

FROM: Director, Worldwide Markets                      EXTN: 6677  
DATE: 6 December 2004                                      REF: Y3445  
SUBJECT: **SWITZERLAND: BOUND ASSETS**

SUBJECT AREA(S): To inform underwriters that the collection of the 2005 Swiss reserves will be calculated in relation to outstanding Swiss claims and premium income in 2004

ATTACHMENTS: None

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ACTION POINTS: To note contents

DEADLINE(S): **Immediate**

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Underwriters who have written Swiss business in 2004 are reminded that the annual collection of Swiss technical reserves (known as "Bound Assets") to be made by Additional Securities Limited in late-March 2005, will be calculated on the basis of syndicates' Swiss premium income recorded in 2004 and outstanding claims as at 31 December 2004.

Lloyd's Swiss office, Zurich ("LSO") will calculate the total liabilities as at 31 December 2004 and the corresponding amount of Bound Assets. LSO uses *inter alia*, outstanding claims supplied by XChanging Claims Services ("XCS"). The amount of Bound Assets will be collected from syndicates and transferred to Lloyd's trust accounts in Switzerland.

All Swiss claims for all years of account recorded by XCS as still outstanding at the close of business on Friday 24 December 2004 will form part of the calculation of Bound Assets to be collected from syndicates in late-March 2005. However, these claims must be submitted to XCS before **Tuesday 14 December 2004** to be processed.

Underwriters are therefore reminded of the importance of submitting claims for settlement by this deadline, to avoid the possibility of paid claims being treated as still outstanding for Swiss regulatory purposes. Despite the 14 December deadline, claims paid between 15 December and 31 December 2004 may still be taken into account if a syndicate so wishes. Should a syndicate wish to reduce its funding obligations in this way, it should report full details of the claim(s) being paid, directly to Lloyd's Swiss Office in Zurich.

#### **Further information:**

Section 8 ("Technical Reserves") of Lloyd's Manual for Switzerland provides further information on this subject. This can be found at: <http://www.lloyds.com/wwm/index.asp?ItemId=2761>

Further information about the content of this Bulletin may be obtained from Lloyd's Worldwide Markets as follows:

Lloyd's Worldwide Market Services  
Tel: 020 7327 6677  
Email: [market.services@lloyds.com](mailto:market.services@lloyds.com)  
Box: 190b, Gallery 1

or

Graham West, General Manager, Switzerland at Lloyd's Zurich Office on email:  
[graham.west@lloyds.com](mailto:graham.west@lloyds.com)  
or telephone: 00 41 1 261 3310

or

Michael Fitzgerald, Treasury Services  
[Michael.fitzgerald@lloyds.com](mailto:Michael.fitzgerald@lloyds.com)  
or telephone: 0207 327 5901

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Julian James  
Director, Worldwide Markets