

# MARKET BULLETIN

REF: Y4592

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<b>Title</b>	Transfers of Underwriting Capacity - Capacity Market Rules for 2012
<b>Purpose</b>	Rules and guidance relating to capacity auctions and bilateral transactions in capacity and capacity offers
<b>Type</b>	Scheduled
<b>From</b>	Peter Spires, Head of Legal & Compliance, North America and General Counsel's Division
<b>Date</b>	16 May 2012
<b>Related links</b>	<a href="http://www.lloyds.com/The-Market/Business-Timetable/Capacity-Auctions/Rules-and-guides">http://www.lloyds.com/The-Market/Business-Timetable/Capacity-Auctions/Rules-and-guides</a>

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## Summary

The rules and guidance for the 2012 capacity transfer season have now been finalised and can be viewed at the above link. The only substantive amendment is to the Auction Rules and has been summarised below.

### Change to the Auction Rules

Under the updated Auction Rules the floor limit of auction tender orders and the subscriber's premium specified in each auction subscription order shall be equal to 0.01p or an integral multiple of 0.01p as the Lloyd's auction IT system that was introduced in 2011 can now accommodate this procedure. The Lloyd's Capacity Transfer Panel is keen that this enhancement to the auction IT system is offered to Lloyd's members as the opportunity to submit a floor limit and subscriber's premium to two decimal places should introduce a greater degree of flexibility to bid pricing.

### Auction Dates for 2012

The auction dates for 2012 are:

Auction 1	19 & 20 September
Auction 2	3 & 4 October
Auction 3	10 & 11 October
Auction 4	13 & 14 November

### **Disclosure Notification**

Managing agents are reminded that Auction Rule 20(4) imposes an obligation on managing agents to ensure that any Relevant Information which comes into their possession shall be disclosed promptly to the members of their respective syndicate(s) with a copy of any such disclosure promptly provided to the Lloyd's Auction Office. The Lloyd's Auction Office will accept disclosures up to noon on the penultimate working day before an auction starts and will arrange for all disclosures to be posted to the designated area on the lloyds.com website within three hours of receipt.

### **Contact**

Enquiries about any of the rules attached to this bulletin should be addressed to Paul Thornton (telephone 020 7327 6281, email [paul.thornton@lloyds.com](mailto:paul.thornton@lloyds.com)).

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