

2025 Q1 Lloyd's Market Message

Patrick Tiernan, Chief of Markets

Rachel Turk, Chief Underwriting Officer

Emma Stewart, Chief Actuary



Today's session

1

2024 Preliminary Results



2

California Wildfires



3

Market Conditions



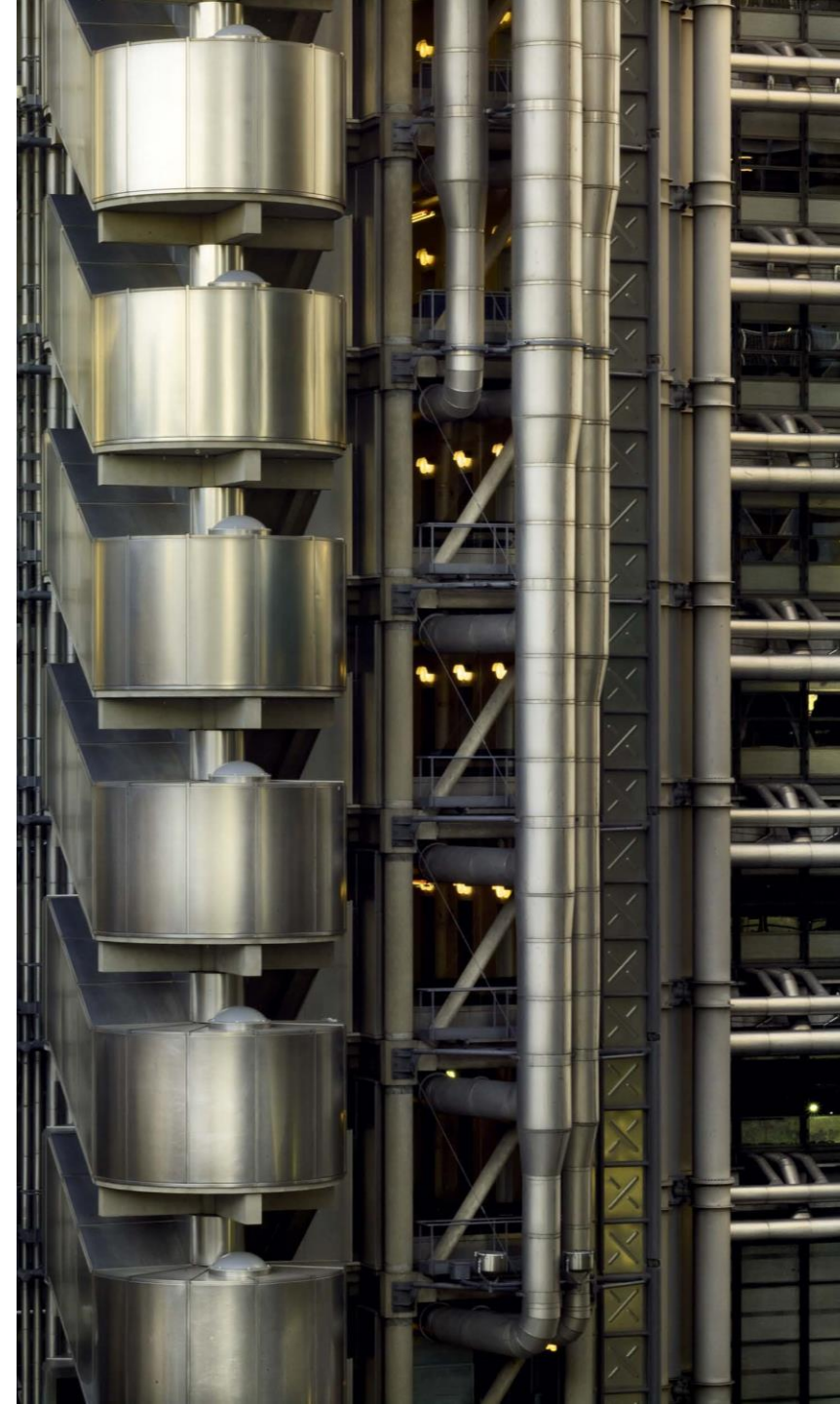
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Underwriting Oversight Activity



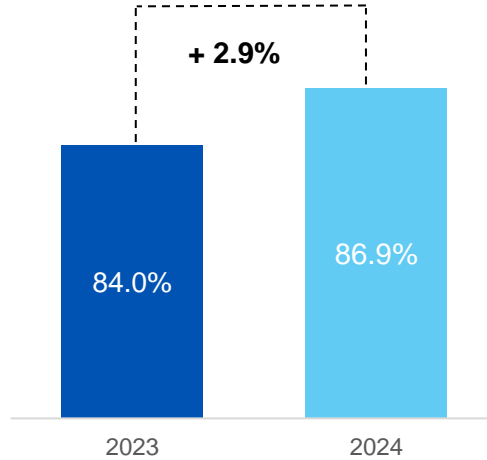
5

Capital & Reserving

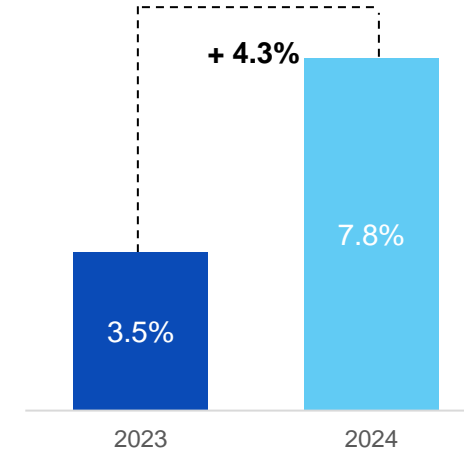


2024 Preliminary Results: Key Highlights

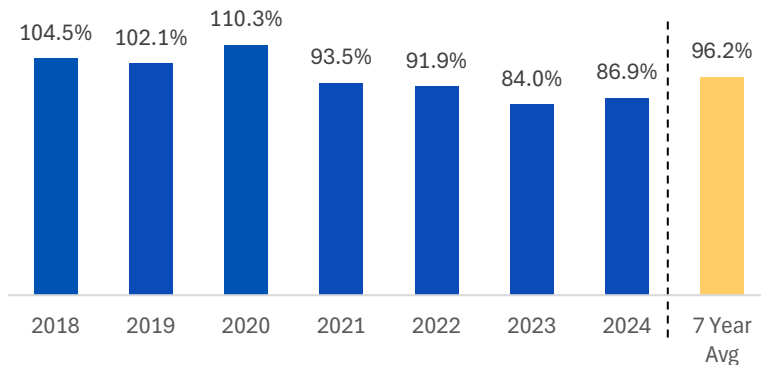
Net Combined Ratio



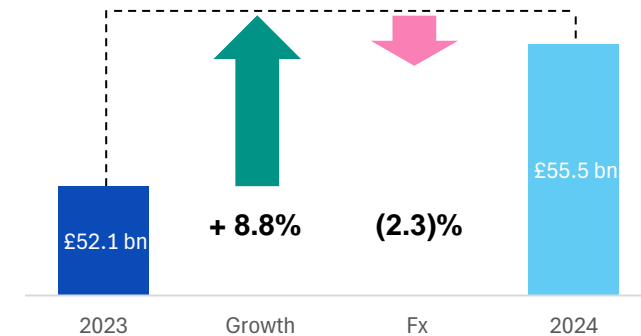
Major Claim Ratio



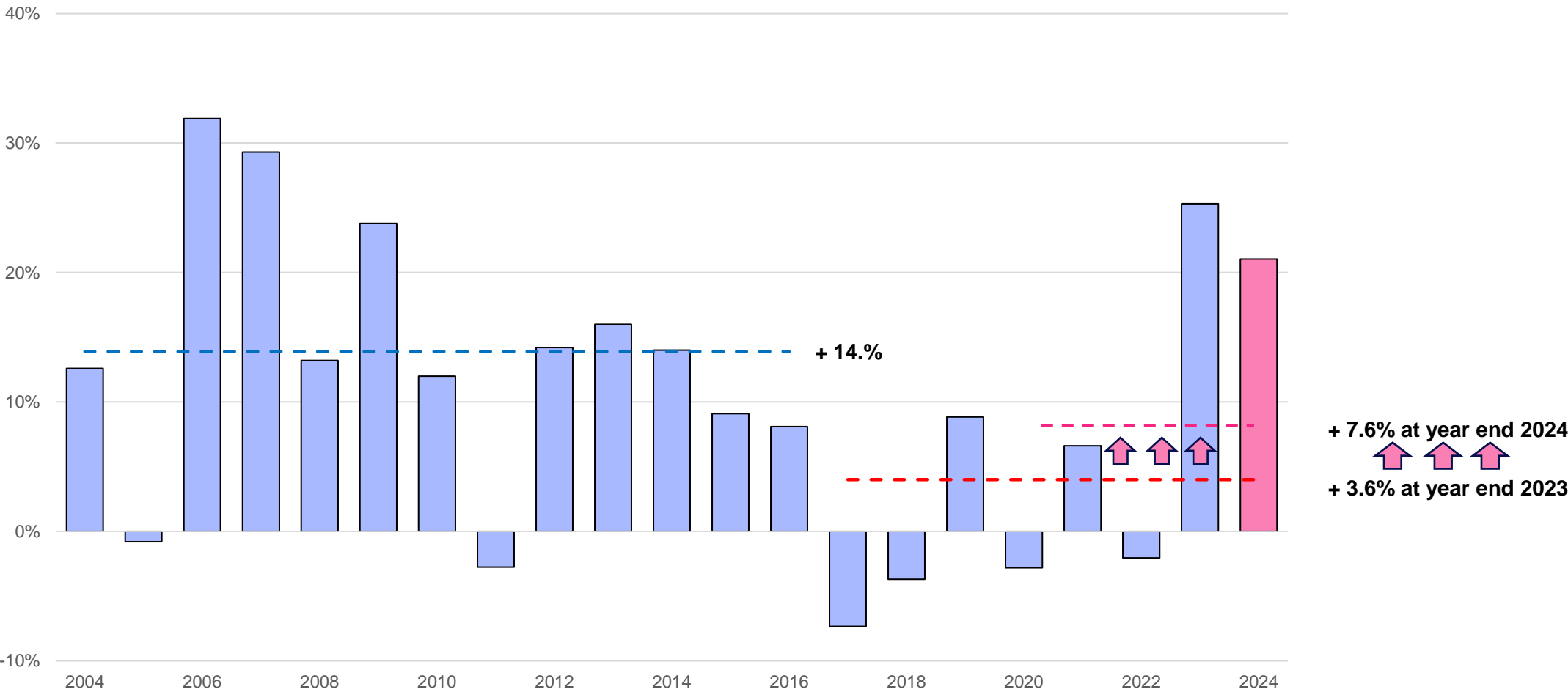
7 Year Net Combined Ratio



GWP Growth



Lloyd's market return on capital (ROC)



California wildfires

- Best estimate of Lloyd's final net loss \$2.3bn
- Market share 3-5%
- 85% loss from Property classes
- 72% of losses from 2024 year of account
- Manageable loss for Lloyd's

Current market conditions

- 2023 & 2024 results driven by low levels of large losses
- Cycle turn not inevitable
- 2025 & 2026 themes - distribution, consolidation and innovation
- Capability must match strategy
- Iron grip on underwriting discipline

Underwriting Oversight Activity

Rachel Turk

Chief Underwriting Officer

Maintaining top quartile performance

1 Sub 95% net combined ratio across the cycle

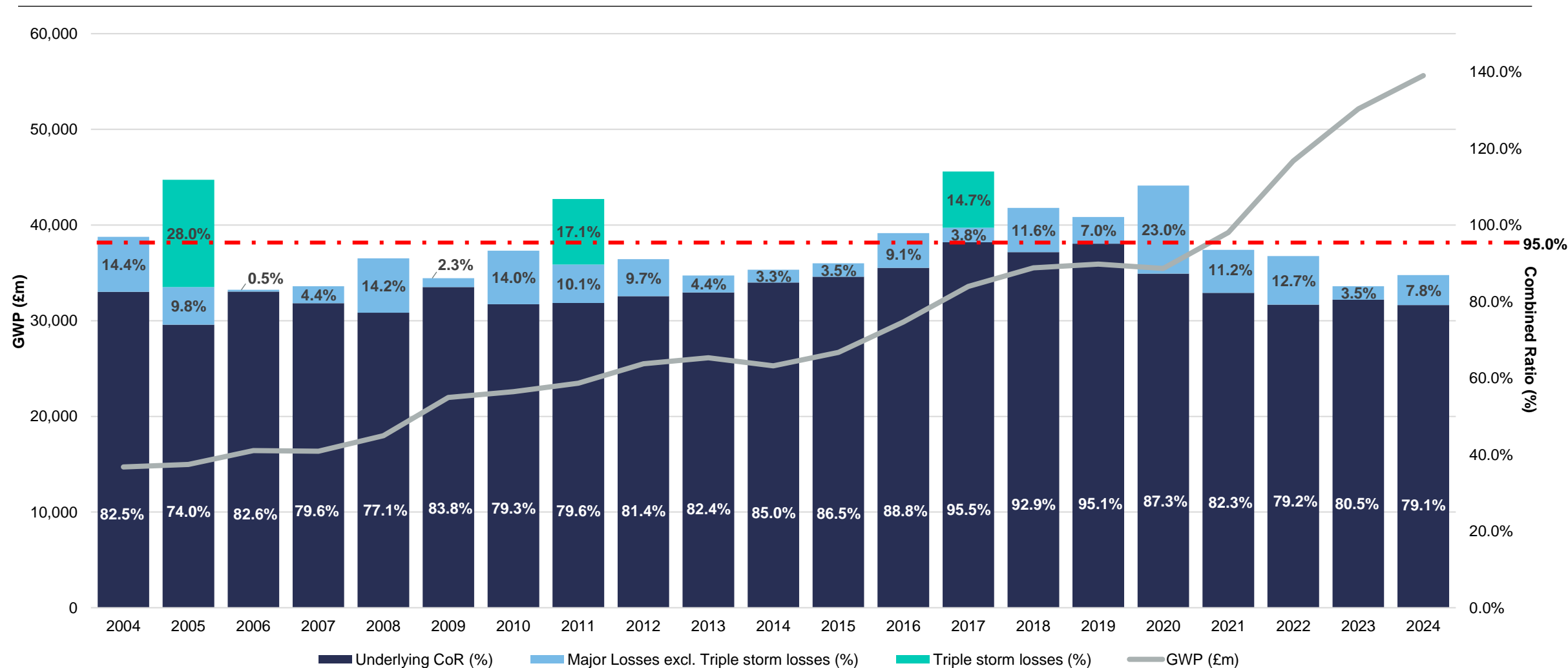
2 Control of rate adequacy, rate change and GULR

3 Ramping up oversight

4 Predictability and transparency

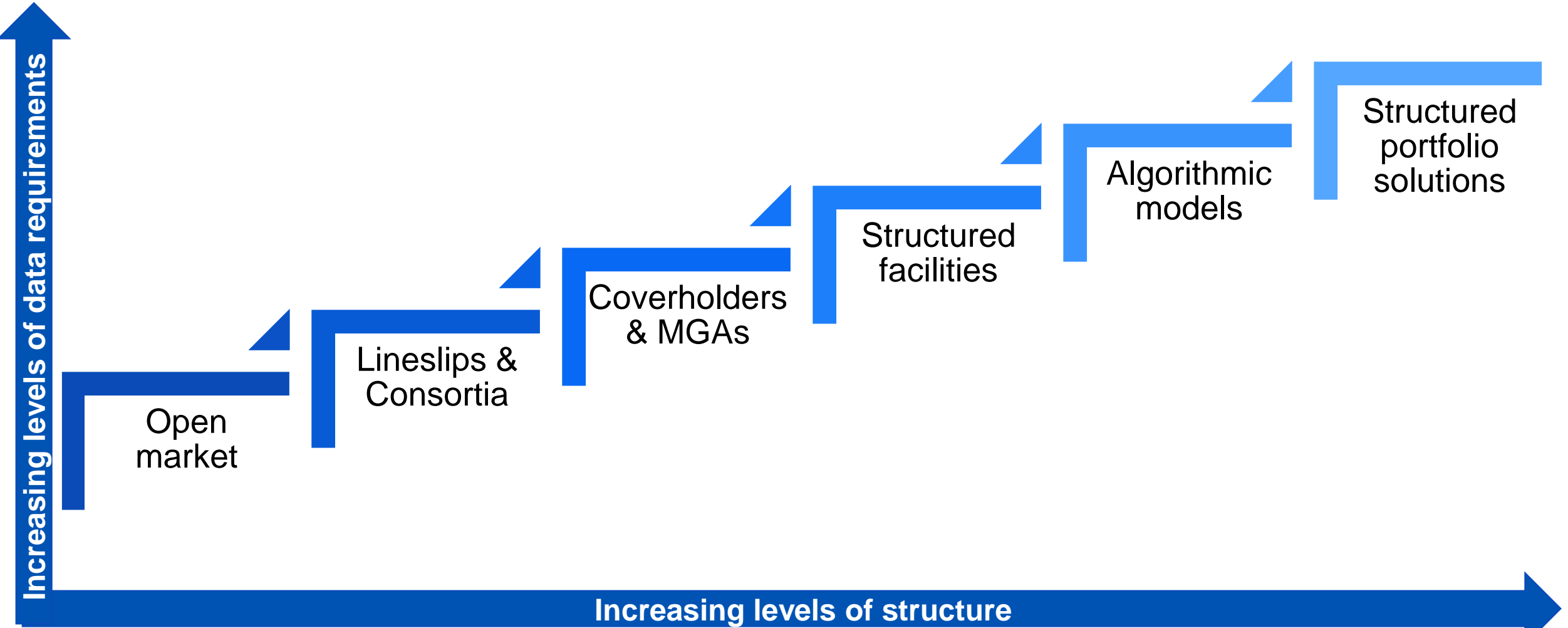
5 Underwriting red lines

Building resiliency in the market

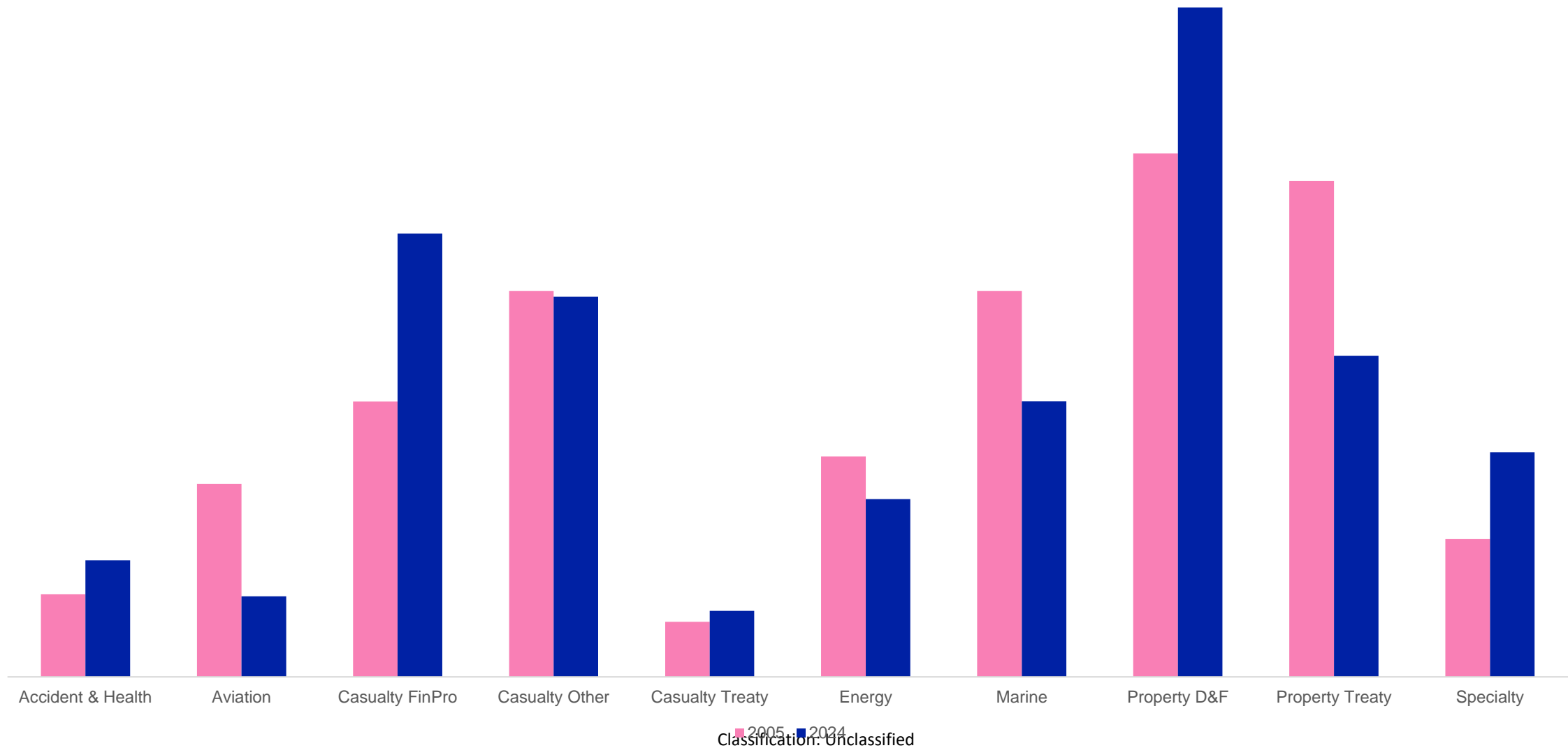


Major claims loss ratios from 2004 - 2011 are indexed to allow for FX on claims.

Distribution Channels



L10 GWP Split 2005 - 2024



Areas of focus



Aviation: moved to unsustainable levels



Energy: willing to engage with thoughtful strategies in all areas of energy



Marine: needs a long memory to reflect true loss history



Credit: non-correlating growth but needs a specialist team



Nuclear: cement the role as a cornerstone partner to the industry



Reinsurance: leaning into structuring and licence advantages at Lloyd's

Key Messages



Giving you predictability



We are not risk off



Act now for the success in 2026 and beyond



Momentum will be maintained through discipline

Reserving & Capital Expectations

Emma Stewart

Chief Actuary

Maintaining robust reserves and capital appropriateness



Confidence in 2024 balance sheet strength



Action required to avoid reserve weakening and capital understatement

1

Address signs of reserve deterioration early



2

Assumptions based on experience and expertise



3

Avoid optimistic bias



Key Takeaways

Patrick Tiernan

Chief of Markets

Key Takeaways

- 1 2024 stellar year of underwriting returns
- 2 Strong strategic and trading momentum
- 3 Urgency to act now for success in 2026 and beyond
- 4 Maintain balance sheet strength
- 5 Iron grip on underwriting

LLOYD'S