

MARKET BULLETIN

REF: Y4429

Title	Coverholder Premium Reporting Standard
Purpose	The purpose of this bulletin is to launch and introduce a standard for coverholders to report premium information to the Lloyd's market
Type	
From	Sue Langley, Director of Market Operations
Date	29th October 2010
Deadline	
Related links	http://www.lloyds.com/acord http://www.lloyds.com/The-Market/I-am-a/Coverholder For general enquiries regarding reporting standards for coverholders, please e-mail: CoverholderReportingStandard@lloyds.com

A standard has been designed for coverholders to report premium information to Lloyd's brokers and syndicates. The standard has been designed following consultation with market participants including members of the Delegated Underwriting Committee (DUC), the Binding Offslips Lineslips and Treaties Committee (BOLT), the London Market Future Processes Facilities and Binders Working Group and Xchanging.

The standard will make it easier for coverholders to do business with Lloyd's by replacing many differing requests for information and giving a clear statement of the information that is needed. The standard will also enable the reduction of key-strokes and allow automation and straight through processing by standardising information flows; whilst allowing coverholders to choose their own technologies and systems.

The standard states the minimum information coverholders are required to report into the Lloyd's market. The standard is intended for use for all classes of business in all territories. The standard includes a series of mandatory fields which must always be reported; and a

series of conditional fields which will be required in some circumstances, for example for certain classes and territories.

For new coverholders, Lloyd's is mandating the use of the standard from the 1st January 2011. We would expect all new coverholders to provide all the mandatory fields and all the relevant conditional fields.

It is expected that all existing coverholders will ultimately use the standard. Lloyd's will work with the market and other stakeholders towards this goal.

Background

Coverholders are given authority to write risks on behalf of Lloyd's syndicates via binding authority contracts. Part of the contractual agreement is that the coverholder regularly reports the premiums they have collected to the Lloyd's syndicate. Such information is required to ensure the correct movement of monies between coverholders, brokers and Lloyd's syndicates; and to ensure Lloyd's is able to meet its tax and regulatory reporting obligations and so maintain its licences in different territories.

A multitude of differing information requests from syndicates and brokers has made it hard for coverholders to do business with Lloyd's. The receipt of varying submissions for coverholders has made it hard for syndicates and brokers to work with the information supplied by coverholders.

Information is typically provided by coverholders in a spreadsheet format and the standard is reflective of this. Where coverholders are able to provide XML, this is also an acceptable format and a standard for XML will be created in due course. In the past information has been submitted on paper, in faxes, in word processing formats and as PDFs; such formats do not allow calculations to be performed and lead to re-keying, and are no longer acceptable.

Supporting Materials

The following materials are available:-

- A user guide giving details of the expected content of each field.
- A stand alone spreadsheet tool which can be used for reporting, or as a model to help design reports from systems.

These can be found on: <http://www.lloyds.com/acord>

Broker and Managing Agent Specific Requirements

Brokers and managing agents are expected to help ensure that new coverholders adopt the standard and that existing coverholders gradually move towards using the standard.

Brokers and managing agents are requested to:

- Look at submissions being received from coverholders, to check that all mandatory information is included together with any relevant conditional fields.
- Talk to coverholders about the standard. Make sure they have any information they need.
- Discuss the standard as part of conversations about the renewal of binder contracts.
- Come up with a plan for any action required.
- Talk to Lloyd's about any questions or concerns you might have.

Coverholder Specific Requirements

New coverholders are expected to include all mandatory fields and any relevant conditional fields in the premium submissions they make to the Lloyd's market. New coverholders are expected to build their reports to include such information. Existing coverholders are expected to agree any planned changes with their brokers and syndicates and to gradually implement these.

Coverholders are requested to:

- Talk to your brokers and syndicates in London, you may not need to take any action yet.
- Look on <http://www.lloyds.com/acord> for more relevant documents and information, including a detailed user guide and spreadsheet tool.
- If you manually create spreadsheets for your reports, or are currently submitting paper reports; consider using Lloyd's premium reporting spreadsheet tool.
- If you produce reports from a system, talk to your system vendor about the changes which might be needed.
- Agree a plan with your broker in London and the syndicates you work with for any changes needed.
- Talk to your broker, syndicates or Lloyd's about any questions or concerns you might have.

Coverholder System Vendors

Vendors are encouraged to:

- Ensure that premium reports from their systems include all the mandatory and appropriate conditional fields.
- Build a standard report from their system in the recommended layout.
- Talk to Lloyd's about your progress and plans.

Further contacts

For general enquiries regarding reporting standards for coverholders, please e-mail CoverholderReportingStandard@lloyds.com

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