




# Lloyd's: The Best Known, Most Misunderstood Market In The World

Webinar  
27 July 2021

**IAN GREENWAY | CIC, CMIP, ITP, PWCA**  
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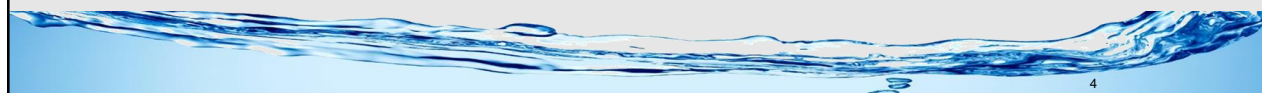
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LLOYD'S

## A Brief History of Lloyd's

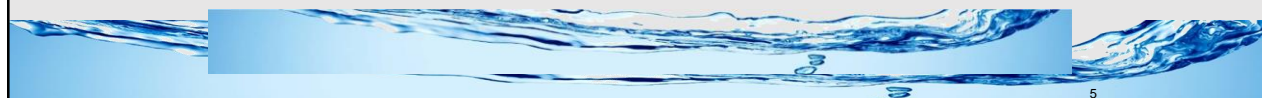
Lloyd's first existed as a coffee house owned by a man called Edward Lloyd. He encouraged ship's captains, owners and merchants to visit his establishment. So, at a time when communications were unreliable, Lloyd's gained an enviable reputation for providing trustworthy shipping news. This was crucial to successful underwriting and ensured that Lloyd's became recognized as the place for obtaining both information and marine insurance.



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# LLOYD'S

The best known, least understood brand in  
(re)insurance



5

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The Lloyd's market is known for its specialist expertise...



6



And an appetite for unusual risks requiring innovative solutions...



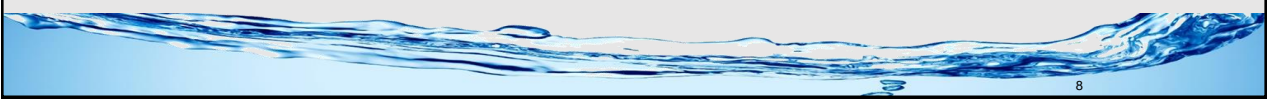
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LLOYD'S

Lloyd's Covers More Than 60 Lines of Insurance and Reinsurances, Including Complex

Accident & Health / Agriculture & Hail / Aviation / Bankers Blanket Bonds/ 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 Liability / Nuclear / Pecuniary / Personal Accident / Political Risks / Credit and Financial Guarantee / Power Generation / Professional Indemnity / Property / Space / Specie / Term Life / Terrorism / Yacht



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LLOYD'S

Lloyd's in numbers

Syndicates  
of specialist underwriting expertise

99

Brokers  
bringing business to Lloyd's

258

£ billion claims paid  
by Lloyd's in 2011- 2016

68

Coverholders  
office locations with a local route to Lloyd's

3,859

Service companies  
at Lloyd's, with the majority in the UK and US

380

Countries and territories  
the Lloyd's market covers

200+

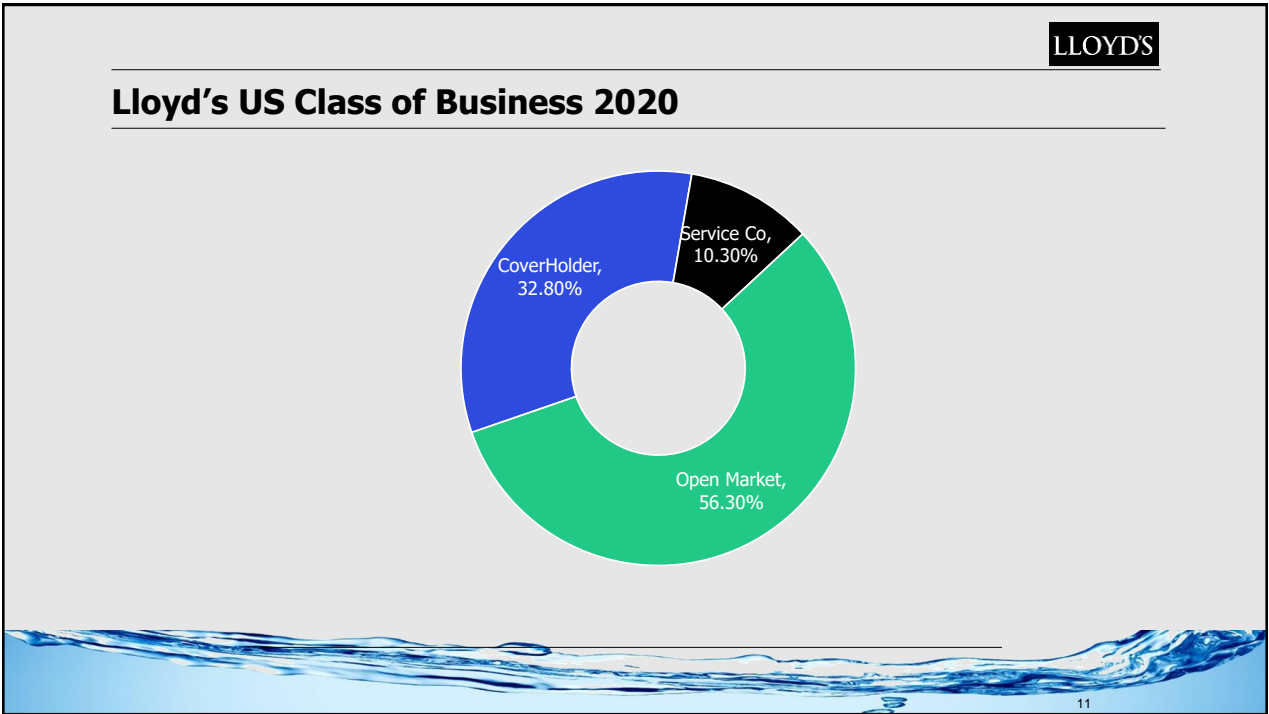
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### Lloyd's Financial Strength and Security

Syndicates operating in the market enjoy the benefit of a single market rating given by independent agencies.

Standard & Poor's: A+ (Strong)

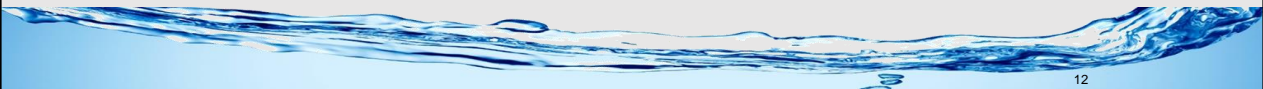
A+

Fitch Ratings: AA- (Very Strong)

AA-

A.M. Best: A (Excellent)

A



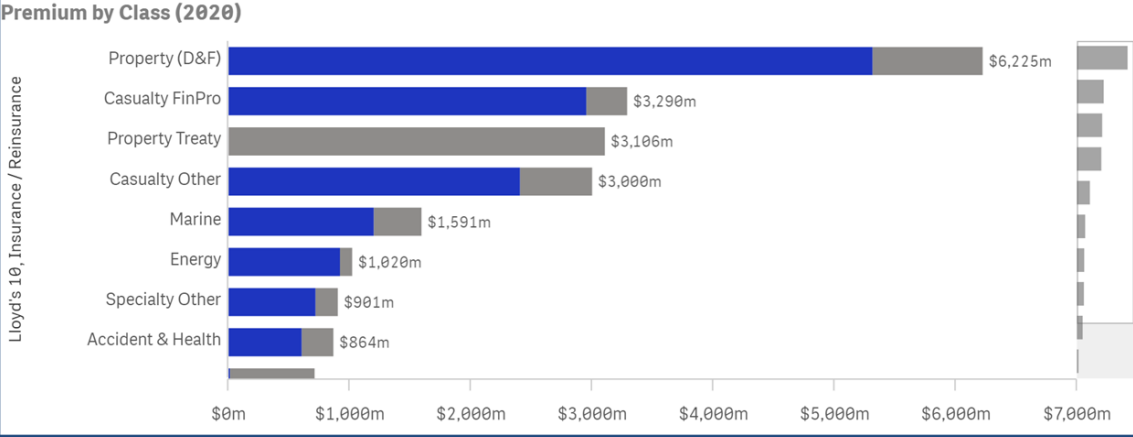
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LLOYD'S

### Lloyd's US Lines of Business

Premium by Class (2020)



Class	Premium (\$m)
Property (D&F)	\$6,225m
Casualty FinPro	\$3,290m
Property Treaty	\$3,106m
Casualty Other	\$3,000m
Marine	\$1,591m
Energy	\$1,020m
Specialty Other	\$901m
Accident & Health	\$864m
Lloyd's 10, Insurance / Reinsurance	\$1,000m

© Lloyd's

Lloyd's Annual Results 2019 13

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## Role of Lloyd's Broker

IN A GIANT SHOPPING MALL!

From bespoke hand-tailoring to off the peg discount store options

Lloyd's Brokers are professional buyers, designers and "tailors" for their clients

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LLOYD'S

Lloyd's, One Lime Street London

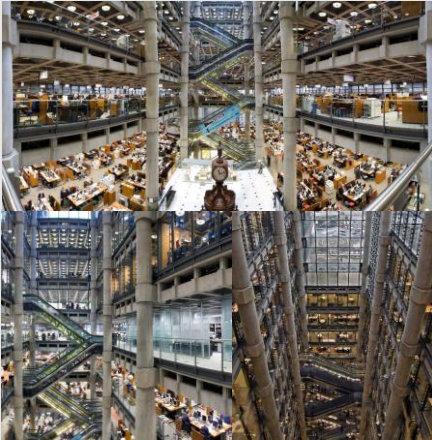
One working day:

>4,000 people

>\$128mil premium

>\$64mil paid claims

*That's more than \$44,567 in claims per minute*



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16

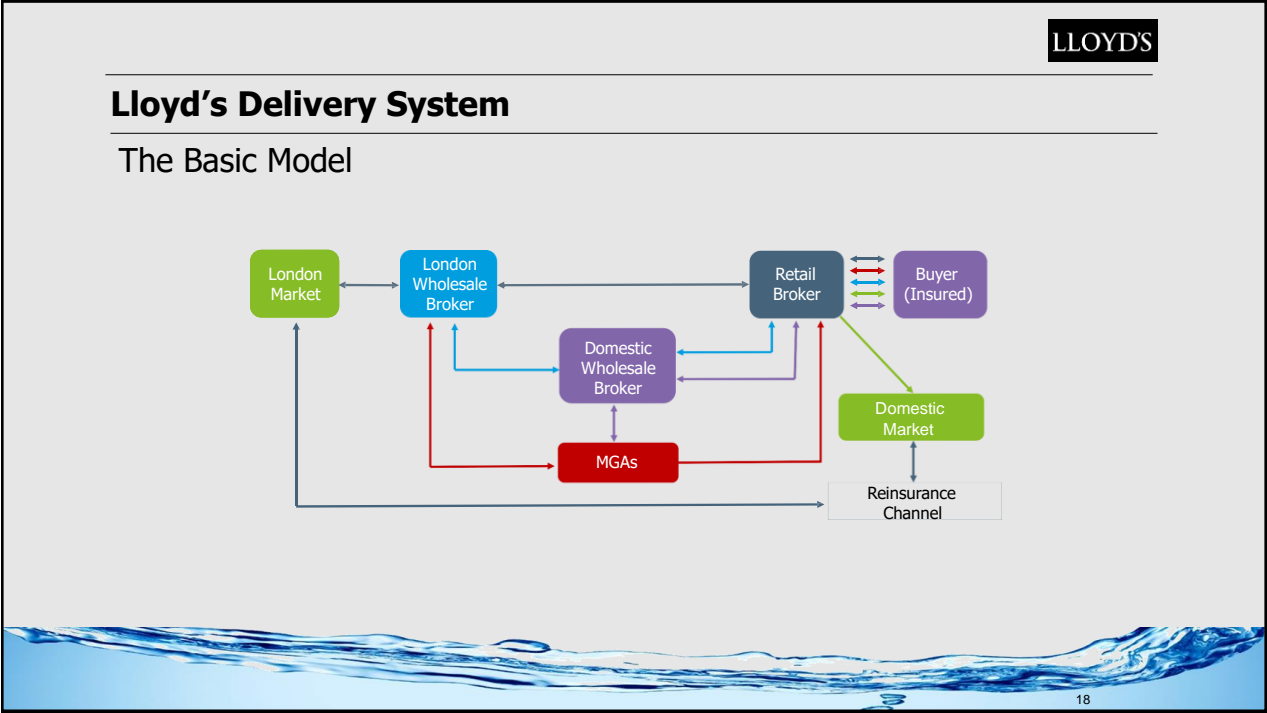
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Two Sides of the Pond

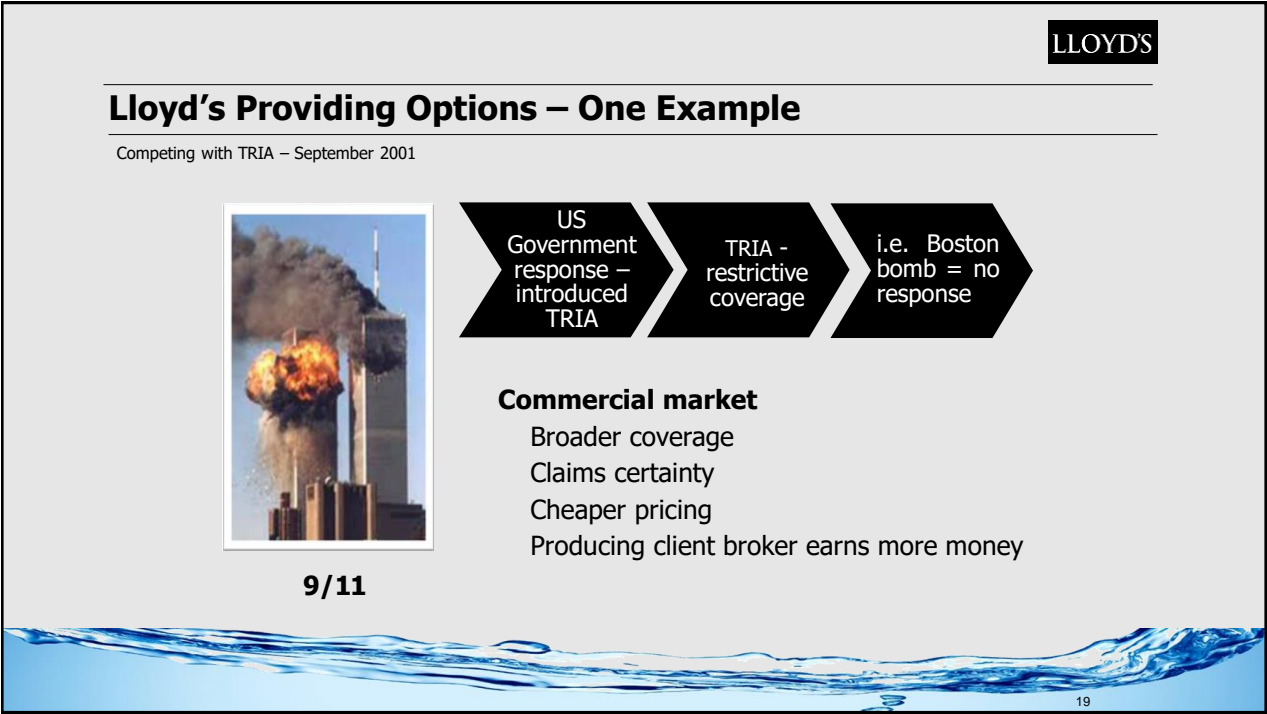
US INTERMEDIARY	LLOYD'S BROKER
Represent the policyholder "Remote"/distance broking Admitted forms & filed rates Advice	Represent the policyholder Face to face broking E&S market - flexible Advice <b>and</b> filtering
Claims advocacy- client advises carrier and carrier holds claims data	Claims advocacy but broker handles throughout including collation of loss record
Offices and cubicles Casual attire, brown shoes and shirt pockets	Open plan Suits and "No brown in town !"

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LLOYD'S

Lloyd's Providing Options – One Example

Case Study

Know your client




Knowing the client was at the core of each stage and the steps we considered at every corporate level are set out in this table.


Who?	Why?	Why not?
<p>How does the client operate?</p> <p>What are their divers?</p> <p>Who are the decision makers (in terms of marketing/broking distribution)</p> <p>What influence do senior employees have in terms of corporate initiatives?</p> <p>What is the corporate remuneration structure?</p> <p>Centralised or de-centralised marketing?</p> <p>What are their main reasons for using the facility (ease of use, speed, differentiator)</p>	<p>What were the key benefits and deliverables?</p> <p>Better product, price and more remuneration</p> <p><b>Additional benefits</b></p> <p>Can approach prospects where no relationship exists with new and innovative approach</p> <p>Allows them to use facility to produce new revenue</p> <p>Not seen as complacent to competition – add value, challenge convention</p> <p>Allows for high-level corporate leverage over carriers i.e. Intermediary benefited from growth in corporate trading with Carrier that has operations in both domestic and Lloyd's markets</p>	<p>Understanding potential blockers allowed us to cut out issues before they dampened enthusiasm</p> <p>We helped producers to articulate benefits of their own agents, aside from financial gain. This has helped win orders where agents were wavering.</p> <p>Carefully positioning the roll-out to be sympathetic to politics, as well as aligning with the influencers to avoid a premature block</p>

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Lloyd's – "A Brave New World"?





FACE TO FACE  
DIALOGUE  
REMAINS VITAL



Placing Platform Ltd.

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## Top Tips – “Do as you would be done by”

Think of your Lloyd's broker as an extension of your team – BECAUSE WE ARE!

Aim to build relationships with the individual underwriters that support you

Choose your Lloyd's brokers for best fit with you – don't spread your business too thinly – BUILD STRONG RELATIONSHIPS!

Differentiate your accounts with the quality of your submissions

Maintain dialogue to enable management of expectations – SILENCE IS NOT GOLDEN!

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## The Role of the Lloyd's Underwriter



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Why and How Do Risks Come to Lloyd's?

- Specialist knowledge & products
- Empowered underwriters
- Innovation
- Capacity
- Financial Security
- Ability to 'Atomize' large risks



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24

"The Room Where it Happens..."



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The Role of the Lloyd's Underwriter – and What It Takes!

So...what do we expect...

To learn

To respond

To negotiate

To innovate

Curiosity

Flexible thinking

Inter-personal skills  
Getting to "yes"

Spotting gaps in the market  
Spotting markets in the gaps

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LLOYD'S

Why is Business Written at the Box?

Past

➤ History

➤ Trust of 'face to face'

➤ Efficiency

Present

➤ Trading Floor

➤ Less Efficient

➤ Transition Period

Future

➤ Localization Trends

➤ Electronic Trading – PPL/Whitespace

➤ Need increased Efficiency

➤

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**How Does a US Underwriter Differ From a Lloyd's Underwriter?**



Broker calls

Submissions

Quotes

Bind

Policies



Admitted vs. Non-admitted

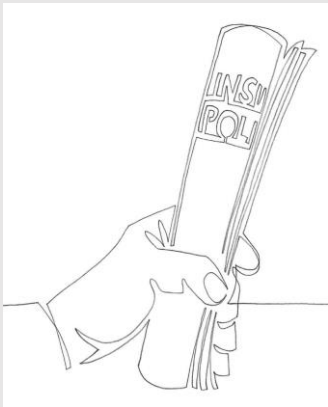
**The Perfect Lloyd's Submission?**

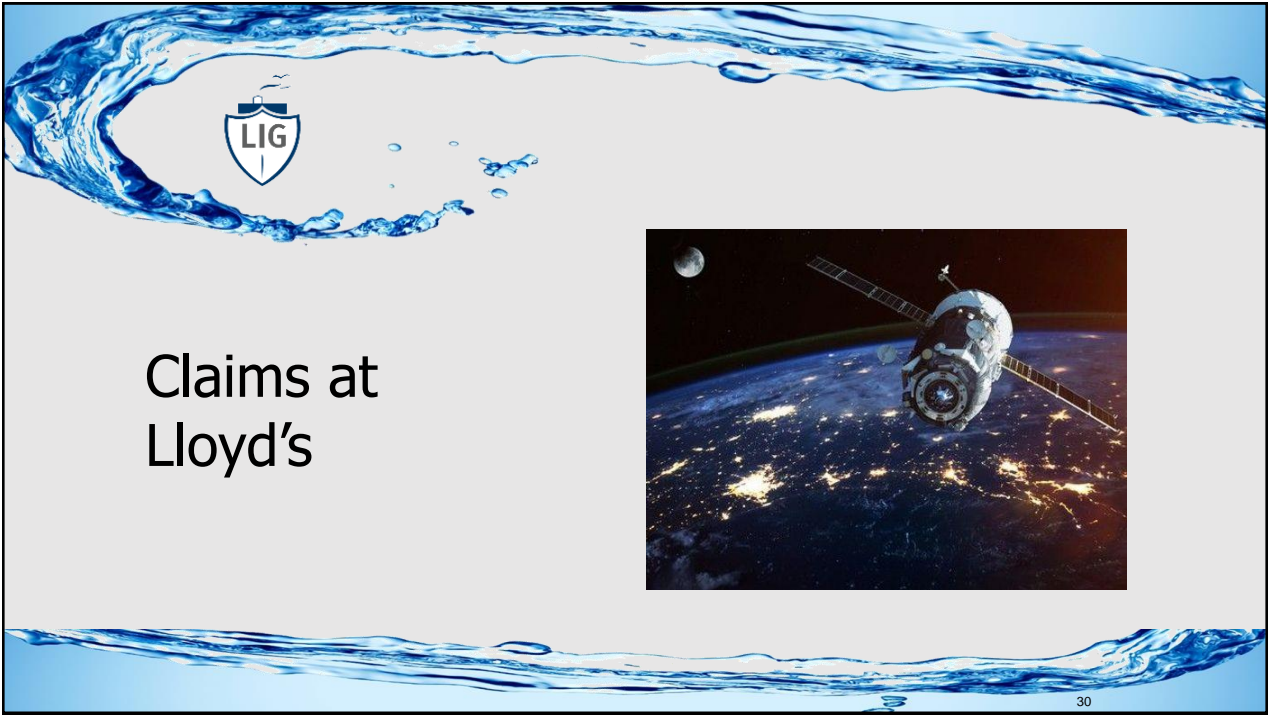
**Background**

- What is the story?
- Who is the insured?
- Why London?
- Financial Status of Insured?

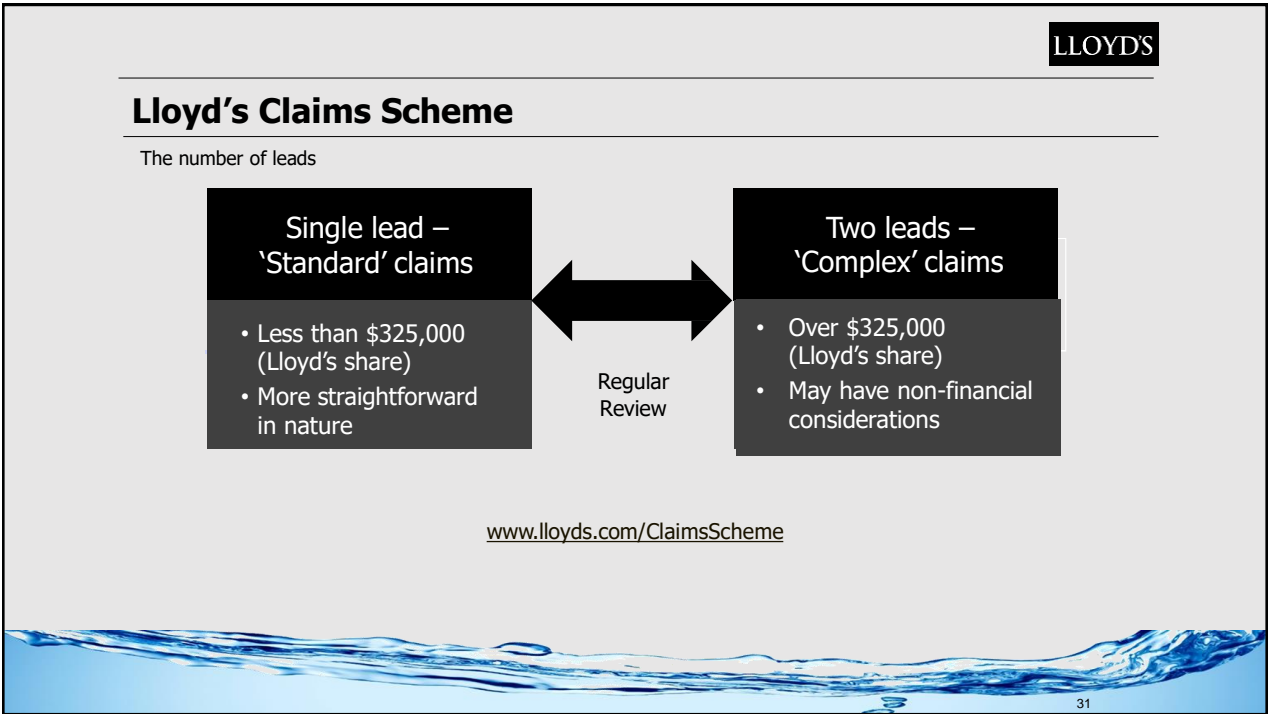
**Approach to Risk Management**

- What is clients general approach to Risk Management?
- Capital Expenditure
- Relevant Surveys





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Lloyd's Claims Scheme

A streamlined claims agreement process

85% of claims managed by **one insurer** – the lead

A **maximum of two** lead insurers agreeing your claim

**All** other insurers are bound by decision of the lead(s)

The responsibilities and obligations of the lead(s) to the other Lloyd's insurers are set out in the Lloyd's Claims Scheme

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Lloyd's Claims Payment

Single Payment from multiple insurers

Lead agrees payment on ECF

Lead insurer bank account

Insurer 2 bank account

Insurer 3 bank account

Lloyd's central accounting system

Broker bank account

3 Days

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Lloyd's as Innovators

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LLOYD'S


Lloyd's – 115 Years of Innovation

1904

To

Today





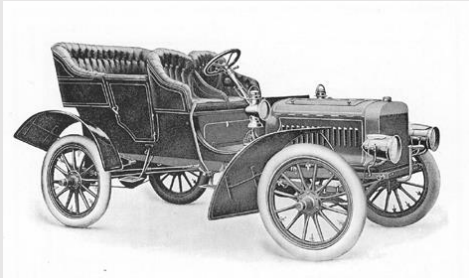
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1904

**Pioneers of Travel**  
First Motor Cars – written by Lloyd’s



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1911

**Pioneers of Travel**  
First Aviation Insurance Policy – written by Lloyd’s




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1930's

**Lloyd's as Innovators**  
**Unusual Risks – Body Parts**

Jimmy Durante's infamous nose was insured by Lloyd's for \$140,000.



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LLOYD'S

1930's

**Lloyd's as Innovators**  
**Unusual Risks – Body Parts**

Betty Davis insured her waist against weight gain for \$28,000.



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## 1939

### Lloyd's – Pioneering Business Income Insurance

Insurers and insurance brokers realized that just insuring the physical aspects of a business was not enough to fully protect a business from significant losses or often financial ruin following an insured event such as:

It was Cuthbert Heath, one of the most innovative and influential of Lloyd's brokers, who developed what we now recognize as Business Interruption Insurance. The first modern policy in the form we still use mostly was issued in London on January 1, 1939.



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## 1940's

### Lloyd's as Innovators Unusual Risks – Body Parts

Betty Grable insured her legs for \$1,000,000.



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1950's

**Lloyd's as Innovators  
Maritime Employers Liability**

Originally predominately for oil rig workers working on floating platforms



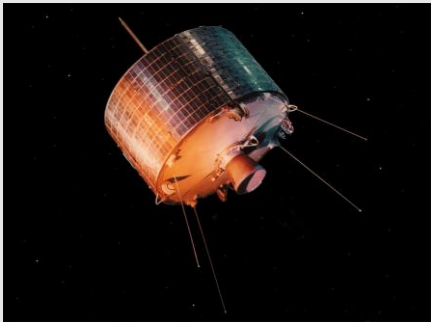
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1965

**Pioneers of Travel**

Space Travel – written by Lloyd's first space satellite Intelsat 1



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## 1965 - Present

### Intrepid Journeys – to Infinity and Beyond!

Lloyd's insures satellites for:

- Physical Damage
- Business Interruption
- Third Party Liability (by space debris)
- Launch
- Life



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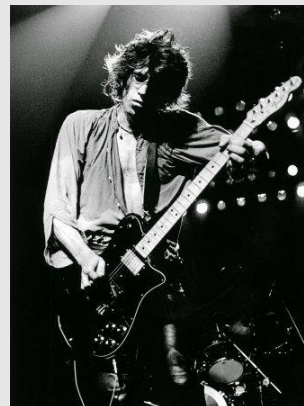
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## 1970's

### Unusual Risks – Body Parts

Rolling Stones Guitarist Keith Richard's hands are insured for \$1,600,000.



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1980's

Unusual Risks – Body Parts

Bruce Springsteen's voice is insured for \$2,500,000.



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2004

Lloyd's as Innovators

Intrepid Journeys – to Infinity and Beyond!

Richard Branson's Virgin Galactic Private Spaceship



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2015

**Lloyd's as Innovators Today**


**Marine Professional Liability**

Complete Insurance Package including:

Commercial General Liability

Marine General Liability

Professional Liability



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Lloyd's Today

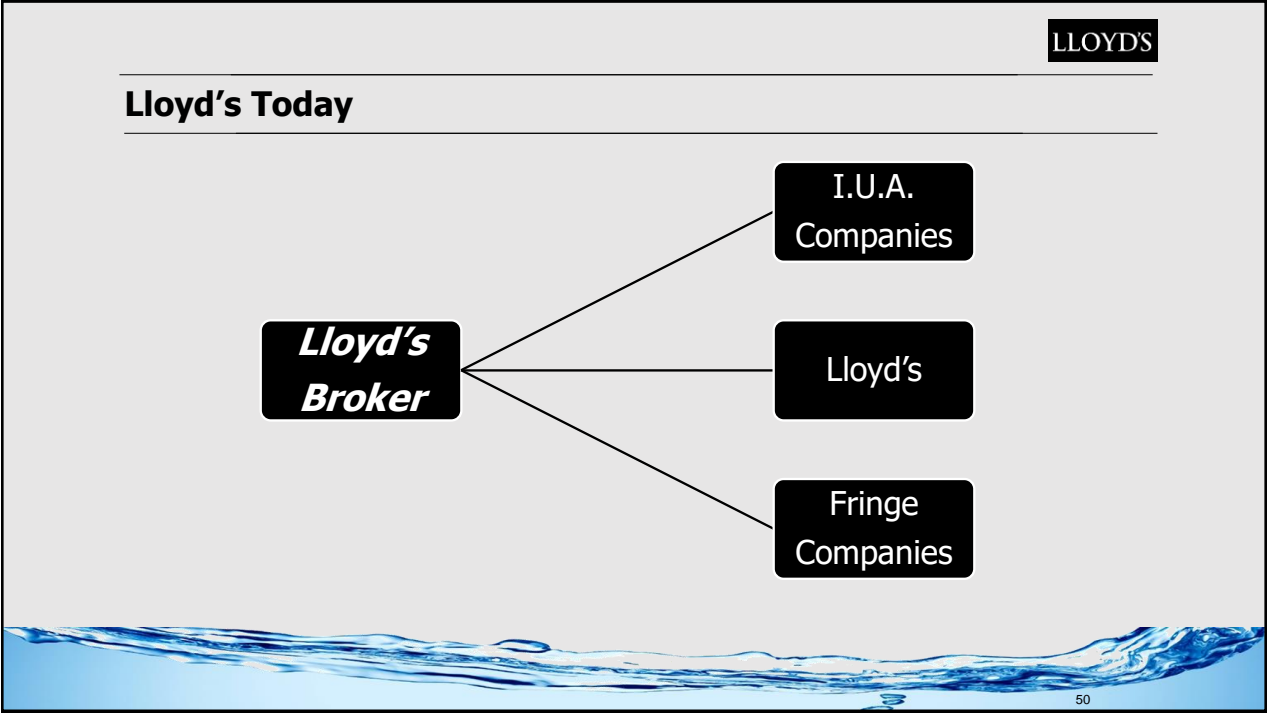
Lloyd's of London

International Underwriting Association

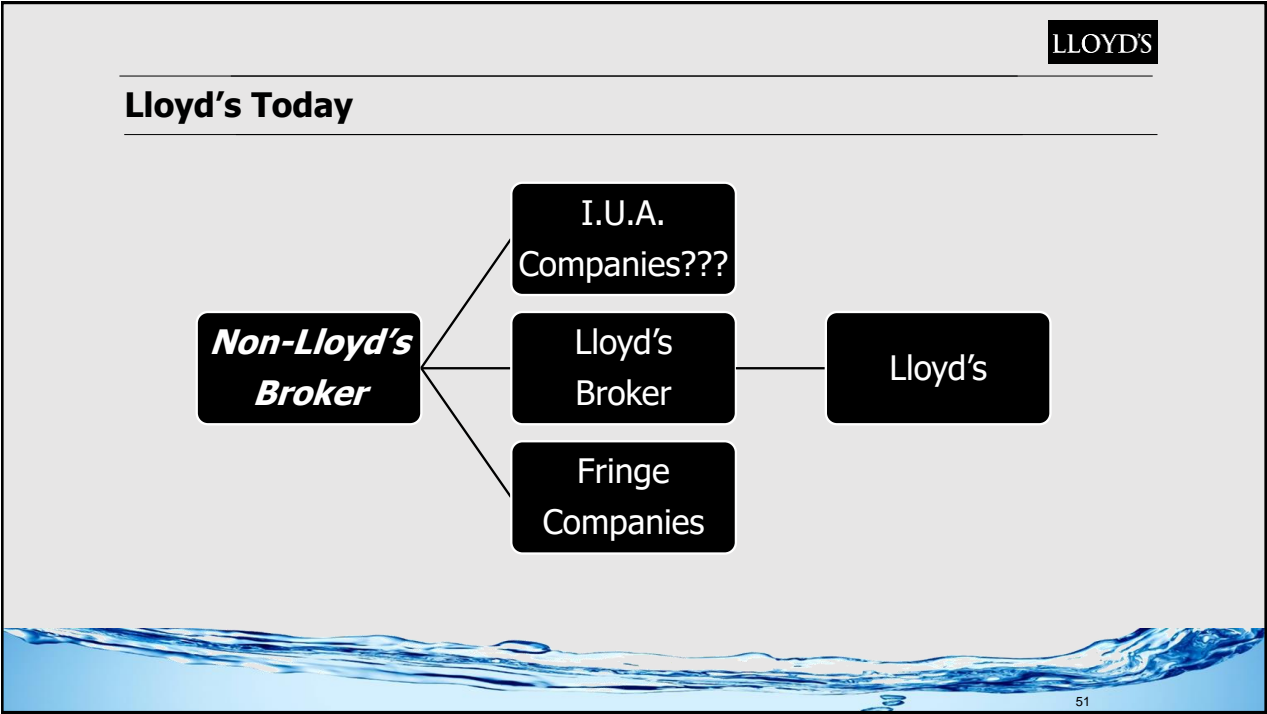
Fringe Companies



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Lloyd's Today

Sell Your Story!

Insured

Agent

Wholesaler or MGA

Lloyd's Broker

I.U.A Companies

Lloyd's

Fringe Companies


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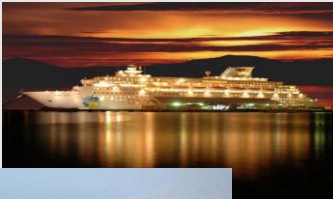
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Lloyd's Today

Not just the big and unusual...







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**Lloyd's – 115 Years of Innovation**

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**... but also  
many  
middle  
market  
risks.**







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**Lloyd's Today**

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The New Lloyd's Syndicate

Large

Multi-specialist

Seeking New Premium

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