



Lloyd's is not an insurance company but a market of independent businesses where many of the world's most skilled and experienced underwriters come together to insure and reinsure risk. Business comes into Lloyd's from more than 200 countries and territories, and includes 96 per cent of FTSE 100 companies and 87 per cent of Dow Jones companies.



Market

Lloyd's has the capacity to underwrite a significant amount of business. Just under half of the business it writes is for UK listed and other corporate clients, but Lloyd's also underwrites significant amounts of business for the worldwide insurance industry and for private individuals.

The London insurance market is more than just Lloyd's alone. Of the world's 20 largest reinsurance groups, 18 have a physical presence in London. However, this is only part of the global picture. New competitor markets, such as Bermuda, are on the rise and there are other reinsurance markets in the US and Europe. All have to compete with alternative techniques for transferring risk, and deploying and redeploying capital, supported by an army of analysts and consultants.

Product

Like any market, Lloyd's brings together those with something to sell (underwriters, who



provide insurance coverage) with those who want to buy (brokers, working on behalf of their clients who are seeking insurance).

Lloyd's is structured as a society of corporate and individual members, who underwrite insurance in syndicates. The make-up of Lloyd's underwriting membership has gone through a major change. Today most of the capital supporting underwriting in the Lloyd's market comes from corporate bodies, while private individuals – or 'Names', as they have become known – supply only 15 per cent of the market's capital backing. Lloyd's unique capital structure, often referred to as the 'chain of security', aims to provide excellent financial security to policyholders and capital efficiency to its members.

A member, or a group of members, forms a syndicate. A syndicate's underwriting is managed by a managing agent, who employs underwriters to accept or decline risk. There are around 80 syndicates operating within



Lloyd's, covering many speciality areas that include marine, aviation, catastrophe, professional indemnity and motor.

Businesses from all over the world can come to Lloyd's to find insurance, often for highly complex risks. There are 180 firms of brokers working at Lloyd's, many of whom specialise in particular risk categories.

Lloyd's underwriters are renowned for devising tailored, innovative solutions to complex risks. As a result, Lloyd's covers the world's most demanding and specialist risks – from insuring oil rigs, man-made structures and major sporting events through to new areas such as cyber-liability and terrorism.

Achievements

Lloyd's has been around for more than three centuries, helping communities and businesses to survive major world crises from the San Francisco earthquake of 1906 to the terrorist attacks of 9/11. During that time,

many aspects of Lloyd's have changed, but its priorities and values have remained consistent. This incredible history and reputation mean that Lloyd's is a truly famous global insurance brand.

It has earned this reputation through the expertise shown by its talented underwriters and the development of many pioneering and innovative insurance products. It's an offering that few can rival.

Key to Lloyd's dependable reputation is its financial solidity. Lloyd's strength and robust capitalisation is reflected in its ratings. Lloyd's currently holds A+ ratings from Fitch Ratings and Standard & Poor's, and an A rating from A.M. Best. These ratings apply to every policy issued by every syndicate at Lloyd's since 1993.

Recent Developments

After two years of exceptional hurricane activity in 2004/05, which saw the Asian Tsunami and Hurricane Katrina devastate major regions, 2006 was exceptional for very different reasons. A lack of catastrophe activity meant that Lloyd's produced a strong profit.

In 2007 Lloyd's received the formal licence document from the Chinese regulators for its new reinsurance company in Shanghai, which enables Lloyd's to underwrite onshore reinsurance business throughout China.

A series of initiatives then commenced in 2008, to continue to strengthen Lloyd's presence across emerging regions. New offices were set up in Ireland and Poland, and Lloyd's became the first reinsurer to be granted 'Admitted' status in Brazil, permitting the market to underwrite Brazilian reinsurance business. This trend continued into 2009 when Lloyd's secured an establishment licence in Portugal. Then in 2010, the China Insurance Regulatory Commission granted Lloyd's a licence to write direct insurance business in China.

Lloyd's has emerged relatively unscathed from the global financial crisis. Since the 1990s, Lloyd's has changed almost every aspect of its business, taking steps to improve the quality



of business and stringency of governance. In addition, Lloyd's has stuck to the traditional reinsurance and insurance products, and its businesses have always maintained a conservative investment strategy – meaning that any fallout from the crisis could largely be dealt with through its normal course of business. As a result, and due to a benign year in insurance, Lloyd's was able to post record profits in 2009.

Thanks to a combination of underwriting for profit rather than market share, the use of state-of-the-art modelling tools, and better availability and application of data, the flexibility, responsiveness, resilience and underlying financial strength of Lloyd's is greater than ever before.

Promotion

An important part of the promotion of Lloyd's is creating a high level of awareness of what Lloyd's is, how it works, what it stands for and what makes it different.

Over the past two years Lloyd's has launched two major campaigns to address key industry issues of Thought Leadership and Talent.

Lloyd's 360 Risk Insight brings together the views of the world's leading business, academic and insurance experts to analyse the latest material on emerging risk. The campaign is focused on driving the global risk agenda as it takes shape and providing organisations with practical advice and information to help them turn risk into opportunity.

The attraction, development and retention of talent are key issues facing the insurance industry today. In response to this, Lloyd's launched a graduate programme in 2008 and is promoting it through a range of media, including its website, brochures, print and online advertisements, recruitment fair attendance and direct mail.

Brand Values

The Lloyd's brand is a massive asset, not just for the market itself, but for all the businesses associated with it. It is recognised all over the world as a leading global market that is able and trusted to take on the world's toughest risks. It is a highly distinctive brand, known for its traditions, unique way of doing business and ability to meet highly specialised requirements.

The core brand idea for Lloyd's is encapsulated in the phrase: Constant Originality. 'Constant' conveys its good faith, security and reliability, while 'Originality' conveys Lloyd's creativity, individuality, authenticity and adaptability.

Things you didn't know about Lloyd's of London

Lloyd's provides insurance for 84 per cent of the world's top banks and 83 per cent of the world's top airlines listed in the Fortune 500 companies.

Lloyd's paid out an insurance policy for Rolling Stones guitarist Keith Richards when he injured his finger while on tour in the 1990s.

Lloyd's offers hole-in-one insurance, which protects golf tournament organisers against the rare event of a player hitting the shot and claiming the large prize that has been offered for such an achievement.



1688	1871	1887	1904	1906	1998
Lloyd's coffee house is recognised as the place for obtaining marine insurance.	Lloyd's is incorporated by an Act of Parliament.	The first non-marine policies are underwritten at Lloyd's by Cuthbert Heath.	The first Lloyd's motor policy is issued, followed seven years later by the first aviation policy.	San Francisco earthquake claims are met by Lloyd's underwriters, establishing Lloyd's reputation in the US.	The Government announces independent regulation of Lloyd's by the Financial Services Authority, effective from midnight on 30th November 2001.

2002	2005	2007	2010
Lloyd's Members approve the proposals of the Chairman's Strategy Group outlining major changes that will transform Lloyd's into a modern, dynamic marketplace.	In the aftermath of Hurricane Katrina, Lloyd's emerges with only a small market loss and reinforces its commitment to help a devastated region rebuild.	Lloyd's opens an onshore operation in Shanghai. Two years later, Lloyd's secures an establishment licence in Portugal.	Lloyd's is granted a licence to write direct business in China.