

Lloyd's Market Disclosures

March 2009

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Appointment of Syndicate Auditors and Syndicate AGMs

On 2 March, we wrote to Members advising of the new requirement of the Insurance Accounts Directive (Lloyd's Syndicate and Aggregate Accounts) Regulations 2008 that the members of a syndicate appoint the auditors each year. Further that, in order to reduce the administrative burden, we would exercise our power of attorney on members' behalf in voting on the reappointment of the syndicate auditors. The deadline for objections was 16 March. This having now passed, we can confirm that we will be exercising our power of attorney for this purpose.

In addition, as in previous years, managing agents have the option to request dispensation from the requirement to hold a syndicate Annual General Meeting (**AGM**), subject to there being no objection from members. Members have the option to make representations on applications for dispensation in addition to the reappointment of the syndicate auditors. In the event of an objection, the syndicate will be required to hold an AGM. In either event, other than for any objecting members, Argenta intends to exercise its power of attorney in voting for the reappointment of the auditors.

The following syndicates have given notice that they are intending not to hold an AGM for the purpose of reappointing the syndicate auditors:

Syndicate	Managing Agent	Auditor
218	Equity	KPMG Audit Plc
260	KGM	Mazars LLP
1171	Ridge	Littlejohn LLP
1007	Novae*	KPMG Audit Plc
2141	Novae*	KPMG Audit Plc
2007	Novae*	KPMG Audit Plc
6105	Ark	KPMG Audit Plc

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* In the event that there are any objections, Novae will hold an AGM on 27 April (see following table).

Argenta has no objection to the above syndicates not holding an AGM, nor to the reappointment of the syndicates' auditors. However, should you have any objections, please let us know, in writing, **by no later than 31 March 2009**.

The following table shows those syndicates which have given notice of their intention to hold a syndicate AGM, the sole purpose of which is the reappointment of the syndicate auditors. Argenta will be exercising its power of attorney to vote in favour of these reappointments on behalf of syndicate members in all cases.

Syndicate	Managing Agent	Auditor	Date/Time
318	Beaufort	Mazars LLP	01 Apr/16:00
386	QBE	PricewaterhouseCoopers LLP	28 Apr/15:00
623	Beazley	KPMG Audit Plc	23 Apr/15:30
779	Jubilee	Littlejohn LLP	20 Apr/11:00
2010	Cathedral	Mazars LLP	16 Apr/09:30
1007	Novae	KPMG Audit Plc	27 Apr/09:20
1241	Novae	KPMG Audit Plc	27 Apr/09:25
2007	Novae	KPMG Audit Plc	27 Apr/09:15
2525	Max	KPMG Audit Plc	24 Apr/09:00
2526	Max	KPMG Audit Plc	24 Apr/09:00

Heritage Managing Agency Ltd Syndicates 1200 and 3245 Appointment of Auditors

The disclosure contained in our January 2009 *Lloyd's Market Disclosures* noted that Heritage Managing Agency (**HMA**) had agreed to the necessary safeguards to address certain perceived conflicts of interest resulting from the use of a single firm of auditors for both Syndicates 1200 and 3245 and the Argo Group companies, including the managing agency. HMA has now confirmed that, for the 2008 year-end audit as compared to the 2007 year-end audit, there is:

- a) no change to the reserving philosophy and policy;
- b) no change to the expenses apportionment policy as between the managing agency and the managed syndicates.

Managing Agency Partners Ltd (MAP) Special Purpose Syndicate (SPS) 6103 Cessions from Syndicate 2791

MAP has written to advise that, as they anticipate that SPS 6103 will reach its maximum risk appetite in the American North-East, from 11th February Syndicate 2791 has stopped making cessions to SPS 6103 for risks situated in the New York to Maine area in accordance with the reinsurance contract. North-east exposures may continue to be written in conjunction with Atlantic or Nationwide business.

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