

# MARKET BULLETIN

<b>From</b>	Head, Market Finance (extn 5129)
<b>Date</b>	20 December 2006
<b>Reference</b>	Y3929
<b>Subject</b>	<b>Schedule 9a reporting for corporate members</b>
<b>Subject areas</b>	Corporate members invited to subscribe to Lloyd's Schedule 9a facility
<b>Attachments</b>	Application Form
<b>Action points</b>	<b>Complete application form</b>
<b>Deadlines</b>	<b>Friday 26 January 2007</b>

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

As last year, 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 2006.

#### 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 collects data 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 (please see market bulletin '2006 annual returns', reference Y3890, dated 13 October 2006). 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 1 March 2007, 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 Thursday 5 April 2007.

Fees

Each corporate member that wishes to subscribe to this service is required to pay a fee. 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 fees for the 2006 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 2003 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. 2004 to 2006 years of account).

\*\* Fees are calculated per syndicate (not syndicate year) participation and are exclusive of VAT at 17.5%.

Payment of fees

The basis upon which fees are paid will remain the same as last year. The member must apply to receive Schedule 9a data before Friday 26 January 2007 and the full amount of the fee payable will be invoiced by Lloyd's to the member in April 2007, 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 26 January 2007**.

If you have any queries on this bulletin, please contact;

Nadia Yakoob on extension 6317 ([nadia.yakoob@lloyds.com](mailto:nadia.yakoob@lloyds.com)) or  
Gavin Sibbick on extension 6701 ([gavin.sibbick@lloyds.com](mailto:gavin.sibbick@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 Finance

**SCHEDULE 9A REPORTING FOR CORPORATE MEMBERS  
LLOYD'S CENTRAL FACILITY  
31 DECEMBER 2006**

Corporate Member(s): \_\_\_\_\_

Member number(s): \_\_\_\_\_

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 April 2007 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 26 January 2007**

Responses may also be faxed on **020 7327 6178**