

<b>Title</b>	Risk Codes Guidance and Mapping Notes – 2025 Year of Account Update
<b>Purpose</b>	To inform the market of updates to Lloyd's guidance on the use of Risk Code for the 2025 year of account.
<b>Type</b>	Event
<b>From</b>	Rachel Turk, Chief Underwriting Officer
<b>Date</b>	11th July 2024
<b>Deadline</b>	To be adopted for the 2025 year of account syndicate business planning process
<b>Related links</b>	<a href="#">Risk codes - Lloyd's (lloyds.com)</a>

Lloyd's prescribes risk codes for the purposes of recording and categorising the business written by syndicates in the market. Managing agents are required to allocate all policies entered into to one or more of the risk codes, in accordance with the guidance Lloyd's provides. From time to time, we add or remove risk codes, or amend the definitions to ensure that the risk codes continue to accurately reflect the business being written by syndicates.

We recognise that changes to risk codes can have operational implications for market participants and may involve some cost in the updating of systems and processes. We therefore only seek to make changes where we consider it is essential to our efficient oversight of the market and our understanding of the business that is being written, or where there is a specific request from the market supported by market-wide consensus and a clear business rationale. Where we make changes we seek to engage with relevant stakeholders ahead of making the change.

#### New Risk Codes for 2025

Having reviewed the existing risk code list and in view of the development of a number of classes, as well as the requests raised by the relevant underwriting panels within the Lloyd's Market Association, we consider that a number of new risk codes are required. We

are therefore introducing six new risk codes for the 2025 underwriting year of account. We have also taken the opportunity to update the guidance of a number of existing risk codes.

The new risk codes we are prescribing are listed in Appendix 1. Further guidance on when risks are to be allocated to one of these risk codes and details of the changes to existing risk codes is provided in Appendix 2.

The following is a brief summary of the changes. Details of the changes being made with the corresponding guidance have been incorporated into the [Lloyd's risk codes guidance and mappings](#) documents.

1. Re-allocation of War on Land risk code (WL) to Lloyd's Terrorism class and the creation of a new risk code (CW) to cover for War on Land "goods in transit" to be used for Cargo coverages.
2. The split of risk code BB (Fidelity Computer Crime and Bankers Policies) into two risk codes:
  - a. Risk code BB: Financial Institutions only
  - b. New risk code BC: BB excluding Financial Institutions
3. The split of Commercial Directors and Officers (D&O) covers, currently coded under D2 and D3, into the following granularities:
  - a. D&O liability sides ABC for US Public firms excluding financial institutions (re-purposed D2 risk code)
  - b. D&O liability sides ABC for non-US Public firms excluding financial institutions (re-purposed D3 risk code)
  - c. D&O liability sides A or A with DIC for US Public firms excluding financial institutions (New DD risk code)
  - d. D&O liability sides A or A with DIC for non-US Public firms excluding financial institutions (New D1 risk code)
  - e. D&O liability US Private firms excluding financial institutions (New DA risk code)
  - f. D&O liability non-US Private firms excluding financial institutions (New DB risk code)
4. Additional guidance on Cyber coverage within Political Violence and Terrorism standalone covers.
5. Additional guidance on the coding of Financial Guarantee exposures within Transactional Liability (risk codes D8,D9).

### Implementation

The new risk codes which have been incorporated into Lloyd's systems are to be adopted by managing agents for the 2025 year of account and should be used for the 2025 year of account business planning process. These changes will not affect the 2024 Year of Account (YOA) or prior years' reporting or Syndicate Business Forecast (SBF).

**Further information**

If managing agents write or wish to write these perils/products and have any questions regarding the additional risk codes or the process to follow, they should contact the Class Underwriting Performance and Solutions team at [underwritingoversight@lloyds.com](mailto:underwritingoversight@lloyds.com).

**Appendix 1 – New Risk Codes for 2025 YOA**

CW	WAR ON LAND IRO GOODS IN TRANSIT
DD	D AND O LIAB EXCL FINANCIAL INSTITUTIONS US PUBLIC A OR A WITH DIC
D1	D AND O LIAB EXCL FINANCIAL INSTITUTIONS NON-US PUBLIC A OR A WITH DIC
DA	D AND O LIAB EXCL FINANCIAL INSTITUTIONS US PRIVATE
DB	D AND O LIAB EXCL FINANCIAL INSTITUTIONS NON-US PRIVATE
BC	FIDELITY, COMMERCIAL CRIME AND COMPUTER CRIME FOR COMMERCIAL ENTITIES, EXCLUDING FINANCIAL INSTITUTIONS

**Appendix 2 – New risk codes guidance and changes to existing risk codes:****Risk code D2:**

- New risk code description: from "D AND O LIAB EXCL FINANCIAL INSTITUTIONS IN USA" to "D AND O LIAB EXCL FINANCIAL INSTITUTIONS US PUBLIC ABC".
- Should cover insurance and reinsurance (proportional and non-proportional).
- Should cover all methods of placement.
- Should cover all regions.

**Risk code D3:**

- New risk code description: from "D AND O LIAB EXCL FINANCIAL INSTITUTIONS EXCL USA" to "D AND O LIAB EXCL FINANCIAL INSTITUTIONS NON-US PUBLIC ABC"
- Should cover insurance and reinsurance (proportional and non-proportional).
- Should cover all methods of placement.
- Should cover all regions.

**Risk code DD:**

- New risk code: "D AND O LIAB EXCL FINANCIAL INSTITUTIONS US PUBLIC A OR A WITH DIC"
- Should cover insurance and reinsurance (proportional and non-proportional).
- Should cover all methods of placement.
- Should cover all regions.

**Risk code D1:**

- New risk code: "D AND O LIAB EXCL FINANCIAL INSTITUTIONS NON-US PUBLIC A OR A WITH DIC"
- Should cover insurance and reinsurance (proportional and non-proportional).
- Should cover all methods of placement.
- Should cover all regions.

**Risk code DA:**

- New risk code: "D AND O LIAB EXCL FINANCIAL INSTITUTIONS US PRIVATE"
- Should cover insurance and reinsurance (proportional and non-proportional).
- Should cover all methods of placement.
- Should cover all regions.

**Risk code DB:**

- New risk code: "D AND O LIAB EXCL FINANCIAL INSTITUTIONS NON- US PRIVATE"
- Should cover insurance and reinsurance (proportional and non-proportional).
- Should cover all methods of placement.
- Should cover all regions.

**Risk code WL:**

- New risk code description: from: " WAR ON LAND - FROM 01/01/05 ALSO INCLUDES BUSINESS PREVIOUSLY CODED "QL"" to ""WAR ON LAND EXCL GOODS IN TRANSIT"
- Should cover insurance and reinsurance (proportional and non-proportional).
- Should cover all methods of placement.
- Should cover all regions.

**Risk code CW:**

- New risk code: "WAR ON LAND IRO GOODS IN TRANSIT"
- Should cover insurance and reinsurance (proportional and non-proportional).
- Should cover all methods of placement.
- Should cover all regions.

**Risk code BB:**

- New risk code description: from: "FIDELITY COMPUTER CRIME AND BANKERS POLICIES" to "FIDELITY, BANKERS AND COMPUTED CRIME FOR FINANCIAL INSTITUTIONS"
- Should cover insurance and reinsurance (proportional and non-proportional).
- Should cover all methods of placement.
- Should cover all regions.

**Risk code BC:**

- New risk code: "FIDELITY, COMMERCIAL CRIME AND COMPUTER CRIME FOR COMMERCIAL ENTITIES, EXCLUDING FINANCIAL INSTITUTIONS"
- Should cover insurance and reinsurance (proportional and non-proportional).
- Should cover all methods of placement.
- Should cover all regions.