

Evolving our New Entrants process

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Agenda

1. Your feedback and our solution

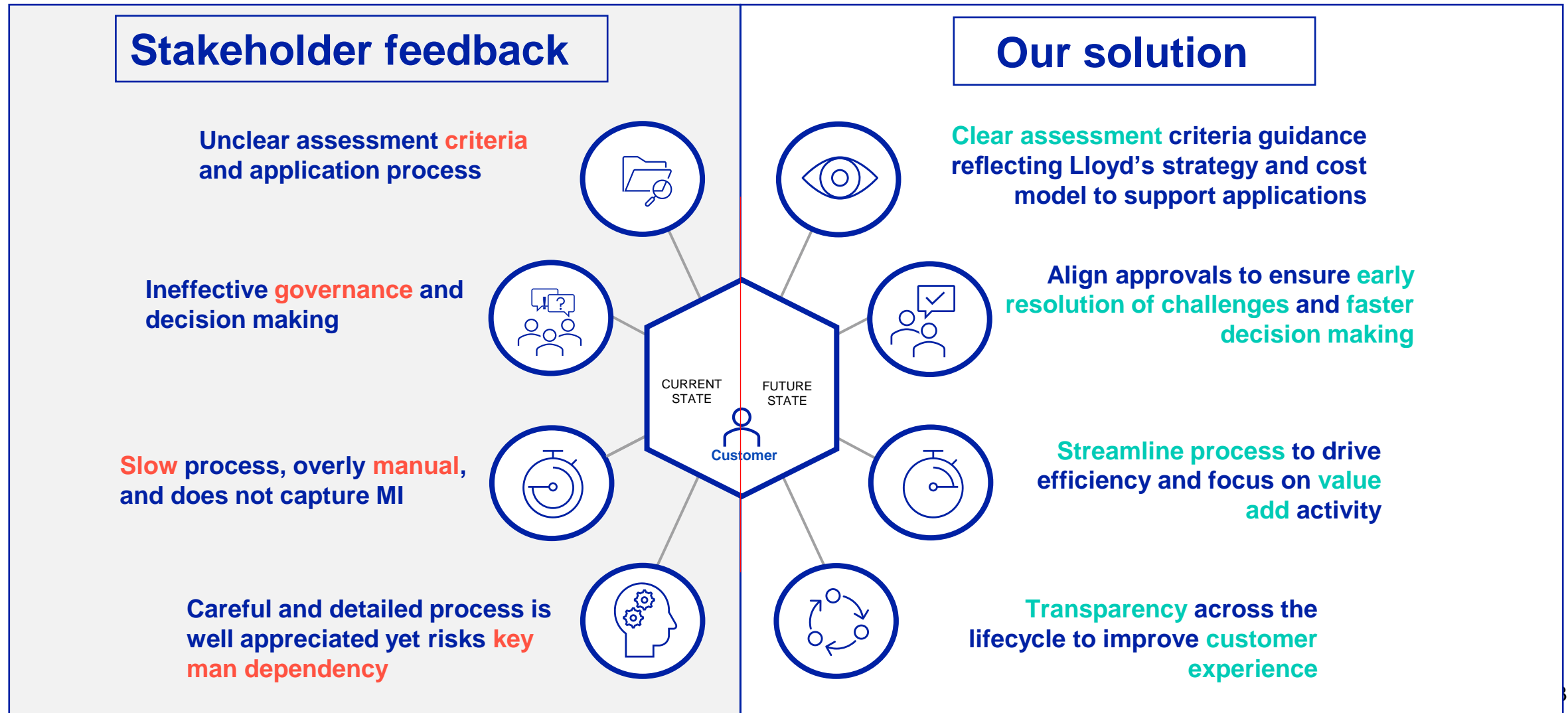
2. Clear and transparent criteria and appetite

3. Refreshed syndicate application process and guidance

4. Compare the options available for participating in the market

5. Q&A

The New Entrants process should be fast, responsive, transparent and deliver quickly on the best proposals



We aim to be clear and transparent on our New Entrant appetite and criteria



Clear plan of what business is to be written in Lloyd's, **why** Lloyd's is the right place to do it and how your approach **adds value** to the Lloyd's market as a whole



Realistic and **achievable** business plan, delivering a combined ratio of **95% or better** by the third year of operation



Experienced and competent leadership, demonstrably strong **technical skills**



Align with Lloyd's **Principles for doing business**



An approach to **ESG** and **Diversity & Inclusion** aligned with Lloyd's strategy

New Entrants are subject to the same oversight as existing market participants

Screenshot of the new entrant appetite document available on Lloyd's.com

Lloyd's welcomes applications to join our market as a new syndicate. New entrants are vital to our future success, bringing us high quality talent, capital and access to new business. New syndicates refresh our marketplace and help grow our relevance for brokers and clients around the world as their need for risk transfer solutions evolves. New entrants also support our efforts to diversify the market's exposures by risk and geography.

Lloyd's has high standards for those wishing to join the market; not every application is successful. We are looking for experienced, diverse professionals to lead and run any new business, demonstrably strong technical skills (e.g. pricing, exposure management), a credible and realistic business and financial plan, underpinned by stable capital.

We set out the application process and criteria in detail at www.lloyds.com. In summary, we seek proposals that include:

- A clear plan of what business is to be written in Lloyd's, why Lloyd's is the right place to do it and how your approach adds value to the Lloyd's market as a whole.
- A realistic and achievable business plan. In general, we would expect syndicates to have a credible expectation to deliver a calendar year combined ratio of 95% or better by year three and an underwriting year combined ratio of 95% or better by the third underwriting year of operation.
- A business that will align with Lloyd's [Principles of doing business](#), including plans to meet behaviours outlined in our culture [principals](#) and [targets](#), for example 35% women in leadership and 1 in 3 ethnic minority hiring ambition.
- A business with an ESG strategy that aligns with Lloyd's [ESG guidance](#), for example a commitment for net zero by 2050.
- Material retention of risk: a Lloyd's syndicate is not the right vehicle for fronting business.

How can you participate in the Lloyd's market as a syndicate?

	Special Purpose Arrangement (SPA)	Syndicate in a box (SIAB)	Captive syndicate	Syndicate
What do I want to achieve?	"I want to partner with an existing syndicate to develop my business."	"I want to test a new and innovative business at Lloyd's."	"I want to underwrite my own risks, or risks that I partially control, at Lloyd's."	"I want to establish a Lloyd's underwriting business leveraging my resources, distribution and capital."
What is it and why is this the right vehicle for me?	A syndicate that provides reinsurance capacity to an existing syndicate.	An opportunity to establish an initial 3 year market facing syndicate that delivers innovation, new technology and disruption.	A syndicate that provides coverage for a group's first and related third party risks.	An opportunity to develop an underwriting business at Lloyd's.

The Lloyd's new entrant team is happy to discuss the options with potential applicants to find the most suitable vehicle for your business.

Lloyd's has established formal criteria for the assessment of all new entrants; these criteria are provided for by the Underwriting Byelaw. The detailed criteria are prescribed in the Requirements made pursuant to the Underwriting Byelaw (available on Lloyds.com [here](#)).

All plans must be logical, realistic and achievable

Close focus on capability e.g. in the cyber class

No limit by size or monoline but held to appropriate capital and profitability standards

We measure success by quality of applicant, not quantity

	Syndicate, SPA & Managing Agent applicants		SIAB applicants	
	Enquiries	'Live'	Enquiries	'Live'
2021	34	8 1 RITC Syndicate	33	0
2022	35	7 2 SPA to Syndicate; 1 RITC Syndicate	17	5
2023	7	4 1 SPA to Syndicate; 1 SIAB to Syndicate	4	1

Note: RITC – dedicated legacy syndicates

Refreshed syndicate application process and guidance

- 1 Enquiry**
Contact Lloyd's New Entrants team
- 2 Triage**
Qualitative and quantitative submissions
- 3 Business Opportunities Committee**
Detailed plan presentation
- 4 Lloyd's Council**
Our highest governing body provides 'in-principle' approval
- 5 Making it Happen**
Deliver the operational and administrative aspects
- 6 Permission to Underwrite**
Final formal approval and launch

Release of the Lloyd's Standard Model online enables Managing Agents and Advisors to formulate an indicative SCR

Requirements for New Entrants

The screenshot displays a web page titled "Requirements for New Entrants". On the left is a navigation menu with the following items: "Capital & Reserving" (selected), "Capital Guidance", "Funds at Lloyd's", "The Capital and Planning Group (CPG)", "Reserving Guidance", "Lloyd's Reserving Guidance and Support Materials", and "Hot Topics". The main content area features a paragraph: "Requirements around capital setting are different for new syndicates, which need to build their own internal model in the first years." Below this are three download links, each with a file icon and a "Download" button: 1. "Lloyd's Standard Model – 2023 SCR" (XLS icon); 2. "New Syndicate Capital Guidance (incl LSM) September 2022" (PDF icon); 3. "Lloyd's Standard Model Instructions" (PDF icon). At the bottom of the page, a breadcrumb trail reads: "Home / ... / Requirements for New Entrants".

- The Lloyd's Standard Model can be used to model the impact of changes to business mix, outwards reinsurance etc.
- Lloyd's Cost Model (Triage Quantitative Submission) is also available online.

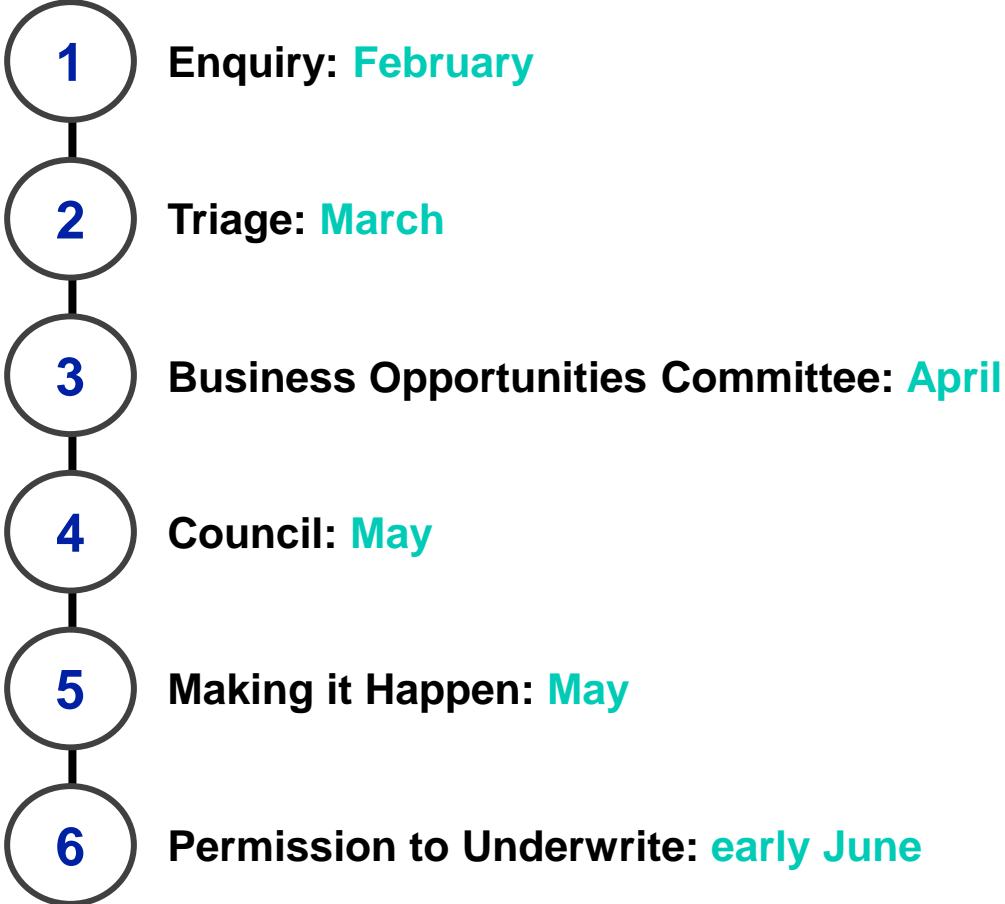
Compare the options available for participating in the market

Requirements	Syndicate	Special Purpose Arrangement	Syndicate in a box	Captive syndicate
Fees	£200k	£75k	£100k	£100k
Application duration	6-8 months	2-3 months	3 months*	3 months*
Expense ratio	Expectation to be lower than market average by year three	Expectation to be lower than market average by year three	<35% by year three	<35% by year three
Innovative			✓	
Short tail			✓	
Timebound and with run off plans			✓ 3 years	

*Timeline starts from agreement from the Business Opportunities Committee to proceed.

Indicative timelines for an application from enquiry to permission to underwrite

Syndicate starting underwriting from 1/1/2024 **Syndicate in a box underwriting from 1/7/2023**



Find out more



Please come and talk
to the Market
Development team
[newentrants@lloyds.
com](mailto:newentrants@lloyds.com)



Lloyds.com >
Starting a new
business at Lloyd's



Download a copy of
the New Entrant
Guide

1. Syndicate
2. Special Purpose Arrangement
3. Syndicate in a box
4. Captive syndicate
5. Managing Agent

Q&A

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