

Welcome to the Summer 2023 edition of Lloyd's Canada Chronicles.

The world is never a static place and that applies equally to the insurance industry. At a macro level, early in 2023 the Canadian insurance industry has been focused on inflation, the impact of a reinsurance "reset", and heightened competition among carriers, brokers and managing general agents. All of which make for an interesting marketplace, characterized by both challenge and opportunity.

In the competitive Canadian P&C marketplace, Lloyd's Canadian statutory results at the end of the first quarter of 2023 reflect 26% growth when compared with the first quarter of 2022, recording net written premium of CAN\$3.3 billion. Growth was again fuelled by gains in both the open market channel and delegated authority business. Canadian underwriting results were strong delivering a 87% combined operating ratio (on a statutory reporting basis). Of course, Q1 2023 marks the first quarter under which the Canadian P&C industry, including Lloyd's, is reporting financial results pursuant to IFRS 17 accounting standards. While it will take some time for the industry to grow familiar, and really become comfortable with the new accounting standards, Lloyd's continued growth, including increased risk capacity across multiple classes of business, is evidence of our commitment to Canadian coverholders, open market correspondents and policyholders. Finally, Lloyd's maintained a BAAT ratio of 236% at the end of Q1 2023 ensuring that there are ample assets in Canada to pay all claims as they arise.

From a global perspective, the Lloyd's overall market results for the first half of 2023 will be released in early September, and while much of 2023 remains ahead of us, globally Lloyd's is now planning for approximately £56.7 billion in gross written premium or 15% growth against prior year performance.

It has been a busy and productive start to the year with the Lloyd's Canada team hosting a variety of events across Canada, as well as engaging with various stakeholders and attending different industry conferences. In both Vancouver (March) and Calgary (May) we hosted Coverholder Roadshows providing a forum for a curated group of Lloyd's coverholders to feature their risk transfer products to local and regional brokers. Both events were very well attended and provided a great forum to highlight the breadth of cutting-edge risk transfer products unique to the Lloyd's marketplace. If you are a coverholder with a unique insurance product and would like to participate in a future coverholder roadshow please let us know.

The RIMS Academy at Lloyd's took place at One Lime Street in London at the beginning of June, and we were proud to sponsor the participation of three Canadian risk managers in the program that affords a deep working knowledge of Lloyd's as well as the insurance issues of most relevance at that time.

Also in June, for the first time we hosted an in-person Lloyd's Bootcamp in Toronto. Bootcamps bring together a select group of individuals from Lloyd's coverholders and OMC's that are relatively new to the industry, to gain an in-depth understanding of how the Lloyd's market really functions. We are grateful to all the industry leaders who generously donated time to present and particularly grateful to those who travelled from London including Louis Belcourt (Dashwood Brewer Phipps), Roddy Duff (Whitehall Court), Stephanie Fienberg (Whitehall Court); Paul

Howard (AXA XL); and our very own Jane Harley (Lloyd's Head of Delegated Authorities Oversight).

For me, one of the highlights of the first half of the year was having the opportunity to attend the 30th anniversary of the University of Calgary, Haskayne School of Business, Risk Management & Insurance program, to deliver the keynote address. It was an absolute pleasure to be surrounded by veteran alumni, as well as current students, from the Risk Management and Insurance program and leave them with a few thoughts about why the risk management practice is the "pearl" in the insurance crown.

In June Lloyd's had the distinct pleasure of attending the second annual general meeting of the Canadian Association of Managing General Agents where our colleague, Jane Harley, Head of Delegated Authorities Oversight, outlined for Canadian MGA's what to expect from Lloyd's for the remainder of 2023 and beyond. In recent years the Canadian brokerage community has come to recognize MGA's as both a source of underwriting expertise and critical risk transfer capacity, and Lloyd's remains committed to supporting MGA's continued growth and success. Lloyd's was also pleased to attend both the Insurance Brokers Association of Alberta Convention and the Insurance Brokers Association of British Columbia Leaders Conference earlier this year.

As we look forward to September and the RIMS Canada Conference, for the first time Lloyd's will be hosting a dedicated meeting space, the Lloyd's Lounge, located in the Westin Hotel directly across from the Shaw Convention Center where managing agents and Lloyd's brokers will be able to host meetings with risk managers and coverholders. For more information check out the [Lloyd's Lounge at CRIMS](#). Also in September at the National Insurance Conference of Canada, Dawn Miller, Commercial Director at Lloyd's, will join a panel of leaders as they *Imagine the Commercial Insurance Landscape in the 2030's*. We hope those who are planning on attending the NICC will join us at the opening cocktail reception sponsored by Lloyd's.

From a regulatory perspective, much of focus this year has been on readying for the implementation of Bill 96, *An Act respecting French, the official and common language of Québec*. Bill 96 aims to reaffirm the predominance of French in Québec and mandates, amongst other things, several modifications to the Charter of the French language, including new obligations, effective June 1, 2023, regarding the use of the French for contracts including insurance policies. The choice of language other than French will now only be valid where the signatory was first presented with a French version and given the opportunity to examine it, but nonetheless chose another language. It is only after examining the French version of those contracts that the parties may decide that they will be bound by its non-French version. The application of Bill 96 to Lloyd's various distribution channels including the open market, reinsurance and delegated authority business requires some complex legal analysis. Lloyd's Canada has been deeply engaged with managing agents, Lloyd's brokers and coverholders to communicate the new requirements. Further analysis of the issues can be found in the Compliance Corner of our Chronicles newsletter and here: [Market Conduct Bulletins](#)

Another area of focus has been the auto class of business in Canada. Automobile is a highly regulated line of business in Canada and Lloyd's Canada continues to ensure that certain

segments of the auto business, including standalone physical damage coverage, are underwritten in accordance with all applicable regulatory requirements. Towards that goal Lloyd's Canada has established a working group with managing agents that underwrite automobile/motor in Canada which included representatives from the LMA and LIIBA. Over the past 6 months, meaningful progress has been made regarding the additional governance and oversight necessary to ensure full compliance going forward and further details can be Compliance Corner of our Chronicles newsletter.

The first half of the year saw two important additions to the Lloyd's Canada team. MaryKate Townsend joined Lloyd's as our second Director of Market Development, working alongside of Asima Zahid. MaryKate brings with her extensive underwriting and broking experience and has spent the last few years also acting as President of the Canadian Association of Managing General Agents. MaryKate will be focused on Lloyd's stakeholder relationships in Western Canada, while Asima Zahid will focus on the eastern half of the country. Also joining us earlier this year was Patrick Bisson, Market Engagement Analyst, who is also currently completing his Master's degree in Finance at McGill University, and will enhance Lloyd's analytics capabilities here in Canada. Finally, I would like to take this opportunity to congratulate Asima Zahid who was recently recognized at the one of the 2023 Elite Woman in Insurance by the Insurance Business Canada Magazine. Another great recognition of Asima's significant contributions to the industry!

Currently it is the height of summer here in Canada and the Lloyd's Canada team wishes you all a summer full of good weather, quality family time, and perhaps even a vacation abroad or a prolonged stay up at the cottage!

I hope you enjoy the information contained in this edition of the Lloyd's Canada Chronicle and please – as always – get in touch using the details below to share your feedback.

Marc Lipman