

MARKET BULLETIN

REF: Y4022

Title US Surplus Lines/Reinsurance Business Regulatory Reporting

Purpose Preliminary timetable for the second quarter US Reporting Return

Type Scheduled

From Manager, Overseas Reporting Market Reporting (ext 5490)

Date 7 June 2007

Deadline For immediate attention

Related links

I am writing to confirm the timetable and other arrangements in respect of the submission of the second quarter 2007 US Reporting packs to the New York Insurance Department (NYID).

Please copy this bulletin to those within your organisation who will be responsible for reviewing and completing the US Reporting packs.

Timetable for 30 June 2007 reporting exercise

As you know, the quarterly returns have to be filed with NYID, within 45 days of the quarter end and I would remind agents that this deadline has to be complied with strictly, to ensure that Lloyd's meets its US reporting requirements. The timetable for this filing exercise is detailed below:

	<u>Key Date</u>
Provision of preliminary electronic packs by Market Reporting to Managing Agents via the Market Reporting web-site. <u>Agents should download their packs and supporting documentation from the web-site.</u>	13 July 2007
Submission of amended electronic packs by Managing Agents to Market Reporting	1 August 2007

Provision of final signed and notarised reporting packs by Managing Agents	3 August 2007
All syndicate packs to be despatched to New York by Market Reporting for filing with NYID	7 August 2007

We would recommend that agents ensure they are able to access the Market Reporting web-site in advance of the key dates. If you have any queries regarding the web-site, please contact Anita Wallace (ext 5899).

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 Market Reporting sufficient time to revert to you with the answers. This is particularly relevant to queries in respect of Citibank investment and cash balances, or where in extremis an adjustment is required which cannot be made to the electronic packs which agents are updating.

Reserving at quarter ends

You are reminded that the reserves at quarter ends for the 2006 and prior years of account must be calculated using the “modified UK basis of reserving”. Please note that the Ultimate Loss Ratios (ULRs) and Ultimate Premium Income (UPI) used to determine reserves for these years of account at the previous year end should also be the ones to be used at each of the first three quarter ends of 2007. Any changes to the ULRs and/or UPI determined at the previous year end must be supported by detailed working papers, retained in your offices, showing revised projections on which the ULRs are based and the reasons for such changes,

Reserves for the 2007 year of account, which is still at a very early stage of its development for the first three quarters of that year, must be determined **at the higher of** total cumulative signed gross premiums (net of brokerage and commission) less cumulative gross paid claims for that period and total gross outstanding claims at each quarter end, unless it is apparent that the ULRs for that year will exceed 100%, in which case reserves as at the quarter end must be adjusted accordingly. Guidance notes and a worked example were issued in a letter dated 1 April 1998.

This bulletin has been sent to all managing agents. If you have any queries on the contents please contact me (ext. 5490), David Cokayne (ext. 6238) or Nadia Yakoob (ext 6317).

Leslie Redmond
 Manager, Overseas Reporting
 Market Reporting