

Market Bulletin

LLOYD'S

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FROM: Head, Market Reporting
LOCATION: 86/GY5
EXTENSION: 5129
DATE: 3 September 2004
REFERENCE: Y3383
SUBJECT: MARKET REPORTING 31 DECEMBER 2004:
KEY CHANGES TO THE SYNDICATE RETURNS
ATTACHMENTS: Appendix 1
ACTION POINTS: None
DEADLINE: None

Market Bulletin Y3354, dated 12 July 2004, advised you of the key deadlines in relation to the 2004 year end syndicate reporting exercise. The purpose of this bulletin is to advise you of the key changes to the syndicate returns compared with last year, and to offer to provide you with draft forms and validations.

The key changes to the syndicate return forms compared with last year are set out on Appendix 1. Please note that although the forms are in a 'near final' stage, they are still draft and as such are subject to change.

Should you wish to be provided with a copy of the draft forms and validations, please contact Janice Sinclair on Lloyd's extension 6440, or alternatively please e-mail her at janice.sinclair@lloyds.com. If you have any comments regarding the draft forms and validations, please provide them by e-mail to Paul Tucknott (paul.a.tucknott@lloyds.com) by no later than Friday 24 September.

This bulletin has been sent to all managing agents and recognised accountants.

John Parry
Head, Market Reporting

Syndicate return 2004 – main highlights and changes

General

Status of forms and validations

You are reminded that the draft forms and validations referred to in this market bulletin, although 'near final', are **draft** and as such subject to change. Please provide any comments thereon by e-mail to Paul Tucknott at paul.a.tucknott@lloyds.com by no later than Friday 24 September. The final syndicate return forms and instructions will be issued by Friday 8 October.

Advice of changes to instructions

As noted above, the syndicate return forms and instructions will be issued by Friday 8 October. Every effort will be made to avoid the need to provide clarifications or updates after this date, but should these be needed:

- Any fundamental amendment or correction to the instructions will be issued either as a market bulletin or will be e-mailed directly to compliance officers, clearly stating that it is an amendment to the instructions;
- Responses to often-asked questions and queries will be issued as 'Frequently Asked Questions' (FAQs) via the Market Returns web-site; and
- Clarifications to the instructions (but not amendments or the correction of errors – see above) will be issued as part of the FAQs.

Syndicate return

SR2A – Underwriting Account Additional Information (Solvency 1)

This is a new form and collects additional information, being the allocation of gross premiums, claims paid and claims outstanding between 'liability' and 'other' business so that we may work out the member's margin for the solvency test in accordance with Solvency 1. The form is attached at Annex 1. This data is required on an underwriting year of account basis and is required on an FSA basis, ie premiums reported gross of acquisition costs and the breakdown of business dependent on the accounting class analysis reported in the FSA return, albeit that this data needs to be collected with the syndicate return because we need it to calculate the member's margin to appear on members' solvency

statements. The figures reported on this form will be required to agree to certain entries on the FSA return. For this year end only, it will be necessary to report historic information relating to claims incurred at 31 December 2001, and claims paid in 2002 and 2003 (see below).

You are asked to report information on: gross (of acquisition costs) premiums for calendar year 2004; gross claims paid (including claims management costs) in calendar years 2004, 2003 and 2002; and gross claims outstanding and IBNR (including claims management costs) at 31 December 2004 and 31 December 2001.

Each amount must be split between 'liability' business and 'other' business. 'Liability' business is defined as all business reported under the third party liability class in the FSA return, plus the liability content of the marine and aviation accounting classes. This includes business classified as direct and facultative and treaty reinsurance. The liability content of the marine and aviation accounting classes can be determined by reference to Annex 2 of this bulletin, whereby each risk code is shown as whether it is 'liability' or not for the purpose of Solvency 1.

In respect of gross claims paid in calendar years 2003 and 2002, and gross outstanding claims at 31 December 2001, it is necessary to include amounts from earlier syndicate years which had been closed into the current syndicate year before 31 December 2004. This is necessary to capture the totality of claims paid and outstanding within the market for the relevant time period. For instance, if you are completing the FSA2A for the 2002 year of account, which accepted the RITC of the 2001 year of account at 31 December 2003 (which had in turn accepted the RITC of the 2000 year of account at 31 December 2002), when reporting gross claims paid for the 2002 calendar year, you must include the gross claims paid by the now-closed 2001 and 2000 years of account during calendar year 2002 as well. This also applies if you have accepted the RITC of another syndicate before 31 December 2004.

The total of gross premiums in calendar year 2004, gross claims paid in calendar year 2004 and gross outstanding claims as at 31 December 2004 must agree to certain disclosures made in the FSA return, as set out on the forms.

Gross claims paid in 2003 must be reported at 31 December 2003 exchange rates. Total gross claims paid must agree to FSA2 (31.12.2003) lines 10 + 22 column 9 for the year of account plus the amount in respect of any other syndicate year closed into this syndicate year before 31 December 2004.

Gross claims paid in 2002 must be reported at 31 December 2002 exchange rates. Total gross claims paid must agree to FSA2 (31.12.2002) lines 10 + 22 column 9 for the year of account plus the amount in respect of any other syndicate year closed into this syndicate year before 31 December 2004.

Gross claims outstanding as at 31 December 2001 must be reported at 31 December 2001 exchange rates. Total gross claims paid must agree to SR16 (31.12.2001) line 6 column 1 for the year of account plus the amount in respect of any other syndicate year closed into this syndicate year before 31 December 2004.

SR16 – Solvency Reserves

Reserves established in respect of Canadian dollar denominated business are no longer subject to a separate actuarial opinion. A breakdown of the reserves by currency including Canadian dollars will still be required.

SR24 – Syndicate Data Sheet

This form is no longer required and is deleted.

SR25 – Underwriter's Information

Lines 6 to 13 regarding underwriters' remuneration and participation on the syndicate are no longer required and are deleted.

SR26 – Categories of Business Premium Income

The currency split of premiums, shown on lines 19 to 22, is no longer required and is deleted.

SR27 – UK Personal Lines Business

This form is expanded to collected premiums information in respect of UK personal lines business for the purpose of determining the fees payable by Lloyd's to:

- determine Lloyd's membership subscription payable to the Insurance Ombudsman Bureau; and
- Lloyd's fees payable to the Financial Services Compensation Scheme (FSCS).

The definitions of 'personal lines' for these purposes are different and will be set out in the instructions. In addition, a separate market bulletin will shortly be issued, providing additional information regarding the FSCS.

SR31 – cash calls

The analysis on this form has been expanded to break down the projected cash calls in the second year after the reporting date (ie 2006) into the first and second halves of the year.

Supplementary syndicate return

No changes

Annual accounting return

AA2 – Underwriting Account

Line 22, claims management costs previously closed, has been opened up and should now be completed for any loss adjustment expenses.

AA3 – Balance Sheet

- The balance sheet must be completed by year of account for both full and abridged returns, AA3 and AA3(sum) have been amended accordingly. This is to form the starting basis for corporate members' schedule 9a accounts for 2005.
- Additional lines on page 1 and page 3 splitting out reserves to disclose IBNR and Outstanding Claims for both Gross and Reinsurers' share separately
- Validations between SR and AA returns on balance sheet investments to ensure that no differences arise.

AA4 – Segmental Reporting

- Segmental analysis to split out MAT into separate columns marine, aviation, and transport and a new column for energy to facilitate in the preparation of the market commentary to Lloyd's results. A risk code mapping will be provided in October to assist agents in the completion of the AA4.
- Additional form AA4b to split the underwriting result between current year and prior year movements. This will assist in Lloyd's providing more detailed market commentary and disclosure in the global annual accounting results.

AA11 – Reconciliation of Solvency Result to AA Result

A new form AA11 seeks to reconcile the differences between the solvency result and the annual accounting result.

AA12 – Reconciliation of RITC Premiums

For syndicates paying / accepting RITC to / from another syndicate, a reconciliation of RITC amounts will be required. This will be similar to SR21 in the SR return.

Solvency and reserving data

No changes

FSA return

Reporting brought forward amounts

Further clarification will be provided in the instructions to deal with the reporting of brought forward amounts on FSA2. In respect of the 2003 and 2002 years of account, the reserve amounts brought forward reported on the 2004 year end FSA2 should agree by pure year, accounting class and business category to the reserve amounts carried forward on the 2003 year end FSA2 for that syndicate year and reflecting any other syndicate year closed into this syndicate year at 31 December 2003. In respect of 2001 and prior run-off years of account the only difference should be the impact of the retranslation of run-off reserves brought forward at 31 December 2004 exchange rates.

Validation with syndicate return

As noted above the total of gross premiums and gross claims paid (including claims management costs) on an FSA basis as reported on FSA2 and gross and net reserves as reported on FSA5 will need to agree to the disclosures made on new form SR2A within the syndicate return, collected for the purpose of calculating the member's margin in accordance with Solvency 1.

FSA2, FSA5 and FSA6 – facultative reinsurance

Currently, information relating to facultative reinsurance is collected as part of 'direct' business for the purpose of completing FSA2, FSA5 and FSA6. It is anticipated that revised reporting requirements, splitting out facultative reinsurance, as set out in FSA consultation paper CP202 will apply with effect from 1 January 2005. So for the 2005 year end FSA return it will be necessary to collect details of facultative business separately. This will involve the reallocation of facultative elements in respect of the brought forward figures reported in the 2005 FSA returns, ie the reserves set at 31 December 2004 in this year's FSA return.

FSA12 – SLTF and CRTF

The total assets reported on FSA12 line 43 column 1 for the Surplus Lines Trust Fund (code 105) and Credit for Reinsurance Trust Fund (code 106) must agree to the total on forms US SL1 and RI1 of the 31 December 2004 US reporting packs (plus the Joint Asset Trust Fund attributable to that syndicate) respectively.

FSA13 – Analysis of Derivative Contracts

This form is now required by trust code. The total assets reported on line 17 column 1 must agree to FSA12 line 4 column 4 for each trust code.

Managing agents' reports

As advised in Market Bulletin Y3364 'Signing of Financial Returns to Lloyd's', dated 30 July 2004, the Finance Director and another director or Compliance Officer will be required to sign each managing agent's report. The managing agent's report for the FSA return will require the signatory of the Chief Executive Officer, the Finance Director and the Compliance Officer.

Audit reports

The format of the 2004 year end audit reports are awaiting review and are not currently available. It is intended that these formats will be made available with the final forms and instructions, due for release by Friday 8 October 2004.

Table of risk codes, accounting classes and risk groups

This has been updated for the new risk codes introduced in 2004 and is attached at Annex 2. The table also shows whether each risk code is treated as 'liability' or otherwise for the purpose of Solvency 1.

**UNDERWRITING ACCOUNT - ADDITIONAL INFORMATION (SOLVENCY 1)
RUN-OFF ACCOUNT**

LIFE SYNDICATES ARE NOT REQUIRED TO COMPLETE THIS FORM

SYNDICATE NO:.....
SYNDICATE RETURN
 Year ended 31 December 2004
 Year of Account **Run-off**

		Liability business (see instructions) 1	Other business 2	Total business # 3 (=1+2)	Column 3 must equal:
Gross premiums in calendar year 2004	1				FSA2 (RO) line 1 column 9
Gross claims paid in calendar year 2004	2				FSA2 (RO) lines 10 + 22 column 9
Gross claims paid in calendar year 2003 #	3				See instructions
Gross claims paid in calendar year 2002 #	4				See instructions
Gross claims outstanding at 31.12.2004	5				FSA5 (RO) lines 1 + 3 + 5, column 7
Gross claims outstanding at 31.12.2001 #	6				See instructions

Included must be amounts in respect of gross claims paid or outstanding in respect of any syndicate year closed into this syndicate year before 31 December 2004, even where the gross claims paid or outstanding arose before the time of the RITC into the current syndicate year occurred - see instructions for further details.

**UNDERWRITING ACCOUNT - ADDITIONAL INFORMATION (SOLVENCY 1)
2002 ACCOUNT**

LIFE SYNDICATES ARE NOT REQUIRED TO COMPLETE THIS FORM

SYNDICATE NO:.....
SYNDICATE RETURN
 Year ended 31 December 2004
 Year of Account **2002**

		Liability business (see instructions) 1	Other business 2	Total business # 3 (=1+2)	Column 3 must equal:
Gross premiums in calendar year 2004	1				FSA2 (2002) line 1 column 9
Gross claims paid in calendar year 2004	2				FSA2 (2002) lines 10 + 22 column 9
Gross claims paid in calendar year 2003 #	3				See instructions
Gross claims paid in calendar year 2002 #	4				See instructions
Gross claims outstanding at 31.12.2004	5				FSA5 (2002) lines 1 + 3 + 5, column 7
Gross claims outstanding at 31.12.2001 #	6				See instructions

Included must be amounts in respect of gross claims paid or outstanding in respect of any syndicate year closed into this syndicate year before 31 December 2004, even where the gross claims paid or outstanding arose before the time of the RITC into the current syndicate year occurred - see instructions for further details.

**UNDERWRITING ACCOUNT - ADDITIONAL INFORMATION (SOLVENCY 1)
2003 ACCOUNT**

LIFE SYNDICATES ARE NOT REQUIRED TO COMPLETE THIS FORM

SYNDICATE NO:.....
SYNDICATE RETURN
 Year ended 31 December 2004
 Year of Account **2003**

		Liability business (see instructions) 1	Other business 2	Total business # 3 (=1+2)	Column 3 must equal:
Gross premiums in calendar year 2004	1				FSA2 (2003) line 1 column 9
Gross claims paid in calendar year 2004	2				FSA2 (2003) lines 10 + 22 column 9
Gross claims paid in calendar year 2003 #	3				See instructions
Gross claims paid in calendar year 2002 #	4				See instructions
Gross claims outstanding at 31.12.2004	5				FSA5 (2003) lines 1 + 3 + 5, column 7
Gross claims outstanding at 31.12.2001 #	6				See instructions

Included must be amounts in respect of gross claims paid or outstanding in respect of any syndicate year closed into this syndicate year before 31 December 2004, even where the gross claims paid or outstanding arose before the time of the RITC into the current syndicate year occurred - see instructions for further details.

**UNDERWRITING ACCOUNT - ADDITIONAL INFORMATION (SOLVENCY 1)
2004 ACCOUNT**

LIFE SYNDICATES ARE NOT REQUIRED TO COMPLETE THIS FORM

SYNDICATE NO:.....
SYNDICATE RETURN
Year ended 31 December 2004
Year of Account **2004**

		Liability business (see instructions) 1	Other business 2	Total business # 3 (=1+2)	Column 3 must equal:
Gross premiums in calendar year 2004	1				FSA2 (2004) line 1 column 9
Gross claims paid in calendar year 2004	2				FSA2 (2004) lines 10 + 22 column 9
Gross claims paid in calendar year 2003 #	3				See instructions
Gross claims paid in calendar year 2002 #	4				See instructions
Gross claims outstanding at 31.12.2004	5				FSA5 (2004) lines 1 + 3 + 5, column 7
Gross claims outstanding at 31.12.2001 #	6				See instructions

Included must be amounts in respect of gross claims paid or outstanding in respect of any syndicate year closed into this syndicate year before 31 December 2004, even where the gross claims paid or outstanding arose before the time of the RITC into the current syndicate year occurred - see instructions for further details.

Risk codes			
Allocation into FSA Return accounting classes/business categories and risk groups, and treatment for Solvency 1 purposes			
Risk Code	Mapping for Risk Groups (FSA6) for direct and facultative reinsurance only	Accounting Class/Business Category (FSA2/FSA5) (see note at end)	Solvency 1 - 'Liability' business
A	B	C	D
1	Aviation Liability	Aviation	Yes
2	Aviation Liability	Aviation	Yes
3	Aviation Liability	Aviation	Yes
4	Aviation Liability	Aviation	Yes
5	Aviation Liability	Aviation	Yes
6	Aviation Hull	Aviation	No
7	Aviation Hull	Aviation	No
8	Aviation Hull	Aviation	No
9	Aviation Hull	Aviation	No
A	General Liability	Third Party Liability	Yes
A1	General Liability	Third Party Liability	Yes
A2	General Liability	Third Party Liability	Yes
A3	General Liability	Third Party Liability	Yes
AG	Property	Property	No
AO	Aviation Liability	Aviation	Yes
AP	Aviation Product	Aviation	Yes
AR	Aviation Liability	Aviation	Yes
AS	General Liability	Third Party Liability	Yes
AW	Aviation Hull	Aviation	No
AX	Aviation Liability	Aviation	Yes
B	Marine Hull	Marine	No
BB	Bankers Bond	Third Party Liability	Yes
BD	Property	Property	No
BS	Pecuniary Loss	Miscellaneous & Pecuniary Loss	No
CA	Engineering	Property	No
CF	Political Risk	Miscellaneous & Pecuniary Loss	No
CM	UK Motor Comprehensive	Motor	No
CN	Pecuniary Loss	Miscellaneous & Pecuniary Loss	No
CO	UK Motor Comprehensive	Motor	No
CP	Political Risk	Miscellaneous & Pecuniary Loss	No
CR	Pecuniary Loss	Miscellaneous & Pecuniary Loss	No
CT	Non-Marine Cargo	Transport	No
CX	Space	Aviation	No
DC	Property	Property	No
DM	DO	Third Party Liability	Yes
DO	DO	Third Party Liability	Yes
DX	Personal Accident	Accident & Health	No
EA	Energy Onshore Liability	Third Party Liability	Yes
EB	Energy Onshore Liability	Third Party Liability	Yes
EF	Energy Onshore PD	Property	No
EG	Energy Offshore Liability	Marine	Yes
EH	Energy Offshore Liability	Marine	Yes
EP	Property	Property	No
ET	Energy Offshore PD	Marine	No
EW	Energy Offshore PD	Marine	No
F	Property	Property	No
FA	Specie	Property	No
FC	Pecuniary Loss	Miscellaneous & Pecuniary Loss	No
FG	Pecuniary Loss	Miscellaneous & Pecuniary Loss	No
FM	Pecuniary Loss	Miscellaneous & Pecuniary Loss	No
FR	Property	Property	No
FS	Pecuniary Loss	Miscellaneous & Pecuniary Loss	No
G	Marine Liability	Marine	Yes
GC	Marine Liability	Marine	Yes
GP	Professional Indemnity	Third Party Liability	Yes
GS	Specie	Property	No
GX	Marine Liability	Marine	Yes
H	Aviation Hull	Aviation	No

Risk codes			
Allocation into FSA Return accounting classes/business categories and risk groups, and treatment for Solvency 1 purposes			
Risk Code	Mapping for Risk Groups (FSA6) for direct and facultative reinsurance only	Accounting Class/Business Category (FSA2/FSA5) (see note at end)	Solvency 1 - 'Liability' business
A	B	C	D
HA	Property	Property	No
HH	Personal Accident	Accident & Health	No
HP	Household	Property	No
HX	Aviation Hull	Aviation	No
JB	Specie	Property	No
K	Personal Accident	Accident & Health	No
KA	Personal Accident	Accident & Health	No
KC	Personal Accident	Accident & Health	No
KD	Personal Accident	Accident & Health	No
KK	Personal Accident	Accident & Health	No
KL	Personal Accident	Accident & Health	No
KM	Personal Accident	Accident & Health	No
KX	Personal Accident	Accident & Health	No
L	Aviation Liability	Aviation	Yes
LE	Pecuniary Loss	Miscellaneous & Pecuniary Loss	No
LJ	Property	Property	No
LX	Aviation Liability	Aviation	Yes
M	UK Motor Non-Comprehensive	Motor	No
MA	UK Motor Comprehensive	Motor	No
MB	UK Motor Non-Comprehensive	Motor	No
MC	UK Motor Comprehensive	Motor	No
MD	Direct Overseas Motor	Motor	No
ME	Direct Overseas Motor	Motor	No
MF	Direct Overseas Motor	Motor	No
MG	Direct Overseas Motor	Motor	No
MH	Direct Overseas Motor	Motor	No
MI	Direct Overseas Motor	Motor	No
MK	UK Motor Comprehensive	Motor	No
ML	UK Motor Non-Comprehensive	Motor	No
MM	Direct Overseas Motor	Motor	No
MN	Direct Overseas Motor	Motor	No
MP	Direct Overseas Motor	Motor	No
N	Livestock	Property	No
NA	General Liability	Third Party Liability	Yes
NB	Livestock	Property	No
NC	General Liability	Third Party Liability	Yes
NQ	UK Motor Non-Comprehensive	Motor	No
NL	General Liability	Third Party Liability	Yes
NP	Property	Property	No
NX	Livestock	Property	No
O	Yacht	Marine	No
OV	Direct Overseas Motor	Motor	No
OX	Yacht	Marine	No
P	Pecuniary Loss	Miscellaneous & Pecuniary Loss	No
PB	Pecuniary Loss	Miscellaneous & Pecuniary Loss	No
PC	Pecuniary Loss	Miscellaneous & Pecuniary Loss	No
PD	Property	Property	No
PE	Pecuniary Loss	Miscellaneous & Pecuniary Loss	No
PF	Pecuniary Loss	Miscellaneous & Pecuniary Loss	No
PI	Professional Indemnity	Third Party Liability	Yes
PL	General Liability	Third Party Liability	Yes
PM	Professional Indemnity	Third Party Liability	Yes
PN	Pecuniary Loss	Miscellaneous & Pecuniary Loss	No
PO	Pecuniary Loss	Miscellaneous & Pecuniary Loss	No
PP	Pecuniary Loss	Miscellaneous & Pecuniary Loss	No
PQ	Pecuniary Loss	Miscellaneous & Pecuniary Loss	No
PR	Political Risk	Miscellaneous & Pecuniary Loss	No
PS	Pecuniary Loss	Miscellaneous & Pecuniary Loss	No

Risk codes			
Allocation into FSA Return accounting classes/business categories and risk groups, and treatment for Solvency 1 purposes			
Risk Code	Mapping for Risk Groups (FSA6) for direct and facultative reinsurance only	Accounting Class/Business Category (FSA2/FSA5) (see note at end)	Solvency 1 - 'Liability' business
A	B	C	D
PU	Pecuniary Loss	Miscellaneous & Pecuniary Loss	No
PW	Pecuniary Loss	Miscellaneous & Pecuniary Loss	No
PX	Aviation Product	Aviation	Yes
PZ	Pecuniary Loss	Miscellaneous & Pecuniary Loss	No
Q	Marine Cargo	Transport	No
QL	Marine Cargo	Transport	No
QX	Marine Cargo	Transport	No
RX	Aviation Hull	Aviation	No
SB	Pecuniary Loss	Miscellaneous & Pecuniary Loss	No
SC	Space	Aviation	No
SL	Space	Aviation	No
SO	Space	Aviation	No
SR	Marine whole account XOL	Marine	No
SX	Space	Aviation	No
T	Marine Hull	Marine	No
TC	Third Party RITC	NA	No
TE	Property	Property	No
TL	Temp Life	Accident & Health	No
TO	Property	Property	No
TR	Property	Property	No
TU	Property	Property	No
TX	Marine Hull	Marine	No
UA	General Liability	Third Party Liability	Yes
UC	General Liability	Third Party Liability	Yes
UK	UK Motor Non-Comprehensive	Motor	No
V	Marine Cargo	Transport	No
VL	Marine Cargo	Transport	No
VX	Marine Cargo	Transport	No
W	Marine Hull	Marine	No
WA	Extended Warranty	Miscellaneous & Pecuniary Loss	No
WC	Employers Liability	Third Party Liability	Yes
WL	Non Marine War	Property	No
WS	Pecuniary Loss	Miscellaneous & Pecuniary Loss	No
WX	Marine Hull	Marine	No
X1	Aviation Liability	Aviation	Yes
X2	Marine whole account XOL	Marine	No
X3	Property	Property	No
X4	General Liability	Third Party Liability	Yes
X5	Marine whole account XOL	Marine	No
XC	Property	Property	No
XD	Professional Indemnity	Third Party Liability	Yes
XE	Marine whole account XOL	Marine	No
XL	General Liability	Third Party Liability	Yes
XM	Motor Other	Motor	No
XP	Property	Property	No
XT	Marine whole account XOL	Marine	No
XX	Property	Property	No
XY	Aviation Liability	Aviation	Yes
XZ	Aviation Liability	Aviation	Yes
Y	Aviation Liability	Aviation	Yes
Y1	Aviation Liability	Aviation	Yes
Y2	Aviation Liability	Aviation	Yes
Y3	Aviation Liability	Aviation	Yes
Y4	Aviation Liability	Aviation	Yes
Y5	Aviation Liability	Aviation	Yes
Y6	Aviation Hull	Aviation	No
Y7	Aviation Hull	Aviation	No
Y8	Aviation Hull	Aviation	No

Risk codes			
Allocation into FSA Return accounting classes/business categories and risk groups, and treatment for Solvency 1 purposes			
Risk Code	Mapping for Risk Groups (FSA6) for direct and facultative reinsurance only	Accounting Class/Business Category (FSA2/FSA5) (see note at end)	Solvency 1 - 'Liability' business
A	B	C	D
Y9	Aviation Hull	Aviation	No
ZX	Space	Aviation	No
1E	Energy Offshore PD	Marine	No
1T	Personal Accident	Accident & health	No
2E	Energy Offshore Liability	Marine	Yes
2T	Aviation Hull	Aviation	No
3E	Energy Onshore PD	Property	No
3T	Marine Hull	Marine	No
4E	Energy Onshore Liability	Third Party Liability	Yes
4T	Pecuniary Loss	Miscellaneous & Pecuniary Loss	No
5T	Direct Overseas Motor	Motor	No
6T	Property	Property	No
7T	General Liability	Third Party Liability	Yes
8T	Non Marine Cargo	Transport	No
B2	Property	Property	No
B3	Property	Property	No
B4	Property	Property	No
B5	Property	Property	No
D2	Directors & Officers	Third Party Liability	Yes
D3	Directors & Officers	Third Party Liability	Yes
D4	Directors & Officers	Third Party Liability	Yes
D5	Directors & Officers	Third Party Liability	Yes
E2	Professional Indemnity	Third Party Liability	Yes
E3	Professional Indemnity	Third Party Liability	Yes
E4	Professional Indemnity	Third Party Liability	Yes
E5	Professional Indemnity	Third Party Liability	Yes
E6	Professional Indemnity	Third Party Liability	Yes
E7	Professional Indemnity	Third Party Liability	Yes
E8	Professional Indemnity	Third Party Liability	Yes
E9	Professional Indemnity	Third Party Liability	Yes
F2	Professional Indemnity	Third Party Liability	Yes
F3	Professional Indemnity	Third Party Liability	Yes
H2	Aviation Hull	Aviation	No
H3	Aviation Hull	Aviation	No
KG	Personal Accident	Accident & health	No
KS	Personal Accident	Accident & health	No
KT	Personal Accident	Accident & health	No
L2	Aviation Liability	Aviation	Yes
L3	Aviation Liability	Aviation	Yes
M2	UK Motor Comprehensive	Motor	No
M3	UK Motor Comprehensive	Motor	No
M4	UK Motor Comprehensive	Motor	No
M5	UK Motor Non-Comprehensive	Motor	No
M6	UK Motor Non-Comprehensive	Motor	No
M7	UK Motor Non-Comprehensive	Motor	No
P2	Property	Property	No
P3	Property	Property	No
P4	Property	Property	No
P5	Property	Property	No
P6	Property	Property	No
P7	Property	Property	No
W2	Employers Liability	Third Party Liability	Yes
W3	Employers Liability	Third Party Liability	Yes
W4	Employers Liability	Third Party Liability	Yes
Note: Accounting classes/business categories (column C)			
If the business is direct insurance or facultative reinsurance it can be directly allocated to one of the accounting classes shown in column C above. If it is treaty reinsurance , it must firstly be assigned to either the proportional			

Risk codes			
Allocation into FSA Return accounting classes/business categories and risk groups, and treatment for Solvency 1 purposes			
Risk Code	Mapping for Risk Groups (FSA6) for direct and facultative reinsurance only	Accounting Class/Business Category (FSA2/FSA5) (see note at end)	Solvency 1 - 'Liability' business
A	B	C	D
treaty or non-proportional treaty accounting class, and then allocated to one of the business categories shown in column C above.			