

Multinational at Lloyd's: Options for US business

Lloyd's has a unique licensing platform, with coverage across 200+ territories and direct licences in 80, that typically means business can be written on a single policy from London, reducing complexity as well as effort and cost of placement.

For US risks, there are two primary routes by which multinationals can access highly tailored, customised solutions in the non-admitted market via Lloyd's:

- Excess & surplus lines (E&S) market
- Exempt business – as independent procurement

There are different scenarios where each is appropriate in a multinational placement. See the descriptions on the right for more details.

As the largest provider of E&S coverage globally, Lloyd's has an unrivalled wealth of experience in this specialised field.

Non-admitted cover routes

Excess & surplus lines

Used for risks where the admitted market is unable to provide appropriate coverage, easily accessed for sophisticated insureds, known as 'exempt commercial purchasers'

Independent procurement

Independent procurement falls under 'exempt business' and is also used as an alternative to the admitted market, where an insured exerts their right to purchase cover from an unlicensed carrier

EXAMPLE SCENARIO:



A multinational with US exposure, with US involvement in the insurance purchasing process.



A multinational with US exposure, but without any US involvement in the insurance purchasing process.

STAKEHOLDERS INVOLVED:



- US based retail broker
- Surplus lines broker
- Lloyd's broker
- Managing agent



- London broker
- Managing agent

Lloyd's underwriters write \$3bn of multinational premium annually, underpinned by some core capabilities particularly tailored to serving customers in the mid-market space



Expert multinational knowledge and comprehensive tooling for tax and regulatory compliance.



World leading underwriting talent, writing all classes of business across 50+ distinct insurers.



Market shared services to facilitate payment of premium and claims, along with tax returns and payments globally across the subscription market.

Multinational at Lloyd's: The E&S solution for the US market

Tailored to multinationals with US exposure, with US involvement in insurance purchasing process.

The excess and surplus lines (E&S) market is frequently used for placing multinational business, offering customers more tailored coverage and can be easily accessed through Lloyd's.

Admitted insurance requires carriers to submit precise rates and forms with state regulators before providing coverage, often resulting in rigidity and a reduced capacity to provide bespoke solutions. In contrast, the E&S market provides flexibility, enabling the creation of customised coverage programmes tailored to unique risks and insureds' specific requirements, unconstrained by predefined parameters.

To access this market, business needs to be placed by a broker with an E&S licence in the home state of the placement. Typically, a 'diligent search' must be conducted, showing 3-5 declinations from licensed insurers, depending on state legislation.

However, insureds that qualify as exempt commercial purchasers (ECP) are not required to undergo diligent search, providing a smoother path to this more flexible coverage option. These more sophisticated purchasers are defined by specific criteria such as financial strength, net worth, annual revenues, type of risk management in place. For a comprehensive definition, see [Lloyd's Crystal](#).

Key benefits:

Greater flexibility in coverage options

—

Diligent search not required for ECP


—


Unparalleled expertise and knowledge of US market dynamics

Lloyd's is the largest E&S insurer in the world and has extensive expertise in US risks. Additionally, Lloyd's offers a unique global licensing platform, strong financial ratings and an internationally recognised brand.

The marketplace, with its 50+ distinct insurers, can assist you in underwriting even the most complex of risks.

Take advantage of our expertise
— connect with a multinational expert today.

 Multinational@Lloyds.com

 [Read the detail in Crystal](#)

Multinational at Lloyd's: US exempt business through independent procurement

Tailored to multinationals with US exposure, without US involvement in insurance purchasing process.

Conventional wisdom holds that admitted coverage is typically in an insured's best interest, with excess and surplus lines (E&S) paper as the preferred alternative when admitted coverage is unavailable. However, for multinational programmes with US exposure, which are negotiated from jurisdictions outside the US, it is possible to place insurance away from the admitted and E&S markets in a process known as independent procurement.

This offers advantages that can help better meet customer needs:

- Unlike admitted insurance, carriers are not required to file rates and forms in advance, allowing for much greater flexibility in tailoring coverage to specific insured needs.
- The administrative overheads of E&S are minimised, such as the diligent search process, significantly reducing the placement effort.
- A streamlined, more centralised process for programme procurement, potentially reducing cost of placement.

The independent procurement approach provides greater flexibility in customising coverage to individual needs by eliminating the need for pre-filed rates and forms, reducing administrative overhead, and potentially lowering the cost of placement.

Key benefits:

Greater flexibility in coverage options

—

Diligent search not required

—

Centralised and streamlined insurance purchase where the US entity is not involved in negotiating the placement

The Lloyd's marketplace, with its 50+ distinct insurers, can assist you in underwriting even the most complex of risks. Additionally, Lloyd's offers a unique global licensing platform, strong financial ratings and an internationally recognised brand.

Take advantage of our expertise

— connect with a multinational expert today.

✉ Multinational@Lloyds.com

📖 [Read the detail in Crystal](#)