

# Guidance for 2025 Principles Board Attestation

**December 2024**

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## The Principles for doing business at Lloyd's

The Principles for doing business at Lloyd's ("the Principles") are at the heart of our Oversight Framework and set out the fundamental responsibilities expected of all managing agents in order to support the markets' overall performance, capital strength, financial and reputational credibility. The Principles provide a clear and consistent articulation of the outcomes expected by all Lloyd's syndicates and managing agents, and also recognise that different syndicates and managing agents will deliver against the Principles in many different ways.

The Principles are supported by guidance in the form of a Maturity Matrix, which is split into the following Expected Maturity levels:

- Foundational (reflects the maturity expectations for the lowest materiality)
- Intermediate
- Established
- Advanced (reflects maturity expectations for the highest materiality)

The Principles focus on outcomes, rather than requirements, and it is against the outcomes that an assessment should be made. The guidance provided within the Maturity Matrix provides examples and suggestions of how a particular maturity level may be met, but this is not a checklist.

## The Principles Board Attestation

The Principles Board Attestation ("the Attestation") is an annual process, providing a formal opportunity to share and agree Principle and sub-principle ratings between managing agents and Lloyd's. The Attestation has previously been timed to allow managing agents to resolve any identified issues, prior to Business and Capital Planning. However, we are now providing greater flexibility in submission date to allow managing agents to time the process to suit their own requirements. Further detail on this change can be found on page 5.

Lloyd's expects managing agents to maintain a robust process to support the statements made in the Attestation. Managing agents should conduct an exercise to assess themselves against the Principles, considering not only a qualitative view but also what quantitative data is available to support the assessment. Importantly, the internal assessment conducted should help the managing agent identify whether or not the outcome of the Principles are being achieved – and it is against this premise that Attestations will be reviewed by Lloyd's.

Managing agents will need to decide what level of detail is required for them to conduct the Attestation. This will be unique to each managing agent. We would expect more consideration and discussion to be required on the areas which are most material to the syndicate or managing agent, or where changes have been implemented since the previous submission.

Boards and senior management will need to engage with the Principles and the outcomes that they set out to achieve at the highest level, and not regard them as activities that can be delegated to compliance.

## Completing the Attestation

### Submission template

A single template will be issued to each managing agent, regardless of the number of syndicates managed. The template comprises the following which must all be completed:

- An Attestation cover sheet
- Individual worksheets for each syndicate, covering syndicate-level Principles
- A single worksheet for managing agent-level Principles

<b>Syndicate Level Principles</b>	<b>Managing agent level Principles</b>
Underwriting Profitability	Claims Management
Legacy Reinsurance Underwriting Profitability ( <i>RITC syndicates only</i> )	Customer Outcomes
Catastrophe Exposure – Natural Catastrophe	Governance, Risk Management and Reporting
Catastrophe Exposure – Non-Natural Catastrophe	Regulatory and Financial Crime
Outwards Reinsurance	Operational Resilience
Reserving	Culture
Capital	
Investments	
Liquidity	

Note that the syndicate-level Principles are those where Lloyd’s oversight teams generally conduct their oversight at syndicate level and where different syndicates for the same managing agent can have different expected maturity levels (and assessed maturity / dimension ratings) for the same Principles.

Managing agent-level Principles are those where Lloyd’s oversight teams generally conduct their oversight at managing agent level and where there is a single expected maturity level (and assessed maturity / dimension rating) for the whole managing agent for each Principle, regardless of the number of syndicates managed.

A submission is required for each syndicate, whether active, in run-off, SPA (Special Purpose Arrangement), RITC (Reinsurance to Close) or SIAB (Syndicate-in-a-box).

### Assessed Maturity

Managing agents should record their assessed maturity level against each overall Principle and its sub-principles. This is done by selecting the relevant maturity level in the “Managing Agent Assessment of Maturity” column of the submission template.

The Attestation template allows only valid Assessed Maturity levels to be selected. For example, Investments does not have guidance at Intermediate and this level therefore cannot be selected.

- Meeting expected maturity level: Where the managing agent considers that it meets the expected level of maturity it should select the same value as the expected maturity.

- **Exceeding expected maturity level:** It is possible to select an assessed maturity above the expected level, if the managing agent believes it is meeting the higher level. However, there is no additional benefit to the managing agent by doing so, either in the Syndicate Category or any other area. Where a managing agent's strategy aligns with a higher expected maturity (for example, if it is due to go through a merger or acquisition) this can be used to demonstrate to Lloyd's the higher capability. It should be noted that Lloyd's is unlikely to align to the higher rating of Assessed Maturity selected by the syndicate, unless information has already been reviewed to support this capability. This is particularly as the level of Lloyd's oversight is commensurate with the risk and consequently, the depth of information collected for this syndicate may not have aligned with the proposed higher maturity.
- **Below expected maturity level:** Where the managing agent considers that it does not meet the expected level of maturity it should select an appropriate maturity level below the expected maturity value. This may be one or more levels below, including Below Foundational (the lowest possible assessment).

Where we believe there is no differentiation between different maturity levels the Maturity Matrix specifies there is no incremental guidance, e.g. "no guidance at Advanced". Where this is the case, the managing agent should nevertheless confirm that they meet their expected maturity. For example, in the case of a managing agent with an expected maturity of Advanced, a confirmed assessed maturity of Advanced should be provided on the Attestation, even if the Maturity Matrix only sets out guidance up to the Established level for a particular sub-principle.

In a small number of cases a Principle may not apply to a specific syndicate. This is only likely to be relevant for certain Principles (for example, the Outwards Reinsurance Principle may not apply where a syndicate does not buy reinsurance), for RITC or run-off syndicates and other rare exceptions. Where this is the case the Attestation template will be pre-populated by Lloyd's as Not Applicable ("N/A"). Managing agents are not required to complete any rating or commentary against Principles deemed Not Applicable by Lloyd's.

If managing agents believe their expected maturity should be Not Applicable (rather than Advanced, Established etc) for a particular Principle, the rationale behind this should be clearly explained in the commentary box and the "Managing Agent Assessment of Maturity" column should be marked as "Not Applicable".

## Supporting Commentary

Assessments must be supported by concise, outcomes-focused rationale. Whilst processes and procedures may be referenced to provide context, the supporting commentary should not simply be a long list of these. A structure to help you provide adequate supporting commentary is as follows:

1. Provide some context on your assessment.
2. Outline why you are satisfied that the managing agent / syndicate is at the rating outlined against "Managing Agent Assessment of Maturity".
3. Provide an example of how you have demonstrated the outcome of the Principle / sub-principle (e.g. what is the result from your efforts and how does this support the Principle / sub-principle?)
4. Where your assessment is that the expected maturity has not been met, the commentary must set out the planned remediation and appropriate timescales.

To help managing agents with completion of the Attestation we have summarised some good examples of outcomes-based commentary from previous submissions. This is available the [Attestation page on Lloyds.com](#). In January 2025, this will be updated to reflect the upcoming Principles Board Attestation Report – which aims to distil the discussions and learnings on the 2024 Attestations process, created in conjunction with the conversations that the Market Oversight Director has been having with all Managing Agents across Lloyd's.

## Submission process and deadline

A template for the Attestation for each managing agent has been uploaded by Lloyd's to every managing agent's SecureShare site within the Market Oversight Documents section, in a sub folder "Principles Attestation".

The template includes the expected maturity against each of the Principles as determined by the level of materiality of the syndicate and managing agent. This is consistent with what has already been communicated in 2025 Oversight Letters. If the levels of expected maturity do not align with your expectations this should be discussed with your Account Manager.

A sample of the template is included in the Appendix.

**Managing agents are required to download this template from SecureShare within 30 days** of Lloyd's uploading it (after which point it will be automatically deleted in accordance with SecureShare protocols).

The file should be saved and worked on within managing agent's own systems and uploaded to SecureShare within the same folder once complete.

The template does not allow columns or rows to be added, as this impacts Lloyd's ability to manage the review process effectively.

## Submission deadline

In 2025 we are implementing a flexible approach to submission of the Attestation. Previously this has been required at the end of March. However, managing agents may now choose a more appropriate deadline for them, in alignment with their business. Where there is a large period of time between the last Attestation received and the proposed managing agent deadline some engagement / additional information may be necessary to provide to Lloyd's, to bridge that gap.

This level of flexibility has been introduced to complement the principles-based approach to oversight and, to recognise that Attestations are one part of the overall toolkit used by Lloyd's.

Managing agents are required to either submit by 31 March, or to tell us ([oversight.framework@lloyds.com](mailto:oversight.framework@lloyds.com)), by 31 January of their proposed submission date. Submissions received after either 31 March or a self-selected submission date will be considered as late.

Further information about SecureShare is available on [Lloyds.com](https://lloyds.com).

[Go to the SecureShare page on lloyds.com](#)

## What does Lloyd's do with the submissions?

The Attestation is a key document used by Lloyd's and provides a rich source of information, to support Lloyd's knowledge of the individual managing agent / syndicate.

On receipt of the Attestations, Lloyd's Oversight Framework team will perform initial validation checks. Managing agents will be asked to resubmit if any obvious errors or omissions are found (including insufficient outcomes-based rationale). Templates submitted to Lloyd's with any changes to the original format or structure will require resubmission.

Lloyd's oversight teams will review the maturity assessments and commentary for their relevant Principles, to help inform their views and may require further clarification as necessary.

Account Managers will furthermore review Attestations to provide an overall judgment on the quality and content of this, reflecting particularly on whether or not the Attestation is sufficiently outcomes-focused.

Queries or feedback will generally be managed by Lloyd's Account Managers to minimise any potential duplication of similar queries and to ensure the Account Managers are aware of potential concerns. In some cases, queries or feedback may come directly from oversight teams.

Any uncertainties from either Lloyd's or managing agents will be clarified, after which an agreed position against each Principle will be confirmed. Discussions will include the consideration of the adequacy of any plans provided to address identified gaps.

Feedback will be provided where necessary to managing agents.

There may be cases where Lloyd's and the managing agent do not agree on a Principle or sub-principle rating. Both views will be available to Lloyd's teams. It is always the Lloyd's view which is used in the calculation of the syndicate category and in any other oversight decisions.

## Contact

Any questions should be sent to [oversight.framework@lloyds.com](mailto:oversight.framework@lloyds.com) in the first instance. Account Managers and contacts within Lloyd's oversight teams may be included in any queries.

## Appendix

Submission template sample

**Lloyd's Principles for Doing Business - Board Attestation**

Managing Agent	Managing Agent Limited
Syndicate Number	1234
Date shared with Board	12/03/2024
Main contact for queries	<a href="mailto:contact@managingagent.com">contact@managingagent.com</a>

Principle	Expected Maturity	Managing Agent Assessment of Maturity	Commentary
<p><b>1. Underwriting Profitability</b>                      Managing agents should produce and execute syndicate business plans which are logical, realistic and achievable and ensure the delivery of a sustainable profit including expense management.</p> <p>To support this, managing agents should ensure their syndicates:</p>			
Sub Principle 1	Have a clear and robust medium to long term business strategy with clearly defined and understood underwriting risk appetite	Foundational	
Sub Principle 2	Develop and execute annual business plans which align with their business strategy	Foundational	
Sub Principle 3	Have underwriting controls, monitoring and reporting in place which are appropriate to their risk profile in order to deliver the agreed business plan	Foundational	
Sub Principle 4	Manage and control expenses in order to ensure they are appropriate for the business written	Foundational	
Sub Principle 5	Have robust portfolio management in place in order to deliver the agreed business plan	Foundational	
Sub Principle 6	Have an effective pricing framework in place in order to evaluate sustainable technical price, rate adequacy and deliver sustainable profit	Foundational	
Sub Principle 7	Have robust governance processes in place to support underwriting decision making, with underwriting assumptions clearly articulated and understood by stakeholders supported by proactive involvement and sufficient challenge by the wider functions	Foundational	
Sub Principle 8	Have processes in place to support decision making in relation to integrating sustainability into underwriting	Foundational	
<p><b>2a. Catastrophe Exposure - Natural Catastrophe</b>                      Managing agents should ensure syndicates maintain appropriate control of catastrophe risk (from natural perils) in line with business strategy.</p> <p>To support this, managing agents should ensure their syndicates:</p>			
Sub Principle 1	Manage catastrophe exposure in line with their agreed risk appetites and tolerances	Intermediate	
Sub Principle 2	Employ appropriate tools to support effective and efficient exposure data capture, management and use	Intermediate	

Sample