

PREMIUM SUBMISSIONS

1. General

These instructions apply to all premium submissions (excluding proportional treaty accounts) to Xchanging. All premium entries submitted, including FDOs, must be accompanied by a London Premium Advice Note (LPAN).

The LPAN should be used in respect of business that has been placed with both Lloyd's and Company underwriters. Brokers are only required to complete the data boxes on the top half of the form. Use of the full, current A4 version of the LPAN is mandatory.

2. Market Details

There is no requirement for brokers to show full details of the market (underwriters' signed lines, codes, names and references) on the LPAN as these details are captured by Xchanging technicians directly from the slip.

3. Lloyd's and Company Market Business

Brokers need to submit separate LPANs for Lloyd's and Company Market underwriters. In addition to this, separate transactions must also be submitted when the companies involved on the contract have a mix of 'ILU' and 'LIRMA'-style stamp codes.

4. De-linked Items

If the broker wants the premium entry to be processed as a de-linked transaction, then the LPAN must be clearly marked as 'De-linked'.

Items not clearly marked 'De-linked' will be processed as standard non de-linked transactions and will be settled in the next applicable settlement run.

If brokers wish Xchanging to group delinked transactions the LPAN(s) must be marked 'Grouped' or 'Please Group'.

5. 'Non Cash'

If monies have been paid directly to underwriters, the LPAN needs to be clearly marked with 'NON CASH' or 'PAID BY CHEQUE'.

6. Simultaneous Settlements

If original, additional or return premium entries need to be settled at the same time as a claim, the broker should ensure the LPAN is clearly marked with the words 'SIMULTANEOUS SETTLEMENTS' at the top. The broker should also ensure the premium and claim documents are presented together.

7. Nil Premium Adjustments

Brokers should note that an LPAN(s) must be submitted for Company Market business when a contract involving an annual premium adjustment results in no further premium being due to underwriters. For Lloyd's business it is recommended that an LPAN(s) is submitted, however, if a broker chooses not to supply an LPAN a non-premium endorsement must still be submitted to Xchanging so that such items can be removed from the outstanding adjustable report.

8. Complex Signings

There are a number of circumstances under which brokers must submit multiple LPANs for a single risk. These are known as 'complex signings' and some examples are listed below:

Lloyd's and company market business

- Where a premium is to be settled in more than one currency.
- Where there are different markets for different risk sections.
- Where underwriters have allocated multiple underwriting stamp references.
- Where there is TRIA and Pool Re cover on the same risk.

Lloyd's business only

- Where multiple risk codes have been allocated to the contract.
- Where multiple FIL codes apply – i.e. where there is insurance or reinsurance exposure in more than one 'listed country' – so called 'Global Policies'. *
- Where there are different 'years of accounts'.

Company market business only

- Where multiple premium taxes apply.
- Where the market includes a mixture of companies that are liable or exempt from US Federal Excise Tax (FET).

Note: The above list is not exhaustive and there are other 'complex' risks that will require more than one LPAN.

* Brokers who require further information on the topic of 'Global Policies' are asked to refer to Lloyd's website (www.lloyds.com) or contact LITA@lloyds.com

9. Further Information

Customers who require further information or advice on this topic should contact the Xchanging Service Centre (Service.Centre@xchanging.com or 0870 380 0830).

Example of a London Premium Advice Note (LPAN)

LONDON PREMIUM ADVICE NOTE	For Bureau Use										
PM/AP/EP (1)	Bureau (2)	Broker No. (3)	Broker (4)	Broker Contact Name (5) Ext. No.:			SPECIAL SETTLEMENT (6) YES/NO Signed: Title:				
M/NM/AV (7)	Bureau Original Ref. (8)		Separation Stage 1 S & A		Broker Reference 1 (10)		Broker Reference 2 (11)				
No of Lines (12)	Bureau Total Line (13)		Line Type (14)	Def/Res (15)	No of Insts (16)	For Future Use (17)		DEFERRED INSTALMENTS			
100% Gross Premium (18)		Brokerage (19)		Tax (20)		Other Deductions (21)		Day/Mth/Yr (30)		NA Instalment Premium (31)	
Orig Ccy (22)	Rate of Exchange (23)		Sett Ccy (24)	Bureau NA Premium (25)		For Future Use (26)					
100% Gross War Premium (27)		Bureau NA War Premium (28)		Unique Market Reference (29)							

FOR BUREAU USE

	Mandatory fields for Lloyd's and Company Market business
	Conditional fields (complete only if applicable)
	Optional fields
	Redundant fields

If data is not provided within the mandatory fields (or where relevant, within the conditional fields) this may result in queries being raised with the broker contact and subsequent processing delays. Xchanging will also record such entries as being incomplete submissions.

Completing the LPAN

Box 1	PM/AP/RP
Mandatory	Enter PM (Premium), AP (Additional Premium), RP (Return Premium) or FDO (For Declaration Only), as appropriate. Xchanging cannot accept PM when it should be AP or vice versa, or AP when it should be RP – in these instances a new LPAN will be required. However, if the broker inadvertently enters PM when it should be AP or vice versa on a Binding Authority/Bulking Lineslip declaration, Xchanging will accept as presented. For Nil Adjustment LPANs enter AP.
Box 2	Bureau
Mandatory	Enter 'Lloyd's' (or 'LPSO'), 'ILU' or 'LIRMA' (not 'XIS' or 'LPC'). Xchanging cannot accept XIS as it is not clear whether the LPAN relates to Lloyd's or Companies. LPC cannot be accepted as Xchanging need to know whether the LPAN relates to ILU or LIRMA companies.
Box 3	Broker No
Mandatory	Enter the numeric Broker Code.
Box 4	Broker
Mandatory	Enter the Broker Pseudonym.
Box 5	Broker Contact
Mandatory	Enter the name, telephone number and extension of the person to be contacted in the event of there being a query on the transaction. The absence of this information may result in the resolution of queries, and hence the processing of the transaction, being delayed.
Box 6	Special Settlement
Redundant	This box is no longer used.
Box 7	M/NM/AV
Optional	Enter the type of business the premium relates to: Marine, Non-Marine or Aviation.
Box 8	Bureau Original Ref
Conditional (to be completed for APs and RPs)	Enter the 'ILU', 'LIRMA' or 'Lloyd's' signing reference that was allocated to the original premium (or FDO) signing to which this subsequent transaction relates. This signing reference must be supplied on all additional and return premium entries, including Company Market nil premium adjustments, and Lloyd's nil premium adjustments where an LPAN is supplied.

Box 9
Redundant

Separation
No longer required

Box 10
Mandatory

Broker Reference 1

The broker should enter the primary reference that has been allocated to either the contract or the transaction. This reference can consist of up to 12 alphanumeric characters including obliques (/) or spaces.

Box 11
Optional

Broker Reference 2

The broker can enter a secondary contract or transaction reference in this field. This reference can consist of up to 12 alphanumeric characters including obliques (/) or spaces.

Box 12
Redundant

No of Lines

This field should be left blank.

Box 13
Mandatory

Bureau Total Line

Enter the market share applicable to the signing. Up to 11 numeric characters are allowed, including the decimal point, and a maximum of 7 decimal places.

(Xchanging will only accept signed lines that are expressed as percentages.)

Box 14
Redundant

Line Type

This field should be left blank.

Box 15
Conditional

Def/Res (Company Market Only)

Enter 'DEF' if the deferred premium instalments are to be paid via the Xchanging Deferred Premium Scheme or, 'RES' if there is a reserve premium that is to be retained and paid at a later date. 'RES' should also be shown in this box if the premium is to be paid in a combination of both deferred and reserve instalments.

Box 16
Conditional

No of Insts (Company Market Only)

Enter the total number of instalments, including cash, deferred and reserve amounts.

(The Xchanging deferred premium system can only cater for a maximum of 36 deferred premium instalments on any one transaction. This box should only be completed if box 15 has been used.)

Box 17
Conditional

IPT (Insurance Premium Tax)

Enter the amount of UK or Overseas Premium Tax that is due to be paid to underwriters - i.e. any taxes and charges that are payable by the Insured in addition to the premium and which are to be collected and/or administered by underwriters (e.g. UK IPT).

The figure that is shown in this box must be the bureau amount in the settlement currency.

If no such premium taxes apply then leave this field blank.

Box 18
Mandatory

100% Gross Premium

Enter the 100% gross premium figure in original currency.

For 'Net only' entries such as survey fees, this box must show the 100% net figure.

Up to 16 digits are allowed, including the decimal point.

Enter '0.00' or 'FDO' where no premium is to be processed.

In the event of there being a slip order, the following rules apply:

- a) If the signed lines on the slip total 100%, then the figure shown in this box must have taken the 'hereto order' into account.
- b) If the signed lines on the slip total the order percentage, then this order must not be used when calculating the 100% gross premium figure.

The figure shown should be exclusive of any premium taxes that apply.

The currency code should not be shown in this box.

Box 19
Conditional

Brokerage

If brokerage/commission is applicable it must be shown in this box as a percentage. Other deductions such as overriding commissions and fees should be entered into box 21.

Up to 10 characters are allowed, including the decimal point and a maximum of 7 decimal places where necessary.

If no brokerage/commission applies, leave this field blank.

Box 20
Conditional

Tax

This field should be used for taxes and charges that are to be deducted from the premium that is payable to underwriters (e.g. US Federal Excise Tax). The tax figure can be shown as either a percentage of the premium shown in box 18 or as the equivalent amount in original currency.

If a percentage is shown, up to 10 characters are allowed, including the decimal point and a maximum of 7 decimal places.

UK IPT and similar overseas premium taxes that are added to the premium should be shown in Box 17.

Box 21
Conditional

Other Deductions

This box should be used for deductions other than brokerage or tax (e.g. over-riders) and can be expressed as either a percentage of the premium shown in box 18 or as the equivalent amount in original currency.

If a percentage is shown, up to 10 characters are allowed, including the decimal point and a maximum of 7 decimal places.

Box 22
Mandatory

Orig. Ccy.

The ISO code for the original currency (i.e. the currency in which the client is paying the premium).

Box 23
Conditional
(to be completed if
the Original and
Settlement currencies
are different)

Rate of Exchange

Enter the rate of exchange that has been used to convert the premium into the settlement currency figure.

Up to 9 characters are allowed, including the decimal point and a maximum of 5 decimal places.

Box 24
Mandatory

Sett. Ccy

Enter the ISO code for the currency in which the premium is to be settled. The codes for the currencies that Xchanging is currently able to settle business in are as follows:

- GBP (Pound Sterling)
- USD (US Dollar)
- CAD (Canadian Dollar)
- EUR (Euro)
- AUD (Australian Dollar)
- CHF (Swiss Franc)
- JPY (Japanese Yen)
- ZAR (South African Rand)
- DKK (Danish Krone)
- HKD (Hong Kong Dollar)
- NOK (Norwegian Krone)
- SEK (Swedish Krona)
- NZD (New Zealand Dollar)
- SGD (Singapore Dollar)

Box 25**Mandatory****Bureau NA Premium**

Enter the net absolute premium due to (or from) underwriters in the settlement currency less any deductions shown in boxes 19, 20 and 21. Up to 16 digits are allowed, including the decimal point. (The currency code should not be shown in this box.)

UK IPT

The figure shown in this box must **exclude** any UK IPT amount (the tax must be entered in box 17).

Overseas Premium Taxes

The figure shown in this box must **include** any Overseas Premium tax amount (as shown in box 17).

Enter 0.00 where no premium is to be settled.

Box 26**Optional****PSD (Planned Settlement Date)**

This box should be used if the broker wishes to pay a 'cash' premium on a particular future date. For Company Market business, this is only possible on direct and facultative reinsurance business.

Brokers should note that the PSD cannot be later than the settlement due date the Leading Underwriter has allocated to the premium.

N.B. Xchanging will assume that any date shown in this box is a PSD therefore it must not be used for any other data.

Box 27

Conditional
(To be used when a war premium has been quoted on marine business.)

100% Gross War Premium (Marine business only)

Enter the amount of 100% Gross Premium in original currency that is in respect of war coverage, using the same rules as for box 18 (100% Gross Premium).

Box 28

Conditional
(To be used when a war premium has been quoted on marine business.)

Bureau NA War Premium (Marine business only)

Enter the amount of net absolute premium that is in respect of war coverage, using the same rules as for box 25 (Bureau NA Premium).

Box 29**Optional****Unique Market Reference**

Enter the Unique Market Reference (UMR) that has been allocated to the slip. UMR format is, B numeric broker code and up to 12 alpha/numeric characters.

Box 30/31

Conditional
(Mandatory if the
premium is to be paid
in deferred/reserve
instalments.)

Deferred Instalments

Enter all instalment due dates and NA instalment amounts in chronological order.

Initial instalment

Enter the Settlement Due Date.

2nd and subsequent instalments

Enter a date which is calculated by adding the terms of trade credit period as indicated in the slip to the client due date – i.e. it is the date that the instalments are to be settled to underwriters that should be shown here rather than the dates that the instalments are to be paid by the client.

The dates in box 30 must be in the format dd/mm/yy.

The figures shown in box 31 should include any UK IPT or overseas premium tax amounts that have been shown in box 17. The figure shown may include up to 16 digits, including the decimal point.

*N.B. The total of the instalment amounts must equal **exactly** the figure shown in box 25.*

Companies only:

Reserve account: Complete in the same way as for deferred account entries. However, for the final instalment, box 30 should show 'RES' and the expected release date.

Additional Information

- Taxes which are not accounted for by Xchanging (e.g. Swiss Stamp Duty) must not be shown on the LPAN.
- It is not necessary to submit separate FDO LPANs for different settlement currencies.
- For Lloyd's business only, where the addition of Overseas IPT results in the net premium being larger than the gross, technicians will complete a separate LPAN for the tax amount.

If you have any queries relating to the information in this document please contact the Xchanging Service Centre (servicecentre@xchanging.com or 0870 380 0830)