
Lloyd's Update

FDCC's 2023 Insurance Industry Institute

Hank Watkins

Regional Director & President
Americas

Carey Bond

US Head of Claims

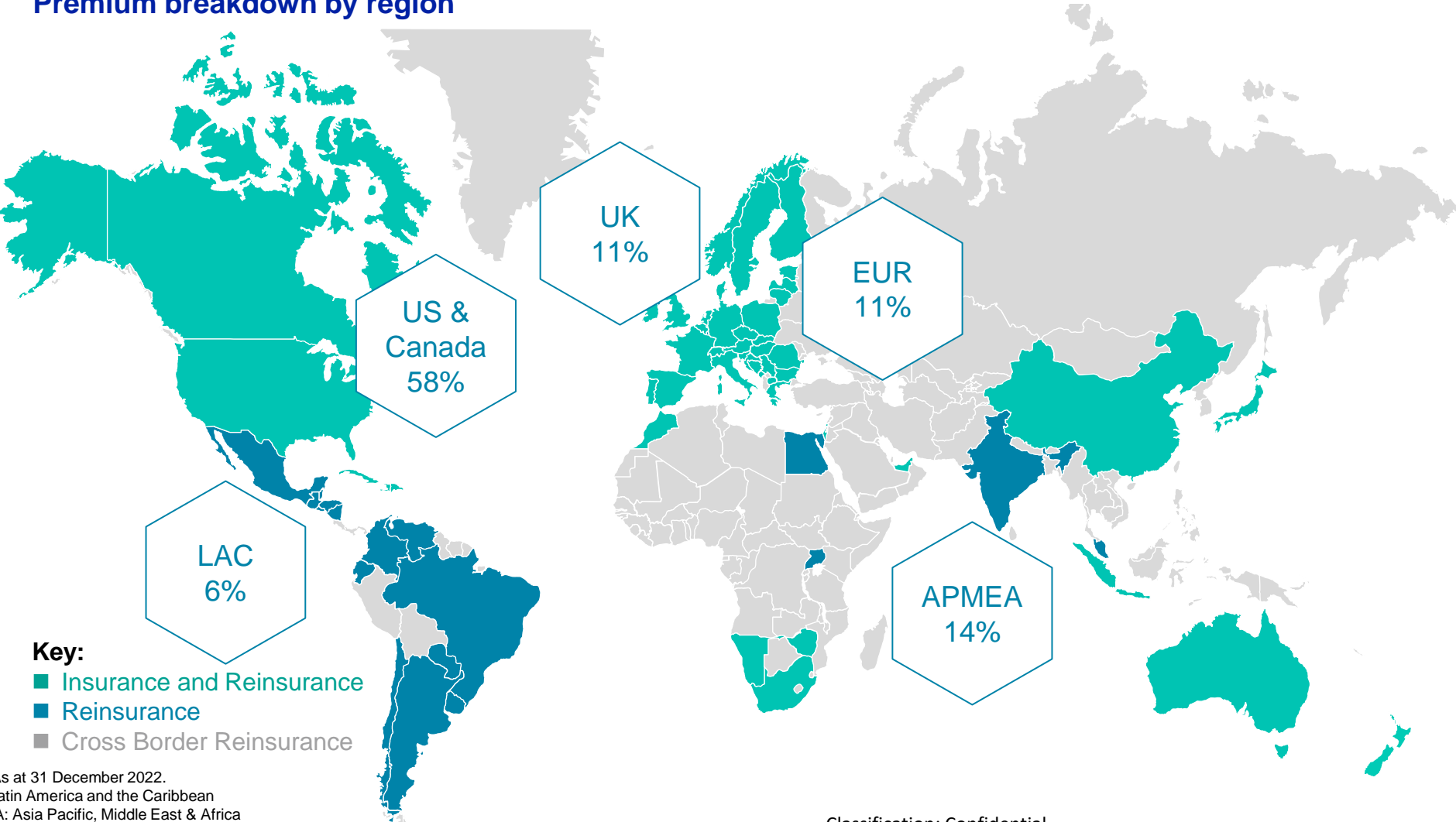
November 9, 2023

Sharing risk to create a braver world



Lloyd's is the world's oldest and largest insurance marketplace, able to write in 200 countries & territories

Premium breakdown by region



Insurance + Reinsurance

80 territories where Lloyd's is licensed or authorised to write insurance and reinsurance business.

Reinsurance only

18 territories where Lloyd's is specifically registered or licensed to write reinsurance business only.

Cross Border Reinsurance

Where Lloyd's can transact cross-border reinsurance business from outside of the territory in which the risk is situated.

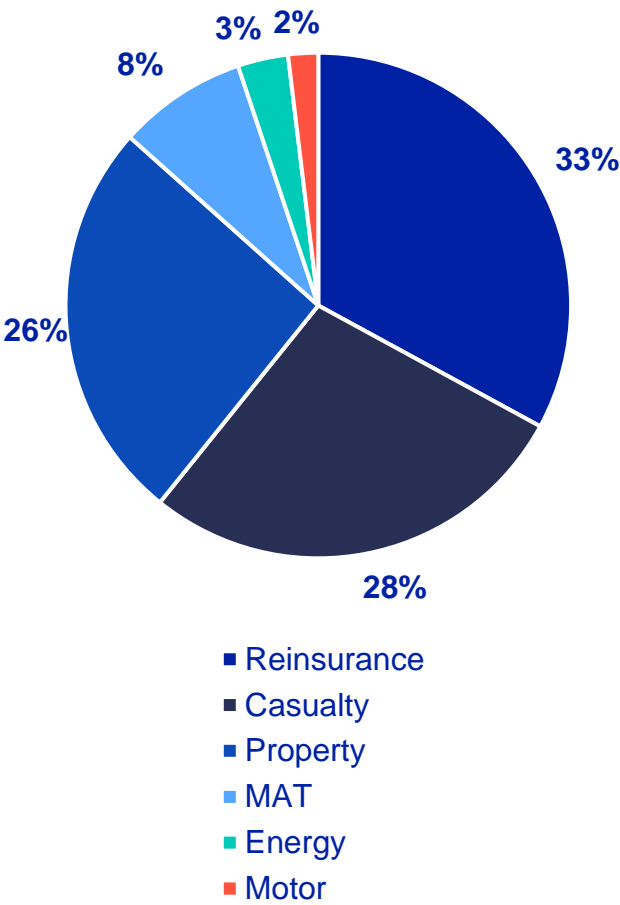
Broker and coverholder distribution

Over 300 brokers and over 4,000 coverholders.

Note: As at 31 December 2022.
LAC: Latin America and the Caribbean
APMEA: Asia Pacific, Middle East & Africa
All % are based on gross signed premiums by calendar year and country of origin processed through Xchanging and LDR

Diversification of risks

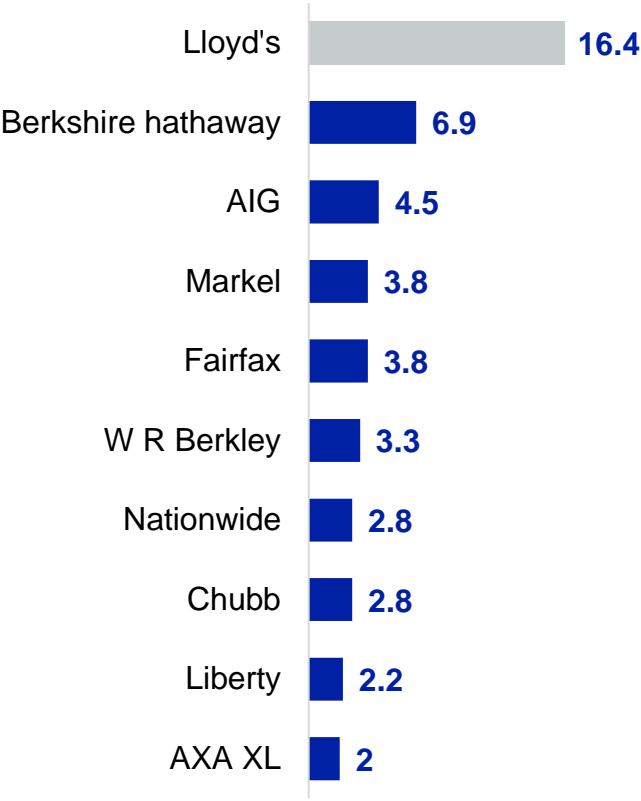
Premium by classes of business



Source: Lloyd's Annual Report 2022

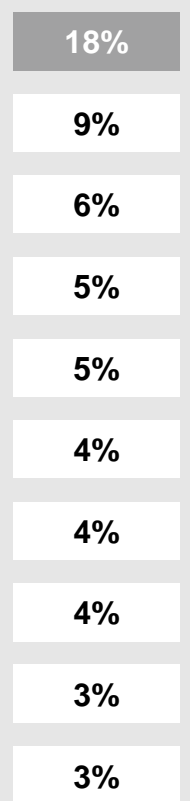
© Lloyd's 2023

USA 2022 E&S Providers Ranking
Direct Written Premiums in USD bn

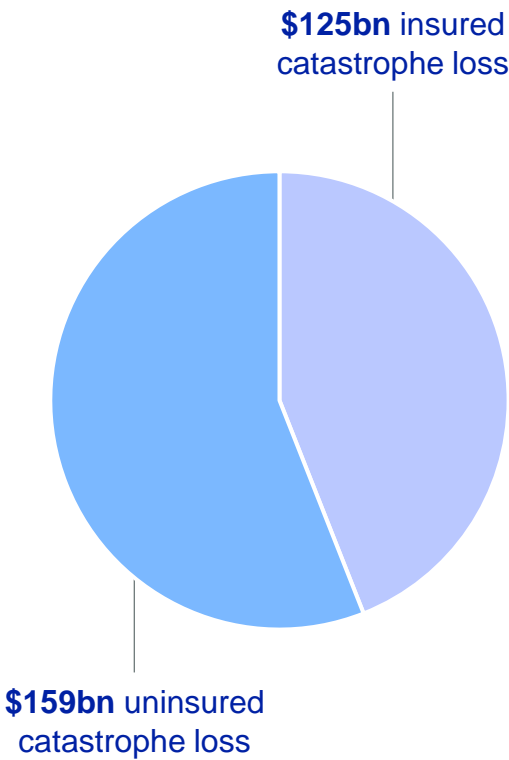


Source: S&P Global

2021 Market Share



56% catastrophe losses were uninsured in 2022



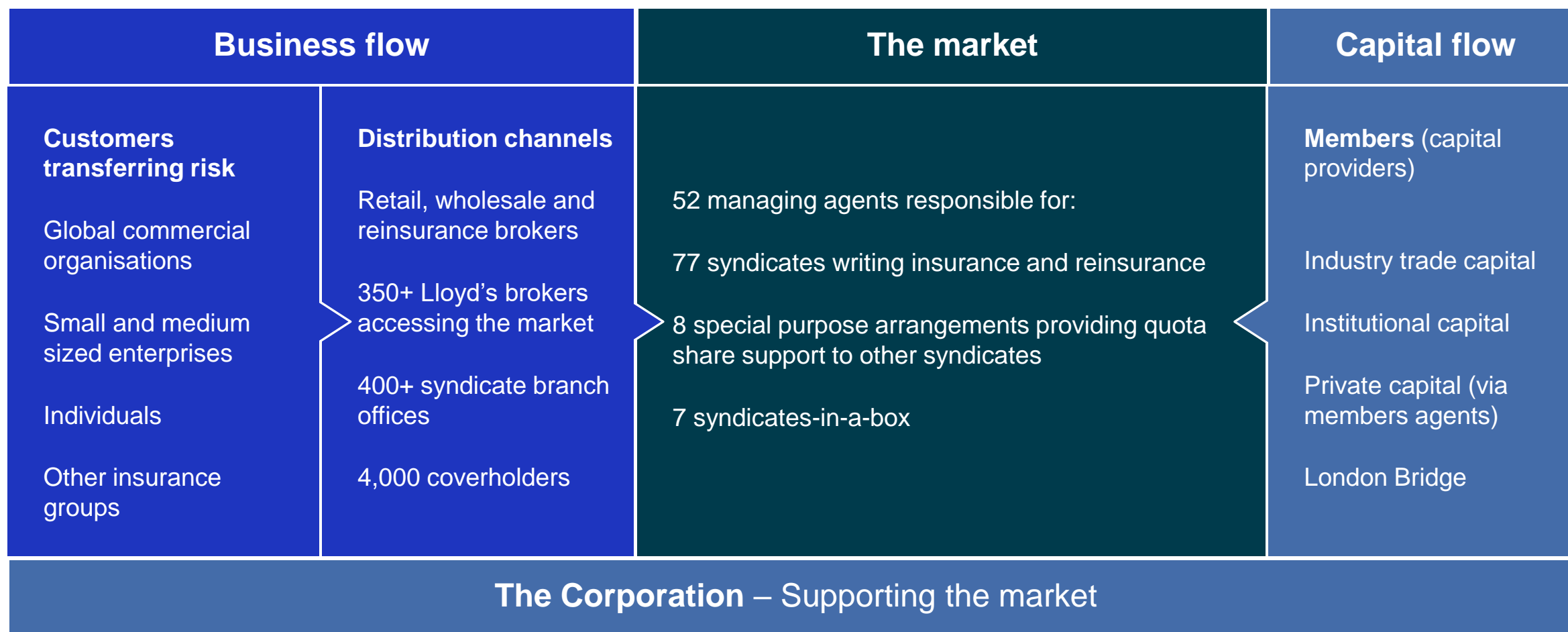
Source: Swiss Re Institute, 2023



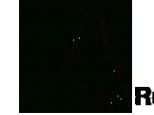


The Underwriting Room

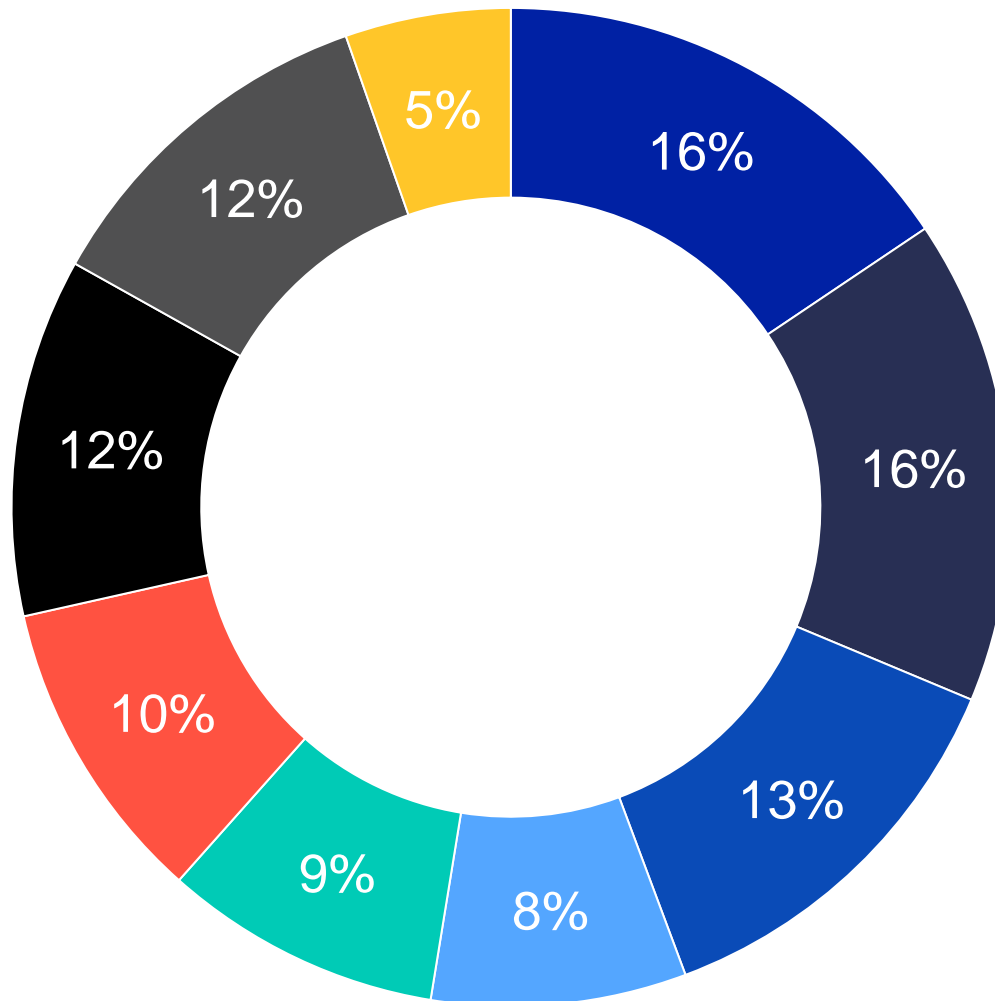
Structure of the Lloyd's market in 2023



Managing Agents in 2023



Partnering with global capital



- US insurance industry
- Bermudian insurance industry
- UK insurance industry
- Japan insurance industry
- European insurance industry
- Private capital, limited & unlimited
- RoW insurance industry
- Worldwide non-insurance
- Middle/Far East insurance industry

Financial Security

Robust financial strength

Excellent financial security

AA-

Fitch Ratings
(Very Strong)

A

A.M. Best (Excellent)

A+

Standard & Poor's
(Strong)

AA-

Kroll Bond Rating
Agency (Strong)

2022 Annual Report, published March 2023 [Lloyds.com/fullyearresults2022](https://www.lloyds.com/fullyearresults2022)

Lloyd's Chain of Security

\$87bn

Syndicate level
assets

\$40.8bn

Members' funds
at Lloyd's

\$3.7bn

Central assets*

Gross written premium

\$57.9bn

*Central assets exclude subordinated debt liability and the callable layer. For more information please see the annual report.

Classes of business written by the Lloyd's market in 2023

Accident & Health / Agriculture & Hail / Aviation / Financial
Institutions / Crime/ Cargo / Casualty / Contingency / Cyber /
Difference in Conditions / Directors & Officers / Employers Liability /
Energy / Engineering / Extended Warranty / Financial Institutions /
Fine Art / Legal Expenses / Livestock & Bloodstock/ Marine /
Medical Expenses / Medical Malpractice/ Motor / General Liability /
Nuclear / Pecuniary / Personal Accident XL / Political Risks, Credit
and Financial Guarantee / Power Generation / Professional
Indemnity / Property / Space / Specie / Term Life / Terrorism / Yacht

A proud history of firsts

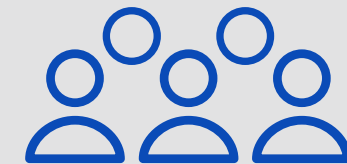
Lloyd's issues the first...motor policy	1904
...aviation policy	1911
... D&O policy	1930s
...satellite policy	1965
...political risk policy	1971
...cyber policy	1999
Lloyd's develops coverage for drones, the sharing economy and driverless cars	2000s

What our managing agents have focused on in 2023



Conduct

Product Lifecycle Reviews and Fair Value assessment of insurance products



Culture

Embedding good culture to achieve our goal for the Lloyd's Market to be the destination of choice for global talent

Lloyd's performance

Five-year review

	2022	2021	2020	2019	2018
Gross written premium	\$57,914m	\$54,118m	\$45,396m	\$45,958m	\$47,606m
Combined ratio	91.9%	93.5%	110.3%	102.1%	104.5%
Result before tax	- \$954m	\$3,142m	- \$1,135m	\$3,241m	- \$1,341m
Return on capital	- 2.0%	6.6%	- 2.8%	8.8%	- 3.7%

2022 Annual Report, published March 2023 [Lloyds.com/fullyearresults2022](https://lloyds.com/fullyearresults2022)

A strong start to 2023

HY 2023 Result

£29.3bn

Gross written premium

£2.5bn

Underwriting profit

85.2%

Combined ratio

£1.8bn

Investment return

£3.9bn

Profit before tax

HY 2023 vs HY 2022

+£5.3bn

+£1.3bn

(6.2%pts)

+£4.9bn

+£5.7bn

Claims paid in 2022

- £21 billion
- £1.75 billion claims paid each month
- £7.9 billion for binding authority claims
- £100 billion in claims paid in the past five years



Each valued at
£1,000,000

Innovation Initiatives 2023

- ✓ Lloyd's Lab
- ✓ Lloyd's Product Launchpad
- ✓ Lloyd's Futureset
- ✓ Thought Leadership Reports
- ✓ The Future at Lloyd's

Emerging risk Reports



The
Future
at
Lloyd's



Lloyd's
Lab

Lloyd's
Futureset

LLOYD'S

Lloyd's Lab

Launchpad

Co-chairs



Hayley Maynard



Amy Ing



Rob Jarvis



Leaders

ATRIUM



RenaissanceRe



beazley



Members



FARADAY



HISCOX



canopus



S.A Meacock



BRIT



ARK





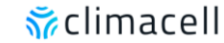
miBroker



PARAMETRIX



clausmatch



LOADSURE



ZASTI



tautona.ai



Baker Tilly



TESSELO



gaia

ICEYE



retechnica



predata



superscript

artificial.



PRIVATEER



nPlan



Our four strategic pillars in 2023 and beyond



Performance

- Consistent profitable performance with **combined ratio of 85.2%**
- Strong, profitable growth with 22% rise in premiums to **£29.3bn**. The risk consists of 4% FX, 9% price and **9% growth**
- Exceptionally strong capital position, with increased central solvency ratio at **438%** and increased market-wide solvency ratio at **194%**
- Solid investment yields generating total return of **£1.8bn**



Digitalisation

- Good progress on Lloyd's digitalisation journey
- London Market Group Data Council introduces globally recognised data standard and enables **computable contracts**
- Faster Claims Payment solution available for over **80%** of delegated authority business



Purpose

- Enabling over **30 million tonnes** of grain and fertiliser to be shipped from Ukraine through Black Sea Grain Initiative
- Convening industry through the **Lloyd's Lab** and **Sustainable Markets Initiative** to build global climate resilience
- Launching **Private Impact Fund** with £250m initial asset allocation



Culture

- Fourth Market Policies & Practices return demonstrates **strong progress** towards a diverse and inclusive culture
- **Women in leadership** up two points to **32%**, and **one third** of market firms meeting one in three **ethnicity hiring ambition**

LLOYD'S

Tuesdays with Lloyd's

Staying connected!

Subscribe at lloyds.com/events

Playlist on Lloyd's channel

