

AM Best
September 2025
Lloyd's

Best's Rating of Lloyd's 2025



Best's Credit Rating Effective Date

July 31, 2025

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Information

Best's Credit Rating Methodology

Guide to Best's Credit Ratings

Market Segment Outlooks

Financial Data Presented

The financial data in this report reflects the most current data available to the Analytical Team at the time of the rating. Updates to the financial exhibits in this report are available here: .

Lloyd's**AMB #:** 085202 | **AIIN #:** AA-1122000**Ultimate Parent:** AMB # 051215 - Society of Lloyd's**Best's Credit Ratings - for the Rating Unit Members****Financial Strength Rating
(FSR)**

A+
Superior
Outlook: Stable
Action: Affirmed

**Issuer Credit Rating
(ICR)**

aa-
Superior
Outlook: Stable
Action: Affirmed

Assessment Descriptors

Balance Sheet Strength	Very Strong
Operating Performance	Strong
Business Profile	Very Favorable
Enterprise Risk Management	Appropriate

Rating Unit - Members**Rating Unit:** Lloyd's | **AMB #:** 085202

AMB # **Rating Unit Members**
078649 Lloyd's Ins Co (China) Ltd

AMB # **Rating Unit Members**
095926 Lloyd's Insurance Co. S.A.

Rating Rationale

Balance Sheet Strength: **Very Strong**

- The market has the strongest level of risk-adjusted capitalisation, as measured by Best's Capital Adequacy Ratio (BCAR).
- A robust capital-setting regime, which incorporates a risk-based approach to setting member-level capital and helps protect risk-adjusted capitalisation from volatility.
- Member-level capital is subject to fungibility constraints as it is held on a several rather than joint basis.
- Balance sheet strength is underpinned by a strong Central Fund that is available, at the discretion of the Council of Lloyd's, to meet the policyholder obligations of all Lloyd's members.
- The market has significant exposure to catastrophe risk and is dependent on reinsurance to manage this risk.

Operating Performance: **Strong**

- Lloyd's is expected to report strong operating performance across the underwriting cycle, taking into account potential volatility due to its catastrophe exposure.
- Improved market conditions, as well as the robust performance oversight by the Corporation, materialised in measurable improvements in underwriting performance in recent years, as evidenced by combined ratios of 87% and 84% for 2024 and 2023, respectively.
- The market's expense ratio has historically been considered relatively high compared to that of peers. However, this has decreased, and stabilised in the more recent years as a result of specific actions taken by the Corporation and syndicates to reduce costs.
- The market's consolidated operating performance cannot be viewed as a leading indicator of its future balance sheet strength to the same extent as it is for other insurers. Earnings generated by the market do not directly build or erode Lloyd's capital base, as profits and losses are distributed to the market's capital providers when a year of account is closed. Lloyd's continues to demonstrate that it is able to retain and attract capital to the market.

Business Profile: **Very Favorable**

- Lloyd's has an excellent position in the global general insurance and reinsurance markets as a leading writer of specialty property and casualty risks. Although Lloyd's syndicates operate as individual businesses, the collective size of the market allows them to compete with international groups under the Lloyd's brand.
- Unique business proposition given the market's ability to provide access to insurance business globally through its multitude of reinsurance and direct insurance licences.
- The market's business is well diversified by geography and lines.
- Product risk is moderate to high; however, it is mitigated through robust underwriting expertise and good exposure management practices. Higher-risk lines include reinsurance, energy, aviation, some marine business and a high proportion of the casualty and property business written. The majority of small commercial and consumer business, as well as some of the business written through coverholders, is typically of lower risk.

Enterprise Risk Management: **Appropriate**

- Lloyd's enterprise risk management framework is well developed and appropriate for the size and complexity of the market.
- Risk management capabilities are aligned with the market's risk profile.
- The Corporation's risk management function works closely across other functional areas of the Corporation to provide the market additional oversight.
- An internal capital model is used to calculate the solvency capital requirement under the Solvency II regime as well as to stress test the market's risk-adjusted capitalisation. In AM Best's opinion, the internal capital model strongly supports the Corporation's ability to assess the capital adequacy of the market.

Outlook

- The stable outlooks reflect AM Best's expectation that risk-adjusted capitalisation will remain at the strongest level, supported by Lloyd's capital and catastrophe management strategy, the continued availability of the Central Fund insurance, and the

requirement for members to replenish their Funds at Lloyd's following losses. Operating performance is expected to remain strong over the underwriting cycle given the ongoing oversight.

Rating Drivers

- Negative rating actions could arise should Lloyd's fail to maintain underlying performance in line with expectations.
- Negative rating actions could arise following a material deterioration in the market's risk-adjusted capitalisation, for instance, due to a substantial loss to the Central Fund or a reduction in member-level capital requirements set by Lloyd's.
- Although unlikely over the near term, positive rating pressure could arise following material improvements in the market's balance sheet fundamentals.

Key Financial Indicators

AM Best may recategorize company-reported data to reflect broader international reporting standards and increase global comparability.

Best's Capital Adequacy Ratio (BCAR) Scores (%)

Confidence Level	95.0	99.0	99.5	99.6
BCAR Score	74.9	62.1	56.4	54.5

Source: Best's Capital Adequacy Ratio Model - Global

Key Financial Indicators	2024 GBP (000)	2023 GBP (000)	2022 GBP (000)	2021 GBP (000)	2020 GBP (000)
Net Premiums Written:					
Non-Life	42,541,000	39,351,000	34,570,000	28,439,000	25,826,000
Composite	42,541,000	39,351,000	34,570,000	28,439,000	25,826,000
Net Income	9,626,000	10,663,000	-769,000	2,277,000	-887,000
Total Assets	176,517,000	165,095,000	161,530,000	138,155,000	128,304,000
Total Capital and Surplus	46,851,000	44,665,000	39,602,000	35,757,000	33,146,000

Source: BestLink® - Best's Financial Suite

Key Financial Indicators & Ratios	2024 GBP (000)	2023 GBP (000)	2022 GBP (000)	2021 GBP (000)	2020 GBP (000)	Weighted 5-Year Average
Profitability:						
Balance on Non-Life Technical Account	5,314,000	5,910,000	2,641,000	1,741,000	-2,676,000	...
Net Income Return on Revenue (%)	21.6	26.2	-2.4	8.1	-3.2	12.1
Net Income Return on Capital and Surplus (%)	21.0	25.3	-2.0	6.6	-2.8	10.9
Non-Life Combined Ratio (%)	86.9	84.0	91.9	93.5	110.3	92.0
Net Investment Yield (%)	4.0	3.9	-0.5	1.8	2.2	2.4
Leverage:						
Net Premiums Written to Capital and Surplus (%)	90.8	88.1	87.3	79.5	77.9	...

Source: BestLink® - Best's Financial Suite

Credit Analysis

Balance Sheet Strength

Lloyd's very strong balance sheet strength assessment is underpinned by risk-adjusted capitalisation at the strongest level, as measured by Best's Capital Adequacy Ratio (BCAR), as well as its strong financial flexibility. The market has significant potential exposure to catastrophe losses and is dependent on reinsurance to manage this risk. However, a robust market-wide capital-setting regime, which incorporates a risk-based approach to setting member-level capital, and the requirement for members to replenish their Funds at Lloyd's (FAL) after a loss, helps protect risk-adjusted capitalisation against volatility.

Lloyd's balance sheet strength is supported by a strong Central Fund that is available, at the discretion of the Council of Lloyd's, to meet the policyholder obligations of all Lloyd's members. It is the existence of this partially mutualising link that is the basis for a

Balance Sheet Strength (Continued...)

market-level rating. The protection afforded to members through the Central Fund is enhanced by Central Fund insurance, which was renewed in 2024 for a period of five years.

The market's member-level capital is held on a several rather than joint basis and is only available to meet the liabilities of the providing member. The resulting fungibility constraints on capital is considered an offsetting factor for the balance sheet strength assessment.

Capitalisation

The BCAR scores shown in this report are based on the pro forma financial statements for year-end 2024 published in Lloyd's annual report. The pro forma financial statements include the aggregate of syndicate annual accounts, members' FAL and the Society of Lloyd's (referred to in this report as the Society or the Corporation) financial statements.

The Society was formed in 1871, when the then existing association of underwriters at Lloyd's was incorporated by the Lloyd's Act. The Society produces consolidated financial statements that cover Lloyd's activities outside the underwriting market and Lloyd's central resources (the Central Fund).

Lloyd's benefits from risk-adjusted capitalisation at the strongest level, as measured by BCAR. This assessment takes into account capital resources available at member level, in the form of Members' FAL, and centrally in the form of the Central Fund and net assets of the Corporation. Capital credit is given in BCAR for FAL provided through LOCs, as if drawn, these LOCs will turn into Tier 1 capital for Lloyd's. Nonetheless, the use of LOCs as FAL reduces somewhat the quality of available capital. AM Best does not give explicit credit for contingent capital in the 'callable layer', which is the ability of the Corporation to supplement central assets by calling funds from members of up to 5% of their overall premium limits.

Any assessment of Lloyd's capital strength is complicated by the compartmentalisation of capital at member level. Member-level capital in the form of FAL and members' balances are held on a several rather than joint basis, meaning that any member needs to meet only its share of claims. However, Lloyd's central assets are available, at the discretion of the Council of Lloyd's, to meet policyholder liabilities that any member is unable to meet in full. This link in the Chain of Security comprises of the Central Fund and other central assets, as well as subordinated debt. These central assets can be supplemented by funds called from members of up to 5% of their overall premium limits. It is the existence of this partially mutualising third link, and the high liquidity of the Central Fund in particular, that is the basis for a market-level rating.

The Central Fund is secured through a five-year, multi-layered insurance cover, which was renewed in 2024 for another five years. The Central Fund insurance provides protection to the Central Fund, and therefore the market, against severe tail events. The cover will reimburse aggregate payments from the Central Fund that are in excess of USD 1.1 billion and is provided by international reinsurers of excellent credit quality.

Lloyd's Internal Model (LIM) captures Lloyd's unique capital structure and takes into account fungibility constraints on member-level capital and the mutual nature of central assets. If a severe market loss led to the exhaustion of some members' FAL, central assets would be exposed to any further losses faced by these members. The model captures this mutualised exposure, so that, at different return periods, the exposure of both member-level capital and central capital is demonstrated.

Lloyd's is subject to the Solvency II regulatory regime. As agreed with the UK regulator, the Prudential Regulation Authority (PRA), Lloyd's calculates two separate Solvency Capital Requirements (SCRs) and two separate SCR coverage ratios: a market-wide SCR (MWSCR) and a central SCR (CSCR). The MWSCR calculates the total capital required at a 99.5% value at risk (VaR) confidence level over a one-year period for the Lloyd's market as a whole (including the exposure of both member-level and central assets).

The CSCR is calculated at a 99.5% VaR confidence level over a one-year period in respect of the risks facing the Society and its Central Fund. It captures the risk of an event where members do not have sufficient funds to meet their losses, and central assets would need to be used to meet policyholder liabilities. Calculating a CSCR addresses the risk that a 1-in-200 year loss to central assets could be bigger than the loss to central assets in a 1-in-200 year market loss event. By calculating both figures, Lloyd's has a better view of the likelihood that central and market level assets are sufficient.

Lloyd's has approval from the PRA to use existing LOCs, in the form that they are provided as FAL, as Tier 2 capital for Solvency II purposes. However, any new LOCs provided as FAL need to be individually approved. Under Solvency II, at least 50% of the solvency capital requirement must be met by Tier 1 capital.

Balance Sheet Strength (Continued...)

Since 2018 Lloyd's has been implementing a phased reduction in the proportion of FAL that can be provided via LOCs, and, since December 2020 members' Tier 2 capital is not allowed to exceed 50% of their economic capital assessment (ECA) in order to minimise assets ineligible for regulatory capital credit. As at 31 December 2024, LOCs accounted for approximately 18% of total FAL and all Lloyd's Tier 2 assets were eligible to meet the MWSCR.

The MWSCR coverage ratio stood at 205% at year-end 2024 (2023: 207%), while the CSCR coverage ratio stood at 435% (2023: 503%). Both ratios decreased at year-end 2024, compared with year-end 2023, in part driven by growth in the market. In addition, the CSCR reduction was driven by repayment of the first tranche of syndicate loans and the subordinated debt that matured in October 2024. Lloyd's risk appetite for MWSCR coverage is a minimum of 140% and the CSCR coverage is a minimum of 200%. The MWSCR target is low relative to peers, but this should be seen in light of Lloyd's good financial flexibility and the market's capital-setting process.

Lloyd's employs strict capital-setting criteria both at member level and centrally. Individual syndicates are required to calculate a SCR at a 99.5% confidence level over both a one-year and an ultimate horizon for each underwriting year. The ultimate basis drives the determination of member level capital. A 35% uplift is applied to the ultimate SCR to arrive at the FAL requirement. The stability in the market's solvency levels over the long term, as a result of the capital-setting process, is considered to be a strength for the balance sheet assessment.

Lloyd's members are required to replenish their FAL to meet their current underwriting liabilities as part of the "coming into line" process each year. However, Lloyd's can require a member to recapitalise outside of this process if deemed necessary. Most members underwrite with limited liability. However, if FAL are eroded due to losses, affected members will have to provide additional funds to support any outstanding underwriting obligations if they wish to continue to underwrite at Lloyd's. This requirement in effect provides the market with access to funds beyond those reflected in its capital structure.

Member contributions to the Central Fund reduced in 2016 to 0.35% of gross written premiums (from 0.50% of capacity) per annum. The contribution rate can be increased to strengthen the Central Fund at any time.

Lloyd's good financial flexibility is enhanced by the diversity of its capital providers, which include corporate and individual investors. Traditional Lloyd's businesses remain committed to the market. In addition, Lloyd's continues to attract new investors, drawn by its capital efficient structure and global licences. As the capital to support underwriting at Lloyd's is supplied by members on an annual basis, an important factor in AM Best's analysis of the market is its ability to retain and attract the capital required for continued trading.

To this end, as detailed in the Future at Lloyd's prospectus, one of the objectives of Lloyd's is to improve the ease of doing business and, specifically, make it easier for capital to enter the marketplace. This included reinventing the way that capital comes into the market and making it flexible to access a diverse set of insurance risks on the Lloyd's platform.

In 2021, Lloyd's sponsored a new multi Insurance Special Purpose Vehicle, London Bridge Risk PCC Ltd., to act as a reinsurance risk transformation vehicle onshore in the UK and facilitate the participation of institutional investors. Lloyd's sponsored a second transformation vehicle in 2022, London Bridge 2 PCC Ltd (LB2), which allows the issuance of both preference and/or debt securities to fund reinsurance obligations. By the end of 2024, the London Bridge vehicles had established 19 cells, through which USD 1.9 billion of capital had been deployed.

Liquidity Analysis (%)	2024	2023	2022	2021	2020
Liquid Assets to Total Liabilities	73.5	73.2	68.1	69.8	70.7
Total Investments to Total Liabilities	83.2	83.6	78.6	82.0	84.0

Source: BestLink® - Best's Financial Suite

Asset Liability Management - Investments

The majority of Lloyd's investments are managed independently by the individual syndicates' managing agents, while the assets in the Lloyd's Central Fund are managed centrally by the Corporation. Although syndicates are able to define their own investment strategy, asset risk is generally low, with more than three quarters of the market's total investments held in bonds and cash/deposits. Exposure to shares and other variable yield securities accounted for circa 10% of invested assets in 2024.

Balance Sheet Strength (Continued...)

In AM Best's opinion, Lloyd's maintains good overall liquidity. Managing agents are responsible for the investment of syndicate premium trust funds, although Lloyd's monitors liquidity levels at individual syndicates as part of its capital adequacy review. Overall, these funds exhibit a high level of liquidity, as most syndicate investment portfolios tend to consist primarily of cash and high-quality fixed-income securities of relatively short duration. Lloyd's also monitors projected liquidity for its central assets, which are tailored to meet the disbursement requirements of the Central Fund and the Corporation (including its debt obligations).

An investment platform to pool assets across the market was launched in the second half of 2022. Over GBP 1 billion in assets has already been invested/committed to the platform. Should participation in the investment platform be in line with the Corporation's expectations this could lead to some meaningful enhancements in non-technical returns for members, particularly smaller managing agents.

Composition of Cash and Invested Assets	2024 GBP (000)	2023 GBP (000)	2022 GBP (000)	2021 GBP (000)	2020 GBP (000)
Total Cash and Invested Assets	107,890,000	100,682,000	95,872,000	83,998,000	79,951,000
Cash (%)	11.2	11.2	12.8	13.0	13.1
Bonds (%)	66.4	65.9	63.7	60.6	59.7
Equity Securities (%)	10.8	10.5	10.1	11.4	11.3
Real Estate, Mortgages and Loans (%)	7.4	8.8	10.3	11.0	12.1
Other Invested Assets (%)	4.3	3.6	3.1	3.9	3.8
Total Cash and Unaffiliated Invested Assets (%)	100.0	100.0	100.0	100.0	100.0
Total Cash and Invested Assets (%)	100.0	100.0	100.0	100.0	100.0

Source: BestLink® - Best's Financial Suite

Reserve Adequacy

Robust oversight of reserves is provided by the Corporation. In AM Best's opinion, reserving in the Lloyd's market tends to be prudent, with the majority of market participants incorporating an explicit margin in reserves above actuarial best estimates. Reserve surpluses, which are not fungible across the market, vary significantly between syndicates.

Total prior-year reserve releases benefited the combined ratio by 2.4 percentage points in 2024, compared to a benefit of 2.2 percentage points in the previous year. Releases were reported across all lines of business for 2024 except for casually reinsurance segment, which reported strengthening for business written prior to 2019, and aviation, due to strengthening of loss estimates pertaining to the Russia/Ukraine conflict.

Lloyd's exposure to open run-off years has significantly reduced over the past decade, principally due to better management of these years. At the beginning of 2024, there were five syndicates whose 2018, 2020 or 2021 underwriting years remained open compared to seven syndicates at the beginning of 2023. These run-off years reported an aggregate loss, including investment return, of GBP 48 million (2023: loss of GBP 7 million). There were five syndicates whose 2018, 2020 and 2021 underwriting years remained open post 31 December 2024. The total number of open underwriting years at 1 January 2025 is five.

Operating Performance

Lloyd's is expected to report strong operating performance across the underwriting cycle, taking into account potential volatility due to its catastrophe exposure.

In 2024, the market reported a net profit of GBP 9.6 billion. This resulted from an underwriting profit of GBP 5.3 billion and investment profit of GBP 4.9 billion. These results translated into a robust return-on-equity ratio of 21%, which significantly exceeded the market's 10-year weighted average return-on-equity ratio of 7%.

The market's operating performance assessment is based on analysis of the overall consolidated performance of Lloyd's, considering the stability, diversity, and sustainability of the market's sources of earnings. The assessment also incorporates analysis of the performance of individual syndicates, including the spread between the strongest and worst performers, with a particular focus on the potential exposure of central capital resources to losses from individual members.

Operating Performance (Continued...)

The Lloyd's market's consolidated operating performance cannot be viewed as a leading indicator of its future balance sheet strength to the same extent as it is for other insurers. Earnings generated by the market do not directly build or erode Lloyd's capital base. The capital to support underwriting at Lloyd's is instead supplied by capital providers. Therefore, AM Best considers the impact of the market's results on its ability to retain and attract the capital required for continued trading.

Despite volatility in performance over the longer term, the market has continued to attract new capital, with several new participants in 2024. AM Best notes that there have also been a number of syndicate closures since 2018, coinciding with the Lloyd's Decile 10 review and the winnowing out of weaker performing syndicates from the market as part of the Corporation's Performance Management Directorate (PMD) strategy.

Underwriting Performance

Over the past few years, remedial work undertaken across the market and robust performance oversight by the Corporation, as well as improved market conditions in more recent years, have supported measurable improvements in underlying performance. The accident-year combined ratio (excluding major claims) has fallen in each year since 2017. In 2024, the overall combined ratio was 86.9% (2023: 84%), resulting in a 5-year average (2020-2024) combined ratio of 92%.

Underwriting performance is subject to volatility due to the nature of business underwritten; however, for 2024, natural catastrophe claims remained within budget as compared to a more benign experience in 2023. As a result, major claims contribution to the combined ratio increased to 7.8% for 2024 as compared with 3.5% for 2023. Major claims for 2024 comprised natural catastrophe losses such as Hurricanes Milton, Helene and Beryl. The 2024 events were more severe as compared to 2023 events such as Hurricane Idalia, Maui Wildfire, Hurricane Otis and the Middle East Earthquake.

The attritional loss ratio improved to 47.1% for 2024 (2023: 48.3%) and is reflective of the positive rate environment and emphasis on underwriting discipline across the market. Prior year reserve releases benefitted the combined ratio by 2.4 percentage points for 2024 (2023: 2.2 percentage points).

In terms of line of business performance, property outperformed the rest in 2024 with a combined ratio of 75.2% for the property reinsurance segment and 81.6% for the direct property insurance segment. This was largely driven by a strong rating environment and favourable prior year movement. Moderation in combined ratios was observed across many lines of business in 2024. Specialty reinsurance and MAT (marine, aviation and transport) were the only unprofitable segments for 2024, with both segments experiencing material loss activity, including the collision of the vessel Dali with the Francis Scott Key Bridge in Baltimore. In addition, adverse prior year development was reported, particularly in the Aviation line due to strengthening of Ukraine conflict related loss estimates.

The market's operating expense ratio is high compared to that of conventional re/insurance groups that could be considered as peers, often in the mid-to-high 30% range. However, the ratio has decreased from 39.2% in 2018 to 34.4% in 2024, in part due to a change in business mix. Actions are being taken through the Future at Lloyd's initiative to reduce the cost of placing business at Lloyd's, although any benefits will likely take time to materialise.

After experiencing strong rates in 2023 and majority of 2024, softening pressures emerged towards end of 2024 and have continued in 2025. Despite moderate rate reduction, Lloyd's expects rate adequacy to persist, with the market continuing to focus on prudent risk selection. Lloyd's underwriting performance for 2025 will be impacted by estimated losses of GBP 1.7 billion (USD 2.3 billion) from the California wildfires, which consumed a third of the market's annual catastrophe allowance.

Performance on a Year of Account (YOA) Basis:

The 2022 YOA closed at the end of 2024 with an overall profit of GBP 4.9 billion (2021: GBP 2.8 billion). The 2022 YOA was impacted by major claims events such as conflict in Ukraine, Hurricane Ian, Hurricane Fiona and the Australian floods. In addition, the 2022 pure underwriting YOA was impacted by strengthening from 2021 and prior years, which were reinsured to close at the end of 2023.

Investment Performance

Investment returns (including gains/losses) for the market were on average 2.2% in the period 2020-2024, ranging from -3.5% (2022) and 5.4% (2023). In 2024, the market reported significant investment profit of GBP 4.9 billion, driven by the strong performance of the fixed income portfolio in a higher-interest rate environment and the unwind of unrealised fair value losses on the bond portfolio that were reported in 2022.

Operating Performance (Continued...)

Financial Performance Summary	2024 GBP (000)	2023 GBP (000)	2022 GBP (000)	2021 GBP (000)	2020 GBP (000)
Pre-Tax Income	9,626,000	10,663,000	-769,000	2,277,000	-887,000
Net Income after Non-Controlling Interests	9,626,000	10,663,000	-769,000	2,277,000	-887,000

Source: BestLink® - Best's Financial Suite

Operating and Performance Ratios (%)	2024	2023	2022	2021	2020
Overall Performance:					
Return on Assets	5.6	6.5	-0.5	1.7	-0.7
Return on Capital and Surplus	21.0	25.3	-2.0	6.6	-2.8
Non-Life Performance:					
Loss and LAE Ratio	52.5	49.6	57.5	57.9	73.2
Expense Ratio	34.4	34.4	34.4	35.5	37.2
Non-Life Combined Ratio	86.9	84.0	91.9	93.5	110.3

Source: BestLink® - Best's Financial Suite

Business Profile

Lloyd's very favourable business profile assessment reflects its excellent position in the global general insurance and reinsurance markets as a leading writer of specialty property and casualty risks. The market's ability to provide access to insurance business globally through its multitude of reinsurance and direct insurance licences is a key competitive strength. In addition, the growing size of the market demonstrates its ability to attract and retain investors due to its unique business proposition that offers a capital efficient structure.

Market Position:

Lloyd's occupies an excellent position in the global general insurance and reinsurance markets as a leading writer of specialty property and casualty risks and is a market leader in a number of business lines. Recent new entrants to market include Aviva, Fidelis and Convex.

Although Lloyd's syndicates operate as individual businesses, the collective size of the market allows them to compete with major international groups under the Lloyd's brand. The market's competitive strength stems from its strong brand, licences, and reputation for innovative and flexible underwriting, supported by the pool of underwriting expertise in London.

Product Diversification and Product Risk:

Total GWP grew by 6.5% in 2024 to GBP 55.5 billion (2023: GBP 52 billion) due to a combination of risk-adjusted rate change and exposure growth, with growth driven by the better performing syndicates. Insurance business accounted for 66% of premium revenue in 2024 and reinsurance for the balance. This split has been relatively stable in recent years.

The market is well diversified by line of business with a focus towards commercial lines business over personal lines.

Product risk is moderate-to-high, as the business that comes to Lloyd's is predominantly specialty business that requires expert underwriting. High product risk lines include reinsurance, energy, aviation, most marine business, and a high proportion of the casualty and property business written (although some of the property and casualty business written through coverholders is lower risk).

Reinsurance is the market's largest segment and accounted for 34% of GWP in 2024. Reinsurance business comprises of property, casualty and specialty reinsurance (primarily marine, aviation and energy reinsurance).

Property insurance business is Lloyd's second largest segment and accounted for 29% of GWP in 2024. Although the property book is global, it has some concentration towards US excess and surplus lines business. There is also a bias towards commercial risks with residential risks written being mainly non-standard risks. The book also includes terrorism, power generation, engineering and nuclear risks.

Business Profile (Continued...)

Casualty business is Lloyd's third largest segment and in 2024 accounted for 24% of GWP. The book has a focus towards the US, but the UK, Canada, and Australia are also significant markets. The main products written are general liability and professional indemnity. Accident and health business is also accounted for within this segment.

The remaining lines of MAT (8%), energy (4%), motor (2%), and life (<0.1%) together accounted for approximately 13% of GWP in 2024. Lloyd's writes a diversified marine book, including cargo, hull, marine liability, specie and fine art. The energy book consists of onshore and offshore property and liability risks. The motor book is concentrated in the UK, covering commercial and personal motor business, with a focus on niche personal risks. An international book is also written, with a focus on North America. Aviation business includes airlines, general aviation, space and war.

Geographical Diversification:

Lloyd's writes a global portfolio, albeit with some bias to North America, which accounted for nearly half of GWP in 2024. The remainder was split across the rest of Europe, UK, Central Asia and Asia Pacific, Other Americas and rest of the world.

Over the past 20 years, Lloyd's has built out its licence network considerably, and is able to write insurance and/or reinsurance business in Brazil, Mexico, Colombia, Dubai, China, Singapore, and India, as well as a number of smaller markets. This work was undertaken in response to the growth of local and regional (re)insurance hubs and the preference of clients to place business locally. The market's network of licences provides syndicates with access to a wide international client base, which is of benefit in particular to the syndicates that are not part of global insurance groups.

Distribution Channels:

The distribution of Lloyd's business is dominated by insurance brokers, and in particular by the top three largest global brokers. Lloyd's brokers play an active part in the placement of risks and in providing access to regional markets.

In addition, a significant part of Lloyd's business is distributed via coverholders (accounting for circa 40% of GWP), which write business on behalf of syndicates under the terms of a binding authority. Coverholders are important in bringing regional business to Lloyd's and providing the market with access to small and medium-sized risks.

The Lloyd's distribution model is expensive, with business often passing through several distribution links before arriving at Lloyd's. The market's reliance on brokers also makes it vulnerable to price-based competition. Although in overall terms, Lloyd's is important to the large global brokers (as well as to the specialised London market brokers), the importance of individual syndicates is less so.

Modernisation Programme:

In May 2019, Lloyd's management team unveiled a modernisation plan called the Future at Lloyd's. The proposed reforms include plans to radically reduce the cost of doing business and creating new digital platforms for placing insurance risk and streamlining claims services. If the plan is successfully implemented, cost reductions are likely to support profitability. In AM Best's view, the Future at Lloyd's programme is making important progress towards modernising the market's operations. However, it has faced significant delays.

The latest areas of focus highlighted in Blueprint Two sets out a vision for the end-to-end modernisation of business models, practices, and systems within Lloyd's - this is to overhaul paper-based processes and implement a more digital, data-led and automated approach.

Some of the Blueprint's features are the use of a core data record (CDR) for consistent data standards and an intelligent market reform contract (IMRC). Moreover, the recently established London Market Data Council agreed the scope and approach of the CDR and IMRC to standardise the data used across the Lloyd's market. Successful delivery of these much-needed modernisation initiatives should support the market to become better-equipped to meet evolving customer needs and realise future cost savings.

Failure to deliver these successfully could reduce the confidence and support of the market in the Corporation's wider Future at Lloyd's ambitions.

Corporate Overview:

Lloyd's is the London-based market where approximately 100 individual syndicates underwrite all types of insurance and reinsurance business, apart from long term life insurance. Each syndicate is formed by one or more members of Lloyd's, who join together to

Business Profile (Continued...)

provide capital and accept insurance risks. Lloyd's members are mainly corporate members although a small proportion of Lloyd's underwriting capacity continues to be provided by private individuals.

In 1871, the then existing association of underwriters at Lloyd's was incorporated by the Lloyd's Act as the Society and Corporation of Lloyd's (referred to in this report as the Society or the Corporation), making the Society the legal entity which oversees the Lloyd's market. Its purpose is to facilitate the underwriting of insurance business by Lloyd's members, to protect members' interests in this context and to maintain Lloyd's Central Fund. The Society is also the holding company for Lloyd's Insurance Company S.A. and Lloyd's Insurance Company (China) Limited.

Enterprise Risk Management

The enterprise risk management (ERM) of Lloyd's is assessed as appropriate. The market's enterprise risk framework is considered to be developed and risk management capabilities are aligned to the risk profile.

Lloyd's ERM is designed to manage risks arising from the market and the Society. It provides an extra layer of oversight over the market's risks that are also managed through the risk functions of individual managing agents. Nonetheless, there are limitations on the ability of the Corporation to actively manage the market's risks, as it is supervising individual and competing syndicates each with their own risk appetites and commercial strategies.

Under the Lloyd's Act 1982, the Council of Lloyd's (the Council) is responsible for the management and supervision of the market as the governing body of the Society. The key committees of the Council are the Audit Committee, the Market Supervision and Review Committee and the Risk Committee. The Risk Committee is responsible for the identification and management of Lloyd's key risks.

The Council manages risks by setting and monitoring a risk appetite framework. The risk appetites are reviewed on a regular basis and may be updated as required. The framework includes key risks and a number of underlying monitoring metrics. The risk appetites are structured under the three risk objective pillars of sustainability, solvency, and operational.

Over the past several years, there has been a much tougher tone and more active approach taken by the Corporation's oversight functions to managing under-performing syndicates as well as the under-performing lines of generally well performing syndicates. The enhanced oversight has led to some syndicates being put into run-off as well as others exiting certain loss-making lines of business. This additional scrutiny has led to meaningful improvements in underlying performance over the last several years.

The Society of Lloyd's and its managing agents are regulated by The Bank of England, acting through the PRA, as well as by the Financial Conduct Authority (FCA). Lloyd's remains subject to the Solvency II regulatory and capital regime, which came into force on 1 January 2016. It applies to the "association of underwriters known as Lloyd's" as a collective entity.

Lloyd's uses an internal capital model to calculate its SCR and SCR coverage ratios, with approval from the PRA. An internal model has been in use since 2012, although the current model has undergone radical change since then. In AM Best's opinion, the Corporation's ability to assess the capital adequacy of the market has been strongly improved by its capital modelling work.

In July 2025, the PRA, FCA and the Society of Lloyd's agreed to changes that streamline the process of regulatory approval for managing agents, intended to reduce the time frame for authorisation. Under the changes, the PRA and FCA will retain their statutory decision-making roles but will make increased use of the assessment work already carried out by Lloyd's. This will shorten the process, while maintaining high standards of entry.

Lloyd's recognises that one of the greatest risks to the Central Fund is the market's exposure to natural catastrophes, albeit risks from non-natural catastrophe losses, such as cyber and liability, are growing. The catastrophe model component of Lloyd's internal capital model allows the Corporation to assess catastrophe risk across return periods and, in AM Best's opinion, has improved its ability to monitor the market's aggregate catastrophe exposure against a defined risk appetite. An enhancement noted in 2020 was the introduction of the Catastrophe Risk Oversight Framework, now a Principle within the Principles Based Oversight framework, which enables Lloyd's to apply more stringent minimum capital requirements to exposure growth in syndicates with poor performance track records and catastrophe risk management capabilities. In 2024, recognizing the increased frequency of secondary perils, Lloyd's began requiring syndicates with material exposures for such perils to report more granular data, ensuring they are appropriately captured in the syndicates' models and in the Lloyd's Catastrophe Model. Due to the nature of business written, Lloyd's has significant exposure to catastrophe losses, making this aspect of risk management particularly important.

Enterprise Risk Management (Continued...)

Lloyd's Realistic Disaster Scenarios (RDSs) continue to play a critical role in exposure management at Lloyd's, both as benchmark stress tests validating the internal model output and as a source of data. The scenarios are defined in detail annually by Lloyd's and are used to evaluate aggregate market exposures as well as the exposure of each syndicate to certain major events. Syndicate-level scenarios are prepared by each managing agent, reflecting the particular characteristics of the business that each syndicate writes. In addition, Lloyd's asks for syndicates' aggregate exceedance probability (AEP) loss at a 1-in-30-year and 1-in-200 return period for various regional perils. As the Lloyd's RDSs represent different return periods for different syndicates, collecting this additional data helps to ensure a uniform treatment of syndicates' exposure to large losses.

Reinsurance Summary

Lloyd's has moderate dependence on reinsurance. This is due to the nature of the market, which consists of small-to-medium sized business that independently purchase reinsurance. The market as a whole ceded approximately 25% of its GWP in 2024. This amount includes reinsurance from syndicates to their related groups as well as reinsurance between individual Lloyd's syndicates.

Lloyd's oversight function monitors individual syndicates' reinsurance placements to ensure the appropriateness and credit quality of the market's overall use of reinsurance.

Environmental, Social & Governance

As a writer of global commercial property policies, Lloyd's is exposed to the impacts of changing climate trends, namely the increased severity and frequency of natural catastrophe losses. In AM Best's view the market uses reinsurance to manage climate risk and has applied more stringent minimum capital requirements for syndicates approved to write catastrophe-exposed business (based on their past performance). Catastrophe modelling and accumulations are managed to ensure that the market's exposure to natural catastrophes is maintained within its risk appetite.

Furthermore, to actively support the transition to a low carbon economy, the Corporation published guidance to the market on how they can manage the risks of transition alongside the growth opportunities spurred on by new economic activities. This guidance provided information on how Lloyd's will engage with the market on reviewing their own sustainability strategies, as well as toolkits for use by the market in setting transition plans. In addition, Lloyd's in collaboration with Moody's has developed a proof of concept solution to measure insurance-associated carbon emissions across the market.

Lloyd's has a large book of US casualty business that is susceptible to adverse social inflation trends. AM Best defines social inflation as the rise in cost of current and future claims caused by higher court awards and legislated rises in claims payments driven by changing social behaviour. This has contributed to reserve strengthening of casualty provisions over several years and has been an area of additional oversight and focus by the Corporation's actuarial team.

In terms of investment strategy, Lloyd's currently allocates 5% of Central Fund assets to impact investments and has committed to increasing this to 10% by 2025. Impact investments are made with an aim of generating positive, measurable social and environmental impact alongside a financial return.

In recent years, Lloyd's has strengthened its position in the sector in terms of ESG leadership by becoming the leader of the SMI Insurance Task Force. The Corporation also established the Sustainability Committee, which is responsible for driving action and providing robust challenge across its environmental and social priorities and commitments.

Financial Statements

	12/31/2024		12/31/2024
Balance Sheet	GBP (000)	%	USD (000)
Cash and Short Term Investments	12,039,000	6.8	15,127,124
Bonds	71,616,000	40.6	89,986,220
Equity Securities	11,667,000	6.6	14,659,702
Other Invested Assets	12,568,000	7.1	15,791,818
Total Cash and Invested Assets	107,890,000	61.1	135,564,864
Reinsurers' Share of Reserves	33,198,000	18.8	41,713,619
Debtors / Amounts Receivable	27,782,000	15.7	34,908,361
Other Assets	7,647,000	4.3	9,608,532
Total Assets	176,517,000	100.0	221,795,376
Unearned Premiums	27,651,000	15.7	34,743,758
Non-Life - Outstanding Claims	85,395,000	48.4	107,299,671
Insurance Contract Liabilities, Net of Assets:			
Total Gross Technical Reserves	113,046,000	64.0	142,043,429
Debt / Borrowings	601,000	0.3	755,163
Other Liabilities	16,019,000	9.1	20,128,034
Total Liabilities	129,666,000	73.5	162,926,626
Retained Earnings	13,533,000	7.7	17,004,350
Other Capital and Surplus	33,318,000	18.9	41,864,400
Total Capital and Surplus	46,851,000	26.5	58,868,750
Total Liabilities and Surplus	176,517,000	100.0	221,795,376

Source: BestLink® - Best's Financial Suite

	Non-Life	Life	Other	12/31/2024	12/31/2024
Income Statement	GBP (000)	GBP (000)	GBP (000)	Total	Total
				GBP (000)	USD (000)
Gross Premiums Written	55,546,000	...	...	55,546,000	69,794,104
Net Premiums Earned	40,424,000	...	...	40,424,000	50,793,160
Net Investment Income	...	...	4,152,000	4,152,000	5,217,030
Realized capital gains/(losses)	...	...	451,000	451,000	566,686
Unrealized capital gains/(losses)	...	...	311,000	311,000	390,775
Total Revenue	40,424,000	...	4,914,000	45,338,000	56,967,650
Benefits And Claims	21,222,000	...	...	21,222,000	26,665,655
Net Operating And Other Expenses	13,888,000	...	602,000	14,490,000	18,206,830
Total Benefits, Claims And Expenses	35,110,000	...	602,000	35,712,000	44,872,485
Pre-Tax Income	5,314,000	...	4,312,000	9,626,000	12,095,165
Net Income before Non-Controlling Interests	...	...	...	9,626,000	12,095,165

Source: BestLink® - Best's Financial Suite

Related Methodology and Criteria

Best's Credit Rating Methodology, 08/29/2024

Catastrophe Analysis in AM Best Ratings, 02/08/2024

Available Capital and Insurance Holding Company Analysis, 08/15/2024

Rating Lloyd's Operations, 03/21/2024

Scoring and Assessing Innovation, 02/20/2025

Understanding Global BCAR, 08/01/2024

A Best's Financial Strength Rating opinion addresses the relative ability of an insurer to meet its ongoing insurance obligations. The ratings are not assigned to specific insurance policies or contracts and do not address any other risk, including, but not limited to, an insurer's claims-payment policies or procedures; the ability of the insurer to dispute or deny claims payment on grounds of misrepresentation or fraud; or any specific liability contractually borne by the policy or contract holder. A Financial Strength Rating is not a recommendation to purchase, hold or terminate any insurance policy, contract or any other financial obligation issued by an insurer, nor does it address the suitability of any particular policy or contract for a specific purpose or purchaser.

A Best's Issue/Issuer Credit Rating is an opinion regarding the relative future credit risk of an entity, a credit commitment or a debt or debt-like security.

Credit risk is the risk that an entity may not meet its contractual, financial obligations as they come due. These credit ratings do not address any other risk, including but not limited to liquidity risk, market value risk or price volatility of rated securities. The rating is not a recommendation to buy, sell or hold any securities, insurance policies, contracts or any other financial obligations, nor does it address the suitability of any particular financial obligation for a specific purpose or purchaser.

In arriving at a rating decision, AM Best relies on third-party audited financial data and/or other information provided to it. While this information is believed to be reliable, AM Best does not independently verify the accuracy or reliability of the information. Any and all ratings, opinions and information contained herein are provided "as is," without any express or implied warranty.

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Best's Credit Rating Effective Date

July 31, 2025

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Information

[Best's Credit Rating Methodology](#)

[Guide to Best's Credit Ratings](#)

[Market Segment Outlooks](#)

Financial Data Presented

The financial data in this report reflects the most current data available to the Analytical Team at the time of the rating. Updates to the financial exhibits in this report are available here: [Best's Financial Report](#).

Society of Lloyd's

AMB #: 051215

Ultimate Parent: AMB # 051215 - Society of Lloyd's

Best's Credit Rating

Issuer Credit Rating (ICR)

a+ Excellent	Outlook: Stable Action: Affirmed
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Rating Rationale

The rating of the holding company is determined by reference to the Issuer Credit Rating (ICR) of the operating insurance company members of the associated rating unit [Lloyd's AMB# 085202](#). It reflects consideration of holding company sources and uses of cash, the competing demands placed upon holding company resources and normal subordination of holding company creditors to claims of the policyholders of the operating insurance companies. In general, therefore, the holding company's Issuer Credit Rating is notched from those assigned to the operating companies of the rating unit.

Holding Company Assessment

Additional credit report commentary for this section is pending and will be released in the near term.

Financial Leverage Summary - Holding Company 051215 Society of Lloyd's

Financial Leverage Ratio (%)	13.90
Adjusted Financial Leverage Ratio (%)	8.70
Interest Coverage (x)	9.90

Best's Credit Ratings Associated

Lloyd's

AMB #: 085202 | AIIN#: AA-1122000

Ultimate Parent #: AMB # 051215 - Society of Lloyd's

Best's Credit Ratings - for the Rating Unit Members

Financial Strength Rating (FSR)

A+
Superior
Outlook: Stable
Action: Affirmed

Issuer Credit Rating (ICR)

aa-
Superior
Outlook: Stable
Action: Affirmed

Assessment Descriptors

Balance Sheet Strength	Very Strong
Operating Performance	Strong
Business Profile	Very Favorable
Enterprise Risk Management	Appropriate

Rating Unit - Members

Rating Unit: Lloyd's | AMB #: 085202

AMB # 078649 Rating Unit Members
Lloyd's Ins Co (China) Ltd

AMB # 095926 Rating Unit Members
Lloyd's Insurance Co. S.A.

Key Financial Indicators

AM Best may recategorize company-reported data to reflect broader international reporting standards and increase global comparability.

Key Financial Indicators	2024 GBP (000)	2023 GBP (000)	2022 GBP (000)	2021 GBP (000)	2020 GBP (000)
Net Premiums Written:					
Net Income	355,000	268,000	98,000	7,000	46,000
Total Assets	20,421,000	20,163,000	19,097,000	16,238,000	14,509,000
Total Capital and Surplus	3,722,000	3,497,000	3,283,000	3,058,000	3,023,000

Source: BestLink® - Best's Financial Suite

Key Financial Indicators & Ratios	2024 GBP (000)	2023 GBP (000)	2022 GBP (000)	2021 GBP (000)	2020 GBP (000)	Weighted 5-Year Average
Profitability:						
Balance on Non-Life Technical Account	46,000	42,000	30,000	4,000	125,000	...
Net Income Return on Revenue (%)	253.6	221.5	144.1	20.0	44.2	165.4
Net Income Return on Capital and Surplus (%)	9.8	7.9	3.1	0.2	1.6	4.8
Net Investment Yield (%)	2.3	2.0	1.1	0.5	-0.5	1.1

Source: BestLink® - Best's Financial Suite

Credit Analysis

Balance Sheet Strength

Capitalisation

Capital Generation Analysis	2024 GBP (000)	2023 GBP (000)	2022 GBP (000)	2021 GBP (000)	2020 GBP (000)
Beginning Capital and Surplus	3,497,000	3,283,000	3,058,000	3,023,000	2,601,000
Net Income	355,000	268,000	98,000	7,000	46,000
Currency Exchange Gains (Losses)	-27,000	-25,000	30,000	-31,000	
Stockholder Dividends	...	...	...	...	-4,000
Other Changes in Capital and Surplus	-103,000	-29,000	97,000	59,000	
Net Change in Capital and Surplus	225,000	214,000	225,000	35,000	422,000
Ending Capital and Surplus	3,722,000	3,497,000	3,283,000	3,058,000	3,023,000
Net Change in Capital and Surplus (%)	6.4	6.5	7.4	1.2	16.2

Source: BestLink® - Best's Financial Suite

Liquidity Analysis (%)	2024	2023	2022	2021	2020
Liquid Assets to Total Liabilities	29.9	31.5	32.1	39.5	45.3
Total Investments to Total Liabilities	33.6	35.1	35.2	41.9	46.7

Source: BestLink® - Best's Financial Suite

Asset Liability Management - Investments

Composition of Cash and Invested Assets	2024 GBP (000)	2023 GBP (000)	2022 GBP (000)	2021 GBP (000)	2020 GBP (000)
Total Cash and Invested Assets	5,611,000	5,855,000	5,571,000	5,518,000	5,360,000
Cash (%)	36.0	41.5	45.5	47.2	48.5
Bonds (%)	41.3	41.8	39.9	40.8	40.4
Equity Securities (%)	11.6	6.3	5.7	6.5	8.1
Real Estate, Mortgages and Loans (%)	1.9	1.7	1.6	1.9	0.6
Other Invested Assets (%)	8.5	8.0	6.6	3.0	1.9
Total Cash and Unaffiliated Invested Assets (%)	99.3	99.2	99.2	99.3	99.6
Investments in Affiliates (%)	0.7	0.8	0.8	0.7	0.4
Total Cash and Invested Assets (%)	100.0	100.0	100.0	100.0	

Source: BestLink® - Best's Financial Suite

Operating Performance

Financial Performance Summary	2024 GBP (000)	2023 GBP (000)	2022 GBP (000)	2021 GBP (000)	2020 GBP (000)
Pre-Tax Income	471,000	358,000	124,000	6,000	
Net Income after Non-Controlling Interests	354,000	268,000	98,000	7,000	46,000

Source: BestLink® - Best's Financial Suite

Operating Performance (Continued...)

Operating and Performance Ratios (%)	2024	2023	2022	2021	2020
Overall Performance:					
Return on Assets	1.7	1.4	0.6	...	0.4
Return on Capital and Surplus	9.8	7.9	3.1	0.2	1.6

Source: BestLink® - Best's Financial Suite

Business Profile

Geographical Breakdown of Gross Premium Written	2024 GBP (000)	2023 GBP (000)	2022 GBP (000)	2021 GBP (000)	2020 GBP (000)
China	71,000	68,000	63,000	73,000	...
Total Asia	71,000	68,000	63,000	73,000	...
European Community	3,705,000	3,897,000	3,164,000	2,659,000	...
Total Europe	3,705,000	3,897,000	3,164,000	2,659,000	...
Total	3,776,000	3,965,000	3,227,000	2,732,000	...

Source: BestLink® - Best's Financial Suite

Financial Statements

	12/31/2024		12/31/2024
Balance Sheet	GBP (000)	%	USD (000)
Cash and Short Term Investments	2,019,000	9.9	2,536,894
Bonds	2,315,000	11.3	2,908,821
Equity Securities	653,000	3.2	820,501
Other Invested Assets	624,000	3.1	784,062
Total Cash and Invested Assets	5,611,000	27.5	7,050,278
Reinsurers' Share of Reserves	9,628,000	47.1	12,097,67
Debtors / Amounts Receivable	4,405,000	21.6	5,534,927
Other Assets	777,000	3.8	976,308
Total Assets	20,421,000	100.0	25,659,191
Unearned Premiums	2,341,000	11.5	2,941,490
Non-Life - Outstanding Claims	7,287,000	35.7	9,156,188
Insurance Contract Liabilities, Net of Assets:			
Total Gross Technical Reserves	9,628,000	47.1	12,097,67
Debt / Borrowings	601,000	2.9	755,163
Other Liabilities	6,470,000	31.7	8,129,620
Total Liabilities	16,699,000	81.8	20,982,460
Retained Earnings	3,314,000	16.2	4,164,074
Other Capital and Surplus	392,000	1.9	492,552
Non-Controlling Interests	16,000	0.1	20,104
Total Capital and Surplus	3,722,000	18.2	4,676,730
Total Liabilities and Surplus	20,421,000	100.0	25,659,191

Source: BestLink® - Best's Financial Suite

	Non-Life	Life	Other	12/31/2024	12/31/2024
Income Statement	GBP (000)	GBP (000)	GBP (000)	Total	Total
				GBP (000)	USD (000)
Gross Premiums Written	3,776,000	...	...	3,776,000	4,744,58
Net Investment Income	...	...	131,000	131,000	164,60
Realized capital gains/(losses)	...	...	59,000	59,000	74,134
Unrealized capital gains/(losses)	...	...	81,000	81,000	101,77
Other Income	9,000	...	...	9,000	11,309
Total Revenue	9,000	...	271,000	280,000	351,82
Net Operating And Other Expenses	-37,000	...	-154,000	-191,000	-239,993
Total Benefits, Claims And Expenses	-37,000	...	-154,000	-191,000	-239,993
Pre-Tax Income	46,000	...	425,000	471,000	591,81
Income Taxes Incurred	...	...	...	116,000	145,75
Net Income before Non-Controlling Interests	...	...	...	355,000	446,06
Non-Controlling Interests	...	...	...	1,000	1,257

Source: BestLink® - Best's Financial Suite

Related Methodology and Criteria

[Best's Credit Rating Methodology, 08/29/2024](#)

[Available Capital and Insurance Holding Company Analysis, 08/15/2024](#)

[Rating Lloyd's Operations, 03/21/2024](#)

Additional Rating Types

AM Best assigns Best's Issue Credit Ratings. Refer to the profile page to view current Issue Ratings for [Society of Lloyd's \(AMB#051215\)](#)

A Best's Financial Strength Rating opinion addresses the relative ability of an insurer to meet its ongoing insurance obligations. The ratings are not assigned to specific insurance policies or contracts and do not address any other risk, including, but not limited to, an insurer's claims-payment policies or procedures; the ability of the insurer to dispute or deny claims payment on grounds of misrepresentation or fraud; or any specific liability contractually borne by the policy or contract holder. A Financial Strength Rating is not a recommendation to purchase, hold or terminate any insurance policy, contract or any other financial obligation issued by an insurer, nor does it address the suitability of any particular policy or contract for a specific purpose or purchaser.

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Credit risk is the risk that an entity may not meet its contractual, financial obligations as they come due. These credit ratings do not address any other risk, including but not limited to liquidity risk, market value risk or price volatility of rated securities. The rating is not a recommendation to buy, sell or hold any securities, insurance policies, contracts or any other financial obligations, nor does it address the suitability of any particular financial obligation for a specific purpose or purchaser.

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Rating Lloyd's Operations

Outline

- A. Market Overview
- B. Balance Sheet Strength
- C. Operating Performance
- D. Business Profile
- E. Enterprise Risk Management (ERM)
- F. Lift for Syndicates
- G. Rating the Society of Lloyd's
- H. Insurance Groups with Lloyd's Operations

The following criteria procedure should be read in conjunction with *Best's Credit Rating Methodology (BCRM)* and all other related BCRM-associated criteria procedures. The BCRM provides a comprehensive explanation of AM Best's rating process.

A. Market Overview

This criteria procedure focuses on AM Best's rating process for all of Lloyd's operations: the Society of Lloyd's, the Lloyd's market, and Lloyd's syndicates, including insurance groups with corporate members that contribute capital to Lloyd's syndicates.

The Society of Lloyd's and the Lloyd's Market

Lloyd's is the London-based market where individual syndicates underwrite all types of insurance and reinsurance other than long-term life insurance. Each syndicate consists of members of Lloyd's. These members are mainly corporate entities, although private individuals still provide a small proportion of Lloyd's underwriting capacity.

The syndicates operate as individual businesses, but the collective size of the market allows them to compete effectively with global (re)insurance groups, under the Lloyd's brand and with the support of Lloyd's Central Fund (the Central Fund).

The Society of Lloyd's (the Society) is the legal entity that oversees the Lloyd's market. The Society's purpose is to facilitate the underwriting of insurance business by Lloyd's members, to protect members' Lloyd's-related interests, and to maintain the Central Fund.

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Method of Accounting

Lloyd's annual report contains the financial results of Lloyd's and its members in pro forma financial statements (PFFS), and includes the financial statements of the Society.

The PFFS include aggregated statements based on the accounts of each Lloyd's syndicate, members' funds at Lloyd's (FAL) and the Society's financial statements.

The Society produces a consolidated financial statement that covers Lloyd's activities outside the underwriting market and Lloyd's central resources (including the Central Fund).

To ensure that the PFFS are reported on the same accounting basis as other insurers, Lloyd's makes adjustments (such as a notional investment return on the FAL in the non-technical account) to its capital and investment returns. The PFFS (which incorporate Lloyd's central resources) are in accordance with U.K. GAAP, rather than International Financial Reporting Standards (IFRS). The Society has adopted IFRS for its financial reporting.

Lloyd's "Chain of Security"

AM Best's assessment of Lloyd's balance sheet strength is based on the company's unique capital structure, which Lloyd's calls the "chain of security." This "chain of security" encompasses the Premium Trust Funds, FAL, the Central Fund, the Society's net assets, and other assets, as **Exhibit A.1** shows, and is a critical element in AM Best's rating assessment of the Lloyd's market.

Any assessment of Lloyd's capital strength is complicated by the compartmentalisation of capital at the member level. The first two links in the chain of security—the Premium Trust Funds and FAL—are on a several rather than joint basis, meaning that a member needs to meet only its share of claims. In contrast, the third link (Lloyd's central assets) is available—at the discretion of the Council of Lloyd's—to meet the policyholder liabilities that any member is unable to meet in full. This third link comprises not just the Central Fund but also the net assets of the Corporation of Lloyd's and any issued hybrid securities that qualify for capital credit, and can be supplemented by a call on members' funds up to a specified percentage of their overall premium limits. This partially mutualising third link, and the liquid Central Fund in particular, is the basis for a market-level rating.

The Lloyd's market rating is the "floor of security" for all policies written at Lloyd's. It reflects the chain of security and, in particular, the role of the Central Fund, which partially mutualises capital at the market level, ensuring that each syndicate is backed by capital consistent with an Issuer Credit Rating (ICR) of at least that of the Lloyd's market. A policyholder exposed to a syndicate weaker than the market would still have market-level security, given the Central Fund's role as a guarantee fund. However, AM Best believes that the characteristics of some syndicates could be consistent with an ICR at or above the level of the market rating.

Exhibit A.1: Lloyd's Chain of Security

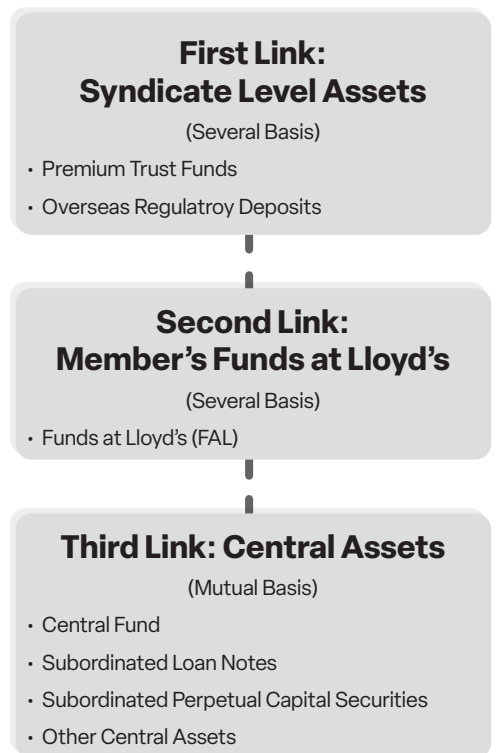
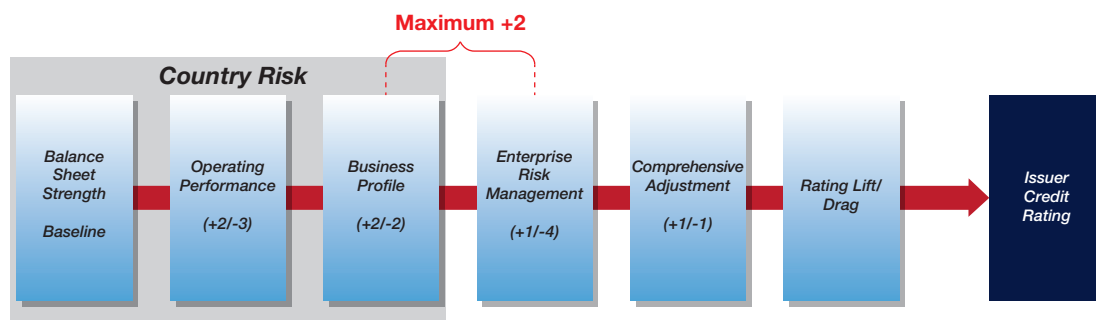


Exhibit A.2:

AM Best's Rating Process



A change to the market rating would automatically trigger a review of all syndicate ratings, as these cannot be viewed in isolation from the market as a whole—but would not necessarily mean that any particular rating would change. A change to a syndicate's rating would depend not just on the reason for the change to the Lloyd's market rating but also on the specific characteristics that support the syndicate's rating.

The Rating Process

AM Best's rating process for all of Lloyd's-related operations is based on the same building blocks as the process for conventional insurers (**Exhibit A.2**). For syndicate-specific ratings, an "s" modifier—e.g., "A+ s"—differentiates ratings on individual syndicates from other ratings.

Assessing Syndicates

To understand the link between the Lloyd's market rating and the ratings on individual Lloyd's syndicates, the following considerations should be taken into account:

- Syndicates cannot exist or be analysed in isolation from their participation in the Lloyd's market. When assigning ratings to individual syndicates, this dependence must be taken into account.
- All syndicates benefit from the financial strength of Lloyd's; therefore, the rating on a syndicate will be at least equal to the rating on Lloyd's.
- A syndicate could have a higher rating than the Lloyd's market usually for two reasons: 1) its operating performance or 2) lift from a financially stronger group.

B. Balance Sheet Strength

Lloyd's Market

Capital Management Strategy

Best's Capital Adequacy Ratio (BCAR) is used in the assessment of risk-adjusted capitalization for the Lloyd's market based on the PFFS. Lloyd's balance sheet strength assessment takes into account capital resources available at the member level and centrally; the fungibility constraints on member-level capital; and the likelihood and potential impact of future drawdowns on central assets by Lloyd's members.

Because Lloyd's capital structure consists of both mutual capital, which can be used to meet the obligations of all syndicates, and member-level capital, which is available to meet that member's obligations only, it has specific fungibility considerations. The BCAR cannot capture the lack of fungibility in some parts of the capital structure. However, given that Lloyd's stochastic internal capital model (LIM) reflects these unique features of Lloyd's capital structure, the Solvency Capital Ratios (SCRs)—as approved by the regulator—are taken into consideration as an additional indicator of capital adequacy.

The Corporation of Lloyd's is responsible for annually setting capital at member level, using the syndicates' SCRs. AM Best's assessment of the market's balance sheet strength incorporates a view of the appropriateness of Lloyd's approach to setting member-level capital. A critical component of the Lloyd's market balance sheet strength assessment involves not only the adequacy of the capital requirements, but also the market's ability to fulfil those requirements.

Financial Flexibility

AM Best's assessment of Lloyd's financial flexibility takes into account its ability to access a broad range of capital providers, which include corporate and individual investors, as well as the option to make additional capital calls when required. Although equity credit may be given for qualifying

hybrid instruments issued by the Society of Lloyd's, no explicit credit is typically given in the BCAR for the "callable layer". The callable layer does not necessarily provide additional funds to meet Lloyd's market liabilities, as capital is drawn from member-level capital to supplement central assets. However, AM Best recognizes in its assessment of the fungibility of Lloyds capital that the existence of the "callable layer" means that there is the potential, in an extreme stress scenario, for some of the member-level funds to be made available to support central resources.

Letters of Credit

Historically, a significant and stable proportion of FAL is accounted for by letters of credit (LOCs). In its calculation of available capital, AM Best will consider including FAL provided as LOCs, given that such LOCs can be drawn at the discretion of Lloyd's, and that, if drawn, will become Tier 1 capital for the Lloyd's market.

Assessing Syndicates

A syndicate's balance sheet strength assessment will be the same as that of Lloyd's, given that fundamentally all of the syndicates are protected by the central resources of the Lloyd's market. A syndicate's assessment does not include a separate holding company assessment.

C. Operating Performance

Lloyd's Market Market Performance

The assessment of Lloyd's operating performance involves the analysis of the market's overall consolidated performance, taking into account the stability, diversity, and sustainability of the market's sources of earnings. The assessment also incorporates the performance analysis of the individual syndicates—including the existing gaps between the strongest and worst performers—with a particular focus on the potential exposure of central capital resources to losses from individual members.

Lloyd's performance is not directly comparable to that of other insurers, because it is not actively managed centrally. The Corporation's Performance Management Directorate has a definite role in agreeing to business plans and monitoring performance, but Lloyd's is ultimately a market of competing businesses, each of which has its own decision-making process.

In addition, the market's consolidated operating performance cannot be viewed as a leading indicator of its future balance sheet strength to the same extent as it is for other insurers. Earnings generated by the market do not directly build or erode Lloyd's capital base, as profits and losses are distributed to the market's capital providers when a year of account is closed (usually at the end of 36 months). The capital to support underwriting at Lloyd's is instead supplied by capital providers (members) annually. Therefore, greater weight may be given to the impact of the market's results on its ability to retain and attract the capital required for continued trading.

Any assessment of Lloyd's operating performance must also take into account the potential erosion of central capital resources owing to losses incurred by individual members. Most members of Lloyd's write with limited liability. In the event of substantial underwriting losses, if those members are unwilling or unable to provide additional funds to support any outstanding underwriting obligations, there may be a drawdown on central capital resources.

Assessing Syndicates

Due to the role of the Central Fund and the protection it provides to its members, the operating performance of Lloyds acts as a floor to the assessment of the syndicate. However, in AM Best's

opinion, a syndicate could have a higher rating than the Lloyd's market because of a more favourable operating performance assessment, principally because an individual syndicate's profits are not made available to meet the obligations of other members. Therefore, the assessment of Lloyd's market's operating performance may not fully reflect the positive impact that an individual syndicate's standalone earnings can have on its ability to meet its own obligations to policyholders.

AM Best's assessment of an individual syndicate's operating performance considers the same factors as that for conventional insurers in that it centres on the stability, diversity, and sustainability of its earnings sources. Expenses will include costs associated with operating at Lloyd's, such as contributions to central resources.

D. Business Profile

Lloyd's Market

The business profile assessment of the Lloyd's market follows the process outlined in the BCMR.

Assessing Syndicates

The business profiles of all of the syndicates are inextricably linked to that of Lloyd's. As a result, the assessment of Lloyd's business profile acts as a floor for the assessment of any syndicate's business profile. Likewise, any weakening of Lloyd's business position will act as a drag on an individual syndicate's rating.

E. Enterprise Risk Management (ERM)

Lloyd's Market

AM Best's ERM assessment of the Lloyd's market evaluates both the overall risk management framework of Lloyd's and the risk management framework for each individual syndicate. Failure at one syndicate could lead to pressures on the Lloyd's market's ERM assessment even if the overall risk management framework is considered appropriate.

Assessing Syndicates

AM Best acknowledges that all syndicates benefit from the ERM framework and risk monitoring at Lloyd's level. As a result, the assessment of Lloyd's ERM acts as a floor for the assessment of any syndicate's ERM. Likewise, any weakening of Lloyd's ERM will act as a drag on an individual syndicate's rating.

F. Lift for Syndicates

Although AM Best considers the Lloyd's market rating a "floor" for all of the syndicates' ratings, certain syndicates could merit higher ratings. One reason is simply because of the steps described in the previous sections—such as the case of a syndicate with a more favourable operating performance assessment. Also, syndicates that belong to wider (re)insurance or non-insurance groups may be eligible for a higher rating owing to rating lift.

Rating lift may apply if the syndicate is backed by a capital provider (the lead rating unit) that, in AM Best's opinion, has a higher credit rating than the Lloyd's market. The lead rating unit is also expected to be fully committed to supporting the syndicate beyond its corporate member's limited liability obligations and before recourse to Lloyd's Central Fund. AM Best undertakes a detailed analysis of the capital provider's commitment and would have to be satisfied that the capital provider would not cease underwriting at Lloyd's under adverse circumstances not related to its own syndicate's performance (e.g., an additional Central Fund levy). Eligibility for rating lift owing to capital backing may be affected if a corporate member participates in other

syndicates, since capital held at the member level is fungible across all of the syndicates in which a member participates.

G. Rating the Society of Lloyd's

The rating on the Society is derived by notching from the rating on Lloyd's and reflects AM Best's opinion that the ability of the Society to meet its obligations is inextricably linked to that of Lloyd's. The rating on Lloyd's also takes into account the assets and liabilities of the Society (as the analysis is based on consolidated financials), as well as the financial flexibility of the Society, including its ability to raise debt.

The central assets of the Society of Lloyd's, including the Central Fund, are available to meet the Society's senior obligations. The Society of Lloyd's can increase the contributions to the Central Fund from members of the Lloyd's market. The Society's senior obligations include, but are not limited to, Central Fund "undertakings", whereby the Central Fund meets the insurance liability of insolvent members of Lloyd's on a discretionary basis. Under normal circumstances, Lloyd's Council executes an undertaking for a 12-month period to meet these liabilities (which can be renewed). Central Fund undertakings constitute unsecured obligations of the Society that rank *pari passu* with the Society's other unsecured senior obligations.

Accordingly, there can be no distinction between the ability of the Lloyd's market and the Society to meet their senior obligations. The Society's ability to meet its senior obligations is therefore the same as Lloyd's. However, in practice, Lloyd's policyholders are likely to be paid ahead of senior debtholders. Therefore, in the absence of any other relevant information, the ICR on the Society is placed one notch below the ICR on Lloyd's.

H. Insurance Groups with Lloyd's Operations

Market Knowledge

An insurance group writing business at Lloyd's will typically own a corporate member that participates in the Lloyd's market by providing capacity to one or more syndicates. It accepts insurance business through syndicates on a several basis for its own profit and loss and holds the capital supporting its share of business written in the form of FAL. For these insurance groups, both the performance of and the capital supporting business written at Lloyd's are captured in the consolidated analysis via the corporate member.

The rating process for groups with a Lloyd's platform is substantially the same as it is for all insurance groups. However, the unique capital structure and practices of the Lloyd's market introduce distinct issues, particularly with respect to the analytical treatment of group capital used to support underwriting at Lloyd's.

Balance Sheet Strength

As part of the analysis of a group's consolidated balance sheet strength, AM Best uses the BCAR to calculate the net required capital to support the group's financial risks (including those of the corporate member) and compares it with the group's available capital (including capital lodged as FAL), to estimate excess or shortfall.

The level of FAL determines the amount of insurance business a member can underwrite at Lloyd's. Consequently, a member unable or unwilling to replenish its FAL will have to reduce the amount of Lloyd's business it writes. Thus, if its FAL are exhausted and not replenished, the corporate member will no longer be able to underwrite at Lloyd's.

Notably, if a member's FAL are inadequate to meet its syndicate's losses, a managing agent may ask Lloyd's to meet the cash call out of its central assets. However, in the group's consolidated BCAR analysis, AM Best gives no capital credit for the access a member's insurance creditors have to Lloyd's central assets, primarily because only the obligations of the corporate member—not those of the wider group—can be met by Lloyd's central assets.

AM Best's analysis of a group's Lloyd's business focuses on an assessment of the risks generated directly by the syndicates in which the corporate member participates.

Segregation of Capital for Lloyd's Business

FAL are defined as capital lodged and held in trust at Lloyd's as security for policyholders and to support a member's overall underwriting business. The funds lodged can be investments and cash but are often letters of credit (LOCs) drawn on one or more banks.

When investments and cash are provided by a group company, or when an LOC is backed by collateral from a group company, the assets are clearly encumbered. To reflect the limitations on the transfer of this capital across the group, AM Best may apply a nominal 1% capital charge to the group assets that support FAL in the group's consolidated BCAR. This is in line with AM Best's baseline treatment of balances associated with non-controlled assets.

The analyst may increase the asset risk factor beyond the nominal 1% following an evaluation of the likelihood that FAL will be used to pay syndicate losses. The evaluation would take into account the historical and expected performance of the group's Lloyd's business, as well as the potential exposure of this business to large, market-wide losses.

Letters of Credit Supporting FAL for Insurance Groups with Lloyd's Operations

Insurance groups commonly use LOCs—either collateralized or uncollateralized—to meet their FAL requirements. In the case of a collateralized LOC, assets backing the LOC are included in AM Best's assessment of a group's available capital, although a capital charge may be applied to the assets.

An undrawn, uncollateralized LOC supporting FAL receives no capital credit in a group's consolidated BCAR. The rationale for this treatment is that, if the LOC were to be drawn down, it would become short-term bank debt on the group's balance sheet; AM Best does not afford capital credit to short-term bank debt.

However, AM Best does recognize that, under a stress scenario, an uncollateralized LOC could be converted readily to cash to meet the group's Lloyd's obligations. For this reason, AM Best would take into account an uncollateralized LOC in its assessment of the group's financial flexibility and liquidity.

Internal Reinsurance and Lloyd's Business

In an insurance group, earnings from the group's corporate member are often transferred to another group entity, typically to realize tax efficiencies—and frequently through quota-share reinsurance, with the group reinsurer providing a share of the corporate member's FAL matching the proportion of risk assumed. For example, if there is a 50% whole-account quota share in place, the corporate member and reinsurer each may provide 50% of the FAL.

When determining the appropriate treatment in the reinsurer's BCAR of the Lloyd's business assumed and the FAL lodged to support this business, AM Best will first conduct a detailed review of the reinsurance contract and the treatment of the risk assumed in the reinsurer's accounts.

If the Lloyd's-related risk is reflected accurately on the reinsurer's balance sheet and income statement—for example, if there is a standard quota share agreement in place—AM Best will include the risk associated with this business and the capital supporting this risk (a share of FAL) in its analysis of risk-adjusted capitalization in the BCAR. AM Best will also conduct a BCAR analysis excluding the risk and capital relating to the Lloyd's business.

When the proportion of FAL provided by the reinsurer exceeds the proportion of the Lloyd's business it assumes, AM Best will deduct an amount equal to the excess from capital in its analysis of the reinsurer, to avoid giving credit for capital that supports risks not captured in the reinsurer's accounts and BCAR.

Occasionally, the transfer of premium and reserve risk to the reinsurer is not reflected in the reinsurer's accounts in a manner that allows AM Best to capture the assumed risk accurately in the BCAR—for example, when the reinsurance transaction is a quota share of the corporate member's profit/loss. In this case, in the absence of additional information, AM Best will deduct from available capital an amount equivalent to the reinsurer's share of FAL. Additional adjustments may be made to ensure that Lloyd's-related risk assumed by the reinsurer is not reflected in the BCAR.

Because participation in Lloyd's is on a limited liability basis, the group reinsurer is not usually legally obliged to pay out more than its share of FAL to support its Lloyd's losses. By deducting FAL from available capital, AM Best reflects the maximum loss that the reinsurer would incur from the assumed Lloyd's business. Any business or reputational issues that may arise if the group is unable or unwilling to replenish its FAL are captured by AM Best in the consolidated analysis of the insurance group.

Determination of the IHC's Rating Through Notching

AM Best's rating on an insurance holding company (IHC) is based on the Issuer Credit Rating of the operating insurer(s) on which the IHC primarily depends to meet its obligations. The rating reflects the analysis of (1) the credit risk implications of the IHC as a legal entity separate from the operating insurer(s) and (2) the normal subordination of IHC creditors to operating company policyholders.

For an insurance group with a significant Lloyd's operation, the entity on which the holding company most depends to meet its obligations may be a Lloyd's syndicate. In this case, using the syndicate rating in the notching process is seldom appropriate.

Lloyd's chain of security—in particular, the role of the Central Fund, which partly mutualises capital at the market level—ensures that each Lloyd's syndicate is backed by capital consistent with the ICR of at least that of the Lloyd's market. Consequently, a syndicate rating cannot fall below the Lloyd's market rating.

Lloyd's central assets are available to meet only the insurance liabilities of the corporate member. When determining the holding company ICR of a group with a significant Lloyd's operation, AM Best conducts an enterprise-level analysis of the consolidated organization (excluding any credit for Lloyd's central assets). This forms the basis for an overall operating company ICR, which is then used in the notching process.

Appendices

Appendix 1

Gross Written Premium by Syndicate (2024)

(GBP Millions)

Syndicate	Managing Agent	Gross Written Premium	Syndicate	Managing Agent	Gross Written Premium
33 Hiscox Syndicates Limited		1,857	2003 AXA XL Underwriting Agencies Limited		1,377
218 IQUW Syndicate Management Limited		490	2008 Enstar Managing Agency Limited		4
308 Tokio Marine Kiln Syndicates Limited		2	2010 Lancashire Syndicates Limited		343
318 Cincinnati Global Underwriting Agency Limited		301	2012 Arch Managing Agency Limited		636
382 Hardy (Underwriting Agencies) Limited		336	2015 SCOR Managing Agency Ltd		356
386 QBE Underwriting Limited		371	2019 Talbot Underwriting Ltd		456
435 Faraday Underwriting Limited		654	2024 Probitas Managing Agency Limited		23
457 Munich Re Syndicate Limited		1,373	2050 AXIS Managing Agency Ltd.		35
510 Tokio Marine Kiln Syndicates Limited		1,817	2121 Argenta Syndicate Management Limited		835
557 Tokio Marine Kiln Syndicates Limited	-	1	2232 Allied World Managing Agency Limited		472
609 Atrium Underwriters Limited		1,026	2357 Nephila Syndicate Management Limited		485
623 Beazley Furlonge Limited		835	2358 Nephila Syndicate Management Limited		177
727 S. A. Meacock & Company Limited		115	2454 Apollo Syndicate Management Limited		30
1084 Chaucer Syndicates Limited		1,898	2488 Chubb Underwriting Agencies Limited		727
1100 Apollo Syndicate Management Limited		19	2525 Asta Managing Agency Ltd		128
1110 Polo Managing Agency Limited		2	2623 Beazley Furlonge Limited		2,329
1176 Chaucer Syndicates Limited		34	2689 Asta Managing Agency Ltd		80
1183 Talbot Underwriting Ltd		1,051	2786 Asta Managing Agency Ltd		329
1200 Westfield Specialty Managing Agency Ltd		654	2791 Managing Agency Partners Limited		773
1218 Newline Underwriting Management Limited		281	2880 Asta Managing Agency Ltd		49
1221 Hartford Underwriting Agency Limited		433	2987 Brit Syndicates Limited		2,278
1225 AEGIS Managing Agency Limited		1,012	2988 Brit Syndicates Limited		181
1254 Polo Managing Agency Limited		1	2999 QBE Underwriting Limited		2,536
1274 Antares Managing Agency Limited		476	3000 Markel Syndicate Management Limited		785
1301 Inigo Managing Agent Limited		1,066	3002 AXA XL Underwriting Agencies Limited		36
1322 Asta Managing Agency Ltd		75	3010 Lancashire Syndicates Limited		369
1347 Polo Managing Agency Limited		1	3123 Asta Managing Agency Ltd		133
1414 Ascot Underwriting Limited		1,942	3456 Asta Managing Agency Ltd		35
1416 Asta Managing Agency Ltd		62	3500 RiverStone Managing Agency Ltd		23
1458 RenaissanceRe Syndicate Management Limited		1,091	3622 Beazley Furlonge Limited		31
1492 Probitas Managing Agency Limited		317	3623 Beazley Furlonge Limited		1,063
1609 Asta Managing Agency Ltd		263	3624 Hiscox Syndicates Limited		186
1618 Asta Managing Agency Ltd		637	3902 Ark Syndicate Management Limited		210
1686 AXIS Managing Agency Ltd.		1,565	3939 Apollo Syndicate Management Limited		5
1699 Asta Managing Agency Ltd		175	4000 Hamilton Managing Agency Limited		618
1729 Dale Managing Agency Limited		393	4020 Ark Syndicate Management Limited		758
1796 Asta Managing Agency Ltd		11	4141 HCC Underwriting Agency Ltd		226
1856 IQUW Syndicate Management Limited		883	4242 Asta Managing Agency Ltd		310
1880 Tokio Marine Kiln Syndicates Limited		450	4321 Beazley Furlonge Limited		3
1884 Premia Managing Agency Limited		8	4444 Canopus Managing Agents Limited		2,514
1892 Asta Managing Agency Ltd		23	4472 Liberty Managing Agency Limited		1,753
1902 Asta Managing Agency Ltd		58	4711 Aspen Managing Agency Limited		1,013
1910 Ariel Re Managing Agency Limited		1,069	4747 Asta Managing Agency Ltd		163
1919 Starr Managing Agents Limited		380	5000 Travelers Syndicate Management Limited		560
1925 Apollo Syndicate Management Limited		33	5183 Asta Managing Agency Ltd	-	1
1945 Sirius International Managing Agency Limited		180	5623 Beazley Furlonge Limited		391
1947 Hamilton Managing Agency Limited		131	5886 Blenheim Underwriting Limited		394
1955 Arch Managing Agency Limited		746	6103 Managing Agency Partners Limited		79
1967 W. R. Berkley Syndicate Management Limited		480	6104 Hiscox Syndicates Limited		60
1969 Apollo Syndicate Management Limited		683	6107 Beazley Furlonge Limited		50
1971 Apollo Syndicate Management Limited		327	6117 Ariel Re Managing Agency Limited		86
1975 Polo Managing Agency Limited	-	2	6134 Argenta Syndicate Management Limited		147
1985 Asta Managing Agency Ltd		159			
1988 Asta Managing Agency Ltd		276			
1996 Polo Managing Agency Limited		11			
2001 MS Amlin Underwriting Limited		1,769			
			Total:		
			56,947		

Source: 

Appendix 2
Gross Written Premiums by Managing Agency Group (2024)
 (GBP Millions)

Managing Agent	Gross Premiums Written	Managing Agent	Gross Premiums Written
Beazley Furlonge Limited	4,704	Travelers Syndicate Management Limited	560
Asta Managing Agency Ltd	2,966	W. R. Berkley Syndicate Management Limited	480
QBE Underwriting Limited	2,907	Antares Managing Agency Limited	476
Canopus Managing Agents Limited	2,514	Allied World Managing Agency Limited	472
Brit Syndicates Limited	2,459	Hartford Underwriting Agency Limited	433
Tokio Marine Kiln Syndicates Limited	2,269	Blenheim Underwriting Limited	394
Hiscox Syndicates Limited	2,103	Dale Managing Agency Limited	393
Ascot Underwriting Limited	1,942	Starr Managing Agents Limited	380
Chaucer Syndicates Limited	1,932	SCOR Managing Agency Ltd	356
MS Amlin Underwriting Limited	1,769	Probitas Managing Agency Limited	340
Liberty Managing Agency Limited	1,753	Hardy (Underwriting Agencies) Limited	336
AXIS Managing Agency Ltd.	1,600	Cincinnati Global Underwriting Agency Limited	301
Talbot Underwriting Ltd	1,507	Newline Underwriting Management Limited	281
AXA XL Underwriting Agencies Limited	1,414	HCC Underwriting Agency Ltd	226
Arch Managing Agency Limited	1,381	Sirius International Managing Agency Limited	180
Munich Re Syndicate Limited	1,373	S. A. Meacock & Company Limited	115
IQUW Syndicate Management Limited	1,373	RiverStone Managing Agency Ltd	23
Ariel Re Managing Agency Limited	1,156	Polo Managing Agency Limited	13
Apollo Syndicate Management Limited	1,097	Premia Managing Agency Limited	8
RenaissanceRe Syndicate Management Limited	1,091	Enstar Managing Agency Limited	4
Inigo Managing Agent Limited	1,066		
Atrium Underwriters Limited	1,026		
Aspen Managing Agency Limited	1,013		
AEGIS Managing Agency Limited	1,012		
Argenta Syndicate Management Limited	982		
Ark Syndicate Management Limited	968		
Managing Agency Partners Limited	852		
Markel Syndicate Management Limited	785		
Hamilton Managing Agency Limited	749		
Chubb Underwriting Agencies Limited	727		
Lancashire Syndicates Limited	712		
Nephila Syndicate Management Limited	662		
Faraday Underwriting Limited	654		
Westfield Specialty Managing Agency Ltd	654		
Total			56,947

Source: 

No adjustments made for Reinsurance to Close, hence the difference between Appendices.

Appendix 3
Overview of Premium Limits and Membership (1993-2025)

Year of Account	Individual Gross Premium Limit (GBP Millions)	Individual % of Total	Corporate Gross Premium Limit (GBP Millions)	Corporate % of Total	Total Gross Premium Limit (GBP Millions)	Number of Active Members		
						Individual	Corporate	Total
1993	8,724	100%			8,724	19,377		19,377
1994	9,236	85%	1,595	15%	10,831	17,370	95	17,465
1995	7,761	77%	2,360	23%	10,121	14,573	140	14,713
1996	6,900	69%	3,044	31%	9,944	12,683	162	12,845
1997	5,779	56%	4,529	44%	10,309	9,872	202	10,074
1998	4,013	40%	6,129	60%	10,142	6,765	436	7,201
1999	2,668	27%	7,188	73%	9,856	4,458	667	5,125
2000	1,985	20%	8,123	80%	10,108	3,270	854	4,124
2001	1,789	16%	9,462	84%	11,252	2,823	896	3,719
2002	1,754	13%	11,473	87%	13,227	2,445	838	3,283
2003	1,832	12%	13,022	88%	14,853	2,177	768	2,945
2004	1,852	12%	13,223	88%	15,076	2,029	754	2,783
2005	1,433	10%	12,382	90%	13,816	1,604	708	2,312
2006	1,425	9%	13,580	91%	15,005	1,478	717	2,195
2007	1,082	7%	15,351	93%	16,433	1,106	1,020	2,126
2008	915	6%	15,191	94%	16,106	897	1,162	2,059
2009	822	5%	17,314	95%	18,136	765	1,241	2,006
2010	848	4%	22,174	96%	23,022	691	1,445	2,136
2011	757	3%	22,539	97%	23,297	631	1,530	2,161
2012	693	3%	23,491	97%	24,184	575	1,576	2,151
2013	651	3%	24,346	97%	24,998	520	1,626	2,146
2014	592	2%	25,936	98%	26,527	444	1,688	2,132
2015	431	2%	25,835	98%	26,266	321	1,771	2,092
2016	407	1%	27,105	99%	27,512	289	1,760	2,049
2017	372	1%	29,923	99%	30,296	258	1,764	2,022
2018	361	1%	31,929	99%	32,290	243	1,753	1,996
2019	323	1%	30,806	99%	31,130	224	1,731	1,955
2020	311	1%	33,215	99%	37,260	217	1,691	1,908
2021	308	1%	36,952	99%	37,217	196	1,677	1,873
2022	306	1%	39,640	99%	39,946	176	1,691	1,867
2023	354	1%	48,459	99%	48,813	169	1,625	1,794
2024	341	1%	53,051	99%	53,392	151	1,622	1,773
2025	324	1%	56,486	99%	56,810	133	1,632	1,765

Only active members are shown. Members who are not underwriting but remain on the electoral register are not included in the figures.

Source: Lloyd's

Appendix 4

Calendar Year Gross Written Premium by Main Business Class (2023-2024)

(GBP Millions)

	2023	2024	% change
Reinsurance	17,338	18,729	8.0%
Property	14,767	15,893	7.6%
Casualty	12,991	13,403	3.2%
Marine, Aviation and Transport	4,297	4,507	4.9%
Energy	1,813	1,957	7.9%
Motor	889	1,017	14.4%
Life	54	40	-25.9%
Total from syndicate operations	52,149	55,546	6.5%
Transactions between syndicates and the Society and insurance operations of the Society	0	0	
Total calendar year premium income	52,149	55,546	6.5%

Note: Figures include brokerage and commission.

Source: Lloyd's Annual Report 2024

Appendix 5

Chain of Security

Syndicate Level Assets	➡	Premium Trust Funds GBP92,477m (Several basis)
Members' Funds at Lloyd's	➡	Funds at Lloyd's GPB30,500m (Several basis)
Central Assets	➡	Central Fund GBP2,907m Subordinated Debt GBP 298m Capital and Reserves of the Corporation GBP 315m

Note: Figures are shown as at 31 December 2024.

Source: Lloyd's



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