

MARKET BULLETIN

REF: Y4337

Title	US Reporting: Schedules F & P
Purpose	To advise managing agents of the Schedule F and P reporting requirements for the 2009 year end.
Type	Scheduled
From	Leslie Redmond, Manager Overseas Reporting, Market Reporting, Finance, Risk Management and Operations Direct phone number: 020 7327 5490 email: leslie.redmond@lloyds.com
Date	25 November 2009
Deadline	None – for information
Related links	None

The return

Instructions for Schedules F and P for the 2009 year end reporting exercise are attached to this market bulletin as Appendices 1 and 2. The forms in the packs for completion, which are in a format previously agreed with the New York Insurance Department (NYID), remain unchanged from previous years (with the exception that the LATF requirement has been removed).

Schedule F and P returns must be made for each syndicate which has a Surplus Lines Trust Fund (SLTF) or a Credit for Reinsurance Trust Fund (CRTF) and which is required to complete quarterly filings for US reporting purposes on these funds. Schedule F and P returns should follow the reporting structure of the main US packs. **Returns for "incidental syndicates", and for syndicates with years of account managed by different agents, must be in line with their present reporting structure.**

Schedule F and P returns are required for all syndicates which have ceased to trade but which still have open (including run-off) years and have transacted SLTF or CRTF business.

The SLTF and CRTF Schedule F and P returns will be submitted to NYID on an individual syndicate basis as well as at a global level. For the 2009 year end, Schedule P information for SLTF and CRTF business must be completed on a "gross of reinsurance" basis.

Electronic submission

An electronic version of the return for the two trust funds (as applicable) must be submitted to Market Reporting (MR) at the same time as the main US reporting packs for SLTF and CRTF business are filed on **12 February 2010**. The electronic package, which uses the same system as the previous returns, will be provided to managing agents in December, in order to include the most up-to-date LORS code set and the latest system validations. A final LORS code set, that you will need to apply to your packs, will be issued a week prior to the deadline date to ensure all packs contain the latest LORS code data.

The software will cross-validate the Schedule F and P returns with the main US returns, in order to ensure consistency between the two parts of the filings. Instructions on how to use the software will be issued to you along with the software itself.

Hard copy returns

Hard copy Schedule F and P returns for the SLTF and CRTF should be combined with the hard copy version of the main US reporting pack of the same trust fund of the same syndicate. Each such pack should then be notarised as a single document. Market Reporting will only require one notarised copy, but you should have a second copy notarised for your own files. It is currently envisaged that notarised packs will be due for submission on **17 February 2010**.

Nil returns

Schedule F and P returns are **not** required from syndicates which transacted US business after 1 August 1995 but which have ceased trading and closed all years of account by reinsurance to close into another syndicate at 1 January 2009. Schedule F and P returns are also **not** required from syndicates that have not signed US situs trust deeds.

If you have any queries on this bulletin, please contact David Cokayne on extension 6238 or me on the above number.

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

Leslie Redmond
Manager, Overseas Reporting
Market Reporting

Appendix 1

Forms:

Schedule F

Schedule P

LLOYD'S US REPORTING PACK

US REINSURANCE/SURPLUS LINES (Business incepting on or after 1 August 1995)

Syndicate:

ANNUAL STATEMENT

All Years of Account

Year ended December 31, 2009

SCHEDULE F - CEDED REINSURANCE

Schedule F	Contents	Applicable?
Part 2	Premium Portfolio Reinsurance Effected or (Cancelled) during Current Year	Yes
Part 3	Reinsurance Ceded as of December 31, 2009	Yes
Part 4	Ageing of Ceded Reinsurance as of December 31, 2009	Yes
Part 5	Provision for Unauthorised Reinsurance as of December 31, 2009	Yes
Part 6	Provision for Overdue Authorised Reinsurance as of December 31, 2009	Yes
Part 7	Provision for Overdue Reinsurance as of December 31, 2009	Yes
Part 8	Reinstatement of Balance Sheet to Identify Net Credit for Reinsurance	Yes

US F-Contents

LLOYD'S US REPORTING PACK
 US REINSURANCE/SURPLUS LINES (Business incepting on or after 1 August 1995)

Syndicate:
 ANNUAL STATEMENT
 All Years of Account
 Year ended December 31, 2009

SCHEDULE F - PART 2

Premium Portfolio Reinsurance Effectuated or (Cancelled) during Current Year

Federal ID Number	NAIC Company Code	Name of Company	1 Date of Contract	2 Original Premium	3 Reinsurance Premium
0199999 Total Reinsurance Ceded by Portfolio					
0299999 Total Reinsurance Assumed by Portfolio					

SCHEDULE F - PART 3
 Reinsurance Ceded as at December 31, 2009 (\$'000 omitted)

Federal ID Number	NAIC Company Code	Name of Reinsurer	Domiciliary jurisdiction	Reinsurance Contracts Ceding 75% or More of Direct Premiums Written	Reinsurance Recoverable On				Reinsurance Payable			8 Net amounts recoverable from reinsurers Cols 5-(6+7)	9 Funds held by Syndicate under reinsurance treaties
					1 Reinsurance Premiums ceded	2 Paid Losses (including LAE)	3 Outstanding losses	4 IBNR	5 Columns 2 thru 4 totals	6 Ceded Balances Payable	7 Other Amounts Due to Reinsurers		
	AUTHORISED - LLOYD'S SYNDICATES												
0199999	TOTAL AUTHORISED - LLOYD'S SYNDICATES												
	AUTHORISED - AFFILIATES												
0499999	TOTAL AUTHORISED - AFFILIATES												
	AUTHORISED - OTHER												
0899999	TOTAL AUTHORISED - OTHER												
0999999	TOTAL - AUTHORISED												
	UNAUTHORISED - LLOYD'S SYNDICATES												
1019999	TOTAL UNAUTHORISED - LLOYD'S SYNDICATES												
	UNAUTHORISED - AFFILIATES												
1499999	TOTAL UNAUTHORISED - AFFILIATES												
	UNAUTHORISED - OTHER												
1799999	TOTAL UNAUTHORISED - OTHER												
1899999	TOTAL UNAUTHORISED												
9999999	TOTALS												

SCHEDULE F - PART 4
Ageing of Ceded Reinsurance as of December 31, 2009 (\$'000 omitted)

Federal ID Number	NAIC Company Code	Name of Reinsurer	Domiciliary Jurisdiction	Reinsurance Recoverable on Paid Losses							8 Percentage Overdue 6/7	9 Percentage more than 120 days overdue 5/7
				1 Current	Overdue				7 Total Due 1+6			
					2 1 to 29 days	3 30 to 90 days	4 91 to 120 days	5 Over 120 days		6 Total Overdue 2+3+4+5		
		AUTHORISED - LLOYD'S SYNDICATES										
0199999		TOTAL AUTHORISED - LLOYD'S SYNDICATES										
		AUTHORISED - AFFILIATES										
0499999		TOTAL AUTHORISED - AFFILIATES										
		AUTHORISED - OTHER										
0899999		TOTAL AUTHORISED - OTHER										
0999999		TOTAL AUTHORISED										
		UNAUTHORISED - LLOYD'S SYNDICATES										
1019999		TOTAL UNAUTHORISED - LLOYD'S SYNDICATES										
		UNAUTHORISED - AFFILIATES										
1499999		TOTAL UNAUTHORISED - AFFILIATES										
		UNAUTHORISED - OTHER										
1799999		TOTAL UNAUTHORISED - OTHER										
1899999		TOTAL UNAUTHORISED										
9999999		TOTALS										

SCHEDULE F - PART 5
Provision for unauthorised Reinsurance as of December 31, 2009 (\$'000 omitted)

Federal ID Number	NAIC Company Code	Name of Reinsurer	Domiciliary Jurisdiction	1 Reinsurance Recoverable all Items, Schedule F Part 3 Col 5	2 Funds Held By Syndicate Under Reinsurance Treaties	3 Letters of Credit	4 Ceded Balances Payable	5 Misc Balances	6 Other Allowed Offset Items	7 Sum of Columns 2-6 but not in excess of Col 1	8 Subtotal 1-7	9 Recoverable paid losses over 90 days past Due not in dispute	10 20% of amount in Col 9	11 Smaller of Col 7 or Col 10	12 Smaller of Col 7 or 20% of amount in dispute included in Col 1	13 Total provision for unauthorised reinsurance Smaller of Col 1 or Cols 8+11+12 or syndicate's experience if greater)
		UNAUTHORISED - LLOYD'S SYNDICATES														
1019999		TOTAL UNAUTHORISED - LLOYD'S SYNDICATES														
		UNAUTHORISED - AFFILIATES														
1499999		TOTAL UNAUTHORISED - AFFILIATES														
		UNAUTHORISED - OTHER														
1799999		TOTAL UNAUTHORISED - OTHER														
1899999		TOTAL UNAUTHORISED														
9999999		TOTALS														

1. Amounts in dispute totalling \$ _____ are included in Column 1.
 2. Amounts in dispute totalling \$ _____ are excluded in Column 9.

SCHEDULE F - PART 6
Provision for Overdue Authorised Reinsurance as of December 31, 2009

Federal ID Number	NAIC Company Code	Name of Reinsurer	1 Reinsurance recoverable on paid losses and LAE more than 90 days overdue (a)	2 Total reinsurance recoverable on paid losses and paid LAE (b)	3 Amounts received prior 90 days	4 Column 1 divided by (Col 2 + Col 3)	5 Amounts in Col 1 for companies reporting less than 20% in Col 4	6 Amounts in dispute excluded from Col 1 for companies reporting less than 20% in Col 4	7 20% of amount in Col 6	8 Amount reported in Col 5 X 20% + Col 7 (or syndicate's experience if greater)
		AUTHORISED - LLOYDS SYNDICATES								
0199999		TOTAL AUTHORISED - LLOYD'S SYNDICATES								
		AUTHORISED - AFFILIATES								
0499999		TOTAL AUTHORISED - AFFILIATES								
		AUTHORISED - OTHERS								
0899999		TOTAL AUTHORISED - OTHERS								
0999999		TOTAL AUTHORISED								
9999999		TOTALS								

- (a) From Schedule F Part 4 Col 4 + 5, total authorised, less \$..... in dispute
- (b) From Schedule F Part 3 Col 2, total authorised, less \$..... in dispute

SCHEDULE F - PART 7

Provision for Overdue Reinsurance as of December 31, 2009

Federal ID Number	NAIC Company Code	Name of Reinsurer	1 Reinsurance recoverable all items	2 Funds held by syndicate under reinsurance treaties	3 Letters of Credit	4 Ceded Balances Payable	5 Other miscellaneous balances	6 Other allowed offset items	7 Sum of columns 2 to 6 but not in excess of Col 1	8 Col 1 minus Col 7	9 Greater of Col 8 or Sch F Part 4 Cols 4 & 5
		AUTHORISED - LLOYDS SYNDICATES									
0199999		TOTAL AUTHORISED - LLOYD'S SYNDICATES									
		AUTHORISED - AFFILIATES									
0499999		TOTAL AUTHORISED - AFFILIATES									
		AUTHORISED - OTHERS									
0899999		TOTAL AUTHORISED -OTHERS									
0999999		TOTAL AUTHORISED									
9999999		TOTAL									

- 1 Total
- 2 Total X 0.20
- 3 Line 1 X Line 2
- 4 Schedule F Part 6 Col 8
- 5 Provision for overdue authorised reinsurance (lines 3 +4)
- 6 Provision for unauthorised reinsurance (Schedule F Part 5 Col 13 X 1000)
- 7 Provision for Reinsurance (sum lines 5 +6)

X 0.20

Syndicate:
 ANNUAL STATEMENT
 ALL YEARS OF ACCOUNT
 Year ended December 31, 2009

SCHEDULE F - PART 8

Restatement of Balance Sheet to Identify Net Credit for Reinsurance

US \$	1 As Reported	2 Credit for reinsurance ceded	3 Restated (net of ceded)
ASSETS			
1 Cash and invested assets			
2 Premiums and considerations			
3 Funds held by or deposited with reassureds			
4 Reinsurance recoverables on loss and LAE payments			
5 Other assets			
6 Net amount recoverable from reinsurers			
7 Totals			
LIABILITIES			
8 Losses and LAEs			
9 Taxes, expenses and other obligations			
10 Unearned premiums			
11 Dividends declared and unpaid			
12 Funds held under reinsurance treaties			
13 Amounts withheld or retained for account of others			
14 Provision for reinsurance			
15 Other liabilities			
16 Total Liabilities			
17 Surplus as regards policyholders			
18 TOTAL			

US F-8

LLOYD'S US REPORTING PACK

US REINSURANCE/SURPLUS LINES (Business incepting on or after 1 August 1995)

Syndicate:

ANNUAL STATEMENT

All Years of Account

Year ended December 31, 2009

SCHEDULE P - ANALYSIS OF LOSSES AND LOSS EXPENSES

Schedule P	Contents	Applicable?	Gross/Net?
Part 1	Detailed Information on Losses and Loss Expenses		
Part 1	Summary	Yes	Gross
Part 1A	Ocean marine	Yes/No	
Part 1B	Other accident and health	Yes/No	
Part 1C	Other liability	Yes/No	
Part 1D	Auto physical damage	Yes/No	
Part 1E	Aircraft (all perils)	Yes/No	
Part 1F	Goods in transit	Yes/No	
Part 1G	Property	Yes/No	
Part 1H	Pecuniary loss	Yes/No	
Part 2	History of Incurred Losses and Allocated Expenses		
Part 2A	Ocean marine	Yes/No	Gross
Part 2B	Other accident and health	Yes/No	
Part 2C	Other liability	Yes/No	
Part 2D	Auto physical damage	Yes/No	
Part 2E	Aircraft (all perils)	Yes/No	
Part 2F	Goods in transit	Yes/No	
Part 2G	Property	Yes/No	
Part 2H	Pecuniary loss	Yes/No	
Part 3	History of Loss and Allocated Expense Payments		
Part 3A	Ocean marine	Yes/No	Gross
Part 3B	Other accident and health	Yes/No	
Part 3C	Other liability	Yes/No	
Part 3D	Auto physical damage	Yes/No	
Part 3E	Aircraft (all perils)	Yes/No	
Part 3F	Goods in transit	Yes/No	
Part 3G	Property	Yes/No	
Part 3H	Pecuniary loss	Yes/No	
Part 4	History of Bulk and Incurred But Not Reported Reserves		
Part 4A	Ocean marine	Yes/No	Gross
Part 4B	Other accident and health	Yes/No	
Part 4C	Other liability	Yes/No	
Part 4D	Auto physical damage	Yes/No	
Part 4E	Aircraft (all perils)	Yes/No	
Part 4F	Goods in transit	Yes/No	
Part 4G	Property	Yes/No	
Part 4H	Pecuniary loss	Yes/No	
Part 6	History of Premiums Earned		
Part 6A - Sections 1/ 2	Ocean marine	Yes/No	Gross
Part 6B - Sections 1/ 2	Other accident and health	Yes/No	
Part 6C - Sections 1/ 2	Other liability	Yes/No	
Part 6D - Sections 1/ 2	Auto physical damage	Yes/No	
Part 6E - Sections 1/ 2	Aircraft (all perils)	Yes/No	
Part 6F - Sections 1/ 2	Goods in transit	Yes/No	
Part 6G - Sections 1/ 2	Property	Yes/No	
Part 6H - Sections 1/ 2	Pecuniary Loss	Yes/No	
	Additional Information	Yes	

Syndicate:
 ANNUAL STATEMENT
 All Years of Account
 Year ended December 31, 2009

SCHEDULE P - PART 1 - Detailed information on losses and loss expenses
Part 1 - Summary
 (\$000 omitted)

1 Underwriting Year		Premiums signed			Loss Payments		
		2 Direct and Assumed	3 Ceded	4 Net (2-3)	5 Direct and Assumed	6 Ceded	7 Total Net Paid (5-6)
1	prior						
2	2000						
3	2001						
4	2002						
5	2003						
6	2004						
7	2005						
8	2006						
9	2007						
10	2008						
11	2009						
12	Totals						

Losses Unpaid				Additional IBNR on Unearned Premium		Future Premiums (i.e. Unsigned)		Provision on Earned, Unsigned premiums (minimum 25%)	
Outstanding		IBNR							
9 Direct and Assumed	10 Ceded	11 Direct and Assumed	12 Ceded	13 Direct and Assumed	14 Ceded	15 Direct and Assumed	16 Ceded	17 Direct and Assumed	18 Ceded

Total Unpaid Liabilities		21 Salvage and Subrogation Anticipated	22 Total Net Losses Unpaid	Total Losses incurred			Loss Percentages (Incurred/ Premiums Signed & Unsigned)		
19 Direct and Assumed 9+11+13-15+17	20 Ceded 10+12+14-16+18			23 Direct and Assumed	24 Ceded	25 Net	26 Direct and Assumed	27 Ceded	28 Net

Syndicate:
 ANNUAL STATEMENT
 All Years of Account
 Year ended December 31, 2009

SCHEDULE P - PART 1 - Detailed information on losses and loss expenses
Part 1A - Ocean Marine
 (\$000 omitted)

1 Underwriting Year	Premiums signed			Loss Payments			
	2 Direct and Assumed	3 Ceded	4 Net (2-3)	5 Direct and Assumed	6 Ceded	7 Total Net Paid (5-6)	8 Salvage and Subrogation Received
1 prior							
2 2000							
3 2001							
4 2002							
5 2003							
6 2004							
7 2005							
8 2006							
9 2007							
10 2008							
11 2009							
12 Totals							

Losses Unpaid				Additional IBNR on Future Premiums Unearned Premium (i.e. Unsigned)					Provision on Earned, Unsigned premiums (minimum 25%)	
Outstanding		IBNR							17	18
9	10	11	12	13	14	15	15g	16	Direct and Assumed	Ceded
Direct and Assumed	Ceded	Direct and Assumed	Ceded	Direct and Assumed	Ceded	Direct and Assumed	Direct and Assumed	Ceded		

Total Unpaid Liabilities				Total Losses incurred			Loss Percentages (Incurred/ Premiums Signed & Unsigned)		
19	20	21	22	23	24	25	26	27	28
Direct and Assumed	Ceded	Salvage and Subrogation Anticipated	Total Net Losses Unpaid	Direct and Assumed	Ceded	Net	Direct and Assumed	Ceded	Net
9+11+13-15+17	10+12+14-16+18								

LLOYD'S US REPORTING PACK
US REINSURANCE/SURPLUS LINES (Business inception on or after 1 August 1995)

Syndicate:
ANNUAL STATEMENT
 All Years of Account
 Year ended December 31, 2009

(Memo only)

SCHEDULE P - PART 2 - History of Incurred Losses
Part 2 - Summary
 (\$'000 omitted)

1 Underwriting Year	Incurred Losses Reported at Year End (including IBNR)										Development	
	2 2000	3 2001	4 2002	5 2003	6 2004	7 2005	8 2006	9 2007	10 2008	11 2009	12 One Year	13 Two Year
1 prior												
2 2000												
3 2001	XXXX											
4 2002	XXXX	XXXX										
5 2003	XXXX	XXXX	XXXX									
6 2004	XXXX	XXXX	XXXX	XXXX								
7 2005	XXXX	XXXX	XXXX	XXXX	XXXX							
8 2006	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX						
9 2007	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX					
10 2008	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX				
11 2009	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX			XXXX
Total												

SCHEDULE P - PART 3 - History of Incurred Loss Payments
Part 3 - Summary
 (\$'000 omitted)

1 Underwriting Year	Cumulative Paid Losses at Year End									
	2 2000	3 2001	4 2002	5 2003	6 2004	7 2005	8 2006	9 2007	10 2008	11 2009
1 prior										
2 2000										
3 2001	XXXX									
4 2002	XXXX	XXXX								
5 2003	XXXX	XXXX	XXXX							
6 2004	XXXX	XXXX	XXXX	XXXX						
7 2005	XXXX	XXXX	XXXX	XXXX	XXXX					
8 2006	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX				
9 2007	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX			
10 2008	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX		
11 2009	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	

SCHEDULE P - PART 4 - History of Incurred but not Reported Reserves
Part 4 - Summary
 (\$'000 omitted)

1 Underwriting Year	Incurred But Not Reported Reserves at Year End									
	2 2000	3 2001	4 2002	5 2003	6 2004	7 2005	8 2006	9 2007	10 2008	11 2009
1 prior										
2 2000										
3 2001	XXXX									
4 2002	XXXX	XXXX								
5 2003	XXXX	XXXX	XXXX							
6 2004	XXXX	XXXX	XXXX	XXXX						
7 2005	XXXX	XXXX	XXXX	XXXX	XXXX					
8 2006	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX				
9 2007	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX			
10 2008	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX		
11 2009	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	

LLOYD'S US REPORTING PACK

US REINSURANCE/SURPLUS LINES (Business incepting on or after 1 August 1995)

Syndicate:

ANNUAL STATEMENT

All Years of Account

Year ended December 31, 2009

SCHEDULE P - PART 2 - History of Incurred Losses
Part 2A - Ocean Marine
(\$'000 omitted)

1 Underwriting Year	Incurred Losses Reported at Year End (including IBNR)										Development	
	2 2000	3 2001	4 2002	5 2003	6 2004	7 2005	8 2006	9 2007	10 2008	11 2009	12 One Year	13 Two Year
1 prior												
2 2000												
3 2001	XXXX											
4 2002	XXXX	XXXX										
5 2003	XXXX	XXXX	XXXX									
6 2004	XXXX	XXXX	XXXX	XXXX								
7 2005	XXXX	XXXX	XXXX	XXXX	XXXX							
8 2006	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX						
9 2007	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX					
10 2008	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX				
11 2009	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX			XXXX
Total												

SCHEDULE P - PART 3 - History of Incurred Loss Payments
Part 3A - Ocean Marine
(\$'000 omitted)

1 Underwriting Year	Cumulative Paid Losses at Year End									
	2 2000	3 2001	4 2002	5 2003	6 2004	7 2005	8 2006	9 2007	10 2008	11 2009
1 prior										
2 2000										
3 2001	XXXX									
4 2002	XXXX	XXXX								
5 2003	XXXX	XXXX	XXXX							
6 2004	XXXX	XXXX	XXXX	XXXX						
7 2005	XXXX	XXXX	XXXX	XXXX	XXXX					
8 2006	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX				
9 2007	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX			
10 2008	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX		
11 2009	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	

SCHEDULE P - PART 4 - History of Incurred but not Reported Reserves
Part 4A - Ocean Marine
(\$'000 omitted)

1 Underwriting Year	Incurred But Not Reported Reserves at Year End									
	2 2000	3 2001	4 2002	5 2003	6 2004	7 2005	8 2006	9 2007	10 2008	11 2009
1 prior										
2 2000										
3 2001	XXXX									
4 2002	XXXX	XXXX								
5 2003	XXXX	XXXX	XXXX							
6 2004	XXXX	XXXX	XXXX	XXXX						
7 2005	XXXX	XXXX	XXXX	XXXX	XXXX					
8 2006	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX				
9 2007	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX			
10 2008	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX		
11 2009	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	

LLOYD'S US REPORTING PACK

US REINSURANCE/SURPLUS LINES (Business incepting on or after 1 August 1995)

Syndicate:

ANNUAL STATEMENT

All Years of Account

Year ended December 31, 2009

SCHEDULE P - PART 6 - History of Premiums Signed

Part 6A Section 1 - Ocean Marine

(\$'000 omitted)

1 Underwriting Year	Cumulative Premiums Signed Direct and Assumed at Year End										12 Calendar Year Premiums
	2 2000	3 2001	4 2002	5 2003	6 2004	7 2005	8 2006	9 2007	10 2008	11 2009	
1 prior											
2 2000											
3 2001	XXXX										
4 2002	XXXX	XXXX									
5 2003	XXXX	XXXX	XXXX								
6 2004	XXXX	XXXX	XXXX	XXXX							
7 2005	XXXX	XXXX	XXXX	XXXX	XXXX						
8 2006	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX					
9 2007	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX				
10 2008	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX			
11 2009	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX		
12 Total	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	

SCHEDULE P - PART 6 - History of Premiums Signed

Part 6A Section 2 - Ocean Marine

(\$'000 omitted)

1 Underwriting Year	Cumulative Premiums Ceded at Year End										12 Calendar Year Premiums
	2 2000	3 2001	4 2002	5 2003	6 2004	7 2005	8 2006	9 2007	10 2008	11 2009	
1 prior	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX
2 2000	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX
3 2001	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX
4 2002	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX
5 2003	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX
6 2004	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX
7 2005	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX
8 2006	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX
9 2007	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX
10 2008	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX
11 2009	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX
12 Total	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX

LLOYD'S US REPORTING PACK
US REINSURANCE/SURPLUS LINES (Business incepting on or after 1 August 1995)

Syndicate:
ANNUAL STATEMENT
All Years of Account
Year ended December 31, 2009

SCHEDULE P - ADDITIONAL INFORMATION

1. Salvage and Subrogation

Applicable?

Yes/No

Do recoveries in respect of salvage and subrogation anticipated amount to
10% or more of gross losses paid or unpaid?

If yes, insert details of anticipated recoveries in respect of salvage and subrogation in
the memorandum columns (8 and 21) in Part 1 for each class of business.

2. Reinsurance to Close Accepted from Another Syndicate

Applicable?

Yes/No

Has the syndicate accepted the RITC of another syndicate?

US RI/SL P-Additional

2009 NYID - ANNUAL STATEMENT FILINGS

Appendix 2

Instructions:

Schedule F

Schedule P

2009 NYID - ANNUAL STATEMENT FILINGS

SCHEDULE F Instructions – 31 December 2009

Index to Schedule F – Reinsurance Ceded

- Part 2 - Portfolio Reinsurance
- Part 3 - Ceded Reinsurance
- Part 4 - Ageing of Ceded Reinsurance
- Part 5 - Provision for Unauthorised Reinsurance
- Part 6 - Provision for Overdue Authorised Reinsurance
- Part 7 - Provision for Overdue Reinsurance (Authorised over 20%)
- Part 8 - Restatement of Balance Sheet to identify net credit for ceded reinsurance

1. General

- 1.1 All parts of Schedule F must be filed with the annual statement within 60 days of the year end.
- 1.2 "Federal ID Number".
Most parts of Schedule F require that the "Federal Employer Identification Number" is reported for assuming or ceding insurers. Reinsurance intermediaries should not be listed because Schedule F is intended to identify only risk-bearing entities.
- 1.3 Use of Federal Employer Identification Number (FEIN).
The FEIN must be reported for each US domiciled insurer and US branch of an alien (i.e. non-US) insurer. The FEIN should not be reported as the "Federal ID Number" for other alien insurers even if such a number has been issued by the federal government.
- 1.4 Alien Insurer Identification Number (AIIN).
For transactions involving alien companies, the appropriate AIIN must be included on Schedule F instead of the FEIN. The AIIN is assigned by the NAIC and is listed in the NAIC Listing of Companies.
- 1.5 Pool and Association Numbers.
For transactions involving pools or associations consisting of non-affiliated companies, the appropriate Pool/Association Identification Number must be included on Schedule F. These numbers are listed in the NAIC Listing of Companies and should be used instead of any FEIN that may have been assigned. If a pool has been set up purely for administration purposes, and does not have an associated NAIC code, the constituent reinsurers (with NAIC codes) should be entered on Schedule F.
- 1.6 NAIC Company Code.
No NAIC Company Code is assigned to insurers domiciled outside of the US or to pools or associations. AIIN prefix AA must be entered in place of the NAIC Company Code where applicable.
- 1.7 Domiciliary Jurisdiction.
In those parts of Schedule F requiring disclosure of the "Domiciliary Jurisdiction" for each domestic reinsurer or US branch listed, the column should be completed with the state where the reinsurer maintains its statutory home office. For all non-US reinsurers, this column should be completed with the country where the reinsurer is domiciled (e.g. the domiciliary jurisdiction of Lloyd's syndicates is the United Kingdom).

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1.8 Details of FEINs, AINs, NAIC company codes and details of the domiciliary jurisdiction of reinsurers are built into the LORS code set. This has been incorporated in the Schedule F and P software as a look-up table in which details of individual reinsurers can be obtained on entry of the reinsurer's LORS code number. Agents should first attempt to obtain these details from the current LORS code set.

1.9 In the unlikely event that a LORS number or reinsurer is not recognised by the software, the Xchanging Services Desk (0870 380 0830) should be contacted to ensure that a code is allocated. **Recoveries from uncoded and unidentified reinsurers must not be included within Schedule F.**

1.10 Lloyd's syndicates.

Cessions to Lloyd's syndicates under reinsurance arrangements having an inception, amendment or renewal date on or after 1 August 1995 must be reported using the specific number of each subscribing syndicate, as listed in the alien section of the NAIC Listing of Companies. Such syndicates should be listed individually under Authorised Insurers - Lloyd's Syndicates.

Cessions on or after 1 August 1995 to syndicates for which an identification number does not appear in the NAIC Listing of Companies should be reported, on an aggregated basis, under Unauthorised Insurers - Lloyd's Syndicates, using the collective number AA - 1123000.

1.11 Dates.

All dates in Schedule F must be in the format MM/DD/YYYY. For example the date 7 June 2009 should be reported as 06/07/2009.

1.12 Aggregation of reinsurers.

The aggregation of reinsurers (except for certain Lloyd's syndicates as detailed in paragraph 1.10 above) is not permitted in any of Parts 2 to 7. All companies must be identified.

1.13 Determination of Authorised Status.

The determination of the authorised or unauthorised status of an insurer or reinsurer listed in any part of Schedule F shall be based on the status of that insurer or reinsurer in the State of New York. The NYID publishes (at least annually) a list of authorised reinsurers (i.e. licensed reinsurers or reinsurers which are accredited for credit for reinsurance purposes). Under New York law, cedants are allowed to take credit for reinsurance ceded to such reinsurers. Credit is also allowed under New York law for reinsurance which is ceded to an insurer which is not licensed or has no approved status in the State of New York but only to the extent that the reinsurance liabilities owed to the cedant by the reinsurer are secured by a letter of credit or a Regulation 114 trust agreement or similar collateral. The NAIC Listing of Companies supplied by Lloyd's (referred to in paragraph 1.4 above) will contain details of whether each company is authorised by NYID.

1.14 Schedule F, Parts 2 to 8, must be completed separately for the SLTF and CRTF business, for all years combined. The SLTF and CRTF forms must be included within the notarised Annual US Situs trust fund reporting packs.

1.15 The software has been designed to facilitate the input of all data in dollars rather than round thousands of dollars for all forms: the software will perform the calculation of round thousand information where this needs to be reported on a particular form (i.e.

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Parts 3, 4 and 5).

2. Schedule F - Part 2: Premium Portfolio Reinsurance

- 2.1 This schedule should list by portfolio, i.e. by individual policy, any original premiums and reinsurance premiums for portfolio reinsurance transactions effected or cancelled during the year. Unlike Schedule F, Parts 3 to 7, where separate entries need to be made at reinsurer rather than policy level, Part 2 needs to show details of individual reinsurance policies where 100% reinsurance has been assumed or ceded.
- 2.2 Portfolio reinsurance is the transfer of the entire liability of an insurer for in-force policies in respect of a described segment of the insurer's business. Portfolio reinsurance therefore includes 100% quota share of a defined part of a syndicate's business, including the "closing" of a syndicate into another syndicate or an outwards reinsurer. For the avoidance of doubt, the closing of a predecessor underwriting year into a successor underwriting year of the same syndicate does **not** need to be included on this form. The 100% facultative reinsurance of single risks should also be excluded from this form.
- 2.3 Reasonable estimates may be used to allocate reinsurance ceded and assumed by portfolio by trust fund.
- 2.4 Where a syndicate has assumed the reinsurance to close of another syndicate, each of the three trust funds' shares of the reinsurance to close premium received should be disclosed in Column 3. There is no need to complete any details of 'Original Premium' in Column 2 for such business.

3. Schedule F - Part 3: Ceded reinsurance

- 3.1 This form is the basic source of information on reinsurance ceded. It shows both premiums ceded and reinsurance recoverable for each outward reinsurer.
- 3.2 Please complete this form in whole dollars. The software will automatically round to thousands of dollars.
- 3.3 If a syndicate has amounts reported for any of the following required groups, it must report the subtotal amount of the corresponding group. The software automatically generates these subtotals.

<u>Group</u>	<u>Line Number</u>
Total Authorised - Lloyd's syndicates	0199999
Total Authorised - Affiliates	0499999
Total Authorised - Other	0899999
Total Authorised	0999999
Total Unauthorised - Lloyd's syndicates	1019999
Total Unauthorised - Affiliates	1499999
Total Unauthorised - Other	1799999
Total Unauthorised	1899999
Totals	9999999

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All reinsurance transactions placed with a reinsurance company, which is either the holding company of the managing agent of a syndicate or another company within the same group, should be disclosed under affiliates. Reinsurance transactions with Lloyd's syndicates in the same group should not be classified as affiliates.

3.4 Reinsurance contracts ceding 75% or more of direct premiums written – unnumbered column.

Each individual contract, except those listed below, which provides for the cession of 75% or more of direct premiums written under such cession during the year, should be identified by inserting '2' in this column. In order to do this, the software provides the facility for agents to enter a 'Y' for yes where this situation applies and '2' will automatically be generated in this column. The reinsurance transactions so identified shall include both treaty and facultative cessions of direct business written by the company.

Entries in this column, headed "Reinsurance contracts ceding 75% or more of direct premiums written", should exclude:-

- Inter-company reinsurance transactions with affiliates.

This has been defined by the NAIC as all reinsurance transactions placed with a reinsurance company, which is either the holding company of the managing agent of a syndicate or another company within the same group, should be disclosed under affiliates. Reinsurance transactions with Lloyd's syndicates in the same group should not be classified as affiliates.

- Reinsurance transactions involving captive insurance companies.

Where there is more than one reinsurance contract with a particular reinsurer, the 75% rule in relation to direct business refers to the total underlying direct business covered by the reinsurer rather than the business covered on a contract by contract basis.

3.5 Reinsurance premiums ceded - column 1.

The data required is for the **calendar year** and relates to premiums ceded net of any commissions received. **Syndicates should follow their normal accounting policies with regards to adjustment for accrued reinsurance premiums.** Syndicates should therefore check that the total of this column reconciles with the total calendar year movement for reinsurance ceded for SLTF and CRTF business per the underlying accounting records which are used to produce the Syndicate Return and the Syndicate Accounts.

3.6 Reinsurance recoverable on paid losses - column 2.

Lloyd's syndicates do not currently account for loss adjustment expenses separately. This represents amounts recoverable on paid losses, including loss adjustment expenses, **recoverable at the balance sheet date** (i.e. reinsurance accruals). Reinsurance recoverable should be reported net of any bad debts written off and gross of any reinstatement premiums payable by the syndicate as a consequence of making the reinsurance recovery: such reinstatement premiums payable should be included in column 6 - ceded balances payable.

3.7 Reinsurance recoverable on outstanding losses - column 3.

This column represents reinsurance recoverable on all outstanding losses at the balance sheet date. This must be completed in respect of all years of account including naturally open years. Reinstatement premiums payable in respect of

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reinsurance recoveries on outstanding claims should be netted off against the recoveries reported in column 3.

- 3.8 Reinsurance recoverable on IBNR losses - column 4.
This column must be completed in respect of all years of account, including naturally open years. Reinstatement premiums payable in respect of reinsurance recoveries on IBNR claims should be netted off against the recoveries reported in column 4. If necessary, a reasonable estimate can be used in order to allocate reinsurance recoverable on IBNR between individual reinsurers and between the three US Situs trust funds.
- 3.9 Column 5.
This represents the subtotals of columns 2 through to 4 and is automatically calculated by the software.
- 3.10 Reinsurance payable: ceded balances payable - column 6.
These amounts represent all ceded premiums payable to the reinsurer at the balance sheet date, e.g. original premium instalments, exposure or experience based premiums, reinstatement premiums except reinstatements on outstanding claims and IBNR as in accordance with paragraphs 3.7 and 3.8. Amounts should only be included in this column to the extent that they may be offset against reinsurance recoverable as reported in column 5 (i.e. where there is a right of set-off within the reinsurance contract).
- 3.11 Reinsurance payable: other amounts due to reinsurers - column 7.
This is a "miscellaneous" account and should include amounts due to reinsurers other than premiums, such as commission or profit sharing adjustments, subrogation recoveries, return of collateral no longer required and so on. It should exclude funds held by the syndicate under reinsurance treaties which are included in column 9. Amounts should only be included in this column to the extent that they can be offset against reinsurance recoverable as reported in column 5.
- 3.12 Net amount recoverable from reinsurers - column 8.
These amounts, which represent the net sum of all preceding columns other than ceded premiums, are the net amounts recoverable from each reinsurer and should include all offsets to the extent that they are allowable or appropriate. **This must not be less than zero. The software will make this restriction automatically, so lines will not add across where restrictions apply.**
- 3.13 Funds held by syndicate under reinsurance treaties - column 9.
Please include any amounts held under reinsurance treaties, including premiums and claims reserves. For the purpose of completing this form, reinsurance treaties include both proportional and non-proportional treaties.
- 3.14 Reinsurance recoveries on reinsurance to close assumed from another syndicate should be reported, by reinsurer, together with all other reinsurance recoveries in each of the relevant categories of reinsurer. Reinsurance premiums ceded in the calendar year in respect of such a closed year of account should be included in Column 1.
- 3.15 Reciprocal reinsurance arrangements, including quota share reciprocal arrangements.
Where a syndicate has entered into a reciprocal reinsurance arrangement with a reinsurer, including quota share reciprocal arrangements, the gross amount due from the reinsurer should be disclosed in columns 2 to 4 as appropriate. An example of

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this is where the reinsurer retrocedes 50% of the amount originally reinsured by the syndicate back to that syndicate. If reinsurance recoveries due back from the syndicate to the reinsurer can be offset against the recoveries due from the reinsurer to the syndicate according to the terms of the reinsurance contract, these should be reported in column 7.

- 3.16 Treatment of Outstanding Claims Advices (OCAs).
OCAs in respect of which the syndicate has received cash at the reporting date should be netted off against the recoveries on paid or outstanding claims to which they relate. The net recovery should be disclosed in column 3 or 4 as appropriate. For the avoidance of doubt, where an OCA facility exists but no cash advance has yet been received, no entry should be made in the Schedule F forms for the facility.
- 3.17 'Swing-rated' (loss sensitive) contracts written by the syndicate.
Where a syndicate has written swing-rated contracts, additional premiums payable by the insured consequent upon the payment of claims by the syndicate are sometimes treated as reinsurance recoveries in the accounting records of the insuring syndicate. Since these additional premiums receivable by the syndicate are not true reinsurance recoveries, they should not be reported as reinsurance recoveries receivable for Schedule F reporting purposes.

4. Schedule F - Part 4: Ageing of ceded reinsurance

- 4.1 The point at which the ageing process commences for the purpose of completing this form is the date of issue of the collection note.
- 4.2 Recoverable losses less than \$50,000 from a particular reinsurer.
Where the reinsurance agreement does not specify any timing and the recoverable losses are less than \$50,000 as to a particular reinsurer, amounts should be reported as current (column 1). If, however, they appeared in prior years' statements and have still not been collected, they become more than 120 days overdue and must be reported in column 5. The figure appearing in column 5 is calculated by the software and is the difference between the total of F Part 4 columns 1 to 4 and the figure appearing in F Part 3 Paid Losses (including LAE).
- 4.3 Please complete this form in whole dollars. The software will automatically round to thousands of dollars.
- 4.4 The total of column 7 on this form will agree to the total of column 2 on Schedule F, Part 3, being automatically fed through by the software.
- 4.5 Columns 8 & 9.
Percentages in the subtotal and total lines should be derived from subtotal and total data.

5. Schedule F - Part 5: Provision for unauthorised reinsurance

- 5.1 Full credit for reinsurance is obtained only if all reinsurance balances are secured, the payment record is current and the amounts are not disputed. Broadly the provision for unauthorised reinsurance equals: -

The smaller of the total amount recoverable - column 1 (A) or the net recoverable - column 7 (B) plus the smaller of (A-B) or 20% of "recoverable paid losses over 90

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days past due not in dispute" (C), plus the smaller of (A-B) or 20% of "amounts in dispute" (D).

- 5.2 Please complete this form in whole dollars. The software will automatically round to thousands of dollars.
- 5.3 Column 1 - reinsurance recoverable, all items Schedule F, Part 3, column 5. This is the net amount as shown in the unauthorised section of column 5, Schedule F, Part 3, being automatically fed through by the software.
- 5.4 Column 2 - Funds held by the syndicate under reinsurance treaties. These are the same amounts as included in the unauthorised section of column 9, Schedule F, Part 3, being automatically fed through by the software.
- 5.5 Column 3 - Letters of Credit (LoCs). This column should include any LoCs issued by reinsurers in favour of the syndicate where the facility has not yet been drawn down upon. If an LoC has been drawn down upon, the amount drawn down should be netted off against the reinsurance recovery to which it relates and the net recovery should be reported in Schedule F, Part 3, column 2 or 3 as appropriate.
- 5.6 Column 4 - Ceded balances payable & Column 5 - Miscellaneous balances. Offsets should be included in columns 4 and 5 to the extent that they are allowable or appropriate. These will also agree with the unauthorised section of Schedule F, Part 3, columns 6 and 7 respectively, being automatically fed through by the software.
- 5.7 Column 6 - Other allowed offset items. This should include any collateral other than funds withheld by the cedant or LoCs issued by the reinsurer. For example, trust account balances and other acceptable securities such as Regulation 114 trusts should be included in this column.
- 5.8 Column 7. This relates to the sum of columns 2 to 6 but must not exceed the amounts reported in column 1. These figures will be derived automatically.
- 5.9 Column 8. This subtotal should not be less than zero and is derived automatically.
- 5.10 Column 9 - recoverable paid losses over 90 days past due not in dispute. This column represents all amounts over 90 days due which are not in dispute.
- 5.11 Column 11 - Smaller of column 7 or column 10. Amounts in this column are derived automatically and should never be less than zero.
- 5.12 Column 13 - Total provision for unauthorised reinsurance. If the syndicate's experience indicates that a higher amount should be provided, then this higher amount should be provided. Amounts in this column should never be less than zero.
- 5.13 For the purpose of completing this form, amounts 'in dispute' are losses in dispute by reason of notification, arbitration or litigation. "Notification" means a formal written communication from a reinsurer denying the validity of coverage.
- 5.14 Footnote 1 must include all reinsurance recoverable from unauthorised reinsurers

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which is in dispute and Footnote 2 must include such amounts in dispute which are over 90 days old.

6. Schedule F - Part 6: Provision for overdue authorised reinsurance

- 6.1 Please complete this form in whole dollars.
- 6.2 This form has a similar purpose to Part 5. It is intended to provide an analysis of the current performance of most authorised reinsurers against historical payment performance. The authorised reinsurer's payment record is measured by the proportion which overdue payments (i.e. over 90 days old) bear to the receipt of payments within the past 90 days and total remaining recoverables on paid losses. If that proportion is less than 20%, then a 20% provision is calculated against both overdue amounts and ceded amounts.
- 6.3 This form should therefore be completed for all authorised reinsurers having paid loss recoverable balances more than 90 days overdue as reported on Schedule F, Part 4. Reinsurance recoverable on paid and unpaid (including IBNR) losses in dispute by reason of notification, arbitration or litigation should be excluded from columns 1 and 2. "Notification" has the meaning defined in paragraph 5.13 above. Amounts excluded must be disclosed in Notes A and B.
- 6.4 The total of column 1 should equal Schedule F, Part 4, columns 4 and 5, Total Authorised x 1000 less the amount in Note (a) for each reinsurer shown.
- 6.5 The total of column 2 will equal Schedule F, Part 3, column 2, Total Authorised x 1000 less the amount in Note (b) for each reinsurer shown, being automatically fed through by the software.
- 6.6 Column 3 - amounts received prior to 90 days. Recoveries paid by the reinsurer in the last 90 days should be included in this column.
- 6.7 If the syndicate's experience indicates that a higher amount should be provided in column 8, this higher amount should be entered. The total of column 8 will be carried to Schedule F, Part 7, line 4 automatically by the software.
- 6.8 Column 4 - column 1 divided by (columns 2 + 3).
If 20% or more, the reinsurer will be reported on Schedule F, Part 7.

7. Schedule F - Part 7: Provision for overdue reinsurance

- 7.1 Please complete this form in whole dollars.
- 7.2 This schedule has two purposes. First, it calculates a provision for overdue reinsurance for those authorised reinsurers where the overdue recoverables are greater than 20% of total recoverables and recent payments. For these companies, an offset analysis similar to that for unauthorised companies is performed and a specific provision is calculated equal to 20% of the greater of the amounts recoverable over 90 days or the total recoverable, including paid losses, not secured or offset. Thus, if more than 20% of an authorised reinsurer's current overall claims relationship with a syndicate is more than 90 days overdue it is treated in a manner similar to an unauthorised reinsurer. The syndicate should make an additional

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provision if the syndicate's experience indicates that a higher amount should be provided.

- 7.3 The second purpose of this schedule is to add the provisions calculated in Parts 5, 6 and 7 to create a total statutory provision for reinsurance recoverables.
- 7.4 Column 1 - reinsurance recoverable all items.
This will agree to Schedule F, Part 3, column 5 x 1000 (for each reinsurer shown), being automatically fed through by the software.
- 7.5 Column 2 - Funds held by syndicate under reinsurance treaties.
This will agree to Schedule F, Part 3, column 9 x 1000 (for each reinsurer shown), being automatically fed through by the software.
- 7.6 Column 3 - Letters of Credit (LoCs).
This column should include any LoCs issued by reinsurers in favour of the syndicate where the facility has not yet been drawn down upon. If the LoC has been drawn down upon, the amount drawn down should be netted off against the reinsurance recovery to which it relates and the net recovery should be reported in Schedule F, Part 3, column 2 or 3 as appropriate.
- 7.7 Column 4 - Ceded balances payable.
This will agree to Schedule F, Part 3, column 6 x 1000 (for each reinsurer shown), being automatically fed through by the software.
- 7.8 Column 5 - Other miscellaneous balances.
This will agree to Schedule F, Part 3, column 7 x 1000 (for each reinsurer shown), being automatically fed through by the software.
- 7.9 Column 6 - Other allowed offset items.
This will include any permissible items not included in columns 2, 3, 4 or 5.
- 7.10 Line 3 - Line 1 x Line 2.
If the syndicate's experience indicates that a higher amount should be provided, this higher amount should be entered.

8. Schedule F - Part 8: Balance Sheet restatement

- 8.1 Please complete this form in whole dollars.
- 8.2 This schedule restates the balance sheet on a gross basis by adjusting the effect of ceded reinsurance on each line item and provides insurers' gross leverage and dependence upon outwards reinsurance. It therefore also provides an indication of the potential amount available which could be credited for reinsurance ceded.
- Column 1 shows the amounts currently reported in the individual trust funds. The assets and liabilities reported for the situs trust funds should agree with those reported in the Assets and Gross Liabilities and Reconciliation of Movements in Trust Fund within the main body of the US situs trust fund reporting packs.
- 8.4 Column 2 shows the adjustment for the credit allowed for reinsurance ceded, net of bad debt provisions as calculated in Schedule F, Parts 5 to 7.
- 8.5 Column 3 represents the balances after taking account of the credit on allowable

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reinsurance recoverable on paid losses and on outstanding losses.

- 8.6 Line 2: Agents' balances or uncollected premiums.
This asset will be reduced in Column 2 by the ceded reinsurance premiums payable offset against reinsurance recoverable in Schedule F, Part 3, Column 6 x 1000.
- 8.7 Line 3: Funds held by or deposited with reassureds.
CRTF balances should agree to the main US reporting pack, form RI2 line 2c.
- 8.8 Line 4: Reinsurance recoverable on loss and LAE payments.
An asset will be inserted in Column 2, being the total reinsurance recoverable on paid losses and loss adjustment expenses as shown in Schedule F, Part 3, Column 2 x 1000.
- 8.9 Line 5: Other Assets.
SLTF balances should agree to the main US reporting pack, form SL1 line 6.
- 8.10 Line 8: Losses and loss adjustment expenses.
This liability will be reduced in Column 2 by the amount recoverable from reinsurers on outstanding losses and IBNR, as reported in Schedule F, Part 3, Columns 3 and 4 x 1000 for the situs trust funds. Column 1 balances should agree to the main US reporting packs form SL/RI 2 line 1.
- 8.11 Line 12: Funds held by company under reinsurance treaties.
This liability will be increased in Column 2 by the amount shown in Schedule F, Part 3, Column 9 x 1000.
- 8.12 Line 14: Provision for reinsurance.
The provision for reinsurance calculated in Schedule F, Part 7, Column 9 will be included as a liability in Column 2.
- 8.13 Where applicable, other assets in Line 5 will be reduced and liabilities in Lines 9, 13 and 15 adjusted (the agent needs to decide this split) as appropriate for miscellaneous amounts due to reinsurers, offset against reinsurance recoverable in Schedule F, Part 3, Column 7 x 1000.
- 8.14 Line 17: Surplus as regards policyholders.
Column 1 will include the amount that is required to be transferred (to)/from the trust fund per the Gross Liabilities and Reconciliation of Movements schedule within the main US reporting pack.
Column 2 should include the net of all reinsurance adjustments to the balance sheet, being a balancing figure.
- 8.15 The following lines should agree to the main US reporting pack as follows:

Schedule F part 8

Line 1 Column 1	Main US pack SL/RI1 line 5, all years
Line 3 Column 1	Main US pack RI2 line 2c, all years
Line 5 Column 1	Main US pack SL1 line 6, all years
Line 5 Column 1	Main US pack RI1 line 6 all years + RI2 lines 2a + 2b, all years
Line 8 Column 1	Main US pack SL/RI2 line 1, all years
CRTF Line 17 Column 1	Main US pack RI2 line 14 all years
SLTF Line 17 Column 1	Main US pack SL2 lines 1 minus 2 plus 14 all years

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In addition Line 8, Column 1 should agree with Schedule P, Part 1 Summary Line 12, Column 19.

It is intended that the software will be able to map validations where there is more than one return for Schedules P or more than one Main US return to agree to the Schedules F return. Market Reporting has already requested agreement from agents with regards to syndicate mappings for this exercise.

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SCHEDULE P - SLTF and CRTF – 31 December 2009

1. General

- 1.1 Schedule P, as adapted for Lloyd's syndicates, includes the following parts:
- Part 1 - Detailed information on losses
 - Part 2 - History of incurred losses
 - Part 3 - History of loss payments
 - Part 4 - History of incurred but not reported reserves
 - Part 6 - History of premiums signed
 - Additional information
- 1.2 Schedule P is intended to display a summary containing 10 years of historical data for all lines of business. For Lloyd's syndicates, data the 1993-1998 years of account must be reported on form P part 1, line 1 (prior) by class of business.
- 1.3 All parts of Schedule P must be filed with the annual statement, within 60 days of the year-end, as part of the notarised packs.
- 1.4 Signed premium is stated on a year of account basis gross of brokerage and commission.
- 1.5 Losses incurred should be assigned to the year of account to which the premium was assigned for the contract covering the loss. Where a syndicate has assumed the reinsurance to close of another syndicate the premium received and the liabilities assumed should be included in the Schedule P returns (Parts 1, 2, 3, 4 and 6) for the main syndicate unless you wish to complete a separate return for these reinsured years.
- 1.6 All Parts of Schedule P must be reported in \$000s.
- 1.7 The various Parts of Schedule P should be completed for the same lines of business as the Underwriting and Investment Exhibits within the existing SLTF and CRTF Reporting Packs, namely:
- Ocean marine
 - Other accident and health
 - Other liability
 - Auto physical damage
 - Aircraft (all perils)
 - Goods in transit
 - Property
 - Pecuniary loss
- 1.8 For all Parts of Schedule P, gross information only should be completed for CRTF and SLTF business.
- 1.9 The gross reserves included in all parts of Schedule P for CRTF business should be stated before deducting any of the allowable deductions in the Gross Liabilities and Reconciliation of Movements schedule, i.e. before deducting Letters of Credit deposited, deferred instalments and funds withheld by reassureds.
- 1.10 The software will not allow agents to amend prior years' data within parts 2 to 6 without first obtaining a password from Market Reporting.

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2. Schedule P: Part 1 - Detailed information on losses

- 2.1 The forms for gross CRTF and SLTF business need only show data within the columns showing gross figures, i.e. columns 2, 5, 9, 11, 13, 15, 15g, 17, 19, 23, 26 and 8 and 21 where applicable.
- 2.2 Premiums signed and losses paid, unpaid and incurred (in columns 2, 5, 9 and 19) should reconcile with the Underwriting and Investment Exhibit. In most cases, these figures should agree with the amounts reported in the main packs as set out in paragraph 2.11 below. Premiums signed should be reported gross of brokerage and commission, in order to agree with premiums reported in the rest of the US reporting packs, and should include any adjustments made at the reporting date. The working papers setting out reinsurance adjustments and other reconciling items, such as RITC from other syndicates excluded, should be available on request for examination by the NYID. Reserves should also be consistent with the reserves reported for solvency purposes on form AR223 within the syndicate return.
- "Direct" means business which is directly written.
"Assumed" means reinsurance business assumed.
"Ceded" means reinsurance ceded on business so reported as direct or assumed.
- 2.3 Report cumulative amounts paid or received for specific years of account.
- 2.4 For Schedule P reporting purposes, the NYID requires syndicates to reserve for SLTF and CRTF business using the 'modified UK basis of reserving'. This method of reserving is explained in the market bulletin entitled 'US Reporting: Modified UK Basis of Reserving' (reference **Y748** issued 4th December 1997). This bulletin should be read in conjunction with these instructions when completing Schedule P.
- 2.5 Under this basis of reserving, the IBNR element of reserves must be based on ultimate premiums net of commission and brokerage (i.e. signed premiums plus an estimate of unsigned premiums) as estimated for each year of account at the end of each development year. However, where an element of that premium is unearned, the NYID requires that the ultimate loss ratio applied to premium net of commission and brokerage is no less than 100% in order that profits are not treated as earned before the actual premiums have been earned. Where a syndicate has calculated reserves based on an ultimate loss ratio of less than 100%, it will be necessary to calculate an additional IBNR bringing reserves on the unearned proportion of premium income (net of brokerage and commission) up to 100%. The gross of reinsurance element of this additional IBNR should be included in column 13. This additional IBNR must bring reserves on unearned premiums in total (i.e. for all classes of business combined) to at least 100%. Thus, there can be some 'cross subsidisation' of this adjustment between classes of business. For example, if one class is reserved at 130% and another at 75%, the IBNR in excess of the 100% level on the unearned premium for the class reserved at over 100% can be used to offset the need to create additional IBNR on unearned premium for the class of business reserved at only 75%.
- 2.6 The element of ultimate gross premiums (net of brokerage and commission) which has not yet been signed through Xchanging at the date of the return should be included in column 15. This amount will be deducted from the other elements of reserves in arriving at total gross unpaid liabilities in column 19. In allowing reserves to be reduced by the level of unsigned premiums, however, the NYID was concerned

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to ensure that Lloyd's syndicates do not under-reserve by effectively taking full credit for any anticipated profits on earned, unsigned premium before it is certain that such premium will actually be received. Lloyd's syndicates are therefore required to set up a bad debt provision of no less than 25% of the earned, unsigned premiums (net of commission and brokerage), the gross of reinsurance element of which should be included in column 17. This provision of at least 25% of earned, unsigned premiums must be created regardless of the level of the loss ratio applied to ultimate premiums. In addition, the NYID has indicated that it will not be acceptable to reserve earned, unsigned premiums across all classes of business at less than 100%, including the 25% minimum provision referred to above. So where a syndicate has applied a loss ratio of less than 75% to earned, unsigned premiums, it will be necessary to create a provision of 100% minus the ultimate loss ratio as a minimum in column 17. This provision is added into the calculation of total unpaid liabilities. As with the additional IBNR on unearned premiums, the provision on earned, unsigned premiums applies to all classes of business combined, rather than each individual class of business, so there can be some cross subsidisation of provisions between individual classes of business.

- 2.7 Reinstatement premiums and other premiums receivable under 'swing-rated' (loss sensitive) contracts which are as yet unsigned must be included in unsigned premiums calculations rather than being netted off against outstanding claims. The adjustments in columns 15 and 17 will therefore be inclusive of adjustments on unsigned reinstatement premiums.
- 2.8 Columns 8 and 21, concerning salvage and subrogation recoveries received and anticipated, should only be completed when salvage and subrogation recoveries are material, i.e. where they amount to 10% or more of gross paid or outstanding claims. In this case, the appropriate box should be marked as 'yes' in the additional information form and salvage and subrogation should be completed for all classes of business. These are memorandum columns only which are not added into any of the total columns and therefore paid and outstanding losses should be stated net of any salvage and subrogation recoveries.
- 2.9 Column 19 is equal to Column 9 + Column 11 + Column 13 - Column 15 + Column 17. The total unpaid liabilities in Column 19 within the summary must agree with the actuarially certified reserves for all classes of business combined as reported in line 1 of form SL / RI 2 within the main US reporting pack.
- 2.10 Column 23 is equal to Column 5 + Column 9 + Column 11.
Column 26 is equal to Column 23 / (Column 2 + unsigned premiums gross of brokerage and commission: a separately input figure in input field '15g' within the software, which will now be shown on the Schedule P, Part 1 form).

Unsigned future premiums gross of brokerage and commission should be entered in column 15g being the equivalent of column 15 but gross of brokerage and commission.

- 2.11 The following lines should agree to Schedule F and the main US reporting pack.

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Schedule P Part 1

Part 1 Column 19, Line 12	F Part 8, Line 8 Column 1
Part 1a etc column 2 for each yoa and class of business for each yoa at 36 months or prior stage of development.	Main US pack SL/RI 5 line 1 etc for each yoa at 36 months or prior stage of development - lines as appropriate for each class of business.
Part 1 Column 19, for each yoa at 36 months or prior stage of development.	Main US Pack SL/RI6 line7 column 2, for each yoa at 36 months or prior stage of development.
Part 1a etc column 9 for each yoa at 36 months or prior stage of development and each class of business.	Main US pack SL/RI 7 column 1, for each yoa at 36 months or prior stage of development, lines as appropriate for each class of business.
Part 1a etc columns 19 for each yoa at 36 months or prior stage of development and each class of business.	Main US pack SL/RI 7 Column 3, for each yoa at 36 months or prior stage of development - lines as appropriate for each class of business.

The software is able to map validations where there is more than one return for Schedules P or more than one Main US return to agree to the Schedule F return. Market Reporting has already requested agreement from agents with regard to syndicate mappings for this exercise.

2.11.1 Validation rules in respect of syndicates with years of account in run-off

Due to the complexity of the Schedules F & P packs the validation rules have been designed on the assumption that a syndicate has no run-off years of account. Therefore, comparisons made between the F & P and main US Reporting packs in respect of years of account greater than 36 months old will be between Sch P 1 and SL/RI 6a/7a of an open year of account. Syndicates with run-off years will not be able to meet this rule, as the validation rule will not be looking at SL/RI 6a/7a of a run-off year, nor the SL/RI 6/7 of the run-off year itself, in the main US Reporting pack. In these instances you must satisfy yourself that the data reported in Sch P 1 is correctly reflected in the US Reporting pack before verifying the warnings.

3. Schedule P: Part 2 - History of incurred losses

- 3.1 Schedule P, Part 2, displays losses incurred data reported in Schedule P, Part 1, of the current and prior years. The schedule format provides a loss development overview to test the adequacy of the insurer's reserves.
- 3.2 Incurred losses are cumulative paid losses plus outstanding claims plus IBNR at the relevant development stage for the particular year of account.
- 3.3 Incurred losses should reflect the ultimate loss envisaged for each syndicate year of account, and should agree with Schedule P, Part 1, Columns 19 and 5.
- 3.4 Columns 12 and 13 - Development
These columns are derived automatically and represent the one and two year development figures.

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4. **Schedule P: Part 3 - History of incurred loss payments**

- 4.1 Schedule P, Part 3, displays losses paid data reported in Schedule P, Part 1, of the current and prior years. The schedule format establishes payment patterns for cash flow projections and actuarial projections.

5. **Schedule P: Part 4 - History of incurred but not reported reserves**

- 5.1 Schedule P, Part 4, shows the historical IBNR reserves as reported and agrees with Schedule P, Part 1, Column 11, for the appropriate year of account. It does not show the development of these reserves, and it will not, by itself, provide a test of the adequacy of these reserves. A test of the adequacy of these reserves can be obtained by one of several actuarial techniques, usually based on premium volume or the incurred amounts in Schedule P, Part 2.
- 5.2 The IBNR reserves are intended to include reserves for incurred but not reported claims, for reopened claims, for development on case reserves of reported claims, and for aggregate reserves on newly reported claims without specific case reserves. The IBNR reserves should equal the IBNR reserves reported in Schedule P, Part 1, Column 19 minus Column 9.

6. **Schedule P: Part 5 - History of cumulative claim numbers**

- 6.1 Part 5 of Schedule P does not apply to Lloyd's syndicates.

7. **Schedule P: Part 6 - History of premiums signed**

- 7.1 The objective of this form is to show the development of premiums on a consistent basis with loss development.
- 7.2 The premiums to be reported are cumulative signed premiums for each relevant year of account at each year end stage. Gross premiums signed should be included in Part 6, Section 1. There is no need to report reinsurance premiums ceded for SLTF or CRTF business and therefore Part 6, Section 2, should be left blank.
- 7.3 Gross premiums should include any adjustments to the main US pack at the relevant year end stages and should agree with the amounts reported in Schedule P, Part 1, Column 2, for the latest year end stage.
- 7.4 Column 12 shows the calendar year movement in premiums signed and is derived automatically. There is a validation check (P6.1) between this column and the main US Reporting pack

P part 6 Summary, >36 mths col 12 = -RI/SL 3 line 3 all years + 6a col 1, line 7/1000.

Where a syndicate has a year of account in run-off this validation rule will not be met as the data on form 3 becomes cumulative, not pure year, and the years of account reinsured are at least >48 months. You will therefore need to manually check your data before verifying the warnings.

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8. Schedule P: Additional Information

8.1 Agents should indicate on this form:

- i) Whether salvage and subrogation recoveries are material, i.e. whether they amount to 10% or more of gross paid or unpaid losses.
- ii) Whether the syndicate has accepted the RITC of another syndicate.

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IMPORTING DATA TO SCHEDULES F & P RETURN

There is a facility in the software to import (and export) data to csv. To access this facility click on the 'Add Form' button on the lower left hand side of the syndicate trust fund screen. To download data to a csv file click on the 'Create CSV file' in the top right hand corner and to upload a csv file click on the 'Load CSV file' below. On selecting the 'Load CSV file' button, a standard Windows file picker dialogue box is presented. Point the dialogue box to the location of the import file, which must have an extension '.CSV' and select/de-select from the files available. The file will then be validated, and the results of this previewed, before optionally allowing the system to post any valid entries to the forms. A report is available, whether or not the update is allowed to proceed.

Instructions on the format and naming of the files for the relevant parts of the return are below.

Importing data to Schedule F Part 2

The data must be in a file named with the extension is CSV, (e.g. FP?7777F.CSV) where '?' is S or R (to indicate the Trust Fund), 7777 is the syndicate number and 'F' indicates that the file contains data for loading in the following format. Each line in this file contains details which can be entered on screen and must be in the format:

"Syndicate",
"Fund code", ("SL" or "RI")
"Unique reference", (maximum 10 characters)
#"LORS code",
"Band" (e.g. "0199999"),
"Date of Contract", (YYYYMMDD),
Original Premium,
Reinsurance Premium

Notes:

If no LORS code, set to "UNCODED" which allows manual entry of reinsurer details

sample: "0001","SL","123/456","B02017","0499999","19981112",1500000,850000

NB: The data will completely overwrite all data for these forms for any trust fund with records included in the data file.

The system processes this file and places the amount into the forms, exactly as if it had been manually entered.

A report is available showing the action taken on each item in the import file.

After running this import procedure, you should review the Return to ensure that the updated forms are as required.

Importing data to Schedule F Parts 3 to 7

The data must be in a file named with the extension is CSV, (e.g. FP?7777P.CSV) where '?' is S or R (to indicate the Trust Fund), 7777 is the syndicate number and 'P' indicates that the file contains reinsurer data for loading in the following format. Each line in this file contains details which can be entered on screen and must be in the format: (All amounts in dollars, not thousands)

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"Syndicate",
"Fund code", ("SL" or "RI")
"Unique reference", (maximum 10 characters)
#"LORS code",
##Part 3, Reinsurance contracts ceding 75% or more of Direct Premiums Written,
Part 3, Column 1,
Part 3, Column 2,
Part 3, Column 3,
Part 3, Column 4,
Part 3, Column 6,
Part 3, Column 7,
Part 3, Column 9,
Part 4, Column 1,
Part 4, Column 2,
Part 4, Column 3,
Part 4, Column 4,
Part 5, Disputed amounts included in Column 1,
Part 5, Column 3, (Letters of Credit figure also used for Part 7 column 3)
Part 5, Column 6,
Part 5, Disputed amounts excluded from Column 9,
Part 6, Disputed amounts excluded from Part 6, Column 1,
Part 6, Disputed amounts excluded from Part 6, Column 2,
Part 6, Column 3,
Part 7, Column 6
##Affiliate

If no LORS code, set to "UNCODED" which allows manual entry of reinsurer details
Blank or 'Y'

sample: "0001","SL","3/0001","L51","Y",2800000,621987,1400000,449000,86000,42001,0,
66000,200100,144000,123987,0,5000,0,0,10000,59987,57773,0,Y

NB: The data will completely overwrite all data for these forms for any trust fund with records included in the data file.

The system processes this file and places the amount into the forms, exactly as if it had been manually entered.

A report is available showing the action taken on each item in the import file.

After running this import procedure, you should review the Return to ensure that the updated forms are as required.

Importing data to Schedule P Part 1

The data must be in a file named with the extension is CSV, (e.g. FP?7777L.CSV) where '?' is S or R (to indicate the Trust Fund), 7777 is the syndicate number and 'L' indicates that the file contains data for loading to the losses forms in the following format. Each line in this file contains all details for a row in the format:

"Syndicate",
"Fund code", ("SL" or "RI")
"Business Code", (A-H)
"Underwriting Year",

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Column 2 amount,
*Column 3 amount,
Column 5 amount,
*Column 6 amount,
Column 8 amount,
Column 9 amount,
*Column 10 amount,
Column 11 amount,
*Column 12 amount,
Column 13 amount,
Column 15 amount,
Column 15 Gross amount,
Column 17 amount,
Column 21 amount

* These columns contain zeros

e.g. "0001","SL","A","1999",20400,0,5191,0,1005,6229,0,9344,0,4517,8743,9000,262,0

Prior Years

All prior year data (1993-1998) will be posted to the Prior Years line. An export of the data to csv will show all the prior year data as being 1998 year.

Importing data to Schedule P Parts 2 to 6

The data must be in a file named with the extension is CSV, (e.g. FP?7777T.CSV) where '?' is S or R (to indicate the Trust Fund), 7777 is the syndicate number and 'T' indicates that the file contains data for loading to the triangulation forms in the following format. Each line in this file contains all details for a row / column in the format:

"Syndicate",
"Fund code", ("SL" or "RI")
"Section", (3 characters, 2A ,3A ,4A ,5A ,6A1,6A2 where A is the class of business code)
"Underwriting Year",
"Column", (2 to 11) (i.e. for 1999 the column number is 7)
Amount

e.g. "0001","SL","2A","1998","5",14429

Note: See the comment about the 'Prior Years' line in the previous section