

MARKET BULLETIN

REF: Y4084

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| Title | Business return for 2007: Business not processed through Xchanging |
| Purpose | To arrange the collection of all premium and claim data relating to the 2007 calendar year, where the transactions to which these relate were not processed through Xchanging. |
| Type | Scheduled |
| From | Leslie Redmond, Manager Overseas Reporting, Market Reporting, Finance Risk Management & Operations Direct 'phone number: 020 7327 5490 email: leslie.redmond@lloyds.com |
| Date | 3 December 2007 |
| Deadlines | <ol style="list-style-type: none"> 1. 19 December 2007 for initial sign off form. 2. 31 January 2008 for return of data forms electronically |
| Related links | Initial sign off form to return to Market Reporting |

This bulletin applies to all Lloyd's syndicates. If there is no data to report because all transactions were processed through Xchanging, syndicates should still complete the initial sign-off form and return it by **19 December 2007**.

Managing agents of syndicates who confirm that they have processed business outside Xchanging in 2007 must subsequently supply data returns electronically.

Background

To comply with Lloyd's legal obligations to report business to overseas supervisory and fiscal authorities, Lloyd's requires accurate and complete financial data about Lloyd's underwriters' business.

The requested information is important for maintaining Lloyd's trading status. Lloyd's uses it to adjust ASL deposits and to complete accurate regulatory returns, including reports submitted to the FSA of Lloyd's aggregate business from EU member states and detailed reporting to the Irish authorities. The supplied data is also used to provide global management information for inclusion in Lloyd's annual return to the FSA.

Most transactional data is available from Xchanging, but Market Reporting's only source of information about business not processed through Xchanging is the syndicates who have written it.

Returns required

These returns are aimed at gathering all non-Xchanging data from the market for calendar year 2007. This applies to all inward business.

Please complete and return the sign off form per syndicate, deleting the statement that does not apply. (See Appendix 1) All syndicates are required to supply a return of this form, including syndicates in run-off.

If your syndicate has received premium or handled claims outside Xchanging for any class of business in 2007, please notify us of a contact name within your organisation with whom we can liaise to obtain the required data.

Where a syndicate confirms that data needs to be reported, Market Reporting will send an e-mail to the notified contact, containing:

- i) an Excel Workbook to complete and return
- ii) guidance notes on the information requested
- iii) a sign off document

The data will need to be completed and returned to Market Reporting electronically by **31 January 2008**. Please note the data required is for original premium, additional premium, return premium, claim and refund transactions processed by syndicates in the calendar year 2007, including transactions that relate to all earlier years of account. Please also ensure that syndicate service company business is included in the data supplied. UK business including Northern Ireland, Isle of Man and the Channel Islands) is now required to be included so as to provide a complete global picture of all Lloyd's business.

The data being submitted must **NOT** include the following transactions

- Business processed through Xchanging
- Profit commissions and any other non-premium or non-claim miscellaneous accounting entries.
- Outward Reinsurance
- Transactions where a non-cash entry was recorded at Xchanging
- Claim reserves for fees **only**, where syndicates are not including these in their reserves for solvency purposes. Where fees are being reserves for in addition to indemnity or expense payments, then the fee amount should be included in the figures included on the return.

It should be noted that where data is supplied by syndicates for certain countries where trust fund or audit requirements exist, it may be necessary for Lloyd's to carry out subsequent further investigation with syndicates concerned in order to verify that the correct procedures and settlements have taken place. This is likely to involve requesting a transaction level supplementary file of data from syndicates to enable further analysis and enquiry.

In addition, where figures reported are significant, it may be necessary to ask syndicates to carry out specific supporting actions to ensure that the business is properly reported at the required level of detail, for example, adjusting US surplus lines trust fund reporting packs.

If you have any questions on the contents of this letter please contact me on the above number or Graham Dickinson, on 020 7327 6418 Email: graham.dickinson@lloyds.com or Nadia Yakoob, on 020 7327 6317 Email: nadia.yakoob@lloyds.com.

This bulletin is being sent to compliance officers of all managing agents.

Leslie Redmond
Manager, Overseas Reporting, Market Reporting

NON-XCHANGING BUSINESS RETURN FOR CALENDAR YEAR 2007

MANAGING AGENT NAME: _____

SYNDICATE NUMBER(S): _____

NAME _____

Please delete statement 1 or 2 as applicable:

In relation to business written or recorded in 2007:

- 1 I hereby confirm that all premiums received, and claims paid by the above syndicate in 2007 were processed through Xchanging.
- 2 I hereby confirm that the above syndicate did process premiums and/or claims outside Xchanging for the 2007 calendar year. Please email the contact name below the relevant forms for completion during January 2008.

Signed

Name

Position

Contact name and email address for Market Reporting to send the electronic workbook to (if applicable):

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Date

Please return this form as a scanned image to nadia.yakoob@lloyds.com by 19 December 2007 (or fax on 0207 327 6178).