

MARKET BULLETIN

REF: Y4623

Title	Q3 2012 QMR – major losses, exchange rates and other information.
Purpose	To provide managing agents with information required for the completion of the Q3 2012 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	1 October 2012
Deadline	QMA – 2:00pm Thursday 15 November 2012 unaudited QMB – 2:00pm Thursday 15 November 2012 unaudited

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) other information relevant to the completion of the Q3 2012 Quarterly Monitoring Return
- (d) key deadlines for the Q4 2012 year-end returns and for certain returns at Q1 to Q3 2013
- (e) Additional Securities Ltd – action required for waiver.

Information for the completion of the Q3 2012 QMRs

The submission dates are as noted above. All submissions are due by no later than 2:00pm on the relevant date. The 2010 and 2011 forecasts as a percentage of capacity will be released to the Stock Exchange and included on Lloyd's.com on Wednesday 21 November.

Forms and instructions

The instructions for the Q3 QMA remain “2012 version 1.0” and are available on the core market returns site.

Undistributed profits

We are aware that a number of syndicates still have retained profits as at 30 September 2012 from years that closed at 31 December 2011. Any profit that is to be distributed in the final quarter but remains in the syndicate PTF's at Q3 2012 must be reported in line 25 of QMA 205, ie other creditors less than a year (enter as a positive figure for an undistributed loss). Where 2009 closed year profits are to be retained as Funds in Syndicates (FIS), the amounts should be reported on forms QMA111, QMA202 & QMA204. However, such undistributed profits should only be reported on the FIS forms where instruction has been provided to Market Services confirming that the profits are being retained in the syndicate PTFs as FIS.

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).

Key deadlines for the Q4 2012 year-end returns and certain returns at Q1 to Q3 2013

The deadlines for the coming year-end and the first three quarters of 2013 are set out in Appendix 3. There are no major changes to the deadlines.

Additional Securities Ltd – Admissible Assets for Solvency Purposes – General Waiver by Consent

The FSA have agreed to extend the general waiver by consent, due to expire on 31 December 2012, so that debts due from ASL may be allowable up to 10% for solvency purposes. This operates, as effectively, an invitation to managing agents to take up a waiver which is available on the FSA website, subject to managing agents meeting the criteria for granting of the waiver and that managing agents comply with the conditions. Under this process the waiver has been produced in a standard form and managing agents which need to take advantage of the waiver should write in to the FSA as soon as possible so that the FSA has sufficient time to process applications for approval before 31 December 2012. Letters can be e-mailed to the waivers team at the FSA via centralwaiversteam@fsa.gov.uk. Details of the modification can be found on the FSA website - see <http://www.fsa.gov.uk/pages/doing/regulated/notify/waiver/consent/inspru.shtml>

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 Q3 2012 QMA800u are:

1	10C	Chilean Earthquake	27 February 2010
2	10E	Transocean MODU Deepwater Horizon	22 April 2010
3	10P	New Zealand Earthquake	4 September 2010
4	10R	Qantas Airbus Engine Failure	4 November 2010
5	10T*	Queensland Floods	21 Dec '10 to 14 Jan '11
6	11A*	Victoria Australia - heavy rainfall and flooding	12 January 2011
7	11B*	Cyclone Yasi	2 February 2011
8	11C	New Zealand Earthquake	22 February 2011
9	11D	Japanese Earthquake and ensuing Tsunami	11 March 2011
10	11E	Maersk Oil and Gas FPSO Gryphon	4 February 2011
11	11F	US Tornadoes – 14 – 16 April	14 to 16 April 2011
12	11G	US Tornadoes – 24 – 28 April	24 to 28 April 2011
13	11H	US Tornadoes – 20 – 27 May	20 to 27 May 2011
14	11J	Slave Lake fire, Alberta, Canada	14 to 16 May 2011
15	11K	Loss of Asiana airlines cargo Boeing 747-400F	28 July 2011
16	11L	Losses arising from civil disturbances in England	6 to 10 August 2011
17	11M	Hurricane Irene	22 to 29 August 2011
18	11N	Losses arising from New Zealand earthquake at Sumner	13 June 2011
19	11O	Texas Wildfires	30 August 2011
20	11P	P-51D Mustang Reno Air Races crash	16 September 2011
21	11Q	Caribbean Airlines B737-800 Landing Crash	30 July 2011
22	11R	Heavy rainfall and ensuing flooding in Thailand	1 October 2011
23	11RX	CBI claims arising out of the 2011 Thailand floods	1 October 2011
24	11S	Egyptair B777-200ER Cockpit Fire	27 July 2011
25	12A	Claims arising from the grounding of the Costa Concordia	13 January 2012
26	12B	Tornadoes affecting Ohio valley	2&3 March 2012
27	12C	Tornadoes affecting Texas and Louisiana	3 April 2012
28	12D	Tornadoes affecting central plains including Oklahoma	13 to 15 April 2012
29	12E	Earthquake at Oaxaca, Mexico	20 March 2012
30	12F	Italian earthquake in Northern Italy	20 May 2012
31	12G	Italian earthquake at Medolla, Italy	29 May 2012
32	12H	Tropical Storm/Hurricane Isaac	22 August & ongoing
33	11ZA*	Toowoomba Australia	10 to 11 January 2011
34	DR12	Losses arising from drought weather conditions in the US	1.1.12 & ongoing
33	EGYP	Losses arising from the continuing situation in Egypt	2011
34	ELGI	Losses arising from Elgin platform gas leak	25 March 2012
35	FINC	Turmoil in financial markets post Lehman Brothers	-
36	ICEL	Losses arising from the failure of Icelandic Banks	-
37	LEHM	Losses arising from the failure of Lehman Brothers Bank	-
38	LIBY	Losses arising from the continuing situation in Libya	2011

39	MADO	Collapse of Madoff Investment Securities LLC	-
40	SUBS	Losses arising from sub prime	-
41	STAN	Stanford financial corporation alleged fraud	-

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

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. Any agent wishing to request a new major loss code should send an e-mail to the Lloyd's-MRD-ReturnQueries address and the relevant procedures and template will be provided by return. The deadline for submission of requests for new major loss codes to Market Finance is Friday 2 November 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 be separately disclosed.

***Events in Australia**

To date 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 2012 to date are:

1	12ZA	K.S Endeavour Explosion - Nigeria	16/01/2012
2	12ZC	Gelso M Vessel - ITALY	10/03/2012
3	12ZD	Evonik Degussa - Germany	31/03/2012
4	12ZE	Arkema contingent BI claim	07/06/2012
5	12ZF	City of Dixon Embezzlement	17/04/2012
6	12ZG	Ithaca Energy (uk) Ltd	26/03/2012
7	12ZH	Evonik Degussa	31/03/2012

Please note:

Major loss codes relating to 2011 and prior are still maintained in the database. Syndicates are asked to report on major losses in accordance with the QMA800u instructions.

Rates of Exchange

The settlement currency rates as at 30 September 2012 (balance sheet) and the average currency rates (profit and loss account) for the 9 month period to 30 September 2012 are as follows (to the £):

	Accounts etc		GQD
	Period end	Average	In-quarter average*
US dollars	1.61	1.58	1.58
Canadian dollars	1.59	1.58	1.57
Euro	1.26	1.23	1.26
Australian dollar	1.55	1.53	1.52
Danish krone	9.36	9.16	9.40
Hong Kong dollar	12.52	12.25	12.25
Japanese yen	125.63	125.26	124.21
New Zealand dollar	1.94	1.96	1.95
Norwegian krone	9.24	9.25	9.33
Singapore dollar	1.98	1.99	1.97
South African rand	13.32	12.70	13.05
Swedish krona	10.59	10.75	10.65
Swiss franc	1.52	1.48	1.52

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).

Appendix 3

Deadlines for the 31 December 2012 year-end returns and certain Q1 to Q3 2013 returns

Activity	12/13 deadline	11/12 deadline
Agents to submit Q4 2012 GQD	Thurs 10 January	Thurs 12 January
Agents to submit amended electronic Canadian packs	Fri 8 February	Thurs 09 February
Agents to submit amended electronic US situs packs, schedule F&P packs, and statutory statements of actuarial opinion	Thurs 14 February	Tues 14 February
Agents to submit final signed and notarised reporting packs including schedules F&P	Mon 18 February	Fri 17 February
Agents to submit audited 31.12.2012 QMA, Worldwide SAO (non-life syndicates) and, for life syndicates, the certificate required under IPRU (INS) 9.58 (3) and the abstract of the report under SUP 4.6.15 (2).	Thurs 21 February	Thurs 23 February
Agents to submit 31.12.2012 QMB	Thurs 28 February	Thurs 01 March
Agents to submit distribution data files (fasttrack agents only)	Thurs 28 February	Thurs 01 March
Agents to submit audited 31.12.2012 QMC	Thurs 7 March	
Agents to submit distribution data files (non-fasttrack agents only)	Mon 11 March	Mon 12 March
Agents to submit distribution audit report and statement of responsibilities	Weds 13 March	Weds 14 March
Agents to submit 31.12.2012 syndicate annual report and accounts together with agent and auditor confirmation of agreement with QMA	Thurs 14 March	Thurs 15 March
Agents submit underwriting year accounts to Lloyd's together with PDFs of annual and underwriting year accounts	Thurs 21 March	Thurs 22 March
2013 FPP – this return, relating to run-off years, is no longer required	Not required	Fri 23 March
Lloyd's Annual Report approved by Council	Tues 26 March	Tues 27 March
Agents send annual and underwriting year accounts to members	Fri 29 March	Fri 30 March
Agents to submit report supporting the US and Worldwide SAOs	Fri 29 March	Fri 30 March
SRD – this return is no longer required as it is replaced by the TPD	Not required	Thurs 5 April
Agents to submit 31.12.2012 TPD	Thurs 04 April	Thurs 07 June

Other 2013 dates for GQD, QMA, QMB, QMC, LCR

Activity	12/13 deadline	11/12 deadline
Agents to submit Q1 2013 GQD	Thurs 11 April	Thurs 12 April
Agents to submit Q1 2013 QMA & QMB	Thurs 16 May	Thurs 17 May
Agents to submit Q2 2013 GQD	Thurs 11 July	Thurs 12 July
Provisional 2014 LCR	Thurs 18 July	Thurs 19 July
Agents to submit unaudited Q2 2013 QMA & QMB	Thurs 08 August	Thurs 09 August
Agents to submit audited Q2 2013 QMA	Thurs 22 August	Thurs 23 August
Agents to submit audited Q2 2013 QMC	Thurs 5 September	
Final 2014 LCR	Thurs 19 September	Thurs 20 September
Agents to submit Q3 2013 GQD	Thurs 10 October	Thurs 11 October
Agents to submit Q3 2013 QMA & QMB	Thurs 14 November	Thurs 15 November