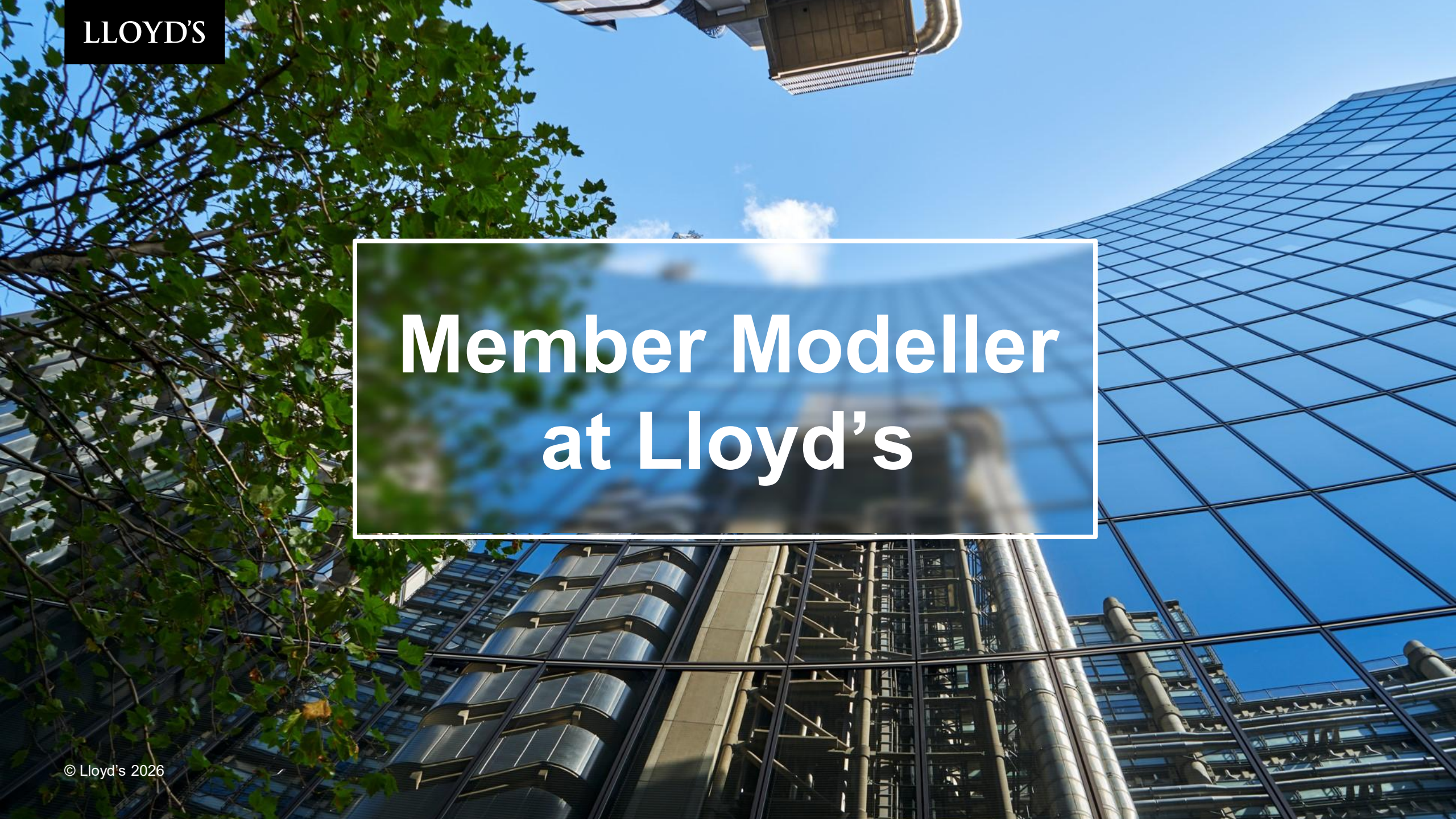



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# Contents


- What is the Member Modeller
- Benefits of the Member Modeller
- Member Modeller in action
- Accessing the Member Modeller
- Capital Modelling Across Lloyd's

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# What is the Member Modeller

**The Member Modeller is a tool that utilises Lloyd's Internal Model (LIM) to calculate a members capital requirement**



## 1. INPUTS

Syndicate Capital Calculations
*Captured from syndicate submissions*

A Members Participation
*Entered by the member*



## 2. MEMBER MODELLER
*using the LIM*

Simulates all the inputs 100,000 times to understand the volatility of a member's portfolio

It then takes the 99,500th worst simulation (1/200)



## 3. THE MEMBERS CAPITAL REQUIREMENT

Diversified across:
Syndicate Exposures &
Years of Account

**What is the Lloyd's internal model (LIM)?**
The LIM is a PRA approved capital model capable of modelling risk interactions across the entire Lloyd's marketplace.

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# Capital Benefits of Writing Business in Lloyd's

01

## Capital benefit

Members receive a **diversification benefit** in their capital requirement, calculated **across syndicate exposures** and **across year of account**.

**30%**

**Average diversification benefit**

between syndicates, for members participating on more than one syndicate

02

## Visibility benefit

Members can, via the Member Modeller, **test syndicate participation scenarios before investing**.
Brokers and agents can use the outputs to support client decision making.

Model — Discuss — Decide

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# Member Modeller in action

## How the Member Modeller works

**1 Simulate**
100,000 scenarios per syndicate and YoA.

**2 Calibrate**
Aligns each 1-in-200 outcome to SCR.

**3 Apply participations**
Apply member shares across syndicates.

**4 Aggregate**
The 99,500th Worst combined outcome sets ECA.

## Illustrative simulation results (10 scenarios)

-ve = loss

| Simulation | Syndicate A YoA 2025 | Syndicate A YoA 2026 | Syndicate B YoA 2026 | Combined portfolio (Member outcome) |
|---|---|---|---|---|
| Sim. 1 | 41 | 88 | -8 | 121 |
| Sim. 2 | **-88** | 86 | -18 | -20 |
| Sim. 3 | 64 | 88 | 75 | 226 |
| Sim. 4 | -84 | 31 | 38 | -16 |
| Sim. 5 | 85 | -84 | **-68** | -67 |
| Sim. 6 | 14 | -64 | 26 | -24 |
| Sim. 7 | -4 | -81 | -64 | **-149** |
| Sim. 8 | -34 | **-94** | -5 | -133 |
| Sim. 9 | 13 | 77 | 19 | 109 |
| Sim. 10 | 49 | 42 | -24 | 67 |

## Diversification summary

| | |
|---|---|
| Sum of individual worst outcomes | 249 |
| Member Modeller outcome | 149 |
| Diversification benefit | 100 |

The Member Modeller uses a full stochastic model, following the PRA Rulebook, to assess risk across syndicates and years of account, giving members confidence that their diversified capital requirement reflects their overall portfolio.

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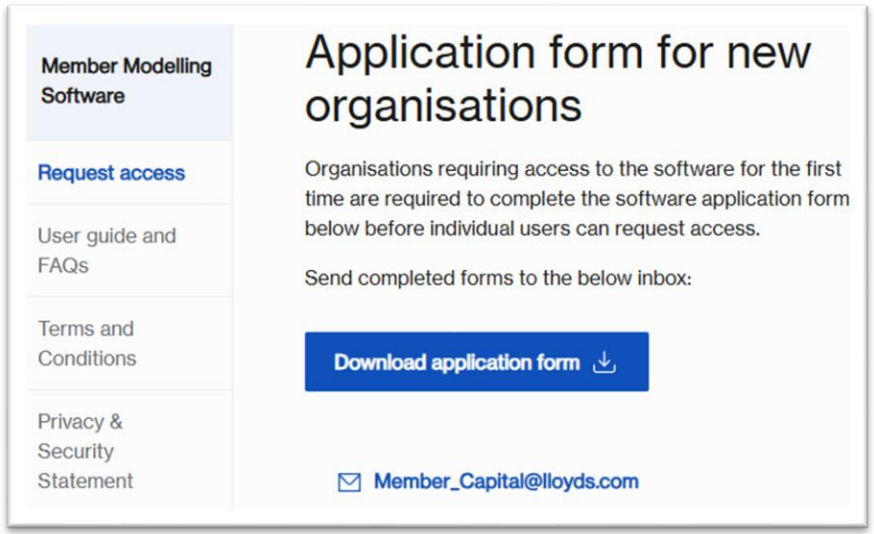
# Accessing the Member modeller

Members and their advisers can follow a simple three-step journey from requesting access to using the modeller's key features

1

## Register for access

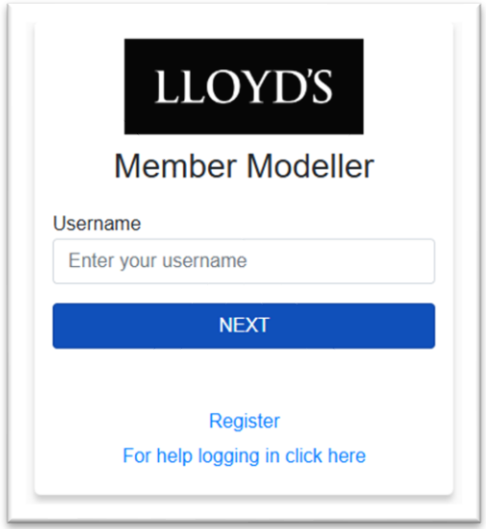
Complete the application form




2

## Log in via the portal

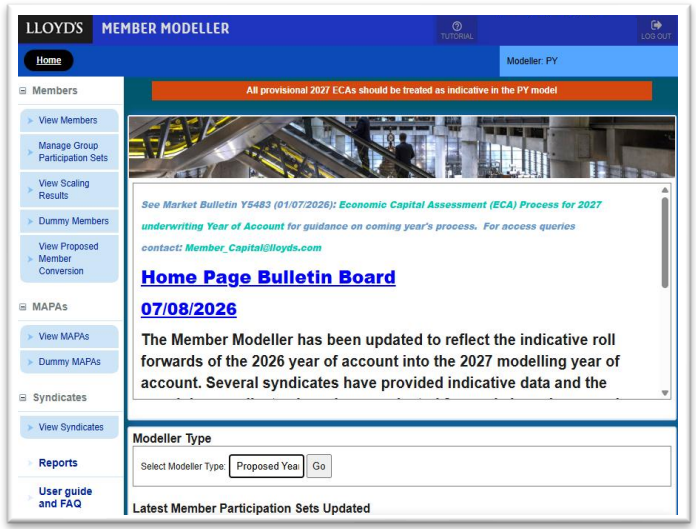
Sign in to the Member Modeller portal on Lloyd's website.




3

## Follow the tutorials

Use the tutorials to explore the Member Modeller and its key features.




## What users can do inside

- View current position
- Model participation scenarios
- Review undiversified ECA
- See diversification credit and final ECA
- Analyse currency and class of business exposure

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# Capital Modelling Across Lloyd's

Three levels of capital modelling work together to deliver Lloyd's robust, market wide capital framework.

| | | | | |
|---|---|---|---|---|
| 01 | **Syndicate Capital Modelling**<br>Models the risk and capital requirements at the individual syndicate level. | **Who:**<br>**Syndicates** | **Input:**<br>Syndicate exposure data | **Output:**<br>Syndicate capital submissions |
| 02 | **Member Modeller**<br>Aggregates syndicate submissions (post Lloyd's approval) and member participations to calculate capital requirements at member level. | **Who:**<br>**Lloyd's** | **Input:**<br>Syndicate capital submissions & member participations | **Output:**<br>Members capital requirements |
| 03 | **Lloyd's Internal Model (LIM)**<br>Models the Lloyd's market on a consolidated basis to determine the marketwide and central solvency requirements. | **Who:**<br>**Lloyd's** | **Input:**<br>Syndicate capital submissions | **Output:**<br>Lloyd's market and central solvency requirements. |

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