



**Flectat Limited
(Represented by Michael Watson)**

Michael Watson, BA Hons (Oxon), Chartered Accountant, is the Chairman of Canopus Group AG. He is also a director of Flectat Ltd.

Proposed allocated overall premium limit for 2016 (Flectat Limited):
£793.8m

Proposers:

Talbot 2002 Underwriting Capital Limited

The nominated representative's employment and service

Employment:

2003 to date	Canopus Group AG (currently Chairman)
2003 to date	Canopus Holdings UK Ltd (currently Chairman)
2001 to date	Canopus Managing Agents Ltd (currently, Non-Executive Director)
1999 to 2000	Kingsmead Underwriting Agency Ltd (Non-Executive Director)

Service:

2013 to date	Council of Lloyd's
2012 to date	Director, Lloyd's Market Association

Relevant interests of the nominated representative:

Director of various Canopus owned corporate members, coverholders and subsidiaries
Shareholdings in Amlin plc, Beazley plc, Hiscox Ltd, Novae Group plc and XL Group plc
Shareholdings in various Guy Carpenter & Co / Marsh & McLennan companies (through a connected person)

Relevant interests of the corporate member:

Member of Syndicates 4444, 958, 260 and 6115, managed by Canopus Managing Agents Ltd

Flectat Ltd is a subsidiary of Canopus Group AG

FLECTAT LIMITED (REPRESENTED BY MICHAEL WATSON)

ELECTED C- EXTERNAL MEMBER

Statement

My financial services career spans 38 years in commercial and investment banking, stock broking, trade finance, and life and general insurance in the United States, Canada, Latin America, the United Kingdom, Continental Europe, South East Asia, Japan and Australia. My roles have included financial, strategic and general management based in London, New York, Bermuda and Dublin. I have held Chairman and CEO roles with both private and public companies.

My Lloyd's experience began in 1999 as NED of Kingsmead Managing Agency Limited. I subsequently led the management buy-out of Canopus serving as Chairman/CEO for 12 years. I am currently Chairman of the parent company Canopus Group AG.

As a member of Council, my particular areas of focus would include:

Target Operating Model: Market modernisation is critical to defending and improving Lloyd's position as an attractive place for the transaction of specialist (re)insurance. Lloyd's will incur vast expenditure in implementing the new TOM. We need to ensure it delivers what is required, is not out of date the day it is built, is not reduced to the speed of the slowest and does not achieve only the lowest common denominator. The TOM requires a robust governance structure to oversee its design and implementation.

Market Access: To ensure sustainable growth and relevance globally, Lloyd's must increase the breadth and utility of its licences in developing insurance markets. At the same time, our existing licences must be nurtured. In all markets, both developing and more mature, the current prevailing climate is towards increased protectionist behaviour. The possibility of a 'Brexit' exacerbates these trends. Lloyd's must devote appropriate resources to expand new horizons whilst defending its current market access.

Alternative Capital: So-called 'alternative capital' presents both opportunities and threats for Lloyd's. Whilst largely untested in terms of major loss activity, I consider such capital is likely to be a permanent part of the industry going forwards. Lloyd's should be open to this capital participating within its framework provided that it is allied to appropriate underwriting expertise and does not exacerbate the market's catastrophe profile.

Distribution: Radical changes are occurring in how brokers distribute their risks. We must ensure these changes do not threaten the relevance of Lloyd's and eliminate the role and benefit of expert underwriting. At the same time, Lloyd's value proposition must be enhanced to ensure it remains a 'must go to' market for brokers seeking innovation, expertise, service and security.