

FROM: Manager, Overseas Reporting, Market Reporting
LOCATION: MR/86/G5
EXTENSION: 5490
DATE: 17 September 2004
REFERENCE: G:/Stella/Canada/Can 2004
Q3/MBulls/MBullPrelim04Q3.doc/Y3393
SUBJECT: CANADIAN REGULATORY REPORTING
SUBJECT AREA: LCTF Reporting
ATTACHMENTS: None
ACTION POINTS: **Please note the contents and copy to relevant personnel**
DEADLINE:

The purpose of this bulletin is to confirm the timetable and other arrangements in respect of the submission of the Quarter 3 2004 Canadian Reporting packs to the Canadian Regulators (OSFI).

Timetable for 30 September 2004 reporting exercise

The annual returns must be filed with OSFI within 45 days of the quarter end. Agents are reminded that this deadline must be met in order to ensure that Lloyd's fulfils its Canadian reporting requirements. The timetable for this filing exercise is detailed below:

	<u>Key Date</u>
Hard copy cash and investment data available to Managing Agents on request.	Friday 15 October 2004
Provision of preliminary electronic packs by MR to managing agents via the MR web-site. <u>Agents should download their packs and supporting documentation from the web-site.</u>	Friday 29 October 2004
Submission of amended electronic packs by managing agents to MR.	Friday 5 November 2004 – before 3pm
Final aggregated P&C-2 to be sent to Canada by MR	Wednesday 10 November 2004
Cash movement instructions to be returned to David Whitby, Settlements & Trust Funds, CH/L4, for value date 25 November 2004. <u>There will be a £50 charge for the additional work required for instructions submitted after 12 noon on 18 November.</u>	Thursday 18 November 2004 – before 12 noon

Please note that it is essential that any queries generated by the packs or otherwise should be raised well in advance of the deadline dates to allow MR sufficient time to revert to you with the answers. This is particularly relevant where queries relate to Royal Trust investment and

cash balances or where, in extremis, an adjustment is required which cannot be made to the electronic packs which agents are updating.

Canadian Reporting Instructions:

Detailed instructions will be provided with the preliminary packs. You are reminded that individual syndicate level data is aggregated and used in a single Lloyd's filing made to OSFI for the entire market.

Although individual syndicate level packs are not filed, it is important that agents check the accuracy of the data in the preliminary packs. This is to ensure the accuracy of the market's consolidated filing and also the accuracy of the basis of the funding which syndicates must maintain in the Lloyd's Canadian Trust Fund and the Margin Fund.

The key steps to be taken are:

1. Check the quarterly underwriting transactions.
2. Check the cash and investment flow schedules.
3. Review the reserves figures.
4. Check the asset (RTC) balances.
5. Enter any permissible reinsurance recoverables.
6. Submit update to MR.
7. Fund the LCTF and the Margin Fund on 25 November.

All adjustments are required in round thousands (for example, key C\$1,234 as C\$1,000 and C\$5,678 as C\$6,000).

Reinsurance Recoverables

Documentation relating to permissible reinsurance recoverables must be sent to Stella Farrar (see below) on or before Friday 5 November. Please note that there have been occasions where this documentation has not been provided and that in future **this may lead to a disallowance of the credit** which has been taken for the recoverable. The relevant form for this documentation can be found at Appendix 1 of Market Bulletin Y2529. As this element of the filing may be audited at syndicate level, fuller guidance will be provided when the packs are issued.

Questions relating to reserving should be addressed to Ian Shires (Ext 5684, E-mail address "ian.shires@lloyds.com") by close of business on Wednesday 3 November at the latest.

This bulletin has been sent to all Compliance Officers of the managing agents.

If you have any queries on the contents of this bulletin, please contact me or Stella Farrar (Ext 6734, E-mail address "stella.farrar@lloyds.com").

Leslie Redmond