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Lloyd's of London

Key Rating Drivers

Very Strong Company Profile: Lloyd's of London writes business from more than 200 countries and territories, and had gross written premiums (GWP) of GBP55.5 billion in 2024 (2023: GBP52.1 billion). Lloyd's has a strong franchise, large operating scale and significant diversification within property and casualty insurance and reinsurance. It is one of a small group of global (re)insurance providers capable of attracting high-quality and specialised business.

Very Strong Capital Position: The insurer's central solvency coverage ratio remained very strong at 435% at end-2024 (end-2023: 503%). This is comfortably above the company's risk appetite. The market-wide solvency ratio was also very strong at 205% (end-2023: 207%).

Unique Recapitalisation Process: Lloyd's employs an annual "coming into line" process that is unique to the market. This ensures it maintains a certain capital level and that all members have sufficient eligible assets to meet their underwriting liabilities. In the longer term, this resilience relies on the willingness and ability of members to recapitalise following significant losses.

Underwriting Drives Strong Financial Performance: Fitch Ratings' assessment of Lloyd's financial performance is driven by the level and volatility of the underwriting results. Fitch expects Lloyd's to maintain the improvements in its underlying underwriting performance, but overall results are likely to remain volatile given that it has catastrophe-exposed lines. Lloyd's underwriting performance was very strong in 2024. The net combined ratio deteriorated slightly to 86.9% (2023: 84.0%) on higher major loss activity.

Strong Profitability: Lloyd's underwriting profit was GBP5.3 billion in 2024 (2023: GBP5.9 billion), benefitting from limited natural catastrophe claims. The underlying combined ratio (excluding major claims) was broadly flat at 79.1% (2023: 80.5%). Investment returns were strong, with a total return of GBP4.9 billion in 2024 (2023: GBP5.3 billion) driven by higher interest rates and the unwinding of previously booked mark-to-market losses on the bond portfolio. These factors led to very strong 2024 profit of GBP9.6 billion (2023: GBP10.7 billion).

Favourable Pricing Conditions: Lloyd's had strong GWP growth of 6.5% in 2024. This was despite flat pricing conditions, with risk-adjusted rate rises of 0.3% (2023: 7.2%). We believe pricing conditions will remain favourable in 2025, despite our expectation of a moderate fall in risk-adjusted pricing across most lines of business. We expect market conditions to support Lloyd's strong underwriting profitability and capital generation in 2025.

Strong Reserve Adequacy: We view Lloyd's reserve adequacy as strong, supported by stable market-level surplus in the held reserves and continued reserve releases. This is reinforced by an independent review of reserves, which confirmed the market level of surplus estimated by Lloyd's. Our favourable view of reserve adequacy is further supported by robust market oversight of reserving practices, which is increasingly important given the impact of inflation and, in particular, US social inflation.

Rating Sensitivities

Factors that Could, Individually or Collectively, Lead to Negative Rating Action/Downgrade

- A five-year average combined ratio above 104% (reported five-year average to 2024: 93.3%) or the underlying annual combined ratio, before major losses, weakening to above 92% on a sustained basis.

- Inability to recapitalise after a large loss event as part of the market's 'coming into line' process.

Factors that Could, Individually or Collectively, Lead to Positive Rating Action/Upgrade

- A significant improvement in Lloyd's general competitive position. However, we view this as unlikely in the medium term.

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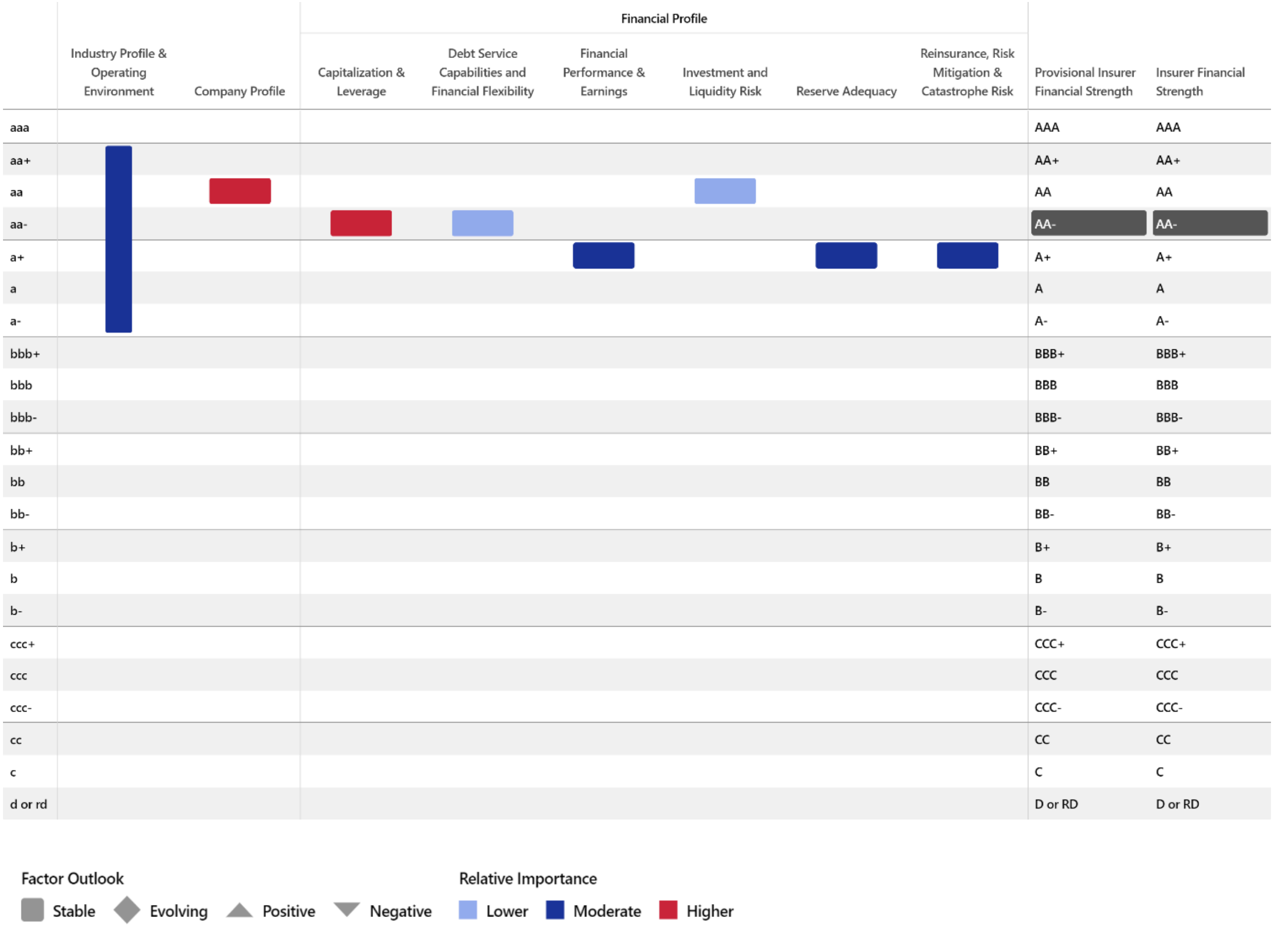
Key Rating Drivers - Scoring Summary



Other Criteria Elements

Provisional Insurer Financial Strength rating		**AA-**
Non-insurance attributes	Neutral	0
Ownership/group support	Neutral	0
Transfer & convertibility/Country Ceiling	AAA	0
Insurer Financial Strength rating		**AA-**
IFS recovery assumption	Good	-1
Issuer Default Rating (IDR)		**A+**

Company Profile

Very Strong Company Profile

Fitch ranks Lloyd's business profile as 'Favourable' compared with other global insurance and reinsurance companies. This is driven by the company's strong franchise, large operating scale and significant diversification within property and casualty (re)insurance. Lloyd's is one of a small group of global (re)insurance providers capable of attracting high-quality and specialised business. Fitch believes the presence of a detailed and defined business strategy executed by the executive team of the Corporation of Lloyd's (see *Appendix D*) is credit positive. Given this ranking, Fitch scores Lloyd's business profile at 'aa' under the agency's credit factor scoring guidelines.

Lloyd's is a global insurance and reinsurance market comprising 84 syndicates with approximately 3,400 coverholders and 401 brokers across more than 200 lines of business. Lloyd's writes business from more than 200 countries and territories, and had GWP of GBP55.5 billion in 2024 (2023: GBP52.1 billion).

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Product distribution is mainly carried out through brokers and coverholders, with some business placed directly with service companies (see *Appendix D*) owned by managing agents. Most business is placed into the market by brokers.

Business written by syndicates focuses on seven classes. The main class of business at Lloyd's – reinsurance – covers both short- and long-tail lines, offering a variety of placement types including facultative, proportional treaties and non-proportional excess-of-loss placements.

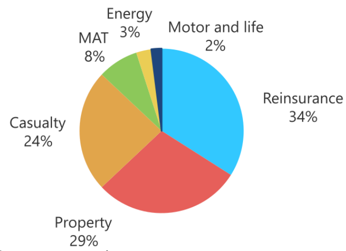
The US is the main geographical region for the second major class, property, which includes commercial and private property. The other main class, casualty, includes professional indemnity, medical malpractice, accident and health, directors' and officers' liability, financial institutions, general liability and employers' liability. Business is mostly spread across the US, the UK and the rest of Europe.

Company Profile Scoring

Business profile assessment	Favourable
Business profile sub-factor score	aa
Corporate governance assessment	Neutral
Corporate governance impact (notches)	0
Company profile factor score	aa

Source: Fitch Ratings

Gross Written Premiums
2024

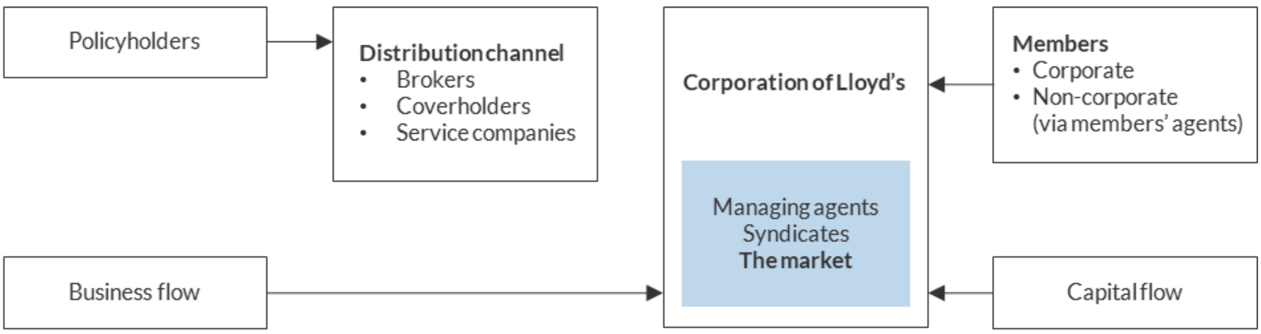


Source: Fitch Ratings, company data

Ownership

Market Structure Supports Ratings

The market structure of Lloyd's supports its ratings compared with the structure of traditional corporate insurers or reinsurers. This view accounts for the "chain of security", which provides a mixture of several and mutual claims-paying capital.



Source: Fitch Ratings, Lloyd's

Capitalization and Leverage

Very Strong Capitalisation and Leverage

Fitch views Lloyd's capitalisation and leverage as very strong and supportive of its rating level. This view is supported by very strong regulatory solvency ratios, a 'Very Strong' Prism score, and very low financial leverage and total financing commitment ratios. Lloyd's employs a unique annual "coming into line" process, which keeps its capital level constant and ensures that all members have sufficient eligible assets to meet their current and future underwriting liabilities.

Lloyd's reports its Solvency II coverage on both a central and market-wide basis. The market-wide solvency capital ratio (SCR) reflects the aggregation of all eligible market-wide assets, and Lloyd's ratio was 205% at end-2024 (end-2023: 207%), comfortably above its risk appetite. Lloyd's central SCR coverage remains very strong at 435% (end-2023: 503%), partly due to central fund reinsurance protection, which gives a significant boost to the coverage ratio.

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Implemented in 2021, Lloyd's cancelled and rewrote the central fund reinsurance facility in 2024. The revised cover is now denominated in US dollars with a starting attachment point of USD1.1 billion, with a reset index methodology based on changes to claims exposure and SCRs. There has been no change in the structure of the panel or the ability to cancel and rewrite annually.

The Fitch-calculated financial leverage ratio for Lloyd's was a very low 1.8% at end-2024 (end-2023: 2.6%).

Financial Highlights

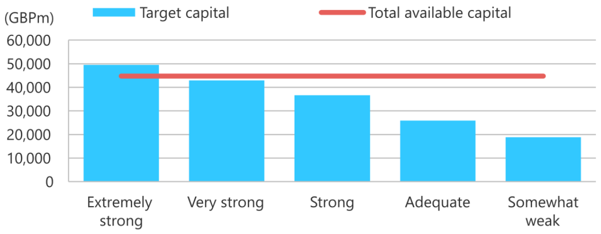
(x)	End-2024	End-2023
Net financial leverage (goodwill supported) (%)	1.8	2.6
Regulatory capital ratio (%)	435	503
Net written premium/capital	0.9	0.9
Net leverage	2.6	2.5
Gross leverage	3.6	3.5

Source: Fitch Ratings, company data

Fitch's Expectations

- Capitalisation to remain very strong given Lloyd's unique recapitalisation mechanism as well as the central fund cover available.
- Regulatory solvency ratios to be resilient following the implementation of the central fund cover, which aims to reduce the volatility of the central SCR coverage.
- Financial leverage is likely to decrease further as subordinated debt is repaid.

Capitalisation Adequacy
Prism Global



Source: Fitch Ratings

Financial Highlights

	2024	2023
Prism score	Very Strong	Very Strong
Prism total AC (GBPm)	44,729	44,225
Prism AC/TC at Prism score (%)	104	109
Prism AC/TC at higher Prism score (%)	90	95

AC – available capital, TC – target capital
Note: Reported on a yearly basis.
Source: Fitch Ratings

Debt Service Capabilities and Financial Flexibility

Very Strong Financial Flexibility

Lloyd's maintains very strong financial flexibility, with various options available to raise capital when required, including member calls, central fund contributions, the requirement of additional capital on top of the economic capital assessment (ECA), charging a premium levy, and raising additional subordinated debt.

Fitch also expects Lloyd's to maintain a strong ability to cover its debt servicing requirements in the medium term. The fixed-charge coverage including unrealised gains and losses was 264x at end-2024 (end-2023: 292x) due to strong underwriting and investment returns and low debt levels. Fitch expects the ratio to remain at a very strong level in 2025 and 2026.

In a going-concern scenario, Lloyd's has several options available for the repayment of principal and interest, as it has complete discretion on the use of the central fund. If necessary, Lloyd's could increase members' contributions, impose a premium levy (as it has previously), or use the callable layer. All these mechanisms could be used to pay the interest on the debt.

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Financial Highlights

(x)	End-2024	End-2023
Fixed-charge coverage ratio (including realised and unrealised gains)	263.5	291.8
Fixed-charge coverage ratio (excluding realised and unrealised gains)	242.9	252.4

Source: Fitch Ratings, company data

Fitch's Expectations

- Lloyd's ability to service its low cost of debt obligations to remain strong, driven by consistent operating profits.

Financial Performance and Earnings

Underwriting Aids Strong Financial Performance

Lloyd's had profit of GBP9.6 billion in 2024 (2023: GBP10.7 billion). This was driven by both a strong underwriting performance and investment returns.

Underwriting performance remained very strong. Lloyd's underwriting profit was GBP5.3 billion in 2024 (2023: GBP5.9 billion), supported by low levels of major losses, favourable pricing conditions and performance remediation work since 2018. The net combined ratio remained very strong at 86.9% (2023: 84.0%; 2022: 91.9%), with major losses contributing 7.8% to the ratio (2023: 3.5%; 2022: 12.7%).

The oversight of market participants by the Markets business area has played a key role in improving the overall technical performance of the Lloyd's market, in Fitch's view. Since Markets was established in 2003, processes including business plan reviews and syndicate benchmarking have helped Markets and its syndicates improve aspects of underwriting, including pricing, reserving, claims management, risk-adjusted capital setting and catastrophe-modelling techniques.

Lloyd's risk-adjusted pricing stabilised in 2024, with 0.3% price growth, following five years of significant pricing improvements (2023: 7.2%; 2022: 7.7%; 2021: 10.9%; 2020: 10.8%; 2019: 5.4%). We believe favourable market conditions will continue to support the company's strong underwriting performance in 2025 despite macroeconomic and geopolitical uncertainties. We expect pricing to start to come down in 2025 but from a strong base.

Financial Highlights

(%)	End-2024	End-2023
Net income return on equity	21.0	30.0
Pretax operating profit return on equity	19.6	20.0
Net combined ratio	86.9	84.0
Operating ratio	76.6	73.6

Source: Fitch Ratings, company data

Fitch's Expectations

- Lloyd's to report strong underwriting results in 2025, as reflected in a combined ratio in the low-90s due to continued favourable pricing conditions.
- Growth in premiums to slow given potential rate reductions.
- Investment returns to remain strong in 2025 due to favourable reinvestment yields on core portfolio.

Investment and Asset Risk

Low Investment and Asset Risk

Fitch views Lloyd's investment and asset risk as low and liquidity as strong. The investment portfolio remains stable and low-risk, made up of high-quality, short-duration assets that are mainly bonds and cash. Lloyd's takes moderately more risk with central fund assets and is gradually re-risking the portfolio, following the substantial derisking of the central fund in 2020.

Premium trust funds are the first resource for paying policyholder claims from a syndicate. Investments are held in liquid, short-duration, high-quality assets, with 97% of assets invested in bonds or cash.

Funds at Lloyd's represent the second layer of capital provided by members to support their underwriting. The capital is held in trusts as readily realisable assets. Letters of credit (LOCs) remain a significant proportion of assets within funds at Lloyd's but the proportion has decreased in recent years. Fitch considers the pool of banks providing LOCs to Lloyd's as well diversified with strong ratings.

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Central fund assets are the third level of security at Lloyd's and are available at the discretion of the Council of Lloyd's to meet any valid claim that cannot be met by the resources of any member.

Financial Highlights

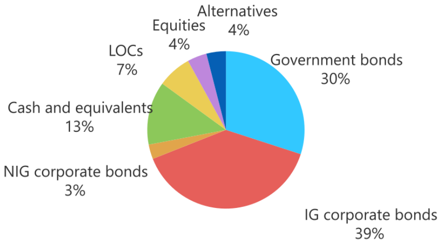
(%)	End-2024	End-2023
Risky assets/capital[a]	37.0	33.4
Unaffiliated shares/capital	34.1	30.0
Investments in affiliates/capital	—	—
Non-investment-grade bonds/capital	2.9	0.0
Liquid assets/loss reserves (non-life)	160.6	171.3

[a]Including sovereign exposure after loss sharing.
Source: Fitch Ratings, company data

Fitch's Expectations

- The investment profile and strategy to remain stable and conservative in the near term.

Investment Split
2024



Source: Fitch Ratings, company data

Reserve Adequacy

Strong Reserve Adequacy

Fitch considers the market's reserving practices to be prudent and supportive of Lloyd's rating. For any large losses, Lloyd's employs a probability-weighted approach, allowing it to recognise the uncertainty early in the process. Prudent reserving practices are supported by continued reserve releases. The market-level surplus in the held reserves over the best estimate increased to 8.6% at end-2024 (end-2023: 8.0%), with a further central reserve margin increasing the overall margin held to 9.4% (end-2023: 8.9%). The level of surplus reported by the market is reinforced by an independent review of reserves and also by the level of surplus estimated by Lloyd's.

Lloyd's had reserve releases of 2.4% in 2024 (2023: 2.2%), driven by favourable claims experience across several lines of business including property lines and casualty lines such as cyber and directors' and officers' liability. This was partially offset by strengthening in casualty reinsurance due to increased uncertainty in relation to claims inflation, and in aviation due to losses related to the Ukraine/Russia conflict.

Reserving is an important credit factor for Lloyd's given its reserve leverage, with a net loss reserves/incurred losses ratio of 2.6x in 2024 (2023: 2.8x). Fitch monitors reserve and related exposure growth by checking the ratio of paid/incurred losses and the change in loss reserves/earned premium growth. Loss reserves have grown in line with underwriting exposures in most years.

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Financial Highlights

(x)	End-2024	End-2023
Reserve development/prior-year capital	-2.2	-2.1
Reserve development/prior-year loss reserve	-1.9	-1.6
Net technical reserves/net written premiums (%)	187.7	180.0
Net loss reserves/incurred losses	2.6	2.8

Source: Fitch Ratings, company data

Reinsurance, Risk Mitigation and Catastrophe Risk

High but Manageable Exposure to Catastrophe Risk

Fitch considers Lloyd's to have high exposure to catastrophe risk, particularly in relation to the US and cyber risks, despite reducing its catastrophe risk appetite since 2018. Strong oversight provided by Lloyd's helps to mitigate these risks. Fitch assesses the development of the risk-adjusted catastrophe-exposure levels compared to its stated risk appetite and to its peers.

The unique structure at Lloyd's assists in overseeing and managing risks at the corporation level, in addition to establishing guidelines, control functions and monitoring at the market level. Lloyd's has two key governance forums: the executive risk and council risk committees. The exposure management function at Lloyd's is part of Markets and has grown significantly in recent years. It is responsible for the modelling and monitoring of market and corporation exposure to catastrophe risks. Catastrophe risk is modelled at the member and society level, with analysis supplemented by a set of deterministic scenarios, which relate to specific catastrophe-event scenarios. Syndicates are required to consider additional scenarios, should the Lloyd's realistic disaster scenarios be inappropriate for their specific business profile.

Reinsurance recoverables on Lloyd's balance sheet are of good credit quality, with most rated 'A' or above at end-2024. Reinsurance recoverables as a percentage of equity were moderate and supportive of the rating.

Financial Highlights

(%)	End-2024	End-2023
Reinsurance recoverables/capital	70.9	70.0
Net written premiums/gross written premiums	76.6	80.0
Reinsurers' share of earned premiums	23.6	30.0

Source: Fitch Ratings, company data

Appendix A: Peer Analysis

Peer Comparison

Click here for a report that shows a comparative peer analysis of key rating driver scoring.

Appendix B: Industry Profile and Operating Environment

Industry Profile and Operating Environment (IPOE)

Click here for a link to a report that summarises the main factors driving the above IPOE score.

Appendix C: Other Rating Considerations

Below is a summary of additional ratings considerations that are part of Fitch's *Insurance Rating Criteria*.

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Group Insurance Financial Strength (IFS) Rating Approach

The Lloyd's insurance entities listed below are rated on a group approach, with all entities considered as core.

Name	Type	Rating	Outlook
Lloyd's Insurance Company SA	IFS	AA-	Stable
Lloyd's Insurance Company (China) Limited	IFS	AA-	Stable
The Society of Lloyd's	Long-Term IDR	A+	Stable
Subordinated debt	Long-Term Rating	A-	

Source: Fitch Ratings, Lloyd's of London

Notching

For notching purposes, Fitch assesses the UK regulatory environment as being 'Effective' and classified as following a group solvency approach.

The unique corporate structure of Lloyd's, as a marketplace rather than a corporation, makes reference to operating and holding companies inappropriate. A description of how the respective ratings of Lloyd's entities were reached is provided below.

Notching Summary

IFS Ratings

Due to the existence of policyholder priority, a baseline recovery assumption of 'Good' applies to the IFS rating, and Fitch used standard notching from the implied IDR. The insurance policies issued by Lloyd's are supported by a chain of security that includes Lloyd's premium trust funds, members' funds at Lloyd's and the central fund. The central fund and central assets of The Society of Lloyd's, a legal entity distinct from the members of Lloyd's, provide partial mutuality to the Lloyd's market. It is this mutuality that enables Fitch to assign an IFS rating to Lloyd's rather than to individual syndicates.

IDR Ratings

The Society of Lloyd's IDR is linked to the IFS rating assigned to Lloyd's. It has no legal liability for the insurance liabilities of members other than where it has issued an undertaking. Undertakings are liabilities of the society, and constitute unsecured obligations ranking pari passu with other senior unsecured liabilities. Fitch has therefore aligned The Society of Lloyd's IDR with the implied IDR of Lloyd's. Standard notching was applied between the implied insurance operating company and holding company IDRs for a group solvency regulatory environment.

Hybrids

For subordinated debt ratings of The Society of Lloyd's, a baseline recovery assumption of 'Below Average' and a non-performance risk assessment of 'Moderate' were used. Notching of minus two was applied relative to the IDR, which was based on minus one for recovery and minus one for non-performance risk.

IFS – Issuer Financial Strength. IDR – Issuer Default Rating
Source: Fitch Ratings

Short-Term Ratings

Not applicable.

Hybrids Treatment

Hybrid	Amount	CAR Fitch (%)	CAR reg. override (%)	FLR debt (%)
The Society of Lloyd's				
XS1558089261	GBP300m	0	100	100

CAR – Capitalisation ratio. FLR – Financial leverage ratio.
For CAR, % shows portion of hybrid value included as available capital, both before (Fitch %) and the regulatory override. For FLR, % shows portion of hybrid value included as debt in numerator of leverage ratio.
Source: Fitch Ratings

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Recovery Analysis and Recovery Ratings

Not applicable.

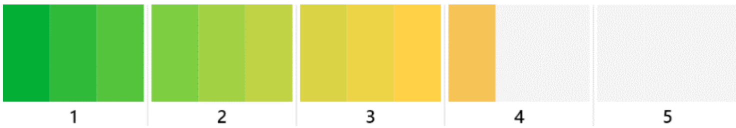
Transfer and Convertibility Risk (Country Ceiling)

None.

Criteria Variations

None.

Appendix D: Environmental, Social and Governance Considerations



Environmental Relevance Scores

General issues	Score	Sector-specific issues	Reference
GHG Emissions & Air Quality	1	n.a.	n.a.
Energy Management	1	n.a.	n.a.
Water & Wastewater Management	1	n.a.	n.a.
Waste & Hazardous Materials Management; Ecological Impacts	2	Underwriting/reserving exposed to asbestos/hazardous materials risks	Capitalization & Leverage; Financial Performance & Earnings; Reserve Adequacy; Reinsurance, Risk Mitigation & Catastrophe Risk
Exposure to Environmental Impacts	4	Underwriting/reserving exposed to environmental and natural catastrophe risks; impact of catastrophes on own operations or asset quality; credit concentrations	Capitalization & Leverage; Financial Performance & Earnings; Reserve Adequacy; Reinsurance, Risk Mitigation & Catastrophe Risk; Investment and Asset Risk

Social Relevance Scores

General issues	Score	Sector-specific issues	Reference
Human Rights, Community Relations, Access & Affordability	1	n.a.	n.a.
Customer Welfare - Fair Messaging, Privacy & Data Security	3	Compliance risk; treating customers fairly; pricing transparency; privacy/data security; legal/regulatory fines; exposure to insured and own cyber risk	Industry Profile & Operating Environment; Company Profile; Reserve Adequacy
Labor Relations & Practices	2	Impact of labor negotiations, including board/employee compensation and composition	Company Profile
Employee Wellbeing	1	n.a.	n.a.
Exposure to Social Impacts	3	Social responsibility and its effect on brand strength; increased vulnerability due to credit concentrations	Company Profile; Investment and Asset Risk; Financial Performance & Earnings; Reinsurance, Risk Mitigation & Catastrophe Risk

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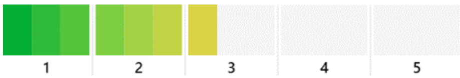
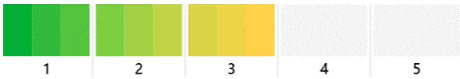


Governance Relevance Scores

General issues	Score	Sector-specific issues	Reference
Management Strategy	3	Operational implementation of strategy	Company Profile
Governance Structure	3	Board independence and effectiveness; ownership concentration; protection of creditor/stakeholder rights; legal /compliance risks; business continuity; key person risk; related party transactions	Company Profile
Group Structure	3	Organizational structure; appropriateness relative to business model; opacity; intra-group dynamics; ownership	Company Profile; Ownership
Financial Transparency	3	Quality and timing of financial reporting and auditing processes	Company Profile



ESG Scoring

ESG relevance scores range from '1' to '5' based on a 15-level color gradation. Red (5) is most relevant to the credit rating and green (1) is least relevant.

The Environmental (E), Social (S) and Governance (G) tables break out the general and the sector-specific issues that are most relevant to each industry group. Relevance scores are assigned to each sector-specific issue, signaling the credit relevance of the sector-specific issues to an issuer's overall credit rating. The Reference column highlights the factor(s) within which the corresponding ESG issues are captured in Fitch's credit analysis.

The panels underneath the relevance scores tables are visualizations of the frequency of occurrence of the highest ESG relevance scores across the combined E, S and G categories. The Score columns summarize rating relevance and impact to credit from ESG issues. The column on the far left identifies any ESG relevance sub-factor issues that are drivers or potential drivers of an issuer's credit rating (corresponding with scores of '3', '4' or '5'). All scores of '4' and '5' are assumed to reflect a negative impact unless indicated with a '+' sign for positive impact.

Classification of ESG issues has been developed from Fitch's sector ratings criteria. The general and sector-specific issues draw on the classification standards published by the UN Principles for Responsible Investing, the Sustainability Accounting Standards Board and the World Bank.

Credit-Relevant ESG Scale

	5	Highly relevant, a key rating driver that has a significant impact on the rating on an individual basis. Equivalent to 'Higher' relative importance within the Navigator.
	4	Relevant to rating, not a key rating driver but has an impact on the rating in combination with other factors. Equivalent to 'Moderate' relative importance within the Navigator.
	3	Minimally relevant to rating, either very low impact or actively managed in a way that results in no impact on the entity rating. Equivalent to 'Lower' relative importance within the Navigator.
	2	Irrelevant to the entity rating but relevant to the sector.
	1	Irrelevant to the entity rating and irrelevant to the sector.

Appendix E: Glossary

Central Fund

The fund financed by (among other things) contributions from Lloyd's members, and administered by the council mainly as a fund for the protection of policyholders.

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Corporation of Lloyd's

This comprises the executive of the Council of Lloyd's, the Lloyd's franchise board and their respective committees. The corporation does not underwrite insurance or reinsurance itself, but provides the licences and other facilities that enable business to be underwritten worldwide by managing agents acting on behalf of members.

Coverholder

A company or partnership authorised by a managing agent to enter into a contract or contracts of insurance to be underwritten by the members of a syndicate managed by it, in accordance with the terms of a binding authority.

Members' Agent

An underwriting agent that has permission from Lloyd's to be appointed by a member to provide services and perform duties of the same kind and nature as those set out in the standard members' agent agreement. These services and duties include advising the member on which syndicates he should participate in, the level of participation in such syndicates, and liaising with the member's managing agents.

Underwriting Syndicates

Syndicates are the vehicles used to underwrite insurance. They are not legal entities, and are unique to the Lloyd's insurance market. Syndicates can be made up of a number of members or – as is becoming more common – just one corporate member.

Syndicates are run by managing agents, which are authorised and regulated legal entities. Managing agents' responsibilities are wide-ranging; they create and implement the syndicate's business plan, employ the underwriters that write the business, and process claims. Managing agents are required to report financial results quarterly for their syndicates to Lloyd's and to submit business plans annually, or more regularly if they change.

Risk-Based Approach to Setting Member and Central Capital

The Lloyd's ECA at the member level is set at 135% of the syndicates' solvency capital requirement with an ultimate time limit. This percentage has not changed since 2006. Lloyd's reviews each syndicate's solvency capital requirement in detail and requires additional capital loading if it considers that the syndicate's business plan exposes the central fund to additional risk.

All members are required to recapitalise, should the ECA that is available to any individual member fall below its required level due to a change in the underlying risk profile or an erosion of funds due to losses. This process ensures that no member poses a significant threat to the central capital of Lloyd's at any given time. In cases where Lloyd's deems business underwritten within the market as too risky, it can request from the sponsoring parent (or the member) a full financial guarantee. In these cases, should losses exceed the ECA held, the additional capital required to make good the losses is taken directly from the capital provider, while the central fund remains untouched.

Ratings

Lloyd's of London

Insurer Financial Strength	AA-
Subsidiaries	
Long-Term IDR	A+
Note: See additional ratings on page 9.	
Outlooks	
Insurer Financial Strength	Stable
Long-Term IDR	Stable
Debt Rating	
Subordinated Long-Term Rating	A-

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Financial Data

Lloyd's of London

(GBPm)	2024	2023
Total assets	143,319	133,291
Total equity and reserves	46,851	44,665
Total gross written premiums	55,546	52,149
Net combined ratio (%)	86.9	84.0
Net income	9,626	10,663

Source: Fitch Ratings, company data

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Applicable Criteria

Insurance Rating Criteria (March 2024)

Related Research

European Insurance Outlook 2025 (December 2024)

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