

MARKET BULLETIN

From Head, Market Reporting (extn 5129)

Date 28 October 2005

Reference Y3654

Subject **Schedule 9a reporting for corporate members**

Subject areas **Corporate members invited to subscribe to Lloyd's Schedule 9a facility**

Attachments **Application form**

Action points **Complete application form**

Deadlines **Friday 2 December 2005**

Corporate members are required to prepare their accounts in accordance with Schedule 9A to the Companies Act 1985, the format used by insurance companies, rather than in accordance with Schedule 4 to that Act.

Lloyd's central Schedule 9A facility

In order for corporate members to be able to prepare their accounts in accordance with Schedule 9A they require certain information which is not available in the syndicate accounts or quarterly monitoring return. Therefore, to assist corporate members to prepare their statutory accounts, Lloyd's will again operate a central facility whereby information will be collected in Schedule 9A format in respect of each syndicate from managing agents (as part of the annual return), process it and then make it available to relevant corporate members in the form of a statement reflecting that member's syndicate participations.

Annual accounting

All information will now be provided on an annual accounting basis, in accordance with the ABI SORP on 'Accounting for Insurance Business'. Information will be provided for the year ended 31 December 2005 and comparative information for the year ended 31 December 2004.

Provision of Schedule 9a data by managing agents

Managing agents are required to prepare and submit to Lloyd's an annual return. Among other things, the annual return now collects the data formerly collected within the supplementary syndicate return, for use in Lloyd's central Schedule 9a facility (the 'Schedule 9a data'). The Schedule 9a data

must be prepared by the managing agent in respect of each syndicate managed by it unless it has been granted an exemption. The circumstances in which such an exemption may be granted include, for example, where there is no corporate participation on the syndicate for any year of account, where the capacity for each year of account was fully subscribed to by a single corporate member or where the managing agent is able to confirm that no Schedule 9a data is required because it is aware that no corporate member participating on that syndicate for any year will be subscribing to the Lloyd's central schedule 9A facility. Such an exemption will only apply to the Schedule 9a data of the annual return as defined in the annual return instructions, to be issued under separate cover. Thus, the schedule 9A statement sent to corporate members will contain data concerning their participations on all syndicate years except where no Schedule 9a data has been prepared. In addition, Lloyd's cannot guarantee to include data relating to any syndicate where the annual return has not been submitted to Lloyd's by the prescribed date, ie 2 March 2006, although so far as possible every effort will be made to include such data.

Provision of data to corporate members

Once the annual returns have been submitted, Lloyd's will process and validate the data then apportion the data in respect of each syndicate year for which a return has been made (see above regarding nil returns or late returns) in accordance with each corporate member's participation on the syndicate year concerned. The individual and the aggregated position of all syndicate participations in respect of which annual returns containing Schedule 9a data have been made prior to the deadline will then be made available to each corporate member which has subscribed to this service. Copies of the relevant managing agents' and auditors' reports will be provided to each subscribing member.

It is currently envisaged that the data will be made available to subscribing corporate members by no later than Friday 31 March 2006.

Fees

Each corporate member that wishes to subscribe to this service is required to pay a fee as prescribed under the Syndicate Accounting Byelaw (No. 18 of 1994) as amended. This fee is calculated by reference to the highest overall premium limit (OPL) of the corporate member concerned and number of syndicates (disregarding syndicate years of account for this purpose) in which the corporate member participates.

The prescribed fees for the 2005 facility are set out below and vary according to the size (in terms of the OPL) of the corporate member. The fees are unchanged from last year.

OPL for member*	Fee per syndicate participation**	Maximum fee**
£15,000,001 or greater	£125.00	£3,750.00
£10,000,001 to £15,000,000	£100.00	£3,000.00
£5,000,001 to £10,000,000	£70.00	£2,100.00
£2,000,001 to £5,000,000	£35.00	£1,050.00
£2,000,000 or less	£35.00	£700.00
Member participating on 2002 or prior run-off years only	£35.00	£700.00

- * OPL is defined as the highest OPL written for any of the last three years of account (ie. 2003 to 2005 years of account).
- ** Fees are calculated per syndicate (not syndicate year) participation and are exclusive of VAT at 17.5%.

Payment of fees

In order to improve efficiency, the basis upon which fees are paid is changing this year. The member must apply to receive Schedule 9a data as previously. However, the full amount of the fee payable will be invoiced by Lloyd's to the member in Spring 2006, after the data has been distributed.

Scottish Limited Partnerships

For the avoidance of any doubt, it should be noted that **Scottish Limited Partnerships do not have to prepare accounts in accordance with Schedule 9A to the Companies Act 1985**, and accordingly should not subscribe to this facility.

Deadline

Corporate members wishing to subscribe to this service are asked to complete the attached application form and return it to Market Reporting **by no later than Friday 2 December 2005**.

If you have any queries on this bulletin, please contact John Goggin on extension 5904 (john.goggin@lloyds.com) or Paul Appleton on extension 6433 (paul.appleton@lloyds.com).

This bulletin is being sent to all corporate members of Lloyd's, licensed advisers and members' agents, and for information to managing agents and recognised accountants.

John Parry
Head
Market Reporting

SCHEDULE 9A REPORTING FOR CORPORATE MEMBERS

LLOYD'S CENTRAL FACILITY

31 DECEMBER 2005

Corporate Member: _____

Member number: _____

Address to which output is to be sent:

Contact name: _____

Telephone: _____

E-mail: _____

Please tick appropriate box:

I confirm that I **will** require Schedule 9A data provided by Lloyd's Central Facility. I note that the fee payable for this will be invoiced to the member by Lloyd's in Spring 2006 following provision of the data to the member.

Or

I confirm that I **will not** require Schedule 9A data provided by Lloyd's Central Facility.

Signed: _____

Name: _____

Position: _____

Date: _____

Please return to Nadia Yakoob, Market Reporting, Gallery 5, Lloyd's 1986 Building, 1 Lime Street, London EC3M 7HA

by no later than Friday 2 December 2005

Responses may be faxed on 020 7327 6178 or 020 7327 5686