

MARKET BULLETIN

REF: Y4551

Title	Q4 2011 QMR – major losses, exchange rates and other information.
Purpose	To provide managing agents with information required for the completion of the Q4 2011 Quarterly Monitoring Returns including the list of major losses to be reported and suggested exchange rates.
Type	Scheduled
From	Robert Smith, Manager, UK Reporting, Market Finance Contact details: 020 7327 5459 robert.smith@lloyds.com
Date	3 January 2012
Deadline	QMA – 2:00pm Thursday 23 February 2012 audited QMB – 2:00pm Thursday 1 March 2012 unaudited Syndicate Annual Accounts – Thursday 15 March 2012
Related links	

This bulletin provides:

- (a) the list of major losses to be reported in QMA800u (see Appendix 1);
- (b) suggested exchange rates (see Appendix 2);
- (c) Q4 2011 deadlines and other information relevant to the completion of the Q4 2011 Quarterly Monitoring Return; and
- (d) A note on changes to the QMB for Q1 2012 onwards.

Deadlines

As noted above the submission dates for the Q4 2011 QMR are: QMA, 23 February 2012; QMB, 1 March 2012.

The returns must be submitted by no later than 2:00pm of the deadline date. The year-end timetable for the completion of the market results is very tight and it is important that syndicate returns and annual accounts are submitted by their respective deadlines. We will take action against agents submitting late returns and / or accounts. Agents should bear this in mind when planning, not just the completion of the return, but also the audit and approval processes, including the timing of board meetings.

Forms and instructions

As noted in market bulletin Y4537, the instructions for the year-end return are available on the core market returns site. The current instructions are 2011, version 3.0 and can be found on the left hand side of the QMA Homepage. However, please also note the following amendment.

QMA655u

Since the publication of the instructions it has been decided form QMA655u is no longer required. The form currently remains in the software but it should not be completed.

This point will be confirmed in the FAQs, the first issue of which will be this Friday, 6 January, and weekly thereafter.

Changes to QMB

The QMB105 & QMB105s will include the following changes for Q1 2012 and post:

1. Inclusion of a distribution channel split by Asia/China RI/China Direct/Japan/London for pure year of account 2012 and later only.
2. Increased currency granularity to include a split by USD/GBP/EUR/CAD/AUD/Other for pure year of account 2012 and later only.
3. Addition of a new status 'accepted' – therefore status flow will be: submitted -> received -> accepted. The managing agent will submit the return; Lloyds will receive it and only when Lloyd's is happy with the submission will the return be accepted.
4. Change to Labels on form 105 & 105s: *Change in provision for reported claims, gross amount excluding ULAE* to *Provision for reported claims, gross amount excluding ULAE*
5. Change to Label on form 105s: *Change in provision for reported claims, reinsurers' share* to *Reinsurers' share of provision for reported claims*

In addition form QMB870 has been removed from the QMB return.

Other information

Reporting performance issues

We would encourage all agents to report any issues they have with the performance of the software and accessing the systems as soon as they arise. This will enable the ITG help desk to help resolve the issue earlier in the process and enable us to monitor service levels in real time and respond quickly as issues emerge. The contact details for the Application Support team 020 7327 5252 (e-mail: ITGApplicationSupport2@Lloyds.com).

Queries

Any queries or comments on this bulletin should be submitted via e-mail to Market Reporting (Lloyds-MRD-ReturnQueries@lloyds.com).

Robert Smith

Major losses

The XIS catastrophe codes which must be reported in the Q4 2011 QMA800u are:

1	10B	US Snowstorms	5 to 11 February 2010
2	10C	Chilean Earthquake	27 February 2010
3	10E	Transocean MODU Deepwater Horizon	22 April 2010
4	10G	Aban Drilling, loss of Rig off the coast of Venezuela	13 May 2010
5	10K	Melbourne severe storm event	6 March 2010
6	10L	Perth severe weather	22 March 2010
7	10P	New Zealand Earthquake	4 September 2010
8	10R	Qantas Airbus Engine Failure	4 November 2010
9	10T*	Queensland Floods	21 Dec '10 to 14 Jan '11
10	11A*	Victoria Australia - heavy rainfall and flooding	12 January 2011
11	11B*	Cyclone Yasi	2 February 2011
12	11C	New Zealand Earthquake	22 February 2011
13	11D	Japanese Earthquake and ensuing Tsunami	11 March 2011
14	11E	Maersk Oil and Gas FPSO Gryphon	4 February 2011
15	11F	US Tornadoes – 14 – 16 April	14 to 16 April 2011
16	11G	US Tornadoes – 24 – 28 April	24 to 28 April 2011
17	11H	US Tornadoes – 20 – 27 May	20 to 27 May 2011
18	11J	Slave Lake fire, Alberta, Canada	14 to 16 May 2011
19	11K	Loss of Asiana airlines cargo Boeing 747-400F	28 July 2011
20	11L	Losses arising from civil disturbances in England	6 to 10 August 2011
21	11M	Hurricane Irene	22 to 29 August 2011
22	11N	Losses arising from New Zealand earthquake at Sumner	13 June 2011
23	11O	Texas Wildfires	30 August 2011
24	11P	P-51D Mustang Reno Air Races crash	16 September 2011
25	11Q	Caribbean Airlines B737-800 Landing Crash	30 July 2011
26	11R	Heavy rainfall and ensuing flooding in Thailand	1 October 2011
27	11RX	CBI claims arising out of the 2011 Thailand floods	1 October 2011
28	11S	Egyptair B777-200ER Cockpit Fire	27 July 2011
29	11ZA*	Toowoomba Australia	10 to 11 January 2011
30	EGYP	Losses arising from the continuing situation in Egypt	2011
31	FINC	Turmoil in financial markets post Lehman Brothers	-
32	ICEL	Losses arising from the failure of Icelandic Banks	-
33	LEHM	Losses arising from the failure of Lehman Brothers Bank	-
34	LIBY	Losses arising from the continuing situation in Libya	2011
35	MADO	Collapse of Madoff Investment Securities LLC	-
36	SUBS	Losses arising from sub prime	-
37	STAN	Stanford financial corporation alleged fraud	-

For the avoidance of doubt, losses under cat code "PPO" do not have to be included on QMA800u.

We recognise that this is an extensive list but it is vital that we have this information to be able to provide analysts and other commentators with accurate information on the impact of major losses, both individual events and in total, have had on the market's results.

Agents are reminded that if they have any major loss to be reported on QMA800u that does not have an XIS catastrophe code they need to ensure that the loss has been allocated a major loss code. Details of the procedure for obtaining a major loss code can be found in an attachment to a message posted to Core Market Returns on 3 January 2012. The attachment includes a full list of current catastrophe and major loss codes to date. The deadline for submission of requests for new major loss codes to Market Finance is Monday 31 January 2012.

At the request of the LMA FI/PI claims group, major loss codes ICEL and LEHM have been allocated accordingly. Previously such losses were coded under major loss code FINC. Losses arising under these two codes must now be separately disclosed.

***Events in Australia (reminder)**

There are three XIS catastrophe codes relating to losses that occurred in Australia late December 2010 / early January 2011. To ensure consistency across the market on the completion of the QMA800u and to assist Lloyd's tracking of these events a further major loss code has been specifically assigned. Although this is set up as a major loss code, it must be treated as if it were a CAT code.

Details of the use of the three CAT codes and one major loss code can be found below. All four codes have been listed in the required CAT codes table above:

1. 10T:
 - a. Queensland event DOL 26th December 2010 to January 14th 2011
 - b. Brisbane event DOL 21st December 2010 to January 14th 2011
2. 11A:
 - a. January 2011 Victoria event
 - b. February 2011 Victoria event
3. 11B: Losses relating to Cyclone Yasi
4. 11ZA: Toowoomba event 10th to 11th January 2011

Major loss codes

Major loss codes assigned for 2011 to date are:

1	11ZB	Perth bushfire	05 to 08/2
2	11ZC	Australian Wheat Board – Indonesia	09/02
3	11ZD	Eskom – South Africa	22/02
4	11ZE	CNRL – Explosion and fire damage	07/01
5	11ZF	Petrobras America – Chinook development	23/03
6	PPIC	Payment Protection Insurance	11/05
7	11ZG	Jupiter 1 – Mexico	12/04
8	11ZJ	Plains All American – Rainbow Pipeline	28/04
9	11ZK	Petrosaudi Saturn	02/04
10	11ZL	Motor Yacht – Godspeed	08/08
11	11ZM	Ringhals NPP Fire	10/05

12	11ZN	Cyprus Naval Base Explosion	11/07
13	11ZP	Gulf Coast Asphalt Company	01/09
14	11ZQ	Manitoba Agriculture Crop losses	01/04
15	11ZR	Satellite New Dawn	22/04
16	11ZS	Satellite Telstar 14R	20/05
17	11ZT	Satellite Express AM4	18/08
18	11ZU	Nordlake – India	30/01
19	11ZV	Kuwait Petroleum Corporation – VSL Irene	09/02

Please note:

Major loss codes relating to 2010 and prior are still maintained in the database. Syndicates are asked to report on major losses in accordance with the QMA800u instructions, repeated within the memo attached to the Core Market Returns message posted on 3 January 2012.

Rates of Exchange

The settlement currency rates as at 31 December 2011 (balance sheet), average currency rates (profit and loss account) for the year to 31 December 2011, and 3 month in-quarter average currency rates are as follows (to the £):

	Accounts etc		GQD
	Period end	Average	In-quarter average*
US dollars	1.55	1.60	1.57
Canadian dollars	1.58	1.59	1.61
Euro	1.20	1.15	1.17
Australian dollar	1.52	1.55	1.55
Danish krone	8.90	8.59	8.68
Hong Kong dollar	12.07	12.49	12.23
Japanese yen	119.57	127.88	121.61
New Zealand dollar	1.99	2.03	2.02
Norwegian krone	9.27	8.99	9.06
Singapore dollar	2.02	2.02	2.02
South African rand	12.55	11.64	12.74
Swedish krona	10.65	10.41	10.61
Swiss franc	1.45	1.42	1.43

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

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

Chilean earthquake - Reminder

The list of major losses in Appendix 1 includes 10C, February's Chilean earthquake. When assessing the level of claims relating to this loss managing agents do need to be careful that they identify the unit in which the loss is being reported. Chilean losses may be reported in one of two ways:

1. The Chilean Peso (CLP) is the official currency of Chile, conventionally quoted against the US Dollar (USD). All payments are made in CLP. On 26 February 2010, 1 USD = 524.55 CLP.
2. The Chilean Unidad de Fomento (UF) (may also be coded as "CLF") is a monetary reference unit which is linked to Chilean inflation and used in many financial transactions. It is fixed daily by the Central Bank of Chile and is not a settlement currency. The UF exchange rate may be quoted in terms of the CLP (on 26 February 2010, 1 UF = 20,912.91 CLP) or the USD (on 26 February 2010, 1 UF = 39.8797 USD).