

AUCTION SEASON 2023 - DISCLOSURE

Managing Agent Name: Beazley Furlonge Limited

Subject: Change in the business mix following the Proposal pursuant the Agency Circumstances Procedure

Syndicate(s) Affected: Syndicates 2623 and 623

In March 2023, Beazley Furlonge Limited ("Beazley"), the managing agent for Lloyd's syndicates 2623 and 623, wrote to Member's Agents and Direct Members about its intention to restructure the business around a three core platform strategy and, in connection with this strategy, outlined an impact on the premium flows from the Beazley Group's US-based business into syndicates 2623 and 623. In order to rebalance the portfolio for the Relevant Members of syndicate 623, a proposal pursuant to the Agency Circumstances Procedure was sent to Member's Agents and Direct Members, and the ballot was conducted in August 2023.

The final result, which was confirmed by EY, showed that, of the valid votes received, 97% of Members by capacity of Syndicate 623 voted in favour of the Proposal.

The key terms of the Proposal were as follows:

Changes in the business mix

From the 2024 year of account (YOA), business written domestically by Beazley's US-based underwriters would be removed from syndicate 623 and the revised syndicate 623 portfolio would be rebalanced to cover a larger share of Beazley's existing wholesale business written in London, Miami and Singapore. As a result of the restructuring, the key changes to the business mix written by syndicate 623 will be a reduction in Cyber Risk and an increase in Marine, Aviation and Political Risk business.

The absolute value of the capacity of syndicate 623 for the 2024 year of account will remain at least at the same level as prior to the restructuring (subject to auctions). The changes will take place from the 2024 YOA onwards and are reflected in the 2024 YOA syndicate business forecasts.

Beazley participation in the auctions

To provide scope for additional liquidity for the members of syndicate 623 following the proposal and subject to the Lloyd's capacity offer rules, Beazley also committed to participate in the annual Lloyd's auctions. For the 2024 YOA, Beazley confirmed that it would bid for capacity at at least 25.1p per £1 of capacity. If as a result of the auctions Beazley is entitled to not less than 75% of combined capacity for syndicates 2623 and 623, the mandatory offer procedure would be triggered in line with the Mandatory offer byelaw.

The other terms of the Proposal are limited to members of the 2023 YOA only.

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Contact Information

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