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Syndicate Forecasts

Managing Agents have now reported their updated forecasts, as at 31 March 2008, for the 2006 and 2007 years of account. The 2007 forecast represents the first time that syndicates have been required to produce estimates at the 15 month stage as opposed to 18 months previously. A summary for each year is reproduced on the following pages.

The 2006 account shows a modest improvement over the forecasts released at the year end, with the overall market forecast improving by 0.76 percentage points to a mid-point forecast profit of 17.9% of capacity. Ten syndicates have improved their forecasts while nine have reduced their forecasts. The aggregate forecast result for Members advised by Argenta is a profit of 18.2% of capacity; approximately 0.3 percentage points better than the Lloyd's market average and 0.4 points better than the forecast at 31 December 2007. The syndicate forecasts are released ahead of the quarterly data underlying them, and we will comment on trends behind the forecasts in our August Market News.

The aggregate market forecast for 2007 is a profit of 9.2% of capacity, with the average for Members advised by Argenta comfortably ahead of this at 10.4% profit. A number of managing agents have issued forecasts in a broader range than usual as the 2007 account is immature at the 15 months stage. By 30 June 2008, much of the business will have come off risk and we expect that the range between best and worst forecast will be narrower by the time the next set of forecasts are released at the end of August.

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2006 forecasts for third party syndicates and Argenta MAPAs as at 31 March 2008

Syndicate /MAPA	Previous Forecast at 31/12/07			Latest Forecast at 31/03/08			Change %
	Worst Case %	Best Case %	Mid- Point %	Worst Case %	Best Case %	Mid- Point %	
33	17.50	25.00	21.25	17.50	25.00	21.25	0.00
44	0.28	5.27	2.78	-1.88	-0.11	-0.99	-3.77
218	4.50	9.50	7.00	3.50	8.50	6.00	-1.00
260	3.10	8.10	5.60	1.96	6.96	4.46	-1.14
308	6.19	11.19	8.69	3.60	8.60	6.10	-2.59
318	5.00	10.00	7.50	4.08	9.08	6.58	-0.92
382	11.00	16.00	13.50	11.00	16.00	13.50	0.00
386	30.32	35.32	32.82	32.02	37.02	34.52	+1.70
510	12.02	17.02	14.52	12.41	17.41	14.91	+0.39
557	21.31	26.31	23.81	20.95	25.95	23.45	-0.36
570	11.50	16.50	14.00	11.50	16.50	14.00	0.00
609	12.00	17.00	14.50	12.04	17.05	14.54	+0.04
623	12.49	17.49	14.99	12.49	17.49	14.99	0.00
727	9.00	19.00	14.00	10.00	20.00	15.00	+1.00
779	3.00	8.00	5.50	2.91	7.92	5.42	-0.08
780	20.00	25.00	22.50	17.50	22.50	20.00	-2.50
807	10.53	15.53	13.03	9.94	14.94	12.44	-0.59
958	14.00	19.00	16.50	14.00	19.00	16.50	0.00
1007	10.00	15.00	12.50	10.00	15.00	12.50	0.00
1084	10.00	15.00	12.50	10.00	15.00	12.50	0.00
1176	35.00	50.00	42.50	40.00	55.00	47.50	+5.00
1200	17.50	22.50	20.00	17.50	22.50	20.00	0.00
1221	7.70	12.75	10.22	12.15	17.12	14.63	+4.41
2010	15.00	20.00	17.50	15.00	20.00	17.50	0.00
2020	18.36	23.36	20.86	21.09	26.09	23.59	+2.73
2121	17.50	22.50	20.00	17.50	22.50	20.00	0.00
2525	9.17	16.67	12.92	11.79	16.79	14.29	+1.37
2526	9.07	16.57	12.82	13.35	18.35	15.85	+3.03
2791	30.00	35.00	32.50	31.00	36.00	33.50	+1.00
3245	10.00	15.00	12.50	10.00	15.00	12.50	0.00
4040	0.45	5.45	2.95	0.04	7.55	3.79	+0.84
MAPA 7006	15.70	20.99	18.35	16.14	21.44	18.79	+0.44
MAPA 7049	14.92	20.22	17.57	15.26	20.55	17.90	+0.33

Source: Managing Agents' Forecasts as at 31 March 2008 submitted to Lloyd's

2007 forecasts for third party syndicates and Argenta MAPAs as at 31 March 2008

Syndicate /MAPA	Previous Forecast at 31/12/07*			Latest Forecast at 31/03/08			Change %
	Worst Case %	Best Case %	Mid- Point %	Worst Case %	Best Case %	Mid- Point %	
33	7.50	15.00	11.25	7.50	15.00	11.25	0.00
218				6.50	11.50	9.00	
260				-1.77	3.23	0.73	
308	0.20	10.20	5.20	1.91	11.91	6.91	+1.71
318				2.93	7.93	5.43	
386	16.00	21.00	18.50	14.45	19.45	16.95	-1.55
510	3.70	17.70	10.70	3.40	13.40	8.40	-2.30
557	4.90	14.90	9.90	5.19	15.19	10.19	+0.29
570	5.50	15.50	10.50	5.51	15.54	10.53	+0.02
609	4.00	14.00	9.00	4.00	14.01	9.01	0.00
623	9.50	14.50	12.00	9.52	14.53	12.03	+0.02
727				3.00	13.00	8.00	
779	0.00	5.00	2.50	1.22	6.22	3.72	+1.22
780	15.00	20.00	17.50	10.00	15.00	12.50	-5.00
807	7.90	17.90	12.90	7.95	17.95	12.95	+0.05
958	7.50	17.50	12.50	7.50	17.50	12.50	0.00
1176	20.00	40.00	30.00	25.00	45.00	35.00	+5.00
1200	12.50	17.50	15.00	12.50	17.50	15.00	0.00
2007	2.50	10.00	6.25	2.50	10.00	6.25	0.00
2010				2.50	10.00	6.25	
2121				5.00	15.00	10.00	
2525				3.90	11.40	7.65	
2526				10.60	18.10	14.35	
2791	10.00	20.00	15.00	10.00	20.00	15.00	0.00
3245	7.50	12.50	10.00	7.50	12.50	10.00	0.00
3334				10.00	20.00	15.00	
4040				-3.84	1.15	-1.35	
6101				5.00	15.00	10.00	
6102				5.00	15.00	10.00	
6103	25.00	35.00	30.00	25.00	35.00	30.00	0.00
MAPA 7006				6.23	14.45	10.34	
MAPA 7049				6.17	14.46	10.32	

Source: Managing Agents' Forecasts as at 31 March 2008 submitted to Lloyd's

* Syndicates were not required to provide estimates until the March 2008 quarter.

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