

# Q3 Market Message

**Patrick Tiernan, Chief of Markets**

**Dawn Miller, Commercial Director**



# Today's session

1

Performance

2

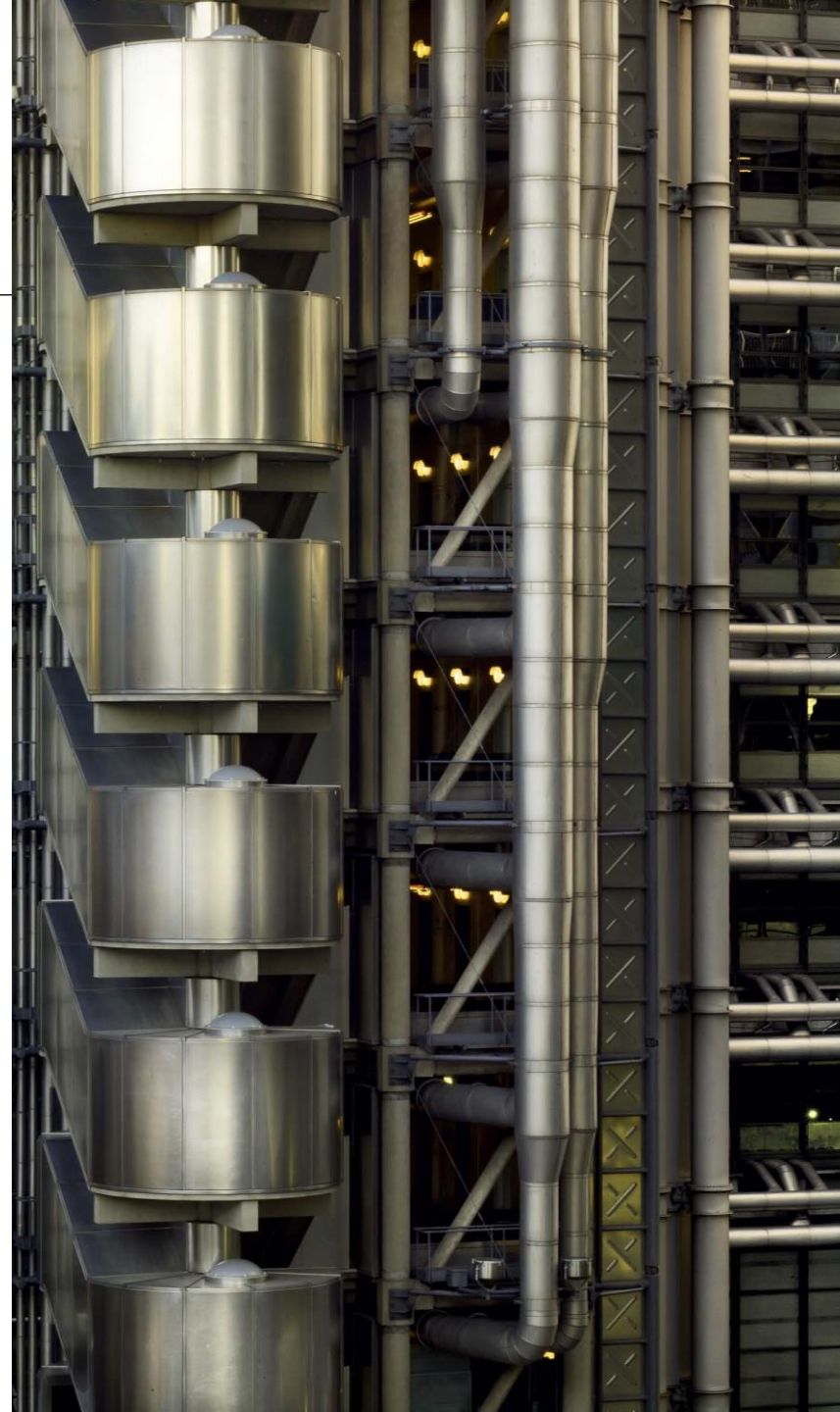
Volatility

3

Opportunity

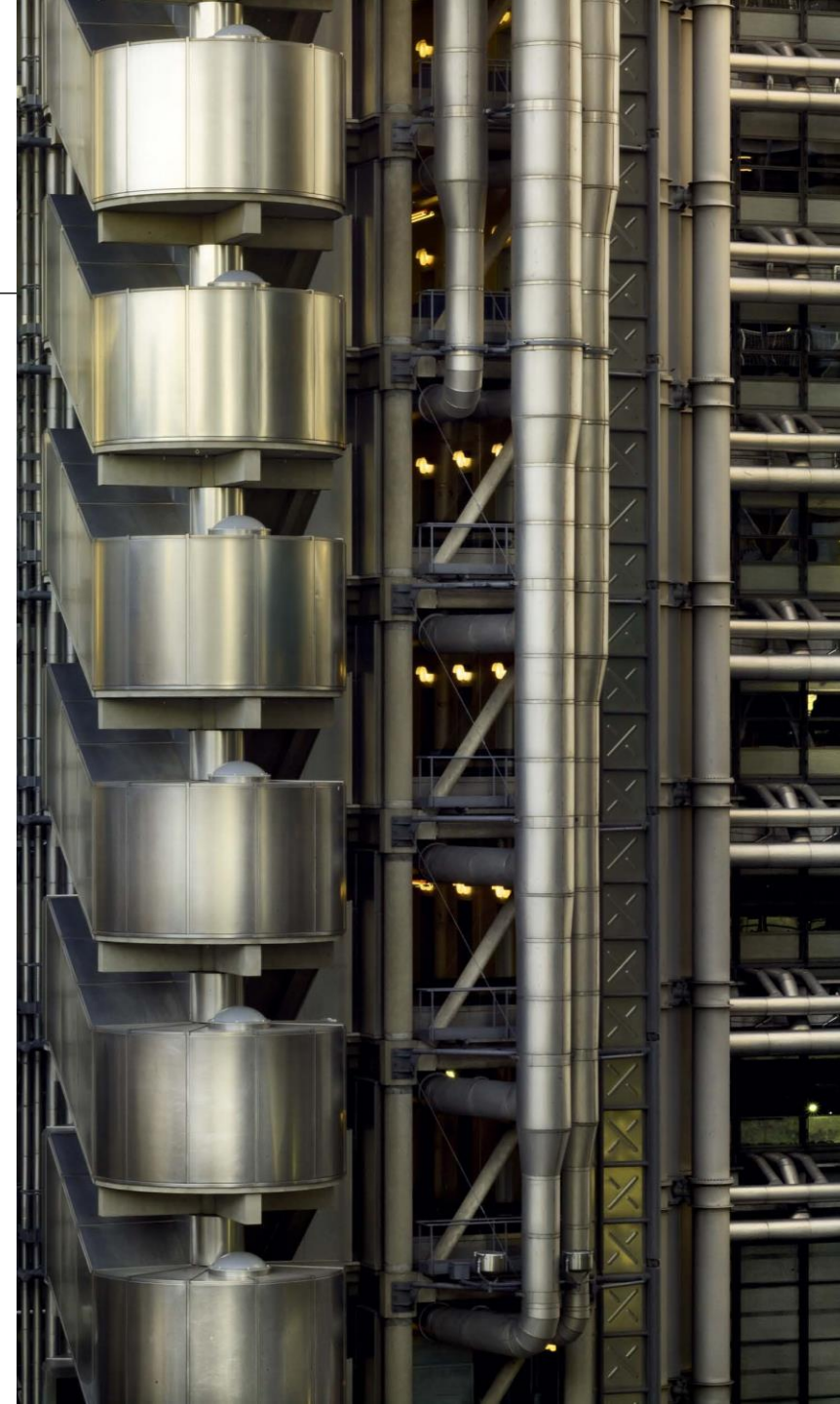
4

Key Takeaways



# Front foot looking forward

- 1 Performance
- 2 Volatility
- 3 Opportunity
- 4 Key Takeaways



# Performance



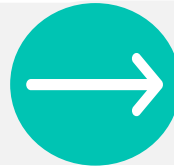
Half-Year results have built resilience into the portfolio



Performance remains our number one priority



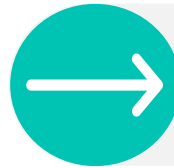
Key focus areas include:



Casualty – US General Liability



Specialty classes impacted by geopolitical risk

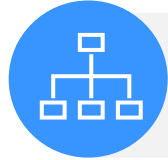


Commercial Directors & Officers

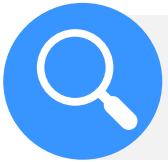
# Key Messages: Directors & Officers



Management of plans must be dynamic



Active oversight of delegated authorities



Appropriate due diligence by XOL participants on primary leads



Rate expectations extend to new business and restructured layers

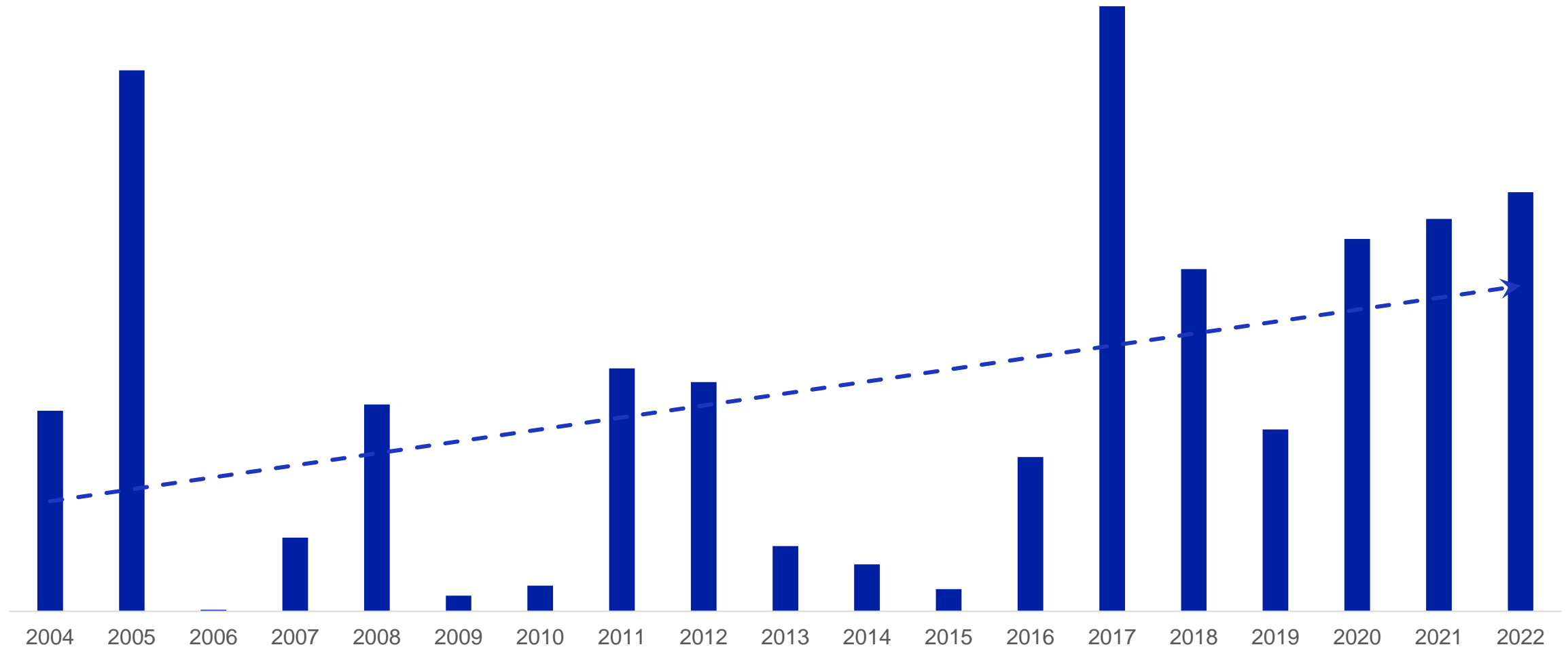


Planned rate is a floor not a target

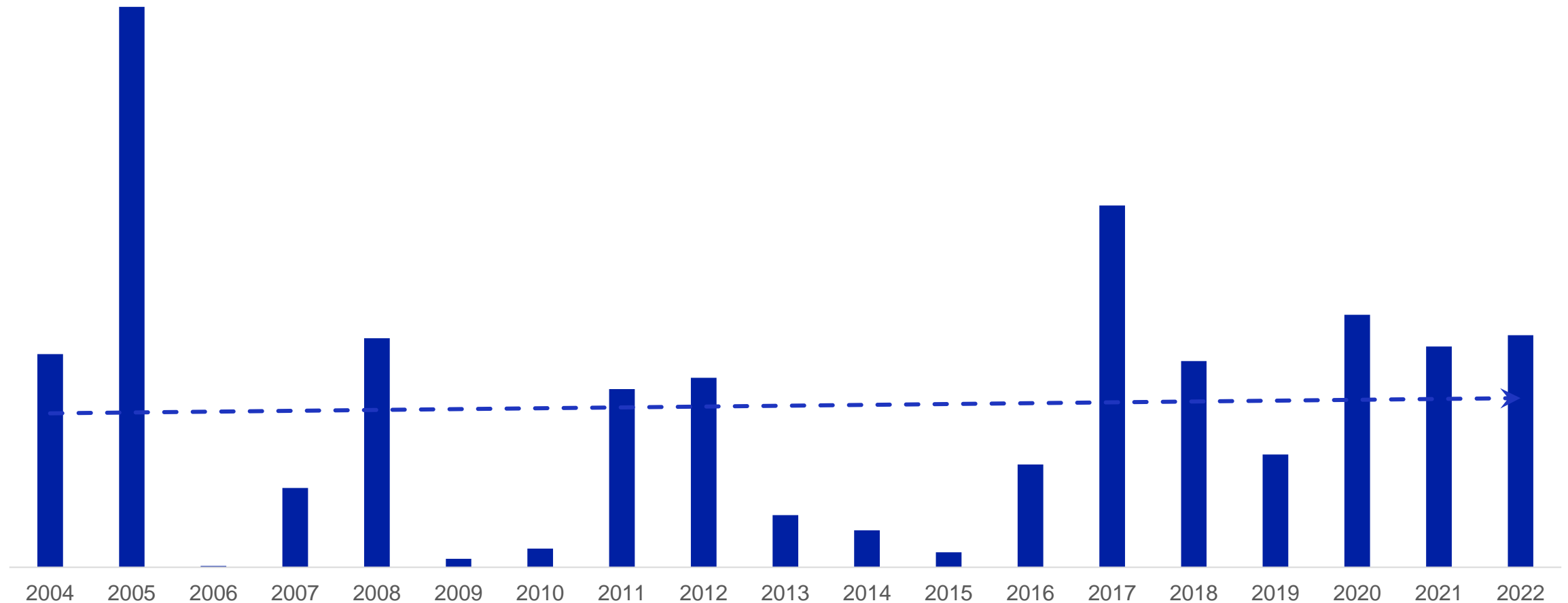
# Front foot looking forward



# Lloyd's claims for all cat-coded events in the last 19 years



# When on-levelled for changes in exposure there is no compelling upward trend

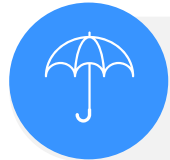




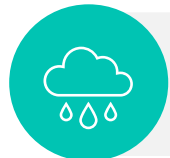
# Key Messages: Natural Catastrophes



Climate change is extremely complex and will impact all perils differently



An overly simplistic approach will cause more problems than it solves



Non-peak perils have materiality to us not too far off the lowest of the “peak” LCM5



Evaluating expanding the LCM5

# Key Messages: Non-Natural Catastrophes



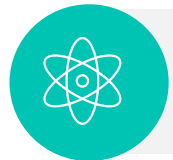
Concerning loss pattern over the past five years



Plan and rate for the geopolitical risks ahead



Agreement on a cyber catastrophe definition

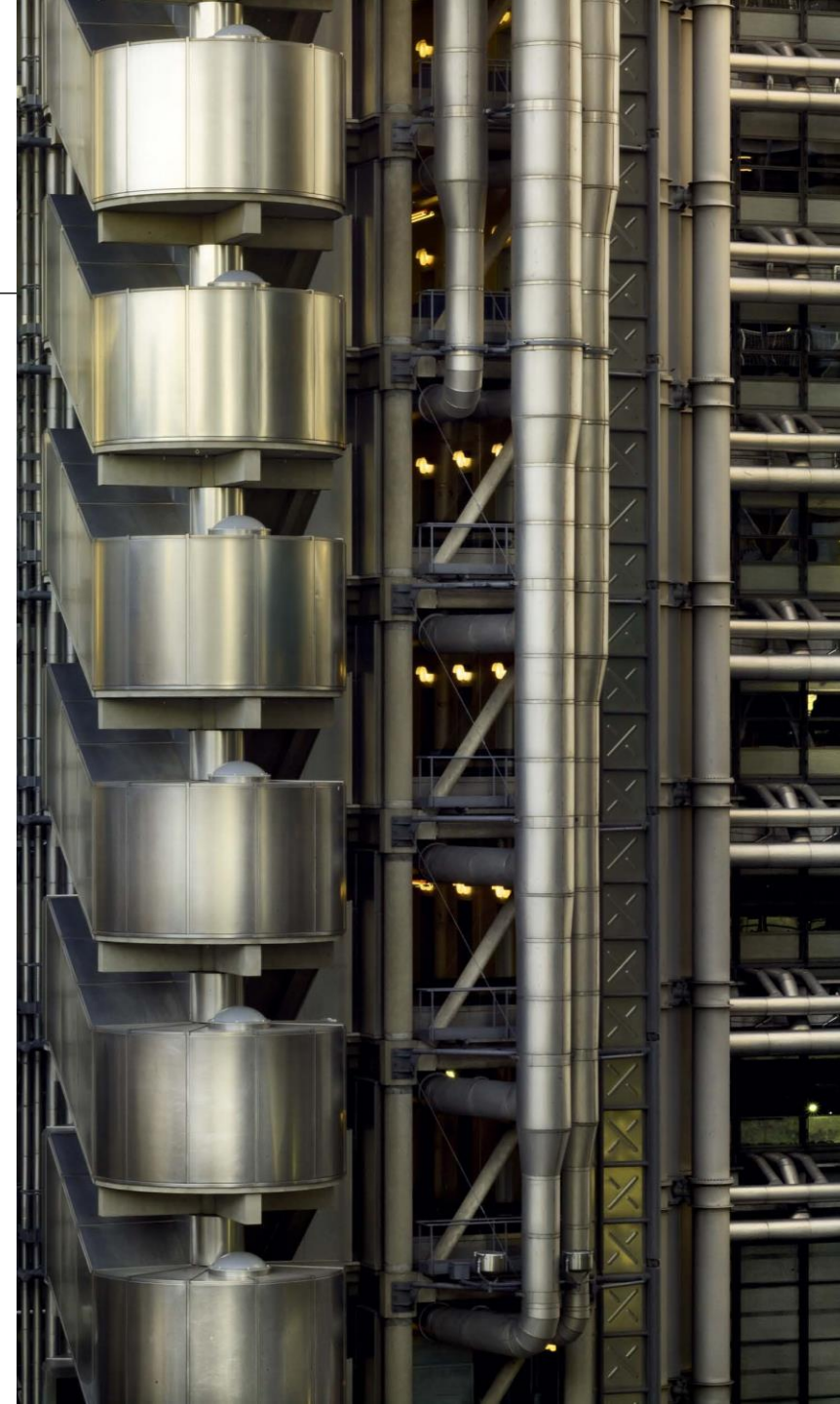


Pricing for all man-made risks must include a catastrophic component



Understanding and reacting to reinsurance coverage is vital

# Front foot looking forward



# Building from strong foundations

Lloyd's is the largest global provider of commercial insurance



\$70bn of gross written premium



Largest global cyber market



Largest US excess and surplus lines market



\$3bn of multinational insurance policies

# Lloyd's Lab: global centre of insurance innovation

Over 100 companies have passed through the Lloyd's lab:



95% still operating or have had a successful buy-out, 71% in the Lloyd's market



Over 1,000 jobs created



Over \$1bn in capital raised by alumni since leaving the lab



Ten-fold growth in the utilisation of the ICX class with total capacity available of \$1.3bn



Conduit for delivering practical customer solutions

# Unlocking Value

Working to ensure Lloyd's is the strategically essential market for you



Acquisition cost benchmarking



Claims actions and outcomes dashboard



Attracting the best underwriters and capital to our marketplace



Maximising capital, data, license and innovation advantages

# Key Takeaways

- 1** We are on the front foot looking forward
- 2** **Performance:** focus on casualty, conflict related speciality classes, D&O
- 3** **Volatility:** climate, geopolitical risk and cyber
- 4** **Opportunity:** deliver all the advantages of our great marketplace

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