

MARKET BULLETIN

REF: Y4166

Title	Q2 2008 QMR incorporating the 2008 Interim Return
Purpose	To advise managing agents that the forms and instructions for the Q2 QMR are available for download and provide the list of major losses to be reported.
Type	Scheduled
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Date	27 June 2008
Deadline	14 August 2008 – electronic submission 28 August 2008 – hardcopy of QMRs 910 and 930 20 August – release of 2006/7 forecasts to the Stock Exchange
Related links	

The purpose of this bulletin is to advise agents that the forms and instructions for the Q2 QMR, incorporating the interim return, are available for download. They are available for download from the Market Services Market Returns website.

Changes in requirements

There are no changes to the requirements for Q2 2008 in comparison to those for Q2 2007.

Segmental reporting

As was the case at 30 June 2007, the reporting requirements for segmental reporting are reduced in comparison to the year end. However, the data in QMR104 provides information that is important to the class of business analysis that is included within the market commentary to the Lloyd's interim return and also to the presentations given to rating agents etc. Managing agents are therefore asked to satisfy themselves that the information reported in QMR104 is consistent with their own view of the syndicate's class of business results.

Auditor review of interim return

Appendix 4 to the instructions provides a list of the QMR forms that will comprise the 30 June 2008 interim return: these are the forms to be covered by the auditor review. The auditor review will cover both the interim return, as last year, and the interim profits, as reported on AR100, to be recognised for capital setting within the November Coming-into-line (CIL) exercise and for Release Test

purposes. As set out in the instructions, the cash flow forms are not included in the scope of the review.

Deadlines

The submission date of 14 August represents the deadline by which all syndicates must submit their full QMR, but in electronic form only. Agents then have a further two weeks for the completion of the audit review. By 28 August each syndicate must submit the hardcopy interim return (ie QMRs 910 & 930). If the data in the QMR has been modified in any way from the 14 August submission then the revised version of the QMR will also need to be submitted in electronic form with the same version and time stamp as the hardcopy. Early submission of the audited hardcopy return is welcome.

Cut-off for data completion

As last year Lloyd's has no absolute requirement that all information must report entries precisely as at the quarter or year end date. Provided that agents agree suitable timings with their auditors, which enable annual accounts to be prepared in accordance with UK GAAP and present a true and fair view of the results and state of affairs of the syndicate, data may be prepared based on an earlier cut-off date than the quarter or year end. For example, written premium estimates and paid claims may be cut-off earlier than the balance sheet date provided this is agreed with the auditors and after consultation with the independent actuaries. For quarterly reporting, Lloyd's requires that the information is prepared on a consistent basis. i.e. we would not accept Q2 data based on, say, May management accounts if at year end, agents prepare equivalent figures on December accounts, since this would not provide a true underlying quarterly development through the year.

Restatement of June 2007 and December 2007 comparatives

The Q2 QMR includes a number of forms that only require completion if there is to be a change of accounting policies for the 31 December 2008 annual accounts compared to those used at 31 December 2007. Where there is such a change and the application of the new accounting policies to the prior period results in a material change to the amounts previously reported then the restatement forms must be completed with the restated figures.

For the avoidance of doubt, we are not expecting restatements of the 30 June 2007 figures except where there is to be a change in accounting policies between 2008 and 2007. While some syndicates did adopt new accounting policies in their 31 December 2007 annual accounts the overall impact on the Lloyd's Annual Report Pro-forma Results was immaterial. Therefore there is no requirement to restate your interim figures if your syndicate changed accounting policies for the 31 December 2007 accounts but reported the interim figures under the old accounting policies.

Major losses

The major losses which must be reported in the Q2 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
11	08C	Pipe failure & fire at Varanus Island, Western Australia – 3 June 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 early next week. The deadline for submission of requests for new major loss codes to Market Reporting is Friday 11 July.

Reporting performance issues

We would encourage all agents to report any issues they have with the performance of the software and accessing the systems as soon as they arise. This will enable the ITG help desk to help resolve the issue earlier in the process and enable us to monitor service levels in real time and respond quickly as issues emerge. The contact details for the Data Management team 020 7327 5252 (e-mail: ITGDataManagement@Lloyds.com).

Queries

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

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