

# MARKET BULLETIN

REF: Y4148

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<b>Title</b>	Q1 2008 QMR – Forms and Instructions
<b>Purpose</b>	To advise managing agents that the forms and instructions for the Q1 2008 QMR are available and provide the list of the major losses to be included in form QMR800
<b>Type</b>	Scheduled
<b>From</b>	Robert Smith, Manager, UK Reporting, Market Reporting Contact details: 020 7327 5459, robert.smith@lloyds.com
<b>Date</b>	15 April 2008
<b>Deadline</b>	Thursday 22 May 2008, 2:00pm – Deadline for submission of return Wednesday 28 May – Lloyd's release syndicate forecasts to Stock Exchange

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**Related links**

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**Forms and instructions**

The forms and instructions for the Q1 2008 QMR can be downloaded from the Market Returns website or from the core market returns site. There are two key points to note in relation to the Q1 QMR on forecasts and major losses.

**Forecasts**

As previously advised by e-mail dated 28 March, syndicates that traded in 2007 must provide a best and worst case forecast for that year as at 15 months in QMR120. All 2007 syndicates must provide this forecast. The forecasts of syndicates with third party capital will be released to the Stock Exchange and published on Lloyds.com on Wednesday 28 May with the forecasts of aligned syndicates being included as an aggregate total. Managing agents are normally asked to use a range of 5% of capacity in providing their forecasts and this applies to forecasts at the 15 month stage unless syndicate circumstances dictate otherwise.

**Major losses**

In QMR800 agents have been asked to provide information for the top 10 losses assigned catastrophe codes and for any losses that are major to the syndicate. On the catastrophe codes we will in future be asking for loss information in respect of any losses that are assigned a catastrophe code in 2008 together with those 2007 and prior catastrophe codes that are both significant and where loss development is still moving on a market basis. This may mean that there are more than 10 catastrophes listed in a quarter but we will keep the 2008 catastrophe losses under review and only list those that are significant to the market.

On major losses to the syndicate, the instructions have advised that a loss would be regarded as material if the "Incurred Gross Loss" or the "Estimated Ultimate Net Loss" exceeds 5% and 1% respectively of the syndicate's capacity for the relevant reporting year of account. In the majority of cases, however, the Managing Agent's judgement will determine whether the loss is material to the

syndicate, ie losses below this level can also be reported on QMR800. However, we have had instances where syndicates have reported no other major losses other than those that we list for inclusion in QMR800. It may be that in these cases the syndicates did not have losses that exceeded the 5% and 1% limits but we would emphasise that we would normally expect any loss above these levels to be reported and that this is an area which we will be reviewing in 2008.

The major losses which must be reported in the Q1 QMR800 are:

1	05H	Hurricane Katrina
2	05L	Hurricane Rita
3	05M	Hurricane Wilma
4	07A	Windstorm Kyrill
5	07C	UK Floods - 21 to 29 June 2007
6	07D	Tam Lineas Aeras Airbus – July 2007
7	07E	UK Floods - from 20 July 2007
8	07J	California Fires – October 2007
9	08A	BA undershot runway at Heathrow – 17 January 2008
10	08B	Explosion at Severstal furnace, Dearborn USA – 5 January 2008

Agents are reminded that if they have any loss to be reported on QMR800 that does not have an XIS Catastrophe code they need to ensure that the loss has been allocated a major loss code. Details of the procedure for obtaining a major loss code will be issued in an e-mail today. The deadline for submission of requests for new major loss codes to Market Reporting is Friday 2<sup>nd</sup> May.

**Queries**

Any queries or comments on the return should be submitted via e-mail to Market Reporting ([lloyds-MRD-ReturnQueries@lloyds.com](mailto:lloyds-MRD-ReturnQueries@lloyds.com)).

Robert Smith