

MARKET BULLETIN

REF: Y4376

Title	US Surplus Lines/Reinsurance Business Regulatory Reporting
Purpose	Preliminary timetable for the first quarter US Reporting Return
Type	Scheduled
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Date	8 March 2010
Deadline	For immediate attention

Related links

I am writing to confirm the timetable and other arrangements in respect of the submission of the first quarter 2010 US Reporting packs to the New York Insurance Department (NYID).

Please copy this bulletin to those within your organisation who will be responsible for reviewing and completing the US Reporting packs.

As you will already be aware from this quarter the US Reporting Packs will be available for completion on the Overseas Reporting System web-site. There will no longer be any need to download software and install this on your own network. Presentations and workshops on the new reporting platform have already been advised to the market.

Timetable for 31 March 2010 reporting exercise

The quarterly returns have to be filed with NYID, within 45 days of the quarter end and I would remind agents that this deadline has to be complied with strictly, to ensure that Lloyd's meets its US reporting requirements. The timetable for this filing exercise is detailed below:

	<u>Key Date</u>
Provision of preliminary electronic packs by Market Reporting to Managing Agents on the Overseas Reporting System web-site.	14 April 2010
Managing Agents to have completed and locked their syndicate packs	30 April 2010

Provision of final signed and notarised reporting packs by Managing Agents	6 May 2010
All syndicate packs to be despatched to New York by Market Reporting for filing with NYID	8 May 2010

We would recommend that agents ensure they are able to access the Overseas Reporting System web-site in advance of the key dates. If you have any queries regarding access to the web-site, please contact your Devolved Administrator (Devolved Administrators should contact Nadia Yakoob on 020 7327 6317).

Please note that it is essential that any queries generated by the packs or otherwise should be raised well in advance of the deadline dates to allow Market Reporting sufficient time to revert to you with the answers. This is particularly relevant to queries in respect of investment and cash balances, or where in extremis an adjustment is required which cannot be made to the electronic packs which agents are updating.

Reserving at quarter ends

You are reminded that the reserves at quarter ends for the 2009 and prior years of account must be calculated using the “modified UK basis of reserving”. Please note that the Ultimate Loss Ratios (ULRs) and Ultimate Premium Income (UPI) used to determine reserves for these years of account at the previous year end should also be the ones to be used at each of the first three quarter ends of 2010. Any changes to the ULRs and/or UPI determined at the previous year end must be supported by detailed working papers, retained in your offices, showing revised projections on which the ULRs are based and the reasons for such changes,

Reserves for the 2010 year of account, which is still at a very early stage of its development for the first three quarters of that year, must be determined **at the higher of** total cumulative signed gross premiums (net of brokerage and commission) less cumulative gross paid claims for that period and total gross outstanding claims at each quarter end, unless it is apparent that the ULRs for that year will exceed 100%, in which case reserves as at the quarter end must be adjusted accordingly. Guidance notes and a worked example were issued in a letter dated 1 April 1998.

This bulletin has been sent to all managing agents. If you have any queries on the contents please contact me (ext. 5490), David Cokayne (ext. 6238) or Nadia Yakoob (ext 6317).

Leslie Redmond
Manager, Overseas Reporting
Market Finance