LLOYD'S

Lloyd's China
Lead-Follow Subscription Model

To address growing local market demand for high-quality reinsurance capacity and to attract more Lloyd's syndicates to access China market with business expansion, Lloyd's China is launching an innovative Lead-Follow Subscription Model for its underwriting divisions.

This strategic initiative is designed to fully harness in-platform professional strengths. By integrating robust underwriting expertise from lead syndicates and ample capacity of follower syndicates across the entire Lloyd's market — covering both represented and non-represented underwriting divisions within Lloyd's China — we strive to drive more incremental business inflow and further boost business growth momentum for Lloyd's China.

Key features of the Lloyd's China Lead-Follow Subscription Model:

1. Both represented and non-represented syndicates will be eligible to adopt this model. Non-represented syndicates is required to set up underwriting divisions on the Lloyd's China platform as a prerequisite for the usage.

2. This model shall only apply to delegated authority business (either consortium and/or coverholder business) written on subscription basis on the Lloyd's China platform.

3. This model shall only apply to inward reinsurance business.

4. Lead underwriters must be represented underwriting divisions on the Lloyd's China platform with nominated underwriter(s) in situ.

5. Both represented and non-represented syndicates will be able to delegate authority to lead underwriting divisions.

6. Lead division(s) will have overall responsibility for managing consortium and/or coverholder business, including but not limited to marketing, underwriting and operational matters.

7. The following market (both represented and non-represented divisions) shall provide underwriting capacity, as well as strategic and operational support to the leader as required.

8. Lloyd's China will oversee all business activities to help ensure compliance with local laws and regulations.

9. Syndicates can get more investment return from cash flow in the individual sub-accounts in Lloyd's China.

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How to become the following syndicates:

- **New joiners/syndicates**
- Follow Lloyd's China Entry Guide to obtain China SBF, along with the relevant participation agreement and retrocession agreement, as applicable.

- **UW divisions in run-off**
- Should run-off underwriting division wishing to conduct lead-follow subscription business it shall obtain requisite China SBF approval for the targeted line of business and sign applicable retrocession agreements.

Charging model for the following syndicates:

- **New joiners/syndicates**
- Lead-Follow subscription business is free of charge from Lloyd's China's operational perspective.

- **UW divisions in run-off**
- New Lead-Follow subscription business is free of charge from Lloyd's China's operational perspective.

- But Legacy run-off business shall incur costs and charges in accordance with Lloyd's China Underwriting Division Run-off Protocol.

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