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# Capital & Planning Group (CPG)

[Introduction to the CPG process and SharePoint site](#)

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# Introduction to CPG

## High-level Overview



### What is CPG

CPG is a cross divisional group that approves **business plans and capital requirements** for existing and new business at Lloyd's

**Syndicate proposals** are submitted to CPG and are then reviewed and approved by a committee consisting of several senior individuals at Lloyd's

### Role of CPG

Approve business plans for the market to **meet the Council's risk appetite** for the prospective year of underwriting

Sets capital, based on past performance, to support the business plan

### Importance of CPG

The CPG performs its functions subject to and in **accordance with the strategy, policy and principles** set by the Council and Executive Committee (ExCo)

The CPG is **accountable to the Chief of Markets & the Chief Financial Officer**, with regard to the performance of its functions and the exercise of its powers

# Introduction to CPG

## CPG Membership

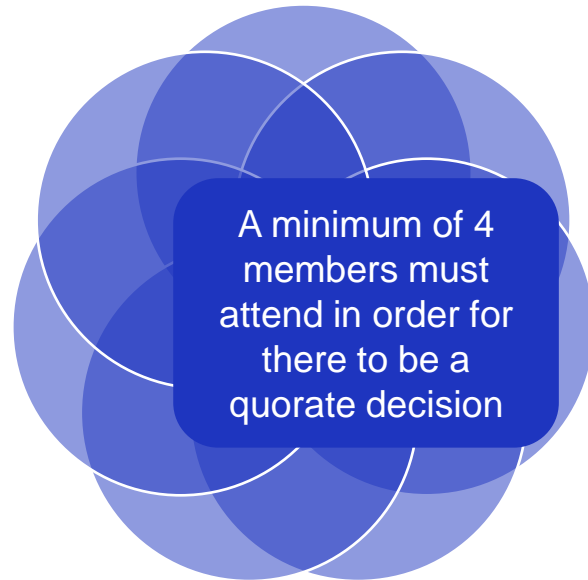


**Peter Montanaro**  
**(Chair)**  
Market Oversight Director

**Kathryn Edwards**  
Chief Accountant

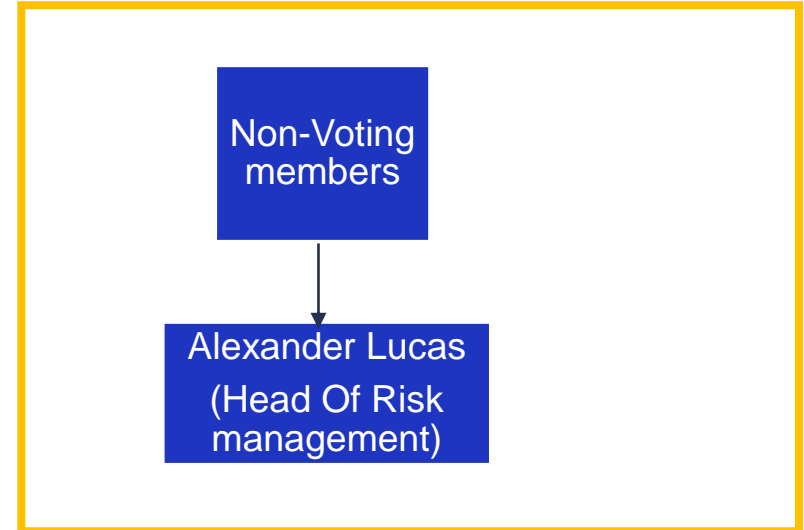
**Mirjam Spies**  
**(Covering for Emma Stewart for maternity)**  
Interim Chief Actuary

**Bertrand Heugues**  
Chief Underwriting Officer, Lloyd's Brussels



**Kirsten Mitchell-Wallace**  
Director of Portfolio Risk Management

**Rachel Turk**  
Chief Underwriting Officer



Following CPG decisions Account Managers communicate the decision verbally to managing agents with approvals formally communicated in an approval letter

# Introduction to CPG

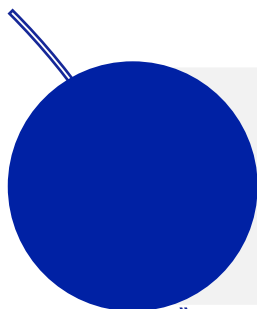
## Process



1. **Plan review:** All aspects of Syndicate Business Plans are reviewed including premium, expenses, reinsurance, catastrophe exposure in line with syndicate categorisation and capabilities.
2. **Capital review:** Capital will be set based on a validated and approved internal model, accounting for past performance and realistic assumptions of the uncertainty, on both a one-year and ultimate basis. Reserving reviews occur alongside the capital assessment ensuring that syndicates have the right assessment of uncertainty.
3. **Account Managers:** Account Managers ensure insights and analysis from technical teams are effectively consolidated. They produce a proposal for each syndicate which draws on the outcomes of the technical work, with a narrative overlaid including areas for debate / exception. This summary paper is provided to CPG covering key stats and KPIs, alignment to CPG principles and market messages.
4. **Risk Management review:** Risk Management will focus on challenging and advising on, 1) whether the CPG process delivers outcomes in line with the Council risk appetite, 2) whether the CPG operates within an effective control framework, including the appeals process, and 3) individual decisions and outcomes. Additionally, Risk will facilitate regular engagement with the PRA.
5. **CPG:** CPG is the body which ultimately approves all plans and associated capital each year. CPG may choose to delegate elements of approval to subject matter expert teams according to an agreed decision making framework.

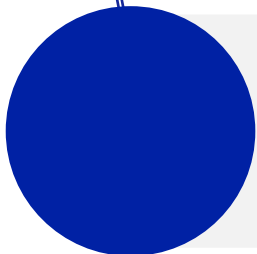
## CPG Teams and Responsibilities

Main responsibilities of groups involved in the CPG process



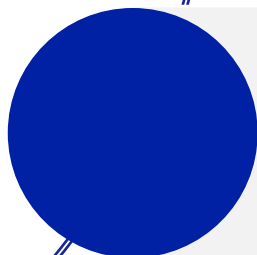
### **Chief of Markets (COM) / Chief Financial Officer (CFO)**

Responsibilities include setting the annual CPG Strategy, overall accountability for approving business plans and capital submissions, as well as considering managing agent appeals and providing information to the Executive Committee and Council.



### **CPG Chair**

Responsibilities include supporting the establishment of the CPG Strategy, which sets the parameters for the approval of capital and plans, presiding over meetings to ensure that discussions are relevant and appropriately challenged, and ensuring that the CPG ultimately fulfils the outcomes outlined in the CPG Strategy.



### **CPG Secretariat**

Responsibilities include supporting the CPG Chair in the implementation of the CPG Strategy, designing and facilitating an efficient process, coordinating management information, ensuring a robust governance framework is in place, maintaining a central repository of data to track CPG activity and decisions, ensuring the successful delivery of operational targets, and monitoring overall progress against key deadlines.

# CPG Teams and Responsibilities

Main responsibilities of groups involved in the CPG process



## Account Managers

Responsibilities include coordinating inputs from all subject matter expert teams to develop a unified position and comprehensive view of the business plan and capital, but also leading critical communication with managing agents, which includes conveying CPG decisions and applied loadings.

## Subject Matter Experts (SMEs)

Responsibilities include conducting technical reviews of the business plan and capital requirements in accordance with the CPG delegated framework, presenting a final recommendation to the CPG for approval, and notifying them of any issues or concerns that require their attention.

## Risk Management

Responsibilities focus on two main areas: firstly, determining whether plan and capital decisions align with Lloyd's risk tolerance, and secondly, ensuring that the CPG process and decision-making adhere to a robust control framework. The process also involves providing impartial analysis throughout the procedure and presenting a formal analysis by the CRO to the Risk Committee upon completion.

# CPG Teams and Responsibilities

## Role of CPG Secretariat



### Managing the strategic & operational success of the CPG process

- Ensures the timely delivery of processes in compliance with regulatory deadlines, actively managing operational targets, and generating management information to support decision making in line with the agreed strategy.
- Production of weekly reports and insights for the PRA in partnership with Risk Management, as well as delivering reports to key internal and external stakeholders such as ERC, Risk Committee, Council, and Rating Agencies.
- Annual enhancements and maintenance of the CPG dashboard, a tool that provides a centralised view of all CPG related data for stakeholders.

### Implement and oversee the overall governance of the CPG process

- CPG ToR
- Appeals process
- CPG Strategy & Protocol documents
- Process Mapping

### Work with Risk Management in facilitating the pre and post-CPG Risk Assessments

- Forum for CPG Members, Chief of Markets, Chief Financial Director and Chief Risk Officer to discuss key risks and actions required for the successful delivery of the CPG Strategy

### Organise and lead the various activities through the Business Plan and Capital Review (BPCR) Committee

- Driving annual changes and improvements to the business plan and capital workstreams
- Establishing the annual CPG delegation framework, CPG KPIs, templates and co-ordinating the reporting requirements.
- Facilitate collaboration and clear communication between teams and divisions
- Implementing the wide array of activities and training to support the annual CPG process

### Additional responsibilities

- Support the CPG Chair in managing agendas and meetings, including scheduling, pack distribution, tracking and minutes.
- Organising and facilitating annual training to the CPG Members and teams
- Maintenance of the CPG SharePoint site and sharing documentation and communications

### Contact:

CPG@lloyds.com





## CPG Dashboard Overview


The CPG Dashboard provides a central location for all [operational and financial CPG data](#) for key stakeholders and is located in QlikSense.

The CPG Dashboard has the ability to generate [quick and accurate MI sheets](#), whilst being [flexible and dynamic](#) and allowing users to filter how and download datasets for further analysis.

The dashboard has grown from a few simple sheets to being a business critical tool that offers the latest view of prospective YOA business plans and capital, as well as the status of the [CPG KPIs](#), [risk appetites](#), and Operational objectives.

The dashboard is a key tool in helping the CPG make key decisions and supports the ongoing MI and reporting requirements.

### What data sets are used

 The dashboard provides an analysis of movements between different SBF editions, different year of account SBFs, PMDr, Capital, Aggregation, operational MI and latest QMB returns to allow the user to assess how syndicate(s) plans have developed over time



**Please go to next slide for a visual overview of the CPG Dashboard**



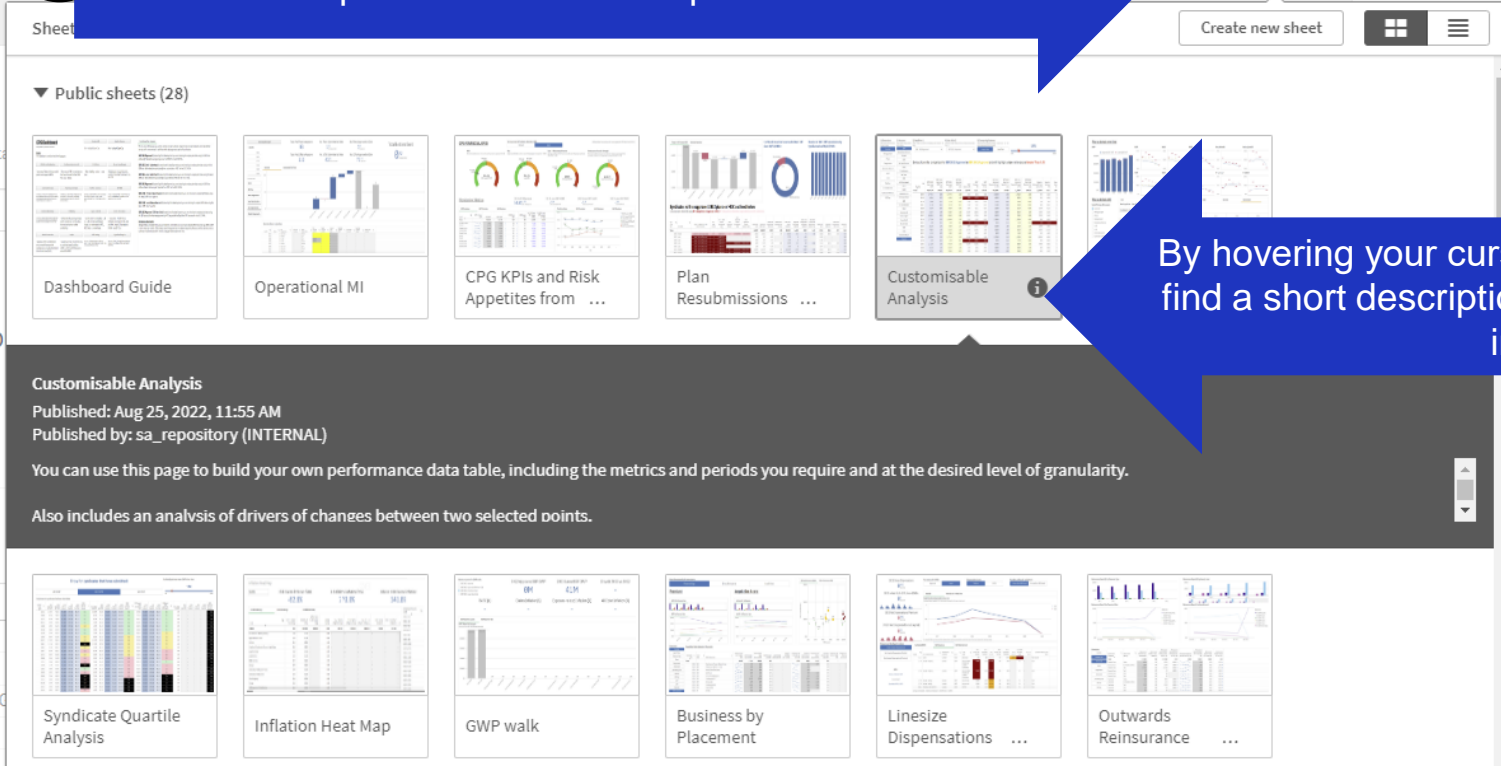
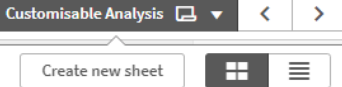
# CPG Dashboard Visual Guide

Click this link to access the CPG Dashboard - [CPG dashboard | App overview - Qlik Sense](#)

## How to navigate the dashboard

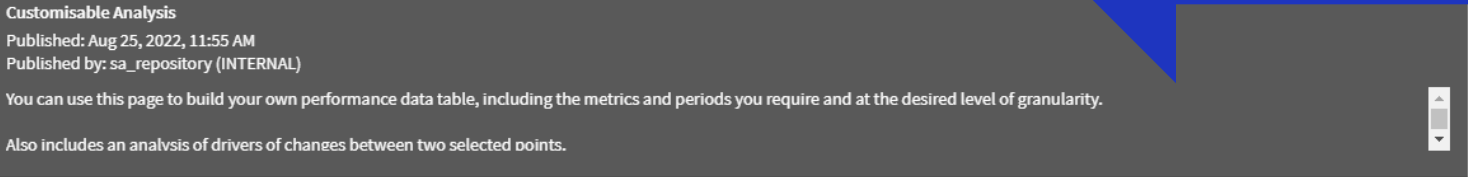
1

Use the dropdown to select the specific sheet to view



2

By hovering your cursor over the "i" symbol you can find a short description about each sheet for further information



3

You can then select the sheet you want by clicking on it



# CPG Operational Tracker

## CPG Operational Tracker

CPG secretariat also maintains an Operational tracker of key CPG activities such as:

- Scheduled meetings
- Rescheduling & reasons
- CPG decisions i.e. approval of plans and capital
- Progress against deadlines
- Approval dates
- Outstanding actions and notes i.e. appeal progress
- Appeals (managed by the Account Managers)
- Approval letter tracking



This tracker is key to the Account Manger stand-up meetings during CPG to support cross team co-ordination and collaboration, ensuring all plans and capital are aligned for CPG approval.

## Operational Workflow Tracker

- The VTs also keep their own operational trackers and the CPG Secretariat co-ordinates and combines this information into one consolidated tracker to ensure all operational data across teams can be tracking within one core location

Key operational data is tracked such as:

- SBF Triage outcome
- Review Status's
- AORG dates
- PRM dates

These outcomes are then pulled into the Qlik dashboard where colleagues can manipulate, filter and download the data

**Please go to next slide for a detailed breakdown of the operational workflow tracker**



# CPG Operational Workflow Tracker

## New Operational Workflow for 2024

- **New notifications to make the busy CPG period easier for teams to coordinate**
  - The main notification will be focused around **SBF resubmissions to reflect the internal feedback we received last year**. This will help account managers organise CPG meetings more efficiently and will help teams manage workloads and support better co-ordination across teams
- **A visual layout in Qlik**
  - The CPG Dashboard is the central location for all CPG Data. As such we want to introduce more operational information into the one core location. The aim is to provide some [Operational Workflow](#) visualisations this year as part of a pilot

### Notifications

- Live notifications sent to teams via outlook to give them oversight on SBF resubmissions



### Qlik Dashboard

- A full data set of all the teams operational info will be available via the CPG Qlik Dashboard



# CPG Risk Based Oversight framework

*\*\*Macro thematic issues to be adequately addressed by all syndicates regardless of categorisation \*\**

## Outperforming / SIAB

- De-minis business plan review to ensure it is in line with the Lloyd's strategy, or 3 year plan for SIAB
- No review across other areas of plan and capital, except to check specific criteria **if** triggered e.g. material LCR movements, Franchise Guideline breaches, new COBs
- CPG Oversight: AM summary

## Good

- Business plan review to focus on material issues raised at MOG pre-CPG only as part of a portfolio based approach
- Expect light review across other areas of plan and capital, checking for inaccuracies and specific criteria e.g. LCR movements, Franchise Guideline breaches, new COBs
- CPG Oversight: AM summary, plus one-pager from SP

SOAPs

## Moderate

- Detailed business plan and focus area review
- Review level of other plan and capital areas driven by principle level ratings & oversight framework, addressing relevant risks
- CPG Oversight: AM summary, full SP paper and other teams papers as required.

## Underperforming / New

- Detailed business plan review in line with Board Level discussions and remediation plans.
- Review level of other plan and capital areas driven by principle level ratings & oversight framework, addressing relevant risks
- CPG Oversight: AM summary, full SP paper and other teams papers as required.

**Unacceptable** – separate engagement process, potential for syndicate to be put into run off

# CPG alignment to the Lloyd's Oversight Framework

## 1) The Principles of doing business at Lloyd's

The Principles articulate the fundamental responsibilities expected of all managing agents in order to support the market's overall performance, capital strength, financial and reputational credibility.

PERFORMANCE

SOLVENCY

OPERATIONAL

## 2) Rio Syndicate Categorisation

One consistent approach to syndicate and agent categorisation based on assessment against the Principles, both on a qualitative and quantitative basis, across the 13 Principles. Under the framework, there are five main overall syndicate categories.

*Note SIAB fall under 'Not Applicable', and New and Run Off are categorised separately as per the oversight framework.*

OUTPERFORMING

GOOD

MODERATE

UNDERPERFORMING

UNACCEPTABLE

## 3) Interventions and Incentives

Oversight and the application of interventions are directly informed by a syndicate's categorisation. For businesses on the lower end of the scale, a range of interventions can be applied to remediate and ensure they return to expected financial and non-financial performance. For those businesses at the top end of scale, there will continue to be a range of incentives to support growth and development to help those businesses thrive, including being afforded the flexibility and agility with their business plan reviews, Cat Risk Appetite Flex, and proactive support of new syndicates/ SPAs/ Syndicate in a Box.

## Decision making principles

Subject matter experts make recommendations to CPG based on clearly defined and agreed decision making principles

Area	Objective	Decision-making principle for plan and capital
Syndicate compliance	Syndicate's compliance with Solvency II and minimum standards is considered	<b>1) Syndicate's capability and compliance with Solvency II and Lloyd's Principles will be considered as part of decision making</b>
Underwriting	Approved plans should be linked to Council's appetite	<b>2) Business plans will be approved where they are logical, realistic and achievable, and where they deliver a Net Combined Ratio within Council's risk appetite</b> <b>3) Growth will be supported where it is in line with the CPG agreed Strategy</b>
Catastrophe exposure	The market should not be exposed to excessive cat risk	<b>4) Management of catastrophe risk appetite will align to syndicate operational capabilities, as well as their exposure and materiality to Lloyd's</b>
Reinsurance failure	Exposure to potential reinsurance failure should not result in excessive profit volatility, liquidity issues, capital erosion or reputational risks	<b>5) Reinsurance plans will be approved only where they are reasonable, achievable and financially secure in the context of the syndicates stated reinsurance strategy and the past performance of the syndicate's reinsurance arrangements</b>
Capital	Market should be able to withstand a 1-in-200 event and trade forward	<b>6) Capital will appropriately reflect the full range of risks to the syndicate based on:</b> •a validated and approved internal model •the past performance •realistic assumptions of the uncertainty, on both a one-year and ultimate basis
Transparency	Process is documented and transparent	<b>7) Decisions, escalations and appeals will be based on clear rationale and be appropriately justified, documented and explained</b>
Communication	Lloyd's should be open and communicate with the market on business planning and capital setting	<b>8) Communication from Lloyd's to the market on decisions will be proactive and set clear expectations</b>
Oversight	Decision-making will be subject to independent oversight	<b>9) Process and decision-making will be subject to independent risk oversight and challenge</b>



# Escalation and appeals process

❖ Should the CPG make a decision which the managing agent does not accept, further engagement with Lloyd's may take place

**Phase 1:**

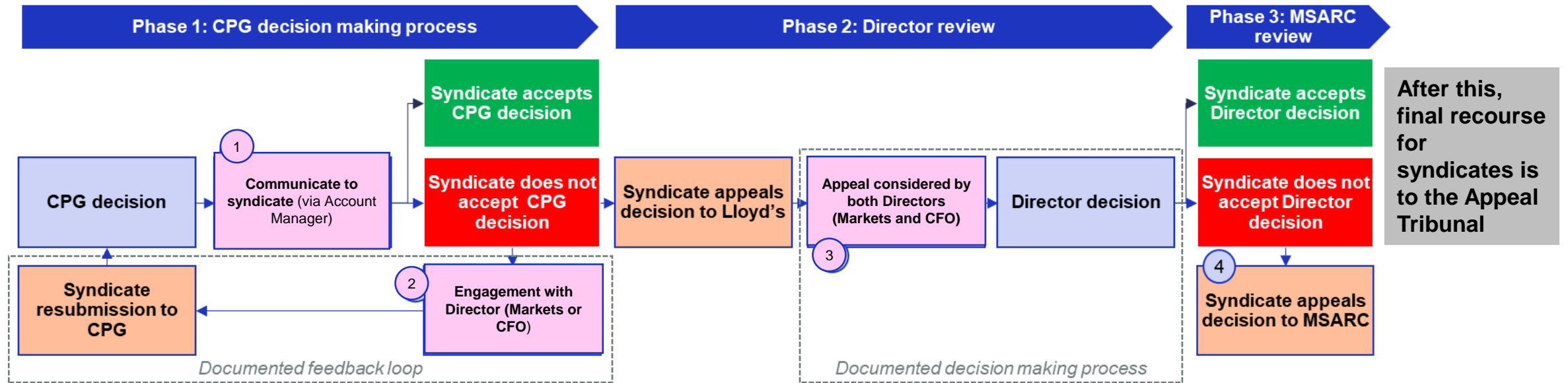
Informal discussions may occur post CPG with the Chief of Markets and Chief Financial Officer

**Phase 2:**

- A syndicate may appeal the original decision with the relevant Director via the AM
  - The Director formally reviews the case and take the final decision in consultation with the other Director
  - Appeals are fully documented by the AMs with a clear audit trail to evidence the decision making process
  - **All appeals should be completed within 72 hours of appeal being raised**

**Phase 3:**

- A syndicate may escalate further for review by the Lloyd's MSARC which may, where it considers appropriate amend, modify or withdraw the decision made by the CPG or the relevant Director





## CPG SharePoint

### Navigating the CPG SharePoint Site



The CPG SharePoint site contains all relevant guidance, syndicate documents, MI and approval letters for the CPG process

The [CPG SharePoint](#) site has document libraries that can be found at the top of the page.

Here you can navigate between years and select which documents you would like to see – note older years can be found in the CPG Archive subsite.

*A link to the most important documents can be found on the following slide*

A screenshot of the LLOYD'S CPG SharePoint site. The top navigation bar features the LLOYD'S logo and a search bar. Below the logo, a blue oval highlights a row of document libraries: "2024 CPG Document Libraries", "2023 CPG Document Libraries", "2022 CPG Document Libraries", "2021 CPG Document Libraries", and "Archive Document Libraries". The left sidebar contains a navigation menu with options like Home, Virtual Teams, CPG Terms of Reference, CPG Calendar, Lists (expanded to show BPCR Documents, Syndicate list, CPG Workshop Library, Members Agents, Recycle bin, and Edit), and a plus sign for more options. The main content area displays site metadata: "Site Owner: Wootten, Vicki", "Site Name: CPG", and "Site Type: Team site (internal)". Below this, there are two folder icons labeled "2024 CPG Syndicate Library" and "2023 CPG Syndicate Library". At the bottom, the text reads "The Capital and Planning Group (CPG)" followed by a description: "A cross directorate and multi-functional decision making committee that is responsible for reviewing and agreeing business plans and capital requirements."

# CPG SharePoint

## CPG Calendar



A list of all upcoming CPG meeting dates (including the MS Teams meeting links) can be found within the [CPG Calendar](#)

The screenshot shows the SharePoint interface for the CPG Calendar. The left-hand navigation pane includes links for Home, Virtual Teams, CPG Terms of Reference, CPG Calendar, Lists, BPCR Documents, Syndicate list, CPG Workshop Library, Members Agents, Recycle bin, and Edit. The main content area displays the 'CPG Calendar - Next 10 events' with a 'Sync calendar' button. The events listed are:

Upcoming	Past
MAR 23	CPG - MY CIL Process Thu 15:00 to 16:00 Location: London G5 544, Meeting Room (14 VC)
MAR 29	CPG - MY CIL Process Wed 10:00 to 11:00 Location: London G5 567, Meeting Room (18 VC)
MAR 31	CPG - MY CIL Process Fri 10:00 to 11:00 Location: London G5 567, Meeting Room (18 VC)

# CPG SharePoint



List of important or key 2023 documentation with links found in the headers

## CPG Strategy & Protocols

Detailed explanation of all activities and actions that occur during CPG.

## CPG Terms of Reference (ToR)

Latest ToR documentation for the CPG process

## CPG Syndicate Library

A full audit trail for each syndicate created every year. Each syndicate has their own folder that containing all the relevant documents such as packs as well as a holistic view of any CPG minutes for the year.

## CPG Training and Guidance

Full list of CPG guidance and training documents including templates, VT training packs, SBF guidance, loss ratio & COB guidance and Qlik Dashboard training

## CPG Communications

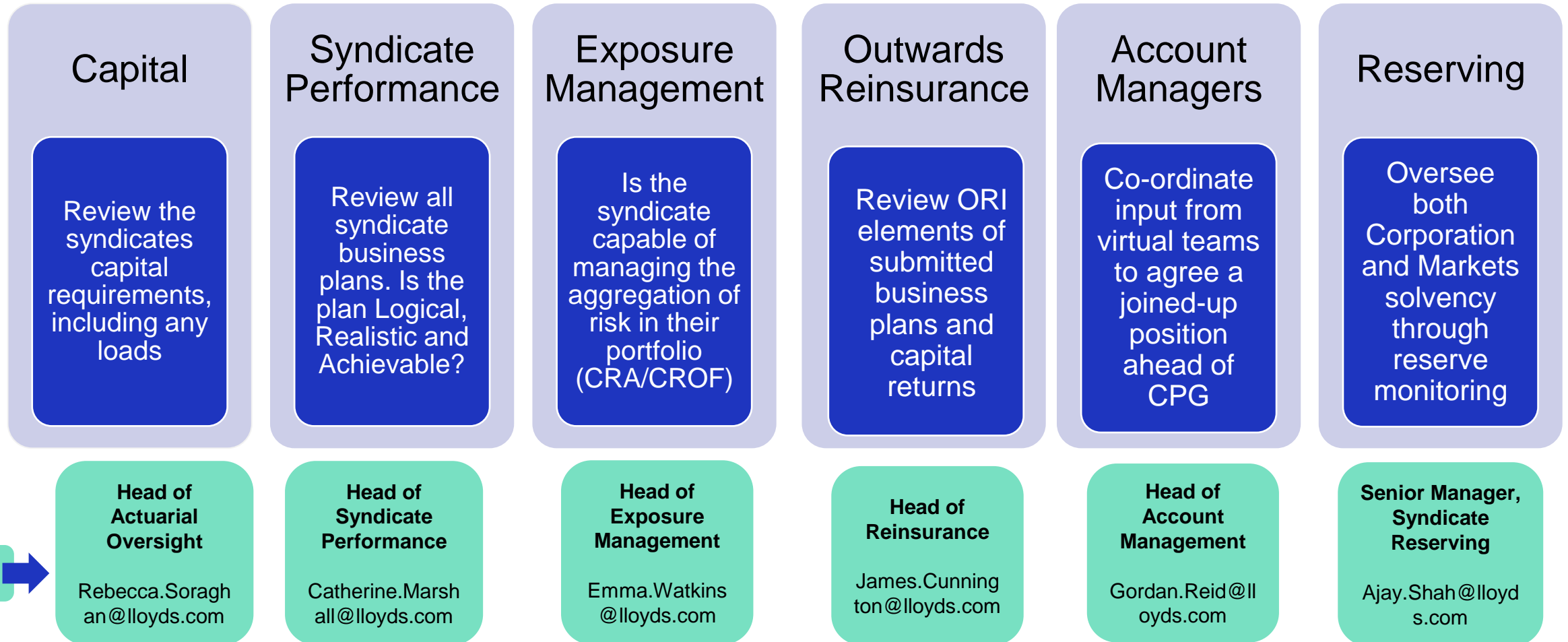
All formal CPG communications including approval letters that are sent to syndicates for the respective year of account capital and planning .

## CPG Tracking

Materials to support oversight of the CPG process including data feeds, operational tracker and syndicate review assessment

# CPG Further Information

Virtual Team and key contacts



Key Contacts →

# CPG Further Information

## FAQs



### When are CPG packs circulated?

- CPG secretariat is responsible for producing agendas and combined packs for CPG, circulating to all relevant parties involved
- Circulation will happen 24 hours before CPG meeting

### Where can I find the weekly MI?

- The CPG weekly MI can be found [HERE](#) – note there is a relevant subfolder for each year
- The pack will provide the latest status of the KPI's as well as operational progress

### What are the different planning data sets and their importance?

- SBF: Syndicate Business Forecast – Plan submitted by the syndicate
- QMB: Quarterly Monitoring Return (B) – What the syndicate has actually underwritten each quarter (performance monitoring)
- PMDR: Performance Management Data Return - Monthly syndicate return providing risk adjusted rate change, benchmark price and written premium

### What are the different capital data sets and their importance?

- SCR: Syndicate Capital Requirement (uSCR = Ultimate, 1SCR = 1 year)
- CRA: Catastrophe Risk Appetite – Measure used to manage risk aggregation

### What are the deadlines for each phase?

- The last CPG approval date is the last meeting in the phase scheduled for CPG approval. This deadline takes into account the timeframe to create approval letters and / or submit required data to stakeholders to meet the regulatory deadlines. These can be located [HERE](#) from May

# CPG Further Information

## FAQs



### Can I join a CPG meeting?

- You will only be required to attend if you are part of a syndicate discussion
- If you are not part of the decision making team or any relevant team involved it is unlikely you will be part of CPG meetings
- Alternatively you can refer to the minutes to get a high level overview of what was discussed and agreed

### How do I see a CPG decision?

- Please refer to the minutes [HERE](#) – note there is minutes folder located under each year that tracks the decisions for that relevant YOA

### What do I do if my papers for CPG will be late and who do I notify?

- Contact your account manager asap so they can notify the rest of the VT in case there is a knock on impact, or the CPG meeting needs to be changed.

### Who do I speak to about changing the agenda on the CPG meeting?

- This is controlled by the account manager and the CPG sec. team in tandem

### How do I join a CPG meeting?

- All invitations including, MS Teams links, will be available in the CPG calendar found [HERE](#)

### What do I do if I don't have access to the CPG SharePoint site?

- Please contact one of the CPG secretariat team or the site owner

## CPG Further Information

### List of useful anacronyms and explanations



CIL – Coming into Line	<ul style="list-style-type: none"> <li>• A biannual process currently undertaken in June and November each year which requires members to demonstrate that they have sufficient eligible assets to meet their current underwriting liabilities and to support future underwriting before they may underwrite for the next following year of account</li> </ul>
LMA – Lloyd's Market Association	<ul style="list-style-type: none"> <li>• Represent all Lloyd's members and provide professional and technical expertise in areas ranging from model policy wordings to the implementation of innovative technologies</li> </ul>
RITC – Reinsurance to Close	<ul style="list-style-type: none"> <li>• A syndicate which closes a year of account by transferring the responsibility for discharging all the liabilities attached to that year of account</li> </ul>
ECA – Economic Capital Assessment	<ul style="list-style-type: none"> <li>• Total capital (uSCR agreed at CPG incl. loadings) plus the economic uplift (35%)</li> </ul>
SBD – Syndicate Business Discussion	<ul style="list-style-type: none"> <li>• Discussions Lloyd's had with the syndicate before CPG started so that we had an indication of what to expect before plans submitted</li> </ul>
LRA – Logical, Realistic and Achievable	<ul style="list-style-type: none"> <li>• CPG will seek to approve business plans which are realistic based on syndicate historical performance, market conditions and reunderwriting actions. This will ensure that the business plans remain achievable and minimise the risk of deviations from plan.</li> </ul>
SBF – Syndicate Business Forecast	<ul style="list-style-type: none"> <li>• The proposed plan for the current or prospective YOA for a syndicate that is submitted to Lloyd's</li> </ul>
LCR – Lloyd's Capital Return	<ul style="list-style-type: none"> <li>• Capital submission from the syndicates based on proposed plan, a validation report is submitted separately</li> <li>• SCR – Syndicate Capital Requirement – Amount syndicate is putting up to meet liabilities</li> </ul>
CRA – Catastrophe Risk Appetite	<ul style="list-style-type: none"> <li>• Combination of both plan and capital data. Measure used to manage aggregation of risk</li> </ul>
PRA – Prudential Regulation Authority	<ul style="list-style-type: none"> <li>• A financial services regulatory body, formed as the successors to the FCA. It sets standards and supervises financial institutions.</li> </ul>