

MARKET BULLETIN

REF: Y4358

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| Title | Market Returns to Exposure Management and Reinsurance Team during 2010 |
| Purpose | To inform managing agents of the reporting deadlines for the market returns to be submitted to the Exposure Management and Reinsurance team during 2010, and to advise of the introduction of a fining regime for the Realistic Disaster Scenarios and Syndicate Reinsurance Programme returns. |
| Type | Scheduled |
| From | Paul Nunn, Head, Exposure Management and Reinsurance Franchise Performance Directorate 020 7327 6402 paul.nunn@lloyds.com |
| Date | 4 January 2010 |
| Deadline | Please see individual returns below |
| Related links | Business Timetable on Lloyd.com |

PURPOSE

The purpose of this Bulletin is to outline the key dates for the reporting of those market returns that are the responsibility of the Exposure Management and Reinsurance team. In addition this note serves to advise managing agents of the introduction of a fining regime for these returns, effective 1st January, 2010.

The specific returns referenced within this Bulletin are:

1. Realistic Disaster Scenarios (RDS and RDL)
2. Syndicate Reinsurance Programme (SRP and QMB710)

All of the respective return dates have been published within the Lloyd's [Business Timetable](#).

REALISTIC DISASTER SCENARIOS

The RDS returns are submitted to Lloyd's twice per annum via the Core Market Returns (CMR) system. The reporting dates are as follows:

| RDS Return | As at Date | Reporting Date |
|------------|-------------------------------|-------------------------------------|
| RDS | 1 st January, 2010 | Noon, 26 th March, 2010 |
| RDL | 1 st July, 2010 | Noon, 27 th August, 2010 |

Managing agents are advised that, effective 1st January 2010, a fining regime will be introduced for late returns for both the RDS and RDL. This now brings the RDS and RDL returns in line with other key market submissions, including the QMA/B and PMD returns, and has been approved by the Market Supervision and Review Committee (MSARC).

The following fines may be applied in respect of late returns:

- Per return per syndicate – flat fine £5,000
- Per return per syndicate – additional fine per working day late £1,000

Persistent delays will lead to further disciplinary action. These levels of fines will be annually reviewed by MSARC. Copies of the RDS/SRP fining policy are available upon request from me.

SYNDICATE REINSURANCE PROGRAMME

The SRP return is submitted to Lloyd’s four times per annum via the Core Market Returns (CMR) system. The reporting dates are as follows:

| SRP Return | As at Date | Reporting Date |
|------------|-------------------------------|--------------------------------------|
| Q1 2010 | 1 st January, 2010 | Noon, 4 th March, 2010 |
| Q2 2010 | 1 st April, 2010 | Noon, 22 nd April, 2010 |
| Q3 2010 | 1 st July, 2010 | Noon, 22 nd July, 2010 |
| Q4 2010 | 1 st October, 2010 | Noon, 21 st October, 2010 |

As per the RDS, managing agents are advised of the introduction of a fining regime, effective 1st January 2010 on exactly the same basis.

The QMB form 710 return is used to collect the information that enables Lloyd’s to monitor the historical recoverable reinsurance asset. This is collected via the QMB return. Reporting deadlines for this return have been set out in [Market Bulletin Y4318](#).

SPECIAL PURPOSE SYNDICATE (SPS) REPORTING

For the avoidance of doubt and to ensure consistency with other reported data, managing agencies should complete separate returns for Special Purpose Syndicates for the above rather than reporting consolidated figures.

EXCEEDENCE PROBABILITY DATA

From 2010, Lloyd’s Franchise Board has established the need to monitor market catastrophe risk on a probabilistic basis. In addition to providing a better understanding of tail risk and losses at shorter return periods than the RDS, the probabilistic market cat risk profile will form an important part of Lloyd’s Internal Model under Solvency II. To facilitate this, managing agents will be required to submit supplementary catastrophe model analysis results at event level to allow Lloyd’s to correlate losses appropriately across syndicates. As different syndicates use a variety of models and tools the Exposure Management team will work closely with each managing agent in Q1 to agree the format and structure of data available for reporting. Further details will be circulated to active underwriters shortly.

FURTHER INFORMATION

Should you have any further questions or require any additional information regarding these market returns please contact my colleagues, for the respective returns, below:

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