANNA code with two or more currencies

99/TBC-**CAU/MAL** for multiple assets & liabilities

99/TBC-**CAU/INDEX** for indexes

This is presented in the CMR as a closed list and it is included in the reference data. For each investment fund, the ID code type reported on this form should be the same as the Investment fund code type reported in AAD236.

Assets pledged as collateral (C0100): This identifies assets in the balance sheet that have been pledged as collateral, i.e. collateral pledged (CP), collateral for reinsurance accepted (CR), collateral for securities borrowed (CB), repos (R) and not applicable (NA). For partially pledged assets two lines for each asset should be reported, one for the pledged amount and other for the remaining part.

Item title (C0190): Identify the reported item by filling the name of the asset (or the address in case of property), with the detail settled by the syndicate. This item is not applicable for CIC##95 – Plant and equipment (for own use) as those assets are not required to be individualised, CIC ##71 and CIC ##75**.**

Issuer name (C0200): An issuer is defined as the entity that offers securities representing parts of its capital, debt, derivatives etc., for sale to investors. In the case of cash at bank, the issuer name should be the name of the bank where the cash is held (CIC ##72). For investment funds, the issuer name is the name of the fund manager. This item is not applicable for Property (CIC category ##9#) and CIC code ##71, ##75.

Issuer code (C0210): This should be completed with legal entity identifier (LEI) code. Where a code does not exist, syndicates should leave this field blank. LEI is a unique identifier (20-digit, alpha-numeric code) associated with a legal person or structure that is organized under the laws of any jurisdiction (excluding natural persons) and created in accordance with the international standard ISO 17442. LEIs will enable consistent and unambiguous identification of parties to financial transactions, including non-financial institutions. LEI codes must be valid codes. Any invalid codes will result in the return being rejected.

Issuer code type (C0210): This is the type of issuer code must be reported as "LEI" or "None". Where the issuer code field was left blank because the code does not exist, "None" must be reported in this field.

Issuer sector (C0230): Please identify the economic sector of issuer based on the latest version of NACE code (as published in an EC Regulation). Please see Appendix 4 for NACE codes. NACE codes should not be used where there is a "No" in the "usable" column. This is applies to a small number of NACE codes.

The letter reference of the NACE code identifying the Section shall be used as a minimum for identifying sectors (e.g. 'A' or 'A0111' would be acceptable) except for the NACE relating to Financial and Insurance activities (**K** category), for which the letter identifying the Section followed by the 4 digits code for the class shall be used (e.g. 'K6419').

The following shall be considered:

- Regarding CIC category 4 – Collective Investments Undertakings, the issuer sector is the sector of the fund manager;
- Regarding CIC category 7 – Cash and deposits (excluding CIC##71 and CIC##75), the issuer sector is the sector of the depositary entity;
- Regarding CIC category 8 – Mortgages and Loans, other than mortgage and loans to natural persons the information shall relate to the borrower;
- This item is not applicable for CIC##71, CIC##75 and CIC category ##9# – Property;

- This item is not applicable to CIC category ##8# Mortgages and Loans, when relating to mortgage and loans to natural persons.

This item is not applicable for CIC code ##71, ##75, ##9#. If it is not applicable, please leave the cell **blank**.

Issuer group (C0240): This is the name of the ultimate parent undertaking of the issuer. For cash at bank, the group is in relation to the ultimate parent undertaking of the bank. For investment funds, the group relation is in relation to the fund manager. This item is not applicable for CIC##9#, ##71, ##75, please leave the cell **blank**.

Issuer group code (C0250): This is legal entity identifier (LEI) code. Where a code does not exist, syndicates should leave this field **blank**. LEI codes must be valid codes. Any invalid codes will result in the return being rejected.

Issuer group code type (C0250): This is the type of the issuer group code i.e. LEI or None. Where the issuer group code field was left blank because the code does not exist or not applicable, “None” must be reported in this field. This item is not applicable for CIC ##9#, ##71, ##75. If it is not applicable, “None” must be reported in this field.

Issuer country (C0270): This is the country where the legal seat of issuer is located. For investment funds, the country is relative to the fund’s manager. The legal seat, for this purpose, should be understood as the place where the issuer head office is officially registered, at a specific address, according to the commercial register (or equivalent). The International Organisation for Standardisation (ISO) alpha 2 codes should be used, i.e. two letter country codes. For example, “US” to denote United States, except for supranational issuers and European Union institutions where “XA” and “EU” should be used respectively. This item is not applicable for CIC ##8#, ##9#, ##71, ##75, please leave the cell **blank**.

Country of custody (C0110): This is ISO 3166–1 alpha–2 code of the country where undertaking assets are held in custody. For identifying international custodians, such as Euroclear, the country of custody will be the one where the custody service was contractually defined. Where there are multiple custodians, the country of the biggest custodian should be reported i.e. one that holds securities with the highest value. This item is not applicable for CIC##71, ##75, ##95 and ##8#. If custodian is reported, country of custody must also be reported otherwise, if it is not applicable, please leave the cell **blank**.

Regarding COC Category 9, excluding CIC 95 – Plant and equipment (for own use), the issuer country is assessed by the address of the property.

Currency (ISO code) (C0280): This is the currency of the issue and the code should be the ISO code as defined in ISO 4217 alphabetic code, for example, USD for US dollars. This item is not applicable for CIC ##8#, ##75 and ##95. Regarding CIC category 9, excluding CIC ##95, the currency corresponds to the currency in which the investment was made.

CIC (C0290): This refers to Complementary Identification Code (CIC) and it is the EIOPA Code used to classify securities. Please see Appendix 1 for the CIC table. When classifying an asset using the CIC table, syndicates should take into consideration the most representative risk to which the asset is exposed. The code should comprise of four characters, for example, ES15 denoting, treasury bonds listed in Spain. When identifying the location of the asset, the country ISO code where the asset is traded should be used. When determining CIC for supranational issuers and European Union institutions “XA” and “EU” should not be used, but instead the country ISO code where the security is traded/listed should be used. If this is traded in more than one country, then the country used for valuation reference should be used.

Holdings in related undertakings, including participations (Participation) (C0310): This is defined in Article 13(20) of the Solvency II Directive as “ownership, direct or by way of control, of 20% or more of the voting rights or capital of an undertaking”.

Please identify if an equity and other share is a participation. One of the options in the following closed list shall be used:

1 - Not a participation

2 - Is a participation, not in a collective investment undertaking

3 - Is a participation, in a collective investment undertaking

Lloyd's would not be expecting any syndicate to have participations hence the expected selection is "1".

External rating (C0320): This is the issue rating of the asset at the reporting reference date as provided by the nominated credit assessment institution (ECAI). Applicable to CIC categories ##1#, ##2#, ##5# and ##6# and ##8# (Mortgages and Loans, other than mortgages and loans to natural persons), where available. The syndicate must report the external rating (only the rating symbol, without any outlook) that in their perspective is best representative and used internally for SCR calculations. If an issue rating is not available, "NR" should be reported. The rating reported should be as per the closed list provided in the CMR as part of the reference data.

Syndicates do not necessarily need access to the ratings for all three rating agents mentioned as long as you have sufficient coverage (including ratings provided in LMIF templates) to ensure that you can assign a rating from at least one of the rating agents to cover 95% of the overall Solvency II amount for assets modelled as corporate bonds which are as follows: CIC Asset Categories ##1#, ##2#, ##5#,##6# and ##8# excluding CIC Sub Categories ##11, ##13, ##15, ##16, ##24, ##51, ##56, ##57, ##58, ##59 as these are not modelled as corporate bonds.

This item is not applicable to assets for which undertakings using internal model use internal ratings. If undertakings using internal model do not use internal rating, this item shall be reported.

Nominated ECAI (Rating agency) (C0330): This is the rating agency giving the external rating and should be selected from a closed list provided in the CMR as part of the reference data. Applicable at least to CIC categories 1, 2, 5, 6 and 8 (Mortgages and Loans, other than mortgages and loans to natural persons), where available. This item shall be reported when External rating (C0320) is reported.

Syndicates do not necessarily need access to the ratings for all three rating agents mentioned as long as you have sufficient coverage to ensure that you can assign a rating from at least one of the rating agents to cover 95% of the overall Solvency II amount for assets modelled as corporate bonds which are as follows: CIC Asset Categories ##1#, ##2#, ##5#, ##6#and ##8# excluding CIC Sub Categories ##11, ##13, ##15, ##16, ##24, ##51, ##56, ##57, ##58, ##59 as these are not modelled as corporate bonds. Similar to the external rating, where a security is not rated, "N/A" should be reported.

Duration (C0360): This is the 'residual modified duration' in years. Modified duration calculated based on the remaining time for maturity of the security, counted from the reporting reference date. For assets without fixed maturity the first call date should be used. Effective duration can be used if the bond has an embedded option. The duration shall be calculated based on economic value. Only applies to CIC categories 1, 2, 4 (when applicable, e.g. for collective investment undertakings mainly invested in bonds), 5 and 6.

There has been a validation severity change from warning to error, where duration should be zero, when CIC category is: ##3#, ##7#, ##8# or ##9#.

Quantity (C0130): This depends on the type of assets (e.g. number of shares for equity or number of units for investment funds). Quantity shall not be reported if Total par amount is reported. This item must be reported for CIC ##3# and ##4#.

Par amount (C0140): This field was introduced in the template so as to separate quantity (for shares and investment funds). Principal amount outstanding measured at par amount, for all assets where this item is applicable, and at nominal amount for CIC code ##72, ##73, ##74, ##75, ##79 and ##8. This item must be reported as greater than '0' for CIC ##1#, ##2#, ##5#, ##6#, ##7#, ##8# and ##9#.

Unit Solvency II price (C0370): This depends on the type of assets (amount in GBP for shares or units held in investment funds). This is not applicable for CIC categories ##1#, ##2#, ##5#, ##6#, ##7#, ##8# and ##9#.

Unit Percentage of Par Amount Solvency II (C0380): Amount in percentage of par value, clean price without accrued interest, for the asset, if relevant. Percentages must be reported using **decimal notation** rather than in percentages (e.g. 9.31% must be reported as 0.0931).

Where CIC character 3 is ##09, ##1#, ##2#, ##5#, ##6#, ##7#, ##8# or ##9# then Percentage of Par Solvency II Value should be greater than zero.

This item shall be reported if a "Par amount" information has been provided.

This item shall not be reported if item "Unit Solvency II price" is reported.

Valuation method (C0150): Identify the valuation method used when valuing assets. One of the options in the following closed list shall be used:

1 - QMP (quoted market price in active markets for the same assets)

2 - QMPS (quoted market price in active markets for similar assets)

3 - AVM (alternative valuation methods)

4 - AEM (adjusted equity methods - applicable for the valuation of participations)

5 - IEM (IFRS equity methods - applicable for the valuation of participations)

6 - MV (Market valuation according to Article 9(4) of Delegated Regulation 2015/35)

Acquisition value (C0160): Total acquisition value for assets held, clean value without accrued interest. This is not applicable to CIC categories ##7# and ##8#.

Total Solvency II amount (C0170): This is the Solvency II value of the investments and value calculated as defined by article 75 of the Directive 2009/138/EC. This corresponds to:

- The multiplication of "Quantity" by "Unit Solvency II price" plus "Accrued interest" if applicable (Quantity x Unit Solvency II price + Accrued interest) for the following CIC categories; ##3# and ##4#. It must also be equal to the sum of Market value (Non-FIS), Market value (FIS) and Accrued interest; or
- The multiplication of "Total par amount" (principal amount outstanding measured at par amount or nominal amount) by "Unit Percentage of Par Amount Solvency II Price" plus "Accrued interest" (Par amount x Unit Percentage of Par Amount Solvency II Price + Accrued interest) for the following CIC categories; ##1#, ##2#, ##5#,##6#, ##7#, ##8# and ##9#. It must also be equal to the sum of Market value (Non-FIS), Market value (FIS) and Accrued interest.
- **Please note, the return will be queried or required to be resubmitted if there is greater than 1000/-1000 deviation between Total Solvency II amount and value calculated by use of the above formulae**.
- For assets under CIC code ##71 and ##9#, this shall indicate the Solvency II value of the asset.

Maturity date (C0390): This is only applicable for CIC categories ##1#, ##2#, ##5#, ##6#, ##8#, ##74, ##79 and corresponds always to the maturity date, even for callable securities. Maturity data should be blank (not reported) for CIC categories: ##3#, ##4#, ##71, ##72, ##73, ##75, ##9# and ##09. For asset-backed securities syndicates are requested to report the expected maturity date, rather than the final (legal) maturity date. The date should be reported in ISO date format i.e. YYYY/MM/DD and for perpetual securities, the date should be reported as 9999/12/31. This date should be greater than the reporting end date.

Accrued interest (C0180): Quantify the amount of accrued interest after the last coupon date for interest bearing assets. This value is also part of item Total Solvency II amount.

Market value (Non-FIS): This is the market value (clean value) of the securities held in the premium trust funds (PTFs) in respect of open and run-off reporting years of account. Where the valuation basis adopted in the QMA is the same as that required for Solvency II, the total market value (Non-FIS) should tie back to the amounts reported in the QMA201.

Market value (FIS): This is the market value (clean value) of the securities held as, either separately or commingled within the syndicates PTFs, in respect of funds in syndicates (FIS). Where the valuation basis adopted in the QMA is the same as that required for Solvency II, the total market value (FIS) should tie back to the amounts reported in the QMA202.

Where securities are commingled, that is, investments in respect of FIS and open/run-off years of account (Non-FIS) are not managed separately, only one entry per security should be reported with the amounts presented in the appropriate columns.

Issue type: This is the means of identifying investments issued by a government agency, government guaranteed bonds, floating rate notes, private equity, alternative investment funds and reverse repurchase agreements for capital modelling purposes. Please use the appropriate code as listed on page 95. If none of the specific options is applicable please report "NA".

Matching portfolio numbers (C0080): Number which is attributed by the undertaking, corresponding to the unique number assigned to each matching adjustment portfolio as prescribed in Article 77b(1)(a) of Directive 2009/138/EC. This number has to be consistent over time and should be used to identify the matching adjustment portfolio in other templates. It shall not be re-used for a different matching adjustment portfolio.

The Lloyd's market does not currently hold any matching adjustment portfolio therefore we expect nothing to be reported in this field. Please leave this field blank, and should the situation change, then the syndicate should inform Lloyd's prior to making the quarterly submission.

Custodian (C0120): Name of the financial institution that is the custodian.

In case of the same asset being held in custody in more than one custodian, each asset shall be reported separately in as many lines as needed in order to properly identify all custodians. However, the same ISIN code with the same currency shall be aggregated into one line entry and reported with the most representative custodian within that line. For the same ISIN code that has more than one currency, please report the ID code as "**ISIN code+currency code**", as in the following example: "**UK1234567890+USD**". Please note that the symbol "+" must be part of the code. Please report ID code type as "CAU/ISIN"

When available, this item corresponds to the entity name in the LEI database. When this is not available it corresponds to the legal name.

This item is not applicable for CIC category 8 – Mortgages and Loans , CIC 71, CIC 75 and for CIC category 9 – Property.

Infrastructure investment (C0300); Please identify if the asset is an infrastructure investment.

Infrastructure investment is defined as investments in or loans to utilities such as toll roads, bridges, tunnels, ports and airports, oil and gas distribution, electricity distribution and social infrastructure such as healthcare and educational facilities.

One of the options in the following closed list shall be used:

1 – Not an infrastructure investment (NII)

2 – Infrastructure non-qualifying: Government Guarantee (Government, Central bank, Regional government or local authority)

3 – Intrastructure non-qualifying: Government Supported including Public Finance Initiative (Government, Central bank, Regional government or local authority)

4 – Infrastructure non-qualifying: Supranational Guarantee/Supported (ECB, Multilateral development bank, International organisation)

9 - Infrastructure non-qualifying: Other non-qualifying infrastructure loans or investments, not classified under the above categories

12 - Infrastructure qualifying: Government Guarantee (Government, Central bank, Regional government or local authority)13 – Intrastructure qualifying: Government Supported including Public Finance Initiative

14 – Infrastructure qualifying: Supranational Guarantee/Supported (ECB, Multilateral development bank, International organisation)

19 - Infrastructure qualifying: Other not covered above

20 – European Long Term Investment Fund (ELTIF investing in infrastructure assets and ELTIF investing in other – non infrastructure – assets)

Please note "number" must be entered as accepted value.

Credit quality step (C0340): Please identify the credit quality step attributed to the asset, as defined by article 109a(1) of Directive 2009/138/EC. This is only applicable to any assets which credit quality step needs to be attributed for the purpose of SCR calculation.

The credit quality step shall in particular reflect any readjustments to the credit quality made internally by the undertakings that use the standard formula.

This item is not applicable to assets for which undertakings using internal models use internal ratings. If undertakings using internal models do not use internal ratings, this item should not be reported.

One of the options in the following closed list shall be used:

0 - Credit quality step 0

1 - Credit quality step 1

2 - Credit quality step 2

3 - Credit quality step 3

4 - Credit quality step 4

5 - Credit quality step 5

6 - Credit quality step 6

9 - No rating available

Internal rating (C0350): Internal rating of assets for undertakings using an internal model to the extent that the internal ratings are used in their internal modelling. If an internal model undertaking is using solely external ratings this item shall not be reported.

This is applicable at least to CIC categories 1, 2, 5, 6 and 8 (Mortgages and Loans, other than mortgages and loans to natural persons), where available.

Where internal rating is not available, "NR" should be reported.

SCR calculation approach for CIU (C0292): We expect all syndicates to select option 9. If a managing agent believes another option is appropriate this should be discussed with Lloyd's prior to submission.

Options 1 – 4 are only applicable to CIC category ##4#, all other CIC codes should report “9” – Not applicable.

If applicable, please identify the approach taken for the SCR calculation for the purposes of the look-through required in AAD236 (S.06.03.01), from the options below:

1 - A full look through was applied for the purposes of SCR calculation according to 84(1) of Delegated Regulation 2015/35;

2 - “Simplified” look through was applied on the basis of the target underlying asset allocation or last reported asset allocation and for which the data groupings is used according to 84(3) of Delegated Regulation 2015/35;

3 - “Simplified” look through was applied on the basis of the target underlying asset allocation or last reported asset allocation and for which no data groupings is used according to 84(3) of Delegated Regulation 2015/35;

4 - “Equity risk type 2” was applied article 168(3) of Delegated Regulation 2015/35;

9 - Not applicable, to be reported by all CIC excluding ##4#.

Asset liquidity: Should state the expected number of days in which an asset can be redeemed for cash in a normal market environment. Applicable to CIC categories ##1#, ##2#, ##3#, ##5#, ##6#, ##7#, ##8#, ##9#, ##0#.

Where the asset is CIC ##4#, the weighted average number of days in which the underlying assets within the fund can be redeemed for cash should be stated.

One of the options in the following closed list shall be used:

Description	Asset Liquidity
0-7 days	0 to 7
8-30 days	8 to 30
31-90 Days	31 to 90
91-360 Days	91 to 360
More Than 360 Days	Illiquid

Where the asset is a Syndicate Loan to the Central Fund, the liquidity that should be reported is the time to maturity.

Fund Redemption Frequency: Asset liquidity should state the expected number of days in which an holding of a fund can be redeemed for cash in a normal market environment. Only applies to CIC ##4#. N/A should be selected for all other CIC codes.

One of the options in the following closed list shall be used:

Description	Asset Liquidity
0-7 days	0 to 7
8-30 days	8 to 30
31-90 Days	31 to 90

91-360 Days	91 to 360
More Than 360 Days	Illiquid
Not Applicable	N/A

Trust Fund Name: The relevant fund in which the asset is held should be reported. "OTH" should only be reported where the trust fund is not listed below. Where "OTH" has been reported, submission quality tests queries will require the market participant to state the relevant trust.

Where the asset is a member asset which is held in syndicate (FIS) and is reported alongside PTF assets in the same line, the relevant PTF fund should be selected.

Where the asset is a syndicate loan to the Central Fund, "CF" should be reported.

Where the asset sits across more than one trust fund, the position should be reported as <u>one line per trust fund holding</u>

Region	Trust Description	Trust Code	Working/Deposit
United States Trust Deeds	Illinois Trust Fund	ILLTF	Deposit
	Kentucky Trust Funds	KENTF	Deposit
	Kentucky JATF	KENJATF	Deposit
	Lloyd's Dollar Trust Fund	LDTF	Working
	Surplus Lines Trust Deed	SLTF	Deposit
	JATF Surplus Lines	JATFSL	Deposit
	Credit for Reinsurance Trust Fund*	CRTF	Deposit
	JATF Credit for Reinsurance*	JATFCR	Deposit
	LATF (Long term)	LATF	Working
Canadian Trust Deeds	Canadian Margin Fund	CANMF	Deposit
	Lloyd's Canadian Trust Fund	LCTF	Working
Australian Trust Deeds	Australian Trust Fund & New Business Fund	AUSTF	Deposit
	Australian JATF (2)	AUSJATF	Desposit
Asia Trust Deeds	Asia (Singapore policies) instrument*	ASPI	Working
	Asia (offshore policies) instrument*	AOPI	Working
South African Trust Deeds	South African Trust Fund	SATF	Deposit
	South African Transitional Fund	SATLF	Deposit
ASL Deposits	Australia	ASLAUD	Deposit
	Bahamas	ASLBBD	Deposit
	Brazil	ASLBRL	
	Cayman Islands	ASLKYD	Deposit
	China	ASLCHN	Deposit
	Grenada	ASLGRD	Deposit
	Hong Kong	ASLHKD	Deposit
	Namibia	ASLNAD	Deposit
	Singapore	ASLSGD	Deposit
	St Vincent & Grenadines	ASLSVG	Deposit
	Switzerland	ASLCHF	Deposit
	Trinidad & Tobago	ASLTTD	Deposit
	Other	ASLOTH	

UK Trust Deeds	Premium Trust Deed (General Business)*	PTDGB	Working
	Premium Trust Deed (Long-Term Business)*	PTDLTB	Working
	UK PTF Managing Agent Sub-Fund	UKMA	Working
	UK PTF Personal Reserve Fund	UKPRF	
	Member Funds (FAL & FIS)	MFFF	
	Central Fund	CF	
	Other	OTH	

5.3 AAD232: Structured Products Data - Portfolio List (EIOPA ref: S.07.01.01)

Purpose of form: *This form reports specific detailed analysis of structured products, taking into account their specific characteristics.*

This form is required for all reporting years combined.

This template contains an item-by-item list of structured products held directly by the undertaking in its portfolio (i.e. not on a look-through basis). Structured products are defined as assets falling into the asset categories 5 (Structured notes) and 6 (Collateralised securities). Therefore for each asset listed on AAD232, the corresponding asset within AAD230 should have a CIC code of ##5# or ##6#.

At Lloyd's level, this template shall only be reported when the amount of structured products, measured as the ratio between assets classified as asset categories 5 (Structured notes) and 6 (Collateralised securities) as defined in Annex IV – Asset Categories - of the Commission Implementing Regulation (EU) 2015/2450 and the sum of items 'Total of Investments' (ASR002, line C30) and 'Assets held for index-linked and unit-linked contracts' (ASR002, line C31) of the Solvency II Balance Sheet, is higher than 5%. **This threshold only applies at Lloyd's level so all syndicates will be required to complete this form regardless of materiality to the syndicate.**

In some cases the types of structured products (column B) identify the derivative embedded in the structured product. In this case this classification shall be used when the structured product has the referred derivative.

Asset ID code: This is the identification code of the structured product, as reported in AAD230 using the following priority:

- ISO 6166 code of ISIN when available. An ISIN code must the correct one for the reported instrument. It must be 12 characters long, for example: "US5949181045"
- Other recognised codes (e.g.: CUSIP, Bloomberg Ticker, Reuters RIC)
- Code attributed by the undertaking, when the options above are not available. This code must be unique and kept consistent over time.

When the same Asset ID Code needs to be reported for one asset that is issued in two or more different currencies, it is necessary to specify the Asset ID code and the ISO 4217 alphabetic code of the currency, as in the following example: "**ISIN ID code+currency**" (i.e. UK1234567890+USD). Please note that the symbol "+" must be part of the code. The "Asset ID code type" shall refer to option "CAU" and the option of original Asset ID code type, for example "CAU/ISIN" not "ISIN".

Asset ID code type: Type of ID Code used for the "Derivative ID Code" item. One of the options in the following closed list must be used:

1 - ISIN (ISO 6166 for ISIN code)

2 - CUSIP (The Committee on Uniform Securities Identification Procedures number assigned by the CUSIP Service Bureau for U.S. and Canadian companies)

3 - SEDOL (Stock Exchange Daily Official List for the London Stock Exchange)

4 - WKN (Wertpapier Kenn-Number, the alphanumeric German identification number)

5 - BT (Bloomberg Ticker-Bloomberg letters code that identify a company's securities)

6 - BBGID (The Bloomberg Global ID)

7 - RIC (Reuters instrument code)

8 – FIGI (Financial Instrument Global Identifier)

9 - OCANNA (Other code by members of the Association of National Numbering Agencies)

10 - CAU/INST/LMIF(Cash Sweep Investment Funds – Western Asset & Fiera)

13 -CAU/CINS (An extension to the CUSIP numbering system, which is used to uniquely identify securities offered outside of the United States and Canada)

99 – CAU/INST (Code attributed by the undertaking or unknown)

When the same “ID Code” needs to be reported for one asset that is issued in 2 or more different currencies, the “ID Code Type” shall refer to option “**CAU/ID code type**”. The following combination of ID code types should be used if one asset has been issued in 2 or more different currencies:

99/1 - **CAU/ISIN** (Specific case for ISIN codes with two currencies)

99/2 - **CAU/CUSIP** for same CUSIP code with two or more currencies

99/3 - **CAU/SEDOL** for same SEDOL code with two or more currencies

99/4 - **CAU/WKN** for same WKN code with two or more currencies

99/5 - **CAU/BT** for same BT code with two or more currencies

99/6 - **CAU/BBGID** for same BBGID code with two or more currencies

99/7 - **CAU/RIC** for same RIC code with two or more currencies

99/8 - **CAU/FIGI** for same FIGI code with two or more currencies

99/9 - **CAU/OCANNA** for same OCANNA code with two or more currencies

99/TBC-**CAU/MAL** for multiple assets & liabilities

99/TBC-**CAU/INDEX** for indexes

This is presented in the CMR as a closed list and it is included in the reference data.

Type of structured product: This identifies the type of structure product and must be reported as per the following closed list:

- CLN (credit linked notes and deposits) – This is a security or deposit with an embedded credit default swap allowing the issuer to transfer a specific credit risk to credit investors
- CMS (constant maturity swaps) – This is a security with an embedded interest rate swap, where the floating interest portion is reset periodically according to a fixed maturity market rate
- ABS (asset backed securities) – This is a security that has an asset as collateral
- MBS (mortgage backed securities) – This is a security that has real estate as collateral

- CMBS (commercial mortgage backed securities) – This is a security that has real estate as collateral such as retail properties, office properties, industrial properties, multifamily housing and hotels
- CDO (collateralised debt obligations) – This is a structured debt security backed by a portfolio consisting of secured or unsecured bonds issued by corporate or sovereign obligators, or secured or unsecured loans made to corporate commercial and industrial loan costumers of lending banks
- CLO (collateralised loan obligations) – This is a security that has underlying a trust of a portfolio of loans where the cash-flows from the security are derived from the portfolio
- CMO (collateralised mortgage obligations) - This is an investment-grade security backed by a pool of bonds, loans and other assets
- IRLN (Interest rate-linked notes and deposits)
- ELN (Equity-linked and Equity Index Linked notes and deposits)
- FXCLN (FX and commodity-linked notes and deposits)
- HLN (Hybrid linked notes and deposits - includes Real Estate and equity securities)
- MLN (Market-linked notes and deposits)
- ILN (Insurance-linked Notes and deposits, including Catastrophe and Weather Risk as well as Mortality Risk)
- O (Other)

Capital protection: Identify whether the product has capital protection (Yes, Partial, No).

Collateral Value: Total amount of collateral attached to the structured product despite the nature of the collateral. In case of collateralisation on a portfolio basis, only the value referred to the single contract must be reported and not the total.

Collateral portfolio: Identify if the collateral to the structured product covers only one structured product or more than one structured product that is held by the syndicate. Select from the following closed list:

- Collateral calculated on the basis of net positions resulting from a set of contracts
- Collateral calculated on the basis of a single contract
- No collateral

Underlying security/index/portfolio: This describes the type of underlying security using the following closed list:

- EF - Equity and Funds (a selected group or basket of equities)
- Cu - Currency (a selected group or basket of currencies)
- IR - Interest rate and yields (bond indices, yield curves, differences in prevailing interest rates on shorter and longer-term maturities, credit spreads, inflation rates and other interest rate or yield benchmarks)
- Co - Commodities (a selected basic good or group of goods)
- In - Index (performance of a selected index)
- O - Other (other economic indicators)
- M - Multi (allowing for a combination of the possible types listed above)

Callable or Putable: This provides details of whether the product has a call and/or put features, or both. Syndicates should select from the closed list:

CBB – Call by the buyer

CBS – Call by the seller

PBB – Put by the buyer

PBS – Put by the seller

ANY – Any combination of the previous options

If there are no call and/or put features, please leave the field **blank**.

Synthetic structured product (Y/N): This identifies structured products without transfer of any assets (e.g. products that will not give rise to any delivery of assets if an adverse / favourable event occurs).

Prepayment structured product (Y/N): This identifies structured products which have the possibility of prepayment, considered as an early unscheduled return of principal.

Fixed Annual Return: This identifies the coupon (if applicable) for CIC categories 5 (Structured Notes) and 6 (Collateralised Securities). This should be reported as a decimal.

Variable Annual Return: This identifies the variable rate of return (if applicable) for CIC categories 5 (Structured Notes) and 6 (Collateralised Securities). Identified commonly as a benchmark market rate plus a spread, or as dependent on the performance of a portfolio or index (underlying dependent) or more complex returns set by the path of the underlying asset's price (path dependent), among others.

Loss given default: This is the contractually defined percentage (reported as a decimal, e.g. 5% shall be reported as 0.05) of the invested amount that will not be recovered following default, if applicable.

If information is not defined in the contract this item shall not be reported. This item is not applicable for non–credit structured product.

Attachment point: This is the contractually defined loss percentage (reported as a decimal, e.g. 5% shall be reported as 0.05) above which the losses affect the structured note, if applicable. This item is not applicable for non-credit structured product.

Detachment point: This is the contractually defined loss percentage (reported as a decimal, e.g. 5% shall be reported as 0.05) above which the losses cease to affect the structured note, if applicable. This item is not applicable for non-credit structured product.

Collateral type: This identifies the type of collateral by using the asset categories as defined in Annex IV. One of the options in the following closed list shall be used:

1 - Government bonds

2 - Corporate bonds

3 - Equities

4 - Collective Investment Undertakings

5 - Structured notes

6 - Collateralised securities

7 - Cash and deposits

8 - Mortgages and loans

9 - Properties

0 - Other investments (including receivables)

10 – No collateral

When more than one category of collateral exists for one single structured product, the most representative one should be reported.

Fund number: This is applicable to assets held in ring-fenced or other internal funds (defined according to national markets). If none is available this item shall not be reported, please leave cell blank. The number is attributed by the undertaking, corresponding to the unique number assigned to each fund. This number has to be consistent over time and should be used to identify the funds in other templates. It shall not be re-used for a different fund.

For Lloyd's Managed Investment Funds (LMIF), this field must be reported using the correct fund number. This information can be found on page 94-96 or latest LMIF templates issued by LTIM.

5.4 AAD233: Derivatives Data – Open Positions (EIOPA ref: S.08.01.01)

Purpose of form: *This form reports information on all derivatives held by the syndicate. It provides information on risks and risk mitigating strategies followed through the use of derivatives.*

The derivatives categories referred to in this template are the ones defined in Annex IV – Assets Categories of Commission Implementing Regulation (EU) 2015/2450 and references to CIC codes refer to Annex V – CIC table of this Regulation. This template contains an item-by-item list of derivatives held directly by the syndicate (i.e. not on a look-through basis), classifiable as asset categories A to F.

Information shall include all derivatives contracts that existed during the reporting period and were not closed prior to the reporting reference date.

If there are frequent trades on the same derivative, resulting in multiple open positions, the derivative can be reported on an aggregated or net basis, as long as all the relevant characteristics are common and following the specific instruction for each relevant item.

Derivatives are considered assets if their Solvency II value is positive or zero. They are considered liabilities if their Solvency II value is negative. Both derivatives considered as assets or considered as liabilities shall be included. The value of the open contracts at the end of the reporting period should agree to ASR002, lines C27 (for assets) and C79 (for liabilities).

Lloyd's expect syndicates to report one line for each derivative, except for derivatives which have more than one currency as these derivatives should be split into the components and reported in different lines. Forward exchange rate agreements, currency swaps and interest rate and currency swaps, for example, should be populated as two entries (one for each currency); a long (buy) leg and a short (sell) leg.

Portfolio: Distinction between life, non-life, shareholder's funds, general (no split) and ring fenced funds. One of the options in the following closed list shall be used:

1 - Life (**L**)

2 - Non-life (**NL**)

3 - Ring fenced funds (**RF**)

4 - Other internal fund (**OIF**)

5 - Shareholders' funds (**SF**)

6 - General (**G**)

The split is not mandatory, except for identifying ring fenced funds, but shall be reported if the undertaking uses it internally. When an undertaking does not apply a split "general" shall be used. We do not expect syndicates have shareholders' funds.

Fund number: This is applicable to assets held in ring-fenced or other internal funds (defined according to national markets). If none is available this item shall not be reported, please leave cell blank. The number is attributed by the undertaking, corresponding to the unique number assigned to each fund. This number has to be consistent over time and should be used to identify the funds in other templates. It shall not be re-used for a different fund.

Derivatives held in unit linked and index linked funds (Y/N): There are two options for reporting i.e. "Y" or "N" and since syndicates do not write unit linked and index linked contracts, the option to be reported should be "N".

ID code: This should be ISIN if available, other recognised code (CUSIP, Sedol, Bloomberg ticker etc.) or syndicate's specific if nothing else is available. An ISIN code must the correct one for the reported instrument. It must be 12 characters long, for example: "US5949181045".

When a derivative is reported in multiple lines (e.g. a foreign exchange contracts, a currency swap or a interest rate and currency swap reported in two lines, one for each leg) the same ID code should be used for all the related entries.

When the same Asset ID Code needs to be reported for one asset that is issued in 2 or more different currencies, it is necessary to specify the Asset ID code and the ISO 4217 alphabetic code of the currency, as in the following example for ID code reported was "**ISIN ID code+currency**" (i.e. UK1234567890+USD). Please note that the symbol "+" must be part of the code. The "ID code type" shall refer to option "CAU" and the option of original ID code type, therefore ID code type should be reported as "CAU/ISIN" not "ISIN".

ID code type: ID code type should be one of the closed list:

1 - **ISIN** (ISO 6166 for ISIN code)

2 - **CUSIP** (The Committee on Uniform Securities Identification Procedures number assigned by the CUSIP Service Bureau for U.S. and Canadian companies)

3 - **SEDOL** (Stock Exchange Daily Official List for the London Stock Exchange)

4 - **WKN** (Wertpapier Kenn-Number, the alphanumeric German identification number)

5 - **BT** (Bloomberg Ticker-Bloomberg letters code that identify a company's securities)

6 - **BBGID** (The Bloomberg Global ID)

7 - **RIC** (Reuters instrument code)

8 – **FIGI** (Financial Instrument Global Identifier)

9 - **OCANNA** (Other code by members of the Association of National Numbering Agencies)

11 - **CAU/ISIN** (Specific case for ISIN codes with two currencies)

13 - **CAU/CINS** (An extension to the CUSIP numbering system, which is used to uniquely identify securities offered outside of the United States and Canada)

99 – **CAU/INST** (Code attributed by the undertaking or unknown)

When the same "ID Code" needs to be reported for one asset that is issued in two or more different currencies, the "ID Code Type" shall refer to option "**CAU/ID code type**". The following combination of ID code types should be used if one asset has been issued in two or more different currencies:

99/1-**CAU/ISIN** (Specific case for ISIN codes with two currencies)

99/2-**CAU/CUSIP** for same CUSIP code with two or more currencies

99/3-**CAU/SEDOL** for same SEDOL code with two or more currencies

99/4-**CAU/WKN** for same WKN code with two or more currencies

99/5-**CAU/BT** for same BT code with two or more currencies

99/6-**CAU/BBGID** for same BBGID code with two or more currencies

99/7-**CAU/RIC** for same RIC code with two or more currencies

99/8-**CAU/FIGI** for same FIGI code with two or more currencies

99/9-**CAU/OCANNA** for same OCANNA code with two or more currencies

99/TBC-**CAU/MAL** for multiple assets & liabilities

99/TBC-**CAU/INDEX** for indexes

Counterparty name: Name of the counterparty of the derivative. When available, this item corresponds to the entity name in the LEI database. When not available, this corresponds to the legal name.

The following shall be considered:

- Name of the exchange market for exchanged traded derivatives; or
- Name of Central Counterparty (CCP) for Over-The-Counter derivatives where they are cleared through a CCP; or
- Name of the contractual counterparty for the other Over-The-Counter derivatives.

Counterparty code: This is legal entity identifier (LEI) or blank i.e. an ISO code that identifies the counterparty. Where a code does not exist, syndicates should leave this field blank. LEI codes must be valid codes. Any invalid codes will result in the return being rejected.

Counterparty code type: This is the type of counterparty code i.e**. "LEI**" or "**None**". Where the counterparty code field was left blank because the code does not exist, "None" must be reported in this field.

External rating: This is the rating of the counterparty of the derivative at the reporting reference data as provided by the nominated credit assessment institution (ECAI). Only applicable to Over–The–Counter derivatives.

This item is not applicable to derivatives for which undertakings using internal model use internal ratings. If undertakings using internal model do not use internal rating, this item shall be reported.

This field must always be filled in, if an issuer rating is not available, "NR" should be reported.

New validations have been implemented where if nominated ECAI is reported, external rating must be reported. Otherwise, where Nominated ECAI is N/A, external rating must also be NR to maintain consistency in data.

Nominated ECAI (Rating agency): This is the credit assessment institution (ECAI) giving the external rating and should be selected from a closed list. Applicable at least to CIC categories 1, 2, 5, 6 and 8 (Mortgages and Loans, other than mortgages and loans to natural persons), where available. Similar to the external rating, where the information is not available, "N/A" should be reported.

This item shall be reported when External rating (C0290) is reported.

Counterparty group: Name of the ultimate parent entity of counterparty. When available, this item corresponds to the entity name in the LEI database. When not available, corresponds to the legal name.

Counterparty group code: This is legal entity identifier (LEI) or blank. Where a code does not exist, syndicates should leave this field blank. LEI codes must be valid codes. Any invalid codes will result in the return being rejected.

Counterparty group code type: This is the type of counterparty group code i.e. LEI or None. Where the counterparty group code field was left blank because the code does not exist, “None” must be reported in this field.

Contract name: This is the name of the derivative contract.

Asset or liability underlying the derivative: This is the asset or liability underlying the derivative contract. This should be reported in the form of the ID code and it should be provided for derivatives that have a single underlying instrument in the syndicate’s portfolio.

Currency (ISO code): This is the currency of the derivative and should be presented as the ISO currency code, for example, CAD for Canadian Dollar. For derivatives that have more than one currency, it should be split into the components and reported in different lines. This field must be populated.

Forward exchange rate agreements (CIC ##E2), currency swaps (CIC ##D2) and interest rates and currency swaps (CIC ##D3) should be populated as two entries (one for each currency); a long (buy) leg and a short (sell) leg.

CIC: This refers to Complementary Identification Code (CIC) and it is the EIOPA Code used to classify securities. Please see Appendix 1 for the CIC table. When classifying an asset using the CIC table, syndicates should take into consideration the most representative risk to which the asset is exposed to. The code should comprise of four characters, for example, FIC3 denoting, put option on currency listed in Finland.

Bonds futures should be classified under A2 as “Interest rate futures”. Please avoid using CIC ##A9 Other Futures if at all possible.

Use of derivatives: This describes the use of derivative i.e. micro / macro hedge (MI/MA), efficient portfolio management (EPM). Micro hedge refers to derivatives covering a single financial instrument, forecasted transaction or liability. Macro hedge refers to derivatives covering a set of financial instruments, forecasted transactions or liabilities.

One of the options in the following closed list shall be used:

1 - Micro hedge (MI)
2 - Macro hedge (MA)
3 - Matching assets and liabilities cash-flows used in the context of matching adjustment portfolios - (MAT)
4 - Efficient portfolio management, other than “Matching assets and liabilities (EPM) cash-flows”

Delta: This measures the rate of change of option value with respect to changes in the underlying asset's price. This is only applicable to CIC categories ##B# and ##C# (Call and put options), with reference to the reporting date. This shall be reported as a decimal.

Notional amount: The amount covered or exposed to the derivative. For futures and options it corresponds to contract size multiplied by the trigger value and by the number of contracts reported in that line. For swaps and forwards it corresponds to the contract amount of the contracts reported in that line. When the trigger value corresponds to a range, the average value of the range shall be used.

The notional amount refers to the amount that is being hedged / invested (when not covering risks). If several trades occur, it shall be the net amount at the reporting date.

Lloyd’s expect the notional amount to be reported always in GBP and as a positive value. When a derivative is reported in two or more lines (e.g. a foreign exchange contracts, a currency swap or an interest rate and currency swap reported in two lines, one for each leg), the same GBP equivalent notional amount should be reported in both lines.

Buyer / Seller (Long or short position): Identify whether the derivative contract was bought or sold. Only for futures, forwards and options, swaps and credit derivatives contracts.

The buyer and seller position for swaps is defined relatively to the security or notional amount and the swap flows. A seller of a swap owns the security or notional amount at the contract inception and agrees to deliver during the contract term that security or notional amount, including any other outflows related to the contract, when applicable.

A buyer of a swap will own the security or the notional amount at the end of the derivatives contact and will receive during the contract term that security or notional amount, including any other inflows related to the contract, when applicable.

One of the options in the following closed list shall be used, with the exception of Interest Rate Swaps:
1 – L (Buyer)
2 – S (Seller)

For interest rate swaps one of the options in the following closed list shall be used:
3 - FX-FL: Deliver fixed-for-floating
4 - FX-FX: Deliver fixed-for-fixed
5 - FL-FX: Deliver floating-for-fixed
6 - FL-FL: Deliver floating-for-floating

Premium paid to date (old-Premium Paid/Received to Date split into two): The payment made (if bought), for options and also up-front and periodical premium amount paid for swaps, since the moment the undertaking entered in the derivative. If the cost is zero, report "0". This should not be reported if CIC category is ##A# (futures) & ##E# (forwards(.

Premium received to date: The payment received (if sold), for options and also up-front and periodical premium amounts received for swaps, since the moment the undertaking entered in the derivative. This should not be reported if CIC category is ##A# (futures) & ##E# (forwards).

Number of contracts: These are the number of derivative contracts in the portfolio and it should be the number of contracts entered into. The number of contracts should be the ones <u>outstanding</u> at the end of the period.

Contract size (dimension): The deliverable quantity of commodities or financial instruments underlying futures and option contracts that are traded on an exchange. The way the contract size is defined varies according with the type of instrument (e.g. for equity futures and options it is the number of shares to be delivered per derivative contract at maturity, for index futures and options is the reference amount underlying each contract, for bond and interest rate futures and options it is the principal value underlying each contract).

Only applicable for futures and options.

Trigger value: Reference price for futures, strike price for options, currency exchange rate or interest rate for forwards, etc. For bond and interest rate futures the trigger shall be the bond price as a ratio of the par amount.

Not applicable to CIC ##D3 - Interest rate and currency swaps. For CIC ##F1 - Credit default swaps it should not be completed if not possible. In the case of more than one trigger over time, please report the next trigger occurring. When the derivative has a range of trigger values, please report the set separated by comma ',' if the range is not continuous and report the range separated by '-'if it is continuous.

Unwind trigger of contract: Please identify the event that causes the unwinding of the contract, out of the regular expiration or term conditions. One of the options in the following closed list shall be used: please select the number for the appropriate option:

- 1 - bankruptcy of the underlying or reference entity
- 2 - adverse fall in value of the underlying reference asset
- 3 - adverse change in credit rating of the underlying assets or entity
- 4 - novation i.e. the act of replacing an obligation under the derivative with a new obligation or replacing a party of the derivative with a new party
- 5 - multiple events or a combination of events
- 6 - Other events not covered by the previous options
- 9 - No unwind trigger

Maximum loss under unwinding event: This is the maximum amount of loss if an unwinding event occurs and it should be reported as negative value. This is applicable to CIC category ##F#. Where a credit derivative is 100% collateralised, the maximum loss under an unwinding event is zero.

Swap outflow amount: This is the amount delivered under the swap contract, during the reporting period. It corresponds to the interest paid for interest rate swap (IRS) and amounts delivered for currency swaps, credit swaps, total return swaps and other swaps. This is applicable to CIC code ##D#. In the cases where the settlement is made on a net basis then only Swap outflow amount or inflow amount shall be reported.

Swap inflow amount: This is the amount received under the swap contract, during the reporting period. It corresponds to interest received for IRS and amounts received for currency swaps, credit swaps, total return swaps and other swaps. It is only applicable to CIC code ##D#. In the cases where the settlement is made on a net basis then only Swap outflow amount or inflow amount shall be reported.

Swap delivered currency: This is the currency of the short leg of the swap and it should be in form of ISO currency code. This is only applicable for currency swaps (CIC ##D2) and interest rate and currency swaps (CIC ##D3).

Swap received currency: This is the currency of the long leg of the swap and it should be in form of ISO currency code. This is only applicable for currency swaps (CIC ##D2) and interest rate and currency swaps (CIC ##D3).

Initial (Trade) date: This is the date of the trade of the derivative contract. When various trades occur for the same derivative, only the first trade date of the derivative and only one line for each derivative (no different lines for each trade) should be reported. The date should be reported in ISO date format (YYYY/MM/DD). In case of novation, the novation date becomes the trade date for that derivative.

Maturity date: This is the contractually defined date of close of the derivative contract, whether at maturity date, expiring date for options (European or American), etc. The date should be reported in ISO date format (YYYY/MM/DD). The maturity date is expected to be greater than the reporting end date.

Duration: This is the residual modified duration of the derivative, in years, for derivatives for which a duration measure is applicable (e.g. duration should be reported for interest rate and bond future contracts CIC ##A2). This is calculated as the net duration between in and out flows from the derivative, when applicable.

(Solvency II) Valuation method: This is the valuation method used when valuing assets. Valuation method should be one of the closed list:

- 1 - QMP (quoted market price in active markets for the same assets)
- 2 - QMPS (quoted market price in active markets for similar assets)
- 3 - AVM (alternative valuation methods)
- 4 - AEM (adjusted equity methods (applicable for the valuation of participations)

- 5 - IEM (IFRS equity methods - applicable for the valuation of participations)
- 6 - MV (Market valuation according to Article 9(4) of Delegated Regulation 2015/35)

Total Solvency II amount (Non-FIS): This is the market value of the derivatives (i.e. the value of the derivative contract and not of the underlying asset) held in the premium trust funds and can be positive, negative or zero. Derivative assets (profits) should be reported as positive with liabilities (losses) as negative values.

When a derivative is reported in two or more lines (e.g. a foreign exchange contracts reported in two lines, one for each leg), the syndicate should report the total Solvency II amount (Non-FIS) on only one line i.e. either on the buy (L) side or on the sell (S) side.

Total Solvency II amount (FIS): This is the market value of the derivatives (i.e. the value of the derivative contract and not of the underlying asset) held as funds in syndicates (FIS) and can be positive, negative or zero. Derivative assets (profits) should be reported as positive with liabilities (losses) as negative values.

When a derivative is reported in two or more lines (e.g. a foreign exchange contracts reported in two lines, one for each leg), the syndicate should report the total Solvency II amount (FIS) on only one line i.e. either on the buy (L) side or on the sell (S) side.

Total Solvency II amount: This is the market value of the derivative (i.e. the value of the derivative contract and not of the underlying asset) as of the reporting date and and it should be equal to the sum of Total Solvency II amount (Non-FIS) and Total Solvency II amount (FIS). It can be positive, negative or zero. Derivative assets (profits) should be reported as positive values with derivative liabilities (losses) as negative values.

For CIC ##E2, ##D2 and ##D3, Total Solvency II amount should only be reported on one position, either "Buyer(L)" or "Seller (S)" for each pair of duplicate ID codes

For every derivative Lloyd’s expect the total Solvency II amount (in absolute terms) to be lower than the notional amount.

Where CIC is XL## or XT##, solvency II value cannot be nil.

Type of code of asset or liability underlying the derivative: Type of ID Code used for the “Instrument underlying the derivative” item. One of the options in the following closed list must be used:

1 - **ISIN** (ISO 6166 for ISIN code)

2 - **CUSIP** (The Committee on Uniform Securities Identification Procedures number assigned by the CUSIP Service Bureau for U.S. and Canadian companies)

3 - **SEDOL** (Stock Exchange Daily Official List for the London Stock Exchange)

4 - **WKN** (Wertpapier Kenn-Number, the alphanumeric German identification number)

5 - **BT** (Bloomberg Ticker-Bloomberg letters code that identify a company's securities)

6 - **BBGID** (The Bloomberg Global ID)

7 - **RIC** (Reuters instrument code)

8 – **FIGI** (Financial Instrument Global Identifier)

9 - **OCANNA** (Other code by members of the Association of National Numbering Agencies)

13 - **CAU/CINS** (An extension to the CUSIP numbering system, which is used to uniquely identify securities offered outside of the United States and Canada)

99 – **CAU/INST** (Code attributed by the undertaking or unknown)

When the same “ID Code” needs to be reported for one asset that is issued in two or more different currencies, the “ID Code Type” shall refer to option “**CAU/ID code type**”. The following combination of ID code types should be used if one asset has been issued in two or more different currencies:

99/1-**CAU/ISIN** (Specific case for ISIN codes with two currencies)

99/2-**CAU/CUSIP** for same CUSIP code with two or more currencies

99/3-**CAU/SEDOL** for same SEDOL code with two or more currencies

99/4-**CAU/WKN** for same WKN code with two or more currencies

99/5-**CAU/BT** for same BT code with two or more currencies

99/6-**CAU/BBGID** for same BBGID code with two or more currencies

99/7-**CAU/RIC** for same RIC code with two or more currencies

99/8-**CAU/FIGI** for same FIGI code with two or more currencies

99/9-**CAU/OCANNA** for same OCANNA code with two or more currencies

99/TBC-**CAU/MAL** for multiple assets & liabilities

99/TBC-**CAU/INDEX** for indexes

Credit quality step: Please identify the credit quality step attributed to the asset, as defined by Article 109a(1) of Directive 2009/138/EC. Applicable to any asset which credit quality step needs to be attributed for the purpose of SCR calculation.

The credit quality step shall in particular reflect any readjustments to the credit quality made internally by the undertakings that use the standard formula.

This item is not applicable to assets for which undertakings using internal models use internal ratings. If undertakings using internal models do not use internal ratings, this item shall be reported.

One of the options in the following closed list shall be used:

0 - Credit quality step 0

1 - Credit quality step 1

2 - Credit quality step 2

3 - Credit quality step 3

4 - Credit quality step 4

5 - Credit quality step 5

6 - Credit quality step 6

9 - No rating available

Internal rating: Internal rating of assets for undertakings using an internal model to the extent that the internal ratings are used in their internal modelling. This is applicable at least to CIC categories 1, 2, 5, 6 and 8 (Mortgages and Loans, other than mortgages and loans to natural persons), where available. If an internal model undertaking is using solely external ratings this item shall not be reported.

Where internal rating is not available, “NR” should be reported.

Trust fund name: The relevant fund in which the asset is held should be reported. “OTH” should only be reported where the trust fund is not listed below. Where “OTH” has been reported, submission quality tests queries will require the market participant to state the relevant trust.

Where the asset is a member asset which is held in syndicate (FIS) and is reported alongside PTF assets in the same line, the relevant PTF fund should be selected.

Where the asset sits across more than one trust fund, the position should be reported as one line per trust fund holding

Region	Trust Description	Trust Code	Working/Deposit
United States Trust Deeds	Illinois Trust Fund	ILLTF	Deposit
	Kentucky Trust Funds	KENTF	Deposit
	Kentucky JATF	KENJATF	Deposit
	Lloyd's Dollar Trust Fund	LDTF	Working
	Surplus Lines Trust Deed	SLTF	Deposit
	JATF Surplus Lines	JATFSL	Deposit
	Credit for Reinsurance Trust Fund*	CRTF	Deposit
	JATF Credit for Reinsurance*	JATFCR	Deposit
	LATF (Long term)	LATF	Working
Canadian Trust Deeds	Canadian Margin Fund	CANMF	Deposit
	Lloyd's Canadian Trust Fund	LCTF	Working
Australian Trust Deeds	Australian Trust Fund & New Business Fund	AUSTF	Deposit
	Australian JATF (2)	AUSJATF	Desposit
Asia Trust Deeds	Asia (Singapore policies) instrument*	ASPI	Working
	Asia (offshore policies) instrument*	AOPI	Working
South African Trust Deeds	South African Trust Fund	SATF	Deposit
	South African Transitional Fund	SATLF	Deposit
ASL Deposits	Australia	ASLAUD	Deposit
	Bahamas	ASLBBD	Deposit
	Brazil	ASLBRL	
	Cayman Islands	ASLKYD	Deposit
	China	ASLCHN	Deposit
	Grenada	ASLGRD	Deposit
	Hong Kong	ASLHKD	Deposit
	Namibia	ASLNAD	Deposit
	Singapore	ASLSGD	Deposit
	St Vincent & Grenadines	ASLSVG	Deposit
	Switzerland	ASLCHF	Deposit
	Trinidad & Tobago	ASLTTD	Deposit
	Other	ASLOTH	
UK Trust Deeds	Premium Trust Deed (General Business)*	PTDGB	Working
	Premium Trust Deed (Long-Term Business)*	PTDLTB	Working
	UK PTF Managing Agent Sub-Fund	UKMA	Working
	UK PTF Personal Reserve Fund	UKPRF	
	Member Funds (FAL & FIS)	MFFF	
	Central Fund	CF	
	Other	OTH	

5.5 AAD234: Derivatives Data - Derivatives Transactions (EIOPA ref: S.08.02.01)

Purpose of form: *This form reports information on all derivatives which existed during the reporting period, but were closed prior to the reporting date. It provides information on risks and risk mitigating strategies followed through the use of derivatives.*

This form is required for all reporting years combined.

This template contains an item-by-item list of closed derivatives held directly by the undertaking (i.e. not on a look-through basis), classifiable as asset categories A to F. When a contract is still open but has been reduced in size the closed portion shall be reported. Derivatives are considered assets if their Solvency II value is positive or zero. They are considered liabilities if their Solvency II value is negative. Both derivatives considered as assets or considered as liabilities shall be included.

Closed derivatives are the ones that were open at some point of the reference period (i.e. during the financial year being reported on but were closed before the end of the reporting date. If there are frequent trades on the same derivative, the derivative can be reported on an aggregated or net basis (indicating only the first and the last trade dates), as long as all the relevant characteristics are common and following the specific instruction for each relevant item.

Most of the fields are a duplicate of those reflected in AAD233 and hence the syndicate should refer to explanations provided above under AAD233 in order to complete this form.

Portfolio (C0060): Distinction between life, non-life, shareholders' funds, general (no split) and ring fenced funds.
Portfolio should be one of the closed list:
1 - Life (**L**)
2 - Non-life (**NL**)
3 - Ring fenced funds (**RF**)
4 - Other internal fund (**OIF**)
5 - Shareholders' funds (**SF**)
6 - General (**G**)

The split is not mandatory, except for identifying ring fenced funds, but shall be reported if the undertaking uses it internally. When an undertaking does not apply a split "general" shall be used. We do not expect syndicates have ring fenced funds.

Fund Number (C0070): Applicable to derivatives held in ring fenced funds (not expected from syndicates) or other internal funds (defined according to national markets). If none is available this item shall not be reported, please leave cell blank. The number is attributed by the undertaking, corresponding to the unique number assigned to each fund. This number has to be consistent over time and should be used to identify the funds in other templates. It shall not be re-used for a different fund.

Derivatives held in unit linked and index linked contracts (C0080): Please identify the derivatives that are held by unit linked and index linked contracts.

One of the options in the following closed list shall be used:

1 - Unit-linked or index-linked (Y)

2 - Neither unit-linked nor index-linked (N)

ID code (C0040): This should be ISIN if available, other recognised code (CUSIP, Sedol, Bloomberg ticker etc.) or syndicate's specific if nothing else is available. An ISIN code must the correct one for the reported instrument. It must be 12 characters long, for example: "US5949181045".

When a derivative is reported in multiple lines (e.g. a foreign exchange contracts, a currency swap or a interest rate and currency swap reported in two lines, one for each leg) the same ID code should be used for all the related entries.

ISIN code with 2 currencies, when the same Asset ID Code needs to be reported for one asset that is issued in 2 or more different currencies, it is necessary to specify the Asset ID code and the ISO 4217 alphabetic code of the currency, as in the following example: "UK1234567890+USD". Please note that "+" must be part of the code.

ID code type (C0040): ID code type should be one of the closed list options:

1 - **ISIN** (ISO 6166 for ISIN code)

2 - **CUSIP** (The Committee on Uniform Securities Identification Procedures number assigned by the CUSIP Service Bureau for U.S. and Canadian companies)

3 - **SEDOL** (Stock Exchange Daily Official List for the London Stock Exchange)

4 - **WKN** (Wertpapier Kenn-Number, the alphanumeric German identification number)

5 - **BT** (Bloomberg Ticker-Bloomberg letters code that identify a company's securities)

6 - **BBGID** (The Bloomberg Global ID)

7 - **RIC** (Reuters instrument code)

8 – **FIGI** (Financial Instrument Global Identifier)

9 - **OCANNA** (Other code by members of the Association of National Numbering Agencies)

11 - **CAU/ISIN** (Specific case for ISIN codes with two currencies)

13 - **CAU/CINS** (An extension to the CUSIP numbering system, which is used to uniquely identify securities offered outside of the United States and Canada)

99 – **CAU/INST** (Code attributed by the undertaking or unknown)

When the same "ID Code" needs to be reported for one asset that is issued in two or more different currencies, the "ID Code Type" shall refer to option "**CAU/ID code type**"**.** The following combination of ID code types should be used if one asset has been issued in two or more different currencies:

99/1-**CAU/ISIN** (Specific case for ISIN codes with two currencies)

99/2-**CAU/CUSIP** for same CUSIP code with two or more currencies

99/3-**CAU/SEDOL** for same SEDOL code with two or more currencies

99/4-**CAU/WKN** for same WKN code with two or more currencies

99/5-**CAU/BT** for same BT code with two or more currencies

99/6-**CAU/BBGID** for same BBGID code with two or more currencies

99/7-**CAU/RIC** for same RIC code with two or more currencies

99/8-**CAU/FIGI** for same FIGI code with two or more currencies

99/9-**CAU/OCANNA** for same OCANNA code with two or more currencies

99/TBC-**CAU/MAL** for multiple assets & liabilities

99/TBC-**CAU/INDEX** for indexes

Counterparty Name (C0240): Name of the counterparty of the derivative. When available, corresponds to the entity name in the LEI database. When not available, corresponds to the legal name.

The following shall be considered:

- Name of the exchange market for exchanged traded derivatives; or
- Name of Central Counterparty (CCP) for Over-The-Counter derivatives where they are cleared through a CCP; or
- Name of the contractual counterparty for the other Over-The-Counter derivatives.

Counterparty Code (C0250): Only applicable to Over-The-Counter derivatives, regarding contractual counterparties other than an exchange market and Central Counterparty (CCP). Identification code using the Legal Entity Identifier (LEI) if available. If none is available this item shall not be reported; please leave cell blank. LEI codes must be valid codes. Any invalid codes will result in the return being rejected.

Type of counterparty code (C0250): Only applicable to Over-The-Counter derivatives. Identification of the code used for the "Counterparty Code" item. One of the options must be used: **"LEI"** or **"None".**

Notional amount of the derivative (C0120): The notional amount refers to the amount that is being hedged / invested (when not covering risks). If several trades occur, it shall be the net amount at the reporting date. The amount covered or exposed to the derivative.

For futures and options corresponds to contract size multiplied by the trigger value and by the number of contracts reported in that line. For swaps and forwards it corresponds to the contract amount of the contracts reported in that line.

For CIC XL## or XT##, notional amount of the derivative should not be nil.

Buyer / Seller (Long or short position) (C0130): Identify whether the derivative contract was bought or sold. Only for futures, options, swaps and credit derivatives contracts.

The buyer and seller position for swaps is defined relatively to the security or notional amount and the swap flows. A seller of a swap owns the security or notional amount at the contract inception and agrees to deliver during the contract term that security or notional amount, including any other outflows related to the contract, when applicable.

A buyer of a swap will own the security or the notional amount at the end of the derivatives contact and will receive during the contract term that security or notional amount, including any other inflows related to the contract, when applicable.

One of the options in the following closed list shall be used, with the exception of Interest Rate Swaps:
1 – L (Buyer)
2 – S (Seller)

For interest rate swaps one of the options in the following closed list shall be used:
3 - FX-FL: Deliver fixed-for-floating
4 - FX-FX: Deliver fixed-for-fixed
5 - FL-FX: Deliver floating-for-fixed
6 - FL-FL: Deliver floating-for-floating

For CIC category ##E#, the Buyer (L) and Seller (S) position must not be reported

Premium paid to date (old-Premium Paid/Received to Date split into two) (C0140): The payment made (if bought), for options and also up-front and periodical premium amounts paid for swaps, since inception. This should not be reported if CIC category is ##A# (futures) & ##E# (forwards).

Premium received to date (new) (C0150): The payment received (if sold), for options and also up-front and periodical premium amounts received for swaps, since the moment the undertaking entered in the derivative. This should not be reported if CIC category is ##A# (futures) & ##E# (forwards).

Profit and loss to date (C0160): This is the amount of profit and loss arising from the derivative since the moment the undertaking entered in the derivative, realised at the closing/maturing date. This corresponds to the difference between the value (price) at sale date and the value (price) at acquisition date. This amount could be positive (profit) or negative (loss).

Number of contract (C0170): Number of similar derivative contracts reported in the line. For Over-The-Counter derivatives, e.g. one swap contract, 1 shall be reported, if ten swaps with the same characteristics, 10 shall be reported.
The number of contracts shall be the ones entered into and that were closed at the reporting date.

Contract size (dimension) (C0180): The deliverable quantity of commodities or financial instruments underlying futures and option contracts that are traded on an exchange. The way the contract size is defined varies according with the type of instrument (e.g. for equity futures and options it is the number of shares to be delivered per derivative contract at maturity, for index futures and options is the reference amount underlying each contract, for bond and interest rate futures and options it is the principal value underlying each contract).

This is only applicable for futures and options.

Swap outflow amount (C0200): Amount delivered under the swap contract (other than premiums), during the reporting period. Corresponds to interest paid for interest rate swaps and amounts delivered for currency swaps, credit swaps, total return swaps and other swaps.

In the cases where the settlement is made on a net basis then only either swap outflow or swap inflow amount shall be reported. This is only applicable to CIC ##D# and ##F#.

Swap inflow amount (C0210): This is the amount received under the swap contract (other than premiums) during the reporting period. Corresponds to interest received for interest rate swaps and amounts received for currency swaps, credit swaps, total return swaps and other swaps.

In the cases where the settlement is made on a net basis then only either swap outflow or inflow amount shall be reported. This is only applicable to CIC ##D# and ##F#.

Solvency II value (C0230): This is the market value of the derivative (i.e. the value of the derivative contract and not of the underlying asset) as of the reporting date and it should be equal to the sum of Total Solvency II amount (Non-FIS) and Total Solvency II amount (FIS). It can be positive, negative or zero. Derivative assets (profits) should be reported as positive values with derivative liabilities (losses) as negative values.

For every derivative Lloyd's expect the total Solvency II amount (in absolute terms) to be lower than the notional amount.

Where CIC is XL## or XT##, solvency II value cannot be nil and where CIC is ##D2 or ##D3, amount can only be reported on one leg, either "L" or "S".

Type of code of asset or liability underlying the derivative (C0090): Type of ID Code used for the "Instrument underlying the derivative" item. One of the options in the following closed list must be used:

1 - **ISIN** (ISO 6166 for ISIN code)

2 - **CUSIP** (The Committee on Uniform Securities Identification Procedures number assigned by the CUSIP Service Bureau for U.S. and Canadian companies)

3 - **SEDOL** (Stock Exchange Daily Official List for the London Stock Exchange)

4 - **WKN** (Wertpapier Kenn-Number, the alphanumeric German identification number)

5 - **BT** (Bloomberg Ticker-Bloomberg letters code that identify a company's securities)

6 - **BBGID** (The Bloomberg Global ID)

7 - **RIC** (Reuters instrument code)

8 – **FIGI** (Financial Instrument Global Identifier)

9 - **OCANNA** (Other code by members of the Association of National Numbering Agencies)

13 - **CAU/CINS** (An extension to the CUSIP numbering system, which is used to uniquely identify securities offered outside of the United States and Canada)

99 – **CAU/INST** (Code attributed by the undertaking or unknown)

When the same "ID Code" needs to be reported for one asset that is issued in two or more different currencies, the "ID Code Type" shall refer to option "**CAU/ID code type**". The following combination of ID code types should be used if one asset has been issued in two or more different currencies:

99/1-**CAU/ISIN** (Specific case for ISIN codes with two currencies)

99/2-**CAU/CUSIP** for same CUSIP code with two or more currencies

99/3-**CAU/SEDOL** for same SEDOL code with two or more currencies

99/4-**CAU/WKN** for same WKN code with two or more currencies

99/5-**CAU/BT** for same BT code with two or more currencies

99/6-**CAU/BBGID** for same BBGID code with two or more currencies

99/7-**CAU/RIC** for same RIC code with two or more currencies

99/8-**CAU/FIGI** for same FIGI code with two or more currencies

99/9-**CAU/OCANNA** for same OCANNA code with two or more currencies

99-**CAU/MAL** for multiple assets & liabilities

99-**CAU/INDEX** for indexes

5.6 AAD235: Income / gains and losses in the period (EIOPA ref: S.09.01.01)

Purpose of form: *This form provides information about assets' profitability.*

This form is required for all reporting years combined.

This information reported on this form should be by asset category (including derivatives), i.e. not asset by asset. Asset categories are as per Annex IV – Assets Categories - of the Commission Implementing Regulation (EU) 2015/2450. The form covers amounts earned over the reporting period and the realised / unrealised returns on investments for all assets that existed during the reporting period.

Asset category: The syndicate should report assets categories as defined in the CIC table i.e. 0 to 9 (government bonds, corporate bonds, equity etc.) and A to F (property, futures, call options etc.).

Dividends: This is the amount of earned dividends over the reporting period. This is applicable to dividend paying assets such as equity and investment funds (asset categories 3 and 4).

Interest: This is the amount of interest earned over the reporting period. This is applicable to interest paying securities, such as bonds, loans and deposits (asset categories 1, 2, 4, 5, 6, 7 and 8).

Rent: This is the amount of accrued rent at the end of the reporting period. This is applicable to properties (asset category 9).

Net gains and losses: These are net gains and losses resulting from assets sold or matured during the reporting period. These gains and losses are calculated as the difference between selling or maturity value and Solvency II value at the end of the prior reporting period (or, in case of assets acquired during the period, the acquisition value). <u>This calculation should include foreign currency gains and losses but exclude accrued interest.</u>

Unrealised gains and losses: These are net gains and losses resulting from assets not sold nor matured during the reporting period. These gains and losses are calculated as the difference between the Solvency II value at the end of the reporting year end and the Solvency II value at the end of the prior reporting year end (or, in case of assets acquired during the period, the acquisition value). <u>This calculation should include foreign currency gains and losses but exclude accrued interest.</u>

Portfolio: Distinction between life, non-life, shareholders' funds, general (no split) and ring fenced funds. One of the options in the following closed list shall be used:
1 - Life (L)
2 - Non-life (NL)
3 - Ring fenced funds (RF)
4 - Other internal fund (OIF)
5 - Shareholders' funds (SF)
6 - General (G)
The split is not mandatory, except for identifying ring fenced funds, but shall be reported if the undertaking uses it internally. When an undertaking does not apply a split "general" shall be used.

Assets held in unit linked and index linked contracts: Please identify the assets that are held by unit linked and index linked contracts (Lloyd's would not expect these to arise).

One of the options in the following closed list shall be used:

1 - Unit-linked or index-linked (Y)

2 - Neither unit-linked nor index-linked (N)

Fund number: This is applicable to assets held in ring-fenced or other internal funds (defined according to national markets). If none is available this item shall not be reported, please leave cell blank. The number is attributed by the undertaking, corresponding to the unique number assigned to each fund. This number has to be consistent over time and should be used to identify the funds in other templates. It shall not be re-used for a different fund.

For Lloyd's Managed Investment Funds (LMIF), this field must be reported using the correct fund number. This information can be found on page 94-96 or latest LMIF templates issued by LTIM.

5.7 AAD236: Investment Funds (look-through approach)

Purpose of form: *This form reports information for each investment fund at a security by security level.*

This form is required for all reporting years combined.

This template contains information on the look through of collective investment undertakings or investments packaged as funds, including when they are participations, by underlying asset category, country of issue and currency. Considering proportionality and specific instructions of the template, the look through shall be performed until the asset categories, countries and currencies are identified. In case of funds of funds the look–through shall follow the same approach.

Items shall be reported with positive values unless otherwise stated in the respective instructions.

All the investment funds reported in the balance sheet (ASR002) and AAD230 (CIC ##4#) should be reported on this form. The syndicate should ensure that reconciliation between this form, AAD230 and the balance sheet is carried out at a fund level as well as in aggregate. The level of look-through on investment funds should ensure that all material risks are captured. Solvency II requires this form to be reported at asset category level. However since this form is required for LIM purposes, additional fields (similar to those required in AAD230) have been added and the form will be required to be completed at security level. Look-through should be performed based on the following three options:

- Standard (S): This is the security level look-through. Where there are a number of iterations of the look-through approach (for example, where an investment fund is invested in other investment funds), the number of iterations should be sufficient to ensure that all material market risks are captured. When performing a standard look-through, syndicates should report only one line for each underlying security, even if the underlying security is a derivative with more than one currency (e.g. a forward exchange rate agreement). In the case of derivatives that are part of an investment fund, these should not be reported in AAD233.
- Mandate (M): This option is acceptable where a full security level look-through is not possible. For collective investment schemes that are not sufficiently transparent, the investment mandate/fund's prospectus guidelines should be used as a reference. It should be assumed that the scheme invests in accordance with its mandate in such a manner as to produce the maximum overall capital requirement
- Other (O): Where security level and mandate look-through options are not possible, funds should be treated as equity and classified as "Other". This assumes a high level of investment risk and will always have a CIC of XL39. We also request that the option of "Other" is used when reporting those investments in Lloyd's Treasury & Investment Management (LTIM) Funds (ASL, Overseas Trust Funds and PTF Commingled Funds) and the primary sweep accounts (as listed above previously). Lloyd's will then apply the full "Standard" look-through on behalf of the syndicate. This means that for all investment funds reported with a level of look-through of "O", only one line per fund should be reported on this form.

Considering that this information is also being collected for LIM purposes, where possible, syndicates are required to use a security level look-through for investment funds and to refer to the investment mandate/prospectus if this is not possible. Please note that only one level of look-through per investment fund should be reported. Where there is a combination of standard and mandate look-through approaches within a single investment fund, please report the level of look-through as "M" mandate for the whole fund.

Investment fund code: This should be ISIN if available, other recognised code (CUSIP, Sedol, Bloomberg ticker etc.) or syndicate specific if nothing else is available. LMIF code should be used if the fund is a Lloyd's Treasury & Investment Management (LTIM) fund or a cash sweep investment fund. For each investment fund, the investment fund code reported on this form should be the same as the respective ID code reported in AAD230.

Investment fund code type: Type of ID Code used for the "Investment fund Code" item and this should be one of the following: ISIN, CUSIP, Bloomberg, LMIF, undertaking specific and other. This is presented in the CMR as a closed list and it is included in the reference data. For each investment fund, the Investment fund code type reported on this form should be the same as the ID code type reported in AAD230.

ID code: This is the ID code of the securities in which a fund is invested. This should be ISIN if available, other recognised code (CUSIP, CINS, Sedol, Bloomberg ticker etc.) or syndicate specific if nothing else is available. An ISIN code must the correct one for the reported instrument. It must be 12 characters long, for example: "US5949181045".

ISIN code with two currencies, when the same Asset ID Code needs to be reported for one asset that is issued in two or more different currencies, it is necessary to specify the Asset ID code and the ISO 4217 alphabetic code of the currency, as in the following example: “UK1234567890+USD”. Please note that all symbols “+” must be part of the code. Where the level of look-through of a fund is “S” or “M”, Lloyd’s expect the ID codes to be the ID codes of the underlying securities and to be different from the investment fund code. There should be no duplicate ID codes reported within the same investment fund. Indicative ID codes can be used for “M” (e.g. FUNDXYEQTY, FUNDXYGOVT, etc…).

Where the level of look-through is “O”, Lloyd’s expect the ID code to be the same as the investment fund code.

ID code type: ID code type should be one of the closed list:

1 - **ISIN** (ISO 6166 for ISIN code)

2 - **CUSIP** (The Committee on Uniform Securities Identification Procedures number assigned by the CUSIP Service Bureau for U.S. and Canadian companies)

3 - **SEDOL** (Stock Exchange Daily Official List for the London Stock Exchange)

4 - **WKN** (Wertpapier Kenn-Number, the alphanumeric German identification number)

5 - **BT** (Bloomberg Ticker-Bloomberg letters code that identify a company's securities)

6 - **BBGID** (The Bloomberg Global ID)

7 - **RIC** (Reuters instrument code)

8 – **FIGI** (Financial Instrument Global Identifier)

9 - **OCANNA** (Other code by members of the Association of National Numbering Agencies)

10 - **CAU/INST/LMIF** (Cash Sweep Investment Funds – Western Asset & Fiera)

13 - **CAU/CINS** (An extension to the CUSIP numbering system, which is used to uniquely identify securities offered outside of the United States and Canada)

99 – **CAU/INST** (Code attributed by the undertaking or unknown)

When the same “ID Code” needs to be reported for one asset that is issued in 2 or more different currencies, the “ID Code Type” shall refer to option “**CAU/ID code type**”. The following combination of ID code types should be used if one asset has been issued in 2 or more different currencies:

99/1-**CAU/ISIN** (Specific case for ISIN codes with two currencies)

99/2-**CAU/CUSIP** for same CUSIP code with two or more currencies

99/3-**CAU/SEDOL** for same SEDOL code with two or more currencies

99/4-**CAU/WKN** for same WKN code with two or more currencies

99/5-**CAU/BT** for same BT code with two or more currencies

99/6-**CAU/BBGID** for same BBGID code with two or more currencies

99/7-**CAU/RIC** for same RIC code with two or more currencies

99/8-**CAU/FIGI** for same FIGI code with two or more currencies

99/9-**CAU/OCANNA** for same OCANNA code with two or more currencies

99-**CAU/MAL** for multiple assets & liabilities

99-**CAU/INDEX** for indexes

Item title: Identify the reported item by filling the name of the asset (or the address in case of property), with the detail settled by the syndicate. This item is not applicable for CIC 95 – Plant and equipment (for own use) as those assets are not required to be individualised, CIC ##71 and CIC ##75.

Where the level of look-through of a fund is “S” or “M”, Item title should refer to the securities in which the fund is invested.

Where the level of look-through is “O”, Lloyd’s expects the Item title to be the name of the investment fund.

Issuer group: This is the name of the ultimate parent undertaking of the issuer. Where the level of look-through of a fund is “S”, the issuer group should be the ultimate parent undertaking of the issuer of the securities in which a fund is invested. For cash at bank, the group is in relation to the ultimate parent undertaking of the bank.

Where the level of look-through is “O” or “M”, the issuer group should be the ultimate parent undertaking of the fund manager.

Issuer group code: This is legal entity identifier (LEI) or None. Where a code does not exist, syndicates should leave this field blank. LEI codes must be valid codes. Any invalid codes will result in the return being rejected.

Issuer group code type: This is the type of the issuer group code i.e. LEI or None. Where the issuer group code field was left blank because the code does not exist, “None” must be reported in this field.

External rating: This is the rating given by an external rating agency and is only applicable to CIC categories ##1#, ##2#, ##5# and ##6#. The syndicate must report the external rating (only the rating symbol, without any outlook) that in their perspective is best representative and used internally for SCR calculations. This field must always be populated, therefore where a security is not rated, “**NR**” should be reported. The rating reported should be as per the closed list provided in the CMR as part of the reference data.

Nominated ECAI (Rating agency): This is the rating agency giving the external rating and should be selected from a closed list provided in the CMR as part of the reference data. Similar to the external rating, where a security is not rated, “N/A” should be reported.

Duration: This is the ‘residual modified duration’ in years. Modified duration calculated based on the remaining time for maturity of the security, counted from the reporting reference date. For assets without fixed maturity the first call date should be used. Effective duration can be used if bond with an option embedded. The duration shall be calculated based on economic value. It only applies to CIC categories ##1#, ##2#, ##5# and ##6#. Duration is expected to be zero when the level of look-through is “O”.

CIC: This is the Complementary Identification Code (CIC) of the securities in which a fund is invested. Please see Appendix 1 for the CIC table. When classifying an asset using the CIC table, syndicates should take into consideration the most representative risk to which the asset is exposed. The requirement to provide “look-through” data to underlying exposures of mutual funds and investment funds means that the “investment funds” (CIC category ##4#) should not be used. In the case where no look-through is performed, i.e. level of look-through is reported as “O”, this is treated as equity other, and the reported CIC should be XL39.

Underlying asset category: Identify the assets categories, receivables and derivatives within the collective investment undertaking. One of the options in the following closed list shall be used:

1 - Government bonds
2 - Corporate bonds
3L - Listed equity
3X - Unlisted equity
4 - Collective Investment Undertakings
5 - Structured notes

6 - Collateralised securities
7 - Cash and deposits
8 - Mortgages and loans
9 - Properties
0 - Other investments (including receivables)
A – Futures
B – Call Options
C – Put Options
D – Swaps
E – Forwards
F – Credit derivatives
L – Liabilities (any negative holdings for indirectly held derivatives)

Category “4 – Collective Investment Units” shall be used only for non–material residual values for both ‘funds of funds’ and any other fund.

Country of issue (Geographical zone of issue): Breakdown of each asset category identified in “Underlying asset category**”** by issuer country. Please identify the country of localisation of the issuer.

The localisation of the issuer is assessed by the address of the entity issuing the asset.

One of the options shall be used:
- ISO 3166-1 alpha-2 code
- XA: Supranational issuers
- EU: European Union Institutions
- AA: aggregated countries due to application of threshold

This item is not applicable to Categories 7, 8 and 9 as reported in “Underlying asset category**”**.

Currency (ISO code) (C0050): This is the currency of the issue and the code should be the ISO code as defined in ISO 4217 alphabetic code, for example, USD for US dollars.

Total Solvency II amount (Non-FIS): This is the Solvency II value (including accrued interest) of the securities held in the premium trust funds (PTFs), in respect of open and run-off reporting years of account. Where the valuation basis adopted in the QMA is the same as that required for Solvency II, the total Solvency II amount (Non-FIS) should tie back to the amounts reported in the QMA201 (plus respective accrued interest reported as receivable in the QMA).

Total Solvency II amount (FIS): This is the Solvency II value (including accrued interest) of the securities held as, either separately or commingled within syndicates PTFs, in respect of funds in syndicates (FIS). Where the valuation basis adopted in the QMA is the same as that required for Solvency II, the total Solvency II amount (FIS) should tie back to the amounts reported in the QMA202 (plus respective accrued interest reported as receivable in the QMA).

Where securities are commingled, that is, investments in respect of FIS and open/run-off years of account (Non-FIS) are not managed separately, only one entry per security should be reported with the amounts presented in the appropriate columns.

Total Solvency II amount (C0060): This is the total Solvency II value (including accrued interest) of the securities and it should be equal to the sum of Total Solvency II amount (Non-FIS) and Total Solvency II amount (FIS). The “Total Solvency II amount” for each investment fund code reported on AAD236 should agree to the “Total Solvency II amount” for the corresponding ID code reported on AAD230. Hence the sum of “Total Solvency II amount” for all entries on AAD236 should equal the sum of “Total Solvency II amount” for all investment fund entries on AAD230 (i.e. where the third character of the CIC on AAD230 is “4”). Liabilities (L) shall be presented as a positive number, unless the item is a derivative liability.

Issue type: This is the means of identifying investments issued by a government agency, government guaranteed bonds, floating rate notes, private equity, alternative investment funds and reverse repurchase agreements for capital modelling purposes. Please use the appropriate code as listed on page 95. If none of the specific options is applicable please use “NA”.

Level of look-through: This indicates the level of look-through performed and selection should be as follows:

- Standard (S) – look-through is performed at security by security level
- Mandate (M) – where investment funds are not sufficiently transparent, investment mandates should be used
- Other (O) – If the above is not achievable, the funds should be reported as “equity other”.

Depending on the level of look-through, some of the fields will not be required to be reported. All the fields (apart from “duration” that is not required when the level of look-through is “O”) are required to be completed.

Maturity date: This is only applicable for CIC categories ##1#, ##2#, ##5#, ##6#, ##8#, ##74, ##79# and corresponds always to the maturity date, even for callable securities. Maturity data shall be blank (not reported) for CIC categories: ##3#, ##4#, ##71, ##72, ##73, ##75, ##9# and ##09. For asset-backed securities syndicates are requested to report the expected maturity date, rather than the final (legal) maturity date. The date should be reported in ISO date format i.e. YYYY/MM/DD and for perpetual securities, the date should be reported as 9999/12/31. This date should be greater than the reporting end date. Where level of look-through is "O", Maturity Date should be blank.

Fund number: This is applicable to assets held in ring-fenced or other internal funds (defined according to national markets). If none is available this item shall not be reported, please leave cell blank. The number is attributed by the undertaking, corresponding to the unique number assigned to each fund. This number has to be consistent over time and should be used to identify the funds in other templates. It shall not be re-used for a different fund.

For Lloyd’s Managed Investment Funds (LMIF), this field must be reported using the correct fund number. This information can be found on page 94-96 or latest LMIF templates issued by LTIM.

Notional amount: This field relates only to CIC categories #A, #B, #C, #D, #E, #F – please report the notional amount of the derivative where applicable and available.

Asset Liquidity: should state the expected number of days in which an asset held within a fund can be redeemed for cash in a normal market environment. Applicable to categories CIC ##1#, ##2#, ##3#, ##5#, ##6#, ##7#, ##8#, ##9#, ##0#.

Where fund look-through has not been reported and the asset has been reported as (CIC ##39), the weighted average number of days in which the underlying assets within the fund can be redeemed for cash should be stated (as per the entry for fund redemption liquidity on the AAD 230).

Where liquidity of look-through assets is not available, the weighted average number of days in which the underlying assets within the fund can be redeemed for cash should be stated (as per the entry for fund redemption liquidity on the AAD 230).

One of the options in the following closed list shall be used:

Description	Asset Liquidity
0-7 days	0 to 7
8-30 days	8 to 30
31-90 Days	31 to 90
91-360 Days	91 to 360

More Than 360 Days	Illiquid

Trust Fund Name: The relevant fund in which the asset is held should be reported. “OTH” should only be reported where the trust fund is not listed below. Where “OTH” has been reported, submission quality tests queries will require the market participant to state the relevant trust.

Where the asset is a member asset which is held in syndicate (FIS) and is reported alongside PTF assets in the same line, the relevant PTF fund should be selected.

Where the asset sits across more than one trust fund, the position should be reported as one line per trust fund holding

Region	Trust Description	Trust Code	Working/Deposit
United States Trust Deeds	Illinois Trust Fund	ILLTF	Deposit
	Kentucky Trust Funds	KENTF	Deposit
	Kentucky JATF	KENJATF	Deposit
	Lloyd’s Dollar Trust Fund	LDTF	Working
	Surplus Lines Trust Deed	SLTF	Deposit
	JATF Surplus Lines	JATFSL	Deposit
	Credit for Reinsurance Trust Fund*	CRTF	Deposit
	JATF Credit for Reinsurance*	JATFCR	Deposit
	LATF (Long term)	LATF	Working
Canadian Trust Deeds	Canadian Margin Fund	CANMF	Deposit
	Lloyd’s Canadian Trust Fund	LCTF	Working
Australian Trust Deeds	Australian Trust Fund & New Business Fund	AUSTF	Deposit
	Australian JATF (2)	AUSJATF	Desposit
Asia Trust Deeds	Asia (Singapore policies) instrument*	ASPI	Working
	Asia (offshore policies) instrument*	AOPI	Working
South African Trust Deeds	South African Trust Fund	SATF	Deposit
	South African Transitional Fund	SATLF	Deposit
ASL Deposits	Australia	ASLAUD	Deposit
	Bahamas	ASLBBD	Deposit
	Brazil	ASLBRL	
	Cayman Islands	ASLKYD	Deposit
	China	ASLCHN	Deposit
	Grenada	ASLGRD	Deposit
	Hong Kong	ASLHKD	Deposit
	Namibia	ASLNAD	Deposit
	Singapore	ASLSGD	Deposit
	St Vincent & Grenadines	ASLSVG	Deposit
	Switzerland	ASLCHF	Deposit
	Trinidad & Tobago	ASLTTD	Deposit
	Other	ASLOTH	
UK Trust Deeds	Premium Trust Deed (General Business)*	PTDGB	Working
	Premium Trust Deed (Long-Term Business)*	PTDLTB	Working

	UK PTF Managing Agent Sub-Fund	UKMA	Working
	UK PTF Personal Reserve Fund	UKPRF	
	Member Funds (FAL & FIS)	MFFF	
	Central Fund	CF	
	Other	OTH	

5.8 AAD237: Securities Lending and Repos (EIOPA ref: S.10.01.01)

Purpose of form: *This form reports information on the syndicate's exposures to repurchase agreements (repos) and securities lending operations.*

This form is required for all reporting years combined.

This template contains an item-by-item list of securities lending transactions and repurchase agreements (buyer and seller) contracts, held directly by the undertaking (i.e. not on a look-through basis), which includes also the liquidity swaps referred to in Article 309 (2)(f) of the Delegated Regulation (EU) 2015/35.

At Lloyd's level, it shall be reported only when the value of the underlying securities on and off balance sheet involved in lending or repurchase agreements, with maturity date falling after the reporting reference date represent more than 5% of the total investments and assets held for index-linked and unit-linked contracts as reported in ASR002. **This threshold only applies at Lloyd's level so all syndicates will be required to complete this form regardless of materiality to the syndicate.**

All contracts that are on the balance sheet or off balance sheet shall be reported. The information shall include all contracts in the reporting period regardless of whether they were open or closed at the reporting date. For contracts which are part of a roll-over strategy, where they substantially are the same transaction, only open positions shall be reported.

A repurchase agreement (repo) is defined as the sale of securities together with an agreement for the seller to buy back the securities at a later date. Securities lending is defined as the lending of securities by one party to another, which requires that the borrower provides the lender with collateral.

Items shall be reported with positive values unless otherwise stated in the instructions.
The asset categories referred to in this template are the ones defined in Annex IV – Assets Categories - and references to CIC codes refer to Annex V – CIC table - of the Commission Implementing Regulation (EU) 2015/2450.

Each repo and securities lending contract shall be reported in as many lines as needed to provide the information requested. If for one item one option fits one part of the instrument being reported and a different option fits the other part then the contract needs to be unbundled unless is stated otherwise in the instructions.

Asset category: This identifies the securities categories present in the portfolio and these categories should be as defined in the CIC table. This should be the third character of the CIC, for example, government bonds should be reported as "1" and Structured notes as "5". Where the asset category is equity, this is should be reported as "3L" (listed) or "3NL" (non-listed).

Position in the contract: This identifies whether the syndicate is a buyer or seller in the repo or a lender or borrower in the securities lending.

Counterparty name: Name of the counterparty of the contract. When available, this item corresponds to the entity name in the LEI database. When not available, it corresponds to the legal name.

Counterparty asset category: Identify the most significant asset category borrowed/received as part of a securities lending transactions or repurchase agreements. Use the asset categories defined in Annex IV – Assets Categories - of the Commission Implementing Regulation (EU) 2015/2450. Categories defined in the CIC table should be used and this should be the third character of the CIC, for example, corporate bonds should be reported as "2" and equity as "3L" (listed) or "3NL" (non-listed).

Near leg amount: This represents the following amounts:

- Buyer in a repo: amount received at the contract inception
- Seller in a repo: amount ceded at the contract inception
- Lender in a securities lending: amount received as guarantee at the contract inception
- Borrower in a securities lending: amount or market value of the securities received at the contract inception

Far leg amount: This item only applies to repos and represents the following amounts:

- Buyer in a repo: amount ceded at the contract maturity
- Seller in a repo: amount received at the contract maturity

Start date: Identify the ISO 8601 (yyyy-mm-dd) code of the contract start date. The contract start date refers to the date when obligations under the contract come into effect.

Maturity date: This is the contract closing date. Even if the contract is on an open call basis, there is normally a date when the contract expires. In these cases this date must be reported, if no call occurs before. An agreement is considered closed when it has matured, a call occurs or the agreement is cancelled. The date should be reported in ISO date format i.e. YYYY/MM/DD. For contracts with no defined maturity date, syndicates should report the maturity date as 9999/12/31.

Total Solvency II Amount: This is the market value of the repo or securities lending contract. This item is only applicable for contracts that are still open at the reporting date. Value of the repo or securities lending contract, following Article 75 of Directive 2009/138/EC rules for valuation of contracts. This value can be positive, negative or zero.

Portfolio: Distinction between life, non-life, shareholders' funds, general (no split) and ring fenced funds. One of the options in the following closed list shall be used:
1 Life (**L**)
2 - Non-life (**NL**)
3 - Ring fenced funds (**RF**)
4 - Other internal fund (**OIF**)
5 - Shareholders' funds (**SF**)
6 - General (**G**)

The split is not mandatory, except for identifying ring fenced funds, but shall be reported if the undertaking uses it internally. When an undertaking does not apply a split "general" shall be used. We do not expect syndicates to have shareholders' funds.

Counterparty code: This is legal entity identifier (LEI) which identifies the counterparty. Where a code does not exist, syndicates should leave this field blank. LEI codes must be valid codes. Any invalid codes will result in the return being rejected.

Counterparty code type: This is the type of counterparty code i.e. "LEI" or "None". Where the counterparty code field was left blank because the code does not exist, "None" must be reported in this field.

Assets held in unit linked and index linked contracts: Please identify the assets that are held by unit linked and index linked contracts.

One of the options in the following closed list shall be used:

1 - Unit-linked or index-linked (Y)

2 - Neither unit-linked nor index-linked (N)

Fund number: This is applicable to assets held in ring-fenced or other internal funds (defined according to national markets). If none is available this item shall not be reported, please leave cell blank. The number is attributed by the undertaking, corresponding to the unique number assigned to each fund. This number has to be consistent over time and should be used to identify the funds in other templates. It shall not be re-used for a different fund.

For Lloyd's Managed Investment Funds (LMIF), this field must be reported using the correct fund number. This information can be found on page 94-96 or latest LMIF templates issued by LTIM

5.9 AAD238: Assets held as Collateral (EIOPA ref: 11.01.01)

Purpose of form: *This form reports information on assets that are off-balance sheet and are held as collateral.*

This form is required for all reporting years combined.

This template contains an item-by-item list of off-balance sheet assets held as collateral for covering balance sheet assets held directly by the syndicate (i.e. not on a look-through basis). It consists of detailed information from the perspective of the assets held as collateral and not from the perspective of the collateral arrangement.

The type of balance sheet assets for which the collateral is covering should relate to investment assets as per the AAD 230. However, it should also include collateral covering Reinsurance Receivables (ASR002, A46) on the balance sheet (as clarified by EIOPA Q&A – see point 933).

However, the collateral covering Insurance Technical Provisions and corresponding Reinsurance Recoverables should not be reported.

If there is a pool of collateral or a collateral arrangement comprising multiple assets, as many lines as the assets in the pool or arrangement shall be reported. The asset categories referred to in this template are the ones defined in Annex IV – Assets Categories - and references to CIC codes in Annex V – CIC table - of the Commission Implementing Regulation (EU) 2015/2450.

All items except items "Type of asset", "Name of the counterparty pledging the collateral" and "Name of the group of the counterparty pledging the collateral" relate to information on the assets held as collateral.

"Type of asset" relates to the asset on the balance sheet for which the collateral is held while "Name of the counterparty pledging the collateral" and "Name of the group of the counterparty pledging the collateral" relate to the counterparty pledging the collateral.

Asset ID Code: Asset ID code using the following priority:
- ISO 6166 code of ISIN when available. An ISIN code must the correct one for the reported instrument. It must be 12 characters long, for example: "US5949181045"
- Other recognised codes (e.g.: CUSIP, Bloomberg Ticker, Reuters RIC)
- Code attributed by the undertaking, when the options above are not available, and must be consistent over time

ISIN code with two currencies - when the same Asset ID Code needs to be reported for one asset that is issued in two or more different currencies, it is necessary to specify the Asset ID code and the ISO 4217 alphabetic code of the currency, as in the following example: "UK1234567890+USD". Please note that the symbol "+" must be part of the code.

Asset ID code type: Type of ID Code used for the "Asset ID Code" item. One of the options in the following closed list must be used:

1 - **ISIN** (ISO 6166 for ISIN code)

2 - **CUSIP** (The Committee on Uniform Securities Identification Procedures number assigned by the CUSIP Service Bureau for U.S. and Canadian companies)

3 - **SEDOL** (Stock Exchange Daily Official List for the London Stock Exchange)

4 - **WKN** (Wertpapier Kenn-Number, the alphanumeric German identification number)

5 - **BT** (Bloomberg Ticker-Bloomberg letters code that identify a company's securities)

6 - **BBGID** (The Bloomberg Global ID)

7 - **RIC** (Reuters instrument code)

8 – **FIGI** (Financial Instrument Global Identifier)

9 - **OCANNA** (Other code by members of the Association of National Numbering Agencies)

10 - **CAU/INST/LMIF** (Cash Sweep Investment Funds – Western Asset & Fiera)

11 - **CAU/ISIN** (Specific case for ISIN codes with two currencies)

13 **- CAU/CINS** (An extension to the CUSIP numbering system, which is used to uniquely identify securities offered outside of the United States and Canada)

99 – **CAU/INST** (Code attributed by the undertaking or unknown)

When the same "Asset ID Code" needs to be reported for one asset that is issued in two or more different currencies, the "Asset ID Code Type" shall refer to option "**CAU/ID code type**". The following combination of ID code types should be used if one asset has been issued in two or more different currencies:

99/1-**CAU/ISIN** (Specific case for ISIN codes with two currencies)

99/2-**CAU/CUSIP** for same CUSIP code with two or more currencies

99/3-**CAU/SEDOL** for same SEDOL code with two or more currencies

99/4-**CAU/WKN** for same WKN code with two or more currencies

99/5-**CAU/BT** for same BT code with two or more currencies

99/6-**CAU/BBGID** for same BBGID code with two or more currencies

99/7-**CAU/RIC** for same RIC code with two or more currencies

99/8-**CAU/FIGI** for same FIGI code with two or more currencies

99/9-**CAU/OCANNA** for same OCANNA code with two or more currencies

99/TBC-**CAU/MAL** for multiple assets & liabilities

99/TBC-**CAU/INDEX** for indexes

Item title: Identify the reported item by filling the name of the asset (or the address in case of property), with the detail settled by the syndicate. This item is not applicable for CIC##95 – Plant and equipment (for own use) as those assets are not required to be individualised, CIC ##71 and CIC ##75.

Issuer name: An issuer is defined as the entity that offers securities representing parts of its capital, debt, derivatives etc., for sale to investors. In the case of cash at bank, the issuer name should be the name of the bank where the cash is held(CIC ##72). For investment funds, the issuer name is the name of the fund manager. This item is not applicable for Property (CIC category ##9#) and CIC code ##71, ##75.

Issuer code: This should be completed with legal entity identifier (LEI) code. Where a code does not exist, syndicates should leave this field blank. LEI is a unique identifier (20-digit, alpha-numeric code) associated with a legal person or structure that is organised under the laws of any jurisdiction (excluding natural persons) and created in accordance with the international standard ISO 17442. LEIs will enable consistent and unambiguous identification of parties to financial transactions, including non-financial institutions. LEI codes must be valid codes. Any invalid codes will result in the return being rejected.

Issuer code type: This must be reported as “LEI” or “None”. Where the issuer code field was left blank because the code does not exist, “None” must be reported in this field.

Issuer sector: This is the economic sector of issuer based on the latest version of NACE code (as published in an EC Regulation). Please see Appendix 4 for NACE codes. NACE codes should not be used where there is a “No” in the “usable” column. This is applies to a small number of NACE codes.

The letter reference of the NACE code identifying the section should be used as a minimum for identifying sectors, for example, “A” or “A0111” would be acceptable except for NACE relating to financial and insurance activities (**K** category), for which the letter identifying the section followed by the 4 digits code for the class shall be used (e.g. ‘K6419’).

The following shall be considered:

- CIC category 4 – Collective Investments Undertakings, the issuer sector is the sector of the fund manager;
- CIC category 7 – Cash and deposits (excluding CIC ##71 and CIC ##75), the issuer sector is the sector of the depositary entity
- CIC category 8 – Mortgages and Loans, other than mortgage and loans to natural persons, the information shall relate to the borrower;
- This item is not applicable for CIC ##71, CIC ##75 and CIC category ##9# – Property;
- This item is not applicable to CIC category ##8# – Mortgages and Loans, when relating to mortgage and loans to natural persons.

This item is not applicable for CIC code ##71, ##75, ##9#. If it is not applicable, please leave the cell **blank**.

Issuer group: This is the name of the ultimate parent undertaking of the issuer. This item is not applicable for CIC ##8#, ##9#, ##71, ##75. If it is not applicable, “NA” should be reported.

Issuer group code: This is legal entity identifier (LEI) code. Where a code does not exist, syndicates should leave this field blank. LEI codes must be valid codes. Any invalid codes will result in the return being rejected.

Issuer group code type: This is the type of the issuer group code i.e. LEI or None. Where the issuer group code field was left blank because the code does not exist or not applicable, “None” must be reported in this field. This item is not applicable for CIC ##9#, ##71, ##75. If it is not applicable, “None” must be reported in this field.

Issuer country: This is the country where the legal seat of issuer is located. For investment funds, the country is relative to the funds manager. The legal seat, for this purpose, should be understood as the place where the issuer head office is officially registered, at a specific address, according to the commercial register (or equivalent). The International Organisation for Standardisation (ISO) alpha 2 codes should be used, i.e. two letter country codes. For example, “US” to denote United States, except for supranational issuers and European Union institutions where “XA” and “EU” should be used respectively. This item is not applicable for CIC ##8#, ##9#, ##71, ##75, please leave the cell **blank**.

Country of custody: This is ISO 3166–1 alpha–2 code of the country where undertaking assets are held in custody. For identifying international custodians, such as Euroclear, the country of custody will be the one where the custody service was contractually defined. Where there are multiple custodians, the country of the biggest custodian should be reported i.e. one that holds securities with the highest value. This item is not applicable for CIC ##8#, ##71, ##75, ##95. If it is not applicable, please leave the cell **blank**.

Currency (ISO code): This is the currency of the issue and the code should be the ISO code as defined in ISO 4217 alphabetic code, for example, USD for US dollars.

CIC: This refers to Complementary Identification Code (CIC) and it is the EIOPA Code used to classify securities. Please see Appendix 1 for the CIC table. When classifying an asset using the CIC table, syndicates should take into consideration the most representative risk to which the asset is exposed. The code should comprise of four characters, for example, ES15 denoting, treasury bonds listed in Spain. When identifying the location of the asset, the country ISO code where the asset is traded should be used. When determining CIC for supranational issuers and European Union institutions “XA” and “EU” should not be used, but instead the country ISO code where the security is traded/listed should be used. If this is traded in more than one country, then the country used for valuation reference should be used. CIC's first 2 characters should be a valid ISO country code, XL (for not listed) or XT (for not exchange tradable)

Quantity: This depends on the type of assets (e.g. number of shares for equity, number of units for investment funds). Quantity shall not be reported if Total par amount is reported. This item must be reported for CIC ##3# and ##4#.

Par amount: Principal amount outstanding measured at par amount, for all assets where this item is relevant, and at nominal amount for CIC ##72, ##73, ##74, ##75, ##79.   This item must be reported for CIC ##1#, ##2#, ##5#, ##6#, ##7#, ##8# and ##9#.

Unit Solvency II price: This depends on the type of assets (amount in GBP for shares or units held in investment funds). This is not applicable for CIC categories ##1#, ##2#, ##5#, ##6#, ##7#, ##8# and ##9#.

Unit Percentage of Par Amount Solvency II Price: Amount in percentage of par value, clean price without accrued interest, for the asset, if relevant. Percentages must be reported using **decimal notation** rather than in percentages (e.g. 9.31% must be reported as 0.0931).

This item shall be reported if a “Par amount” information has been provided..

This item shall not be reported if item “Unit Solvency II price” is reported.

Valuation method: Identify the valuation method used when valuing assets. One of the options in the following closed list shall be used:

1 - QMP (quoted market price in active markets for the same assets)

2 - QMPS (quoted market price in active markets for similar assets)

3 - AVM (alternative valuation methods)

4 - AEM (adjusted equity methods (applicable for the valuation of participations)

5 - IEM (IFRS equity methods - applicable for the valuation of participations)

6 - MV (Market valuation according to article 9(4) of Delegated Regulation 2015/35)

Total Solvency II amount: This is the Solvency II value of the investments and value calculated as defined by article 75 of the Directive 2009/138/EC. This corresponds to:

- The multiplication of “Quantity” by “Unit Solvency II price” plus “Accrued interest” if applicable (Quantity x Unit Solvency II price + Accured interest) for the following CIC categories; ##3# and ##4#. It must also equal to the sum of Market value (Non-FIS), Market value (FIS); or
- The multiplication of “Total par amount” (principal amount outstanding measured at par amount or nominal amount) by “Unit Percentage of Par Amount Solvency II Price” plus “Accrued interest” (Total par

amount x Unit Percentage of Par Amount Solvency II Price + Accrued interest) for the following CIC categories; ##1#, ##2#, ##5#,##6#, ##7#, ##8# & ##9. It must also be equal to the sum of Market value (Non-FIS), Market value (FIS) and Accrued interest.

- **Please note, the return will be queried or required to be resubmitted if there is greater than 1000/-1000 deviation between Total Solvency II amount and value calculated by use of the above formulae.**
- For assets under CIC code ##71 and ##9#, this shall indicate the Solvency II value of the asset.

Maturity date: This is only applicable for CIC categories ##1#, ##2#, ##5#, ##6#, ##8#, ##74, ##79 and corresponds always to the maturity date, even for callable securities. Maturity data should be blank (not reported) for CIC categories: ##3#, ##4#, ##71, ##72, ##73, ##75, ##9#, ##09. For asset-backed securities syndicates are requested to report the expected maturity date, rather than the final (legal) maturity date. The date should be reported in ISO date format i.e. YYYY/MM/DD and for perpetual securities, the date should be reported as 9999/12/31. This date should be greater than the reporting end date.

Accrued interest: Quantify the amount of accrued interest after the last coupon date for interest bearing assets. This value is also part of item Total Solvency II amount.

Type of asset:

Please identify the type of asset for which the collateral is held.
One of the options in the following closed list shall be used:

1 - Government bonds

2 - Corporate bonds

3 - Equities

4 - Collective Investment Undertakings

5 - Structured notes

6 - Collateralised securities

7 - Cash and deposits

8 - Mortgages and loans

9 - Properties

0 - Other investments (including receivables)

X - Derivatives

If the type of asset for which the collateral is held relates to Reinsurance Receivables, please use “0 – Other investments (including receivables).

Name of the counterparty pledging the collateral: The name of the counterparty that is pledging the collateral. When available, this item corresponds to the entity name in the LEI database. When this is not available this corresponds to the legal name.

When the assets on the balance sheet for which the collateral is held are loans on policies, “Policyholder” shall be reported.

Name of the group of the counterparty pledging the collateral: Please identify the economic group of the counterparty pledging the collateral. When available, this item corresponds to the entity name in the LEI database. When this is not available this corresponds to the legal name.

This item is not applicable when the assets on the balance sheet for which the collateral is held are loans on policies.

Appendices

Appendix 1 – EIOPA CIC table (revised)

Appendix 1 - EIOPA CIC table (revised).xls:

Appendix 2 – Managing agent's reports (ASR910, ASB910 and AAD910)

Appendix 2a - ASR910 managing ag

Appendix 2b - ASB910 managing ag

Appendix 2c - AAD910 managing age

Appendix 3 – ASR, ASB and AAD forms and specifications (revised)

Solvency II Pillar 3 - ASR Return Specificat

Solvency II Pillar 3 - ASB Return Specificat

Solvency II Pillar 3 - AAD Return Specific

Appendix 4 – NACE codes

Appendix 4 - NACE codes.xlsx

Appendix 5 – ASR430(s)/431(s) Examples

Appendix 5 - ASR 430 and 431 exampl

Appendix 6 – ASR930 opinion

ASR930 Auditors.docx

Appendix 7 - CF syndicate loan template

QAD 230 - CF syndicate loan temp

Appendix 8 - additional guidance on reporting the Part VII transfer

Part VII transfer
addendum for instru

Appendix 9 – LORS / LEI Domicile Mapping

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micile_Mapping_202