



Each stakeholder group consulted, including carriers, capital providers, intermediaries and customers

10 week consultation



300+ interviews

500+ survey responses



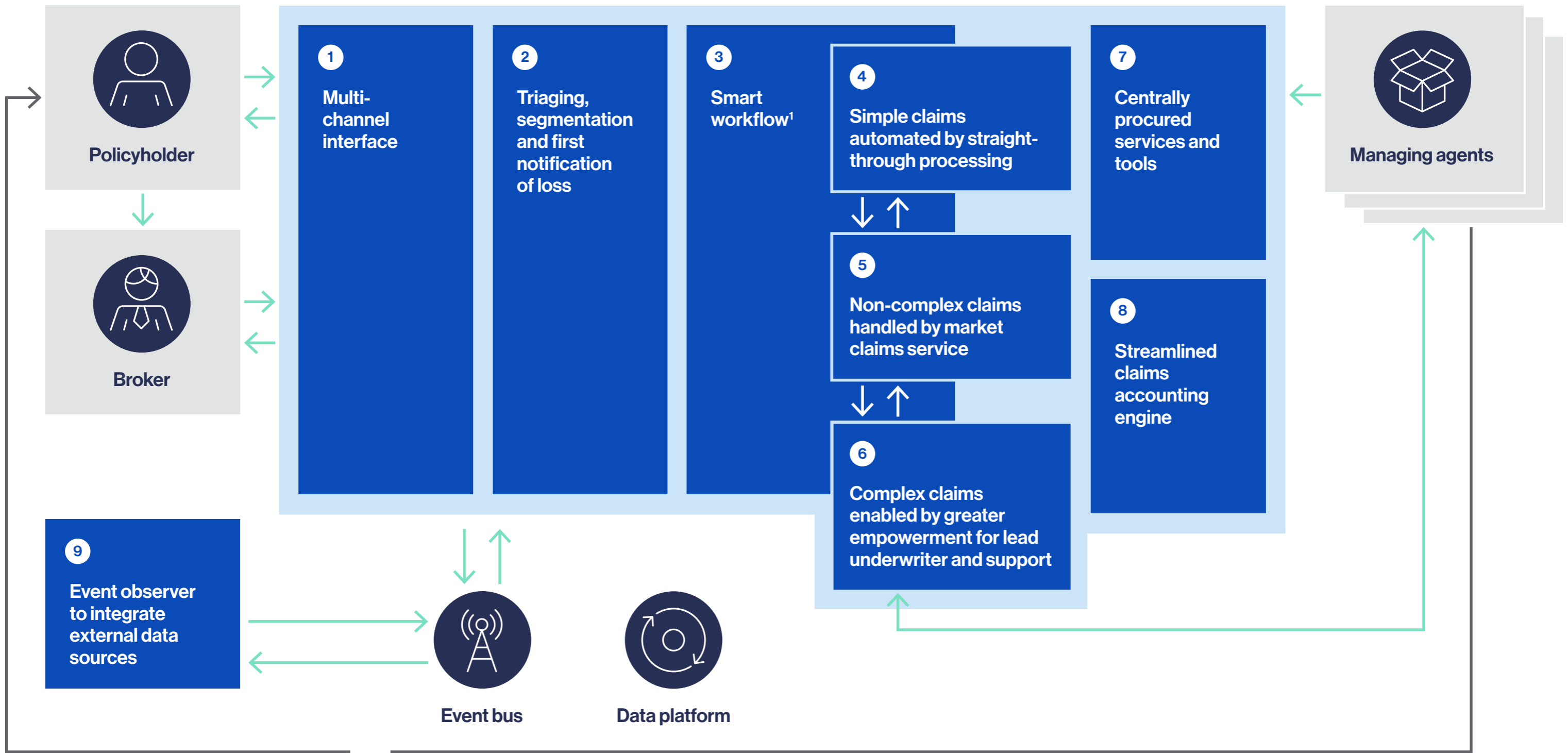
1,100 stakeholders engaged

600 people at events



30+ written responses from across the market and its members

Exhibit 4.1 Components of the claims solution



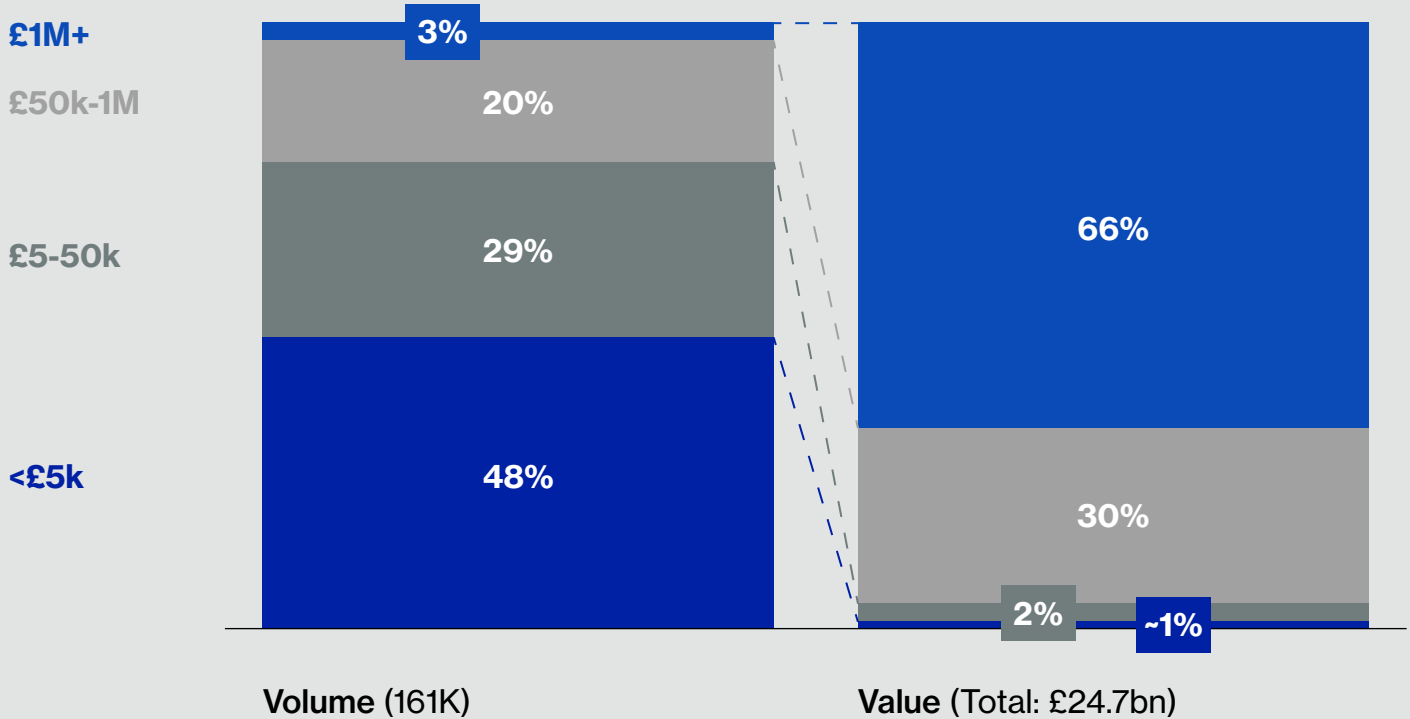
Accounting, settlement, credit control, billing and payments

Common services, including regulatory, Know Your Customer; Anti-Money laundering and sanctions checking and information management²

1 Includes claims agreements and market orchestration layer 2 Includes reporting capabilities

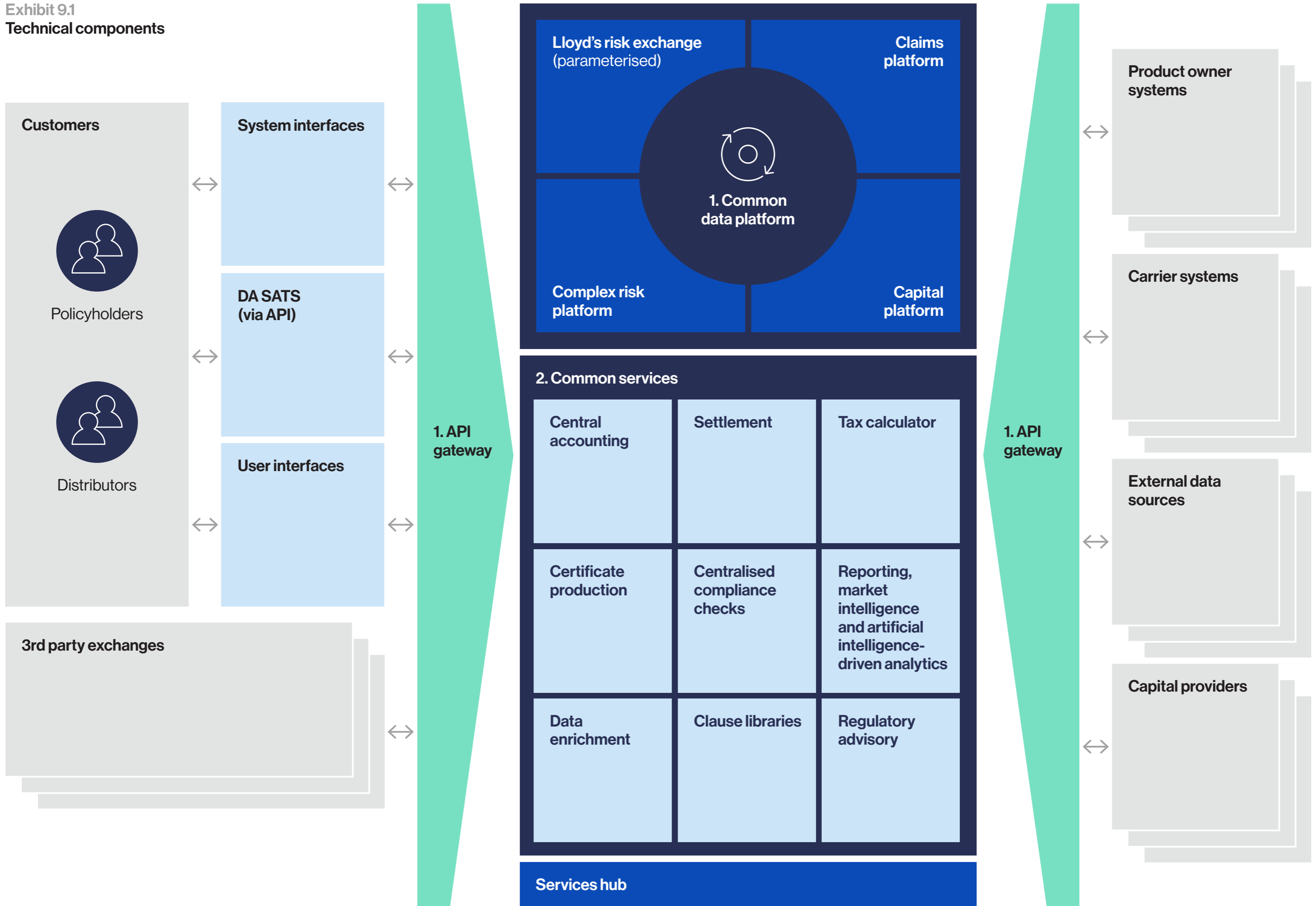
Key █ Flow of information █ Flow of funds █ Common services

Value of claim (£)



NOTE: Excluding nil value and negative value claims. SOURCE: Lloyd's Data Lab; includes Open Market and Re-insurance claims, excludes Binder and Lineslip as these Delegated Authority claims appear as block entries in the database

Exhibit 9.1
 Technical components



Source of capital

- Corporate and individual members
- Pension funds
- Sovereign wealth funds
- Endowments
- ILS funds

Matching of capital to risk (sample use cases)

Platform

ILS

Follow

Tracker

Source of risk

- Syndicates
- Managing agents
- Brokers

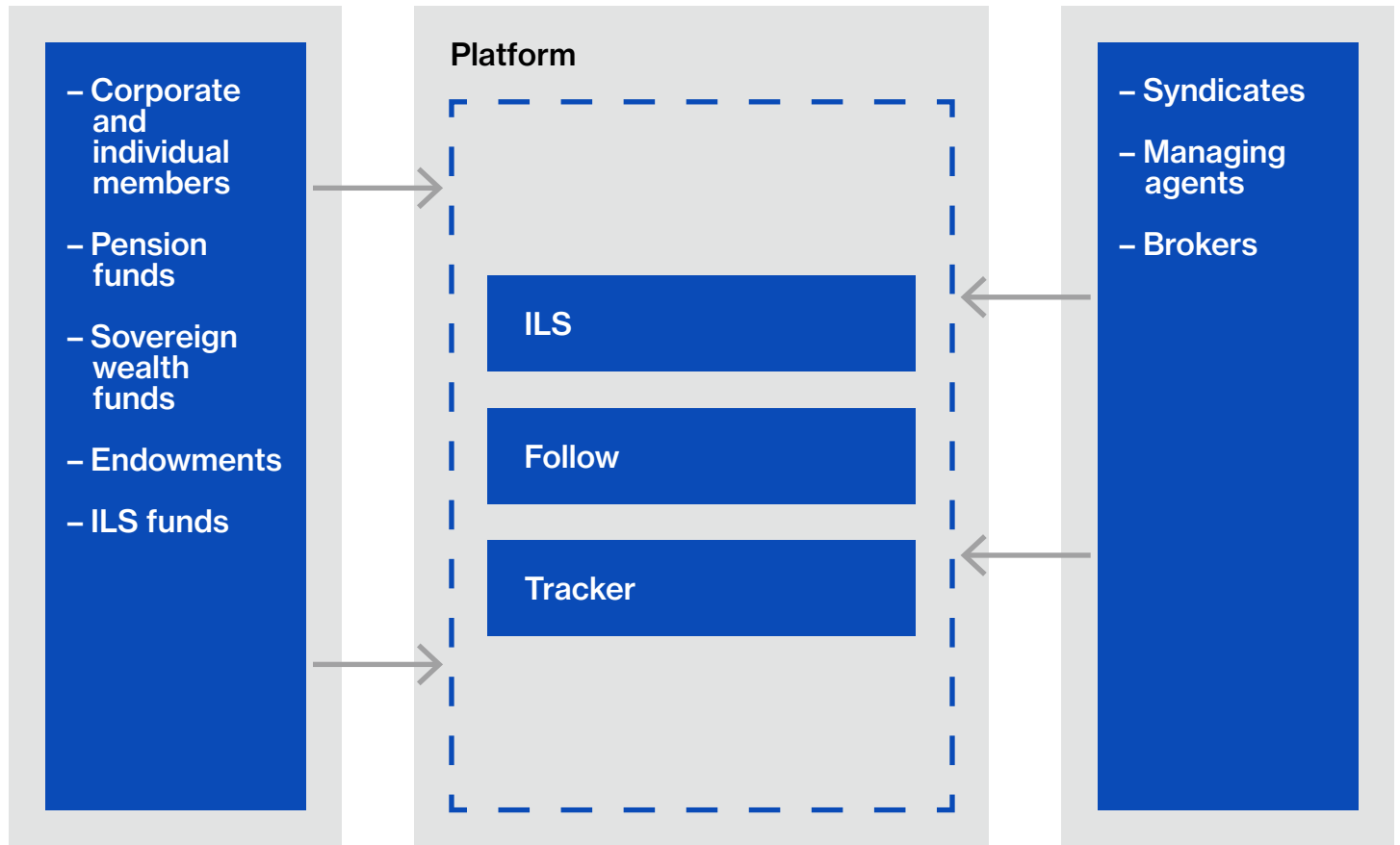
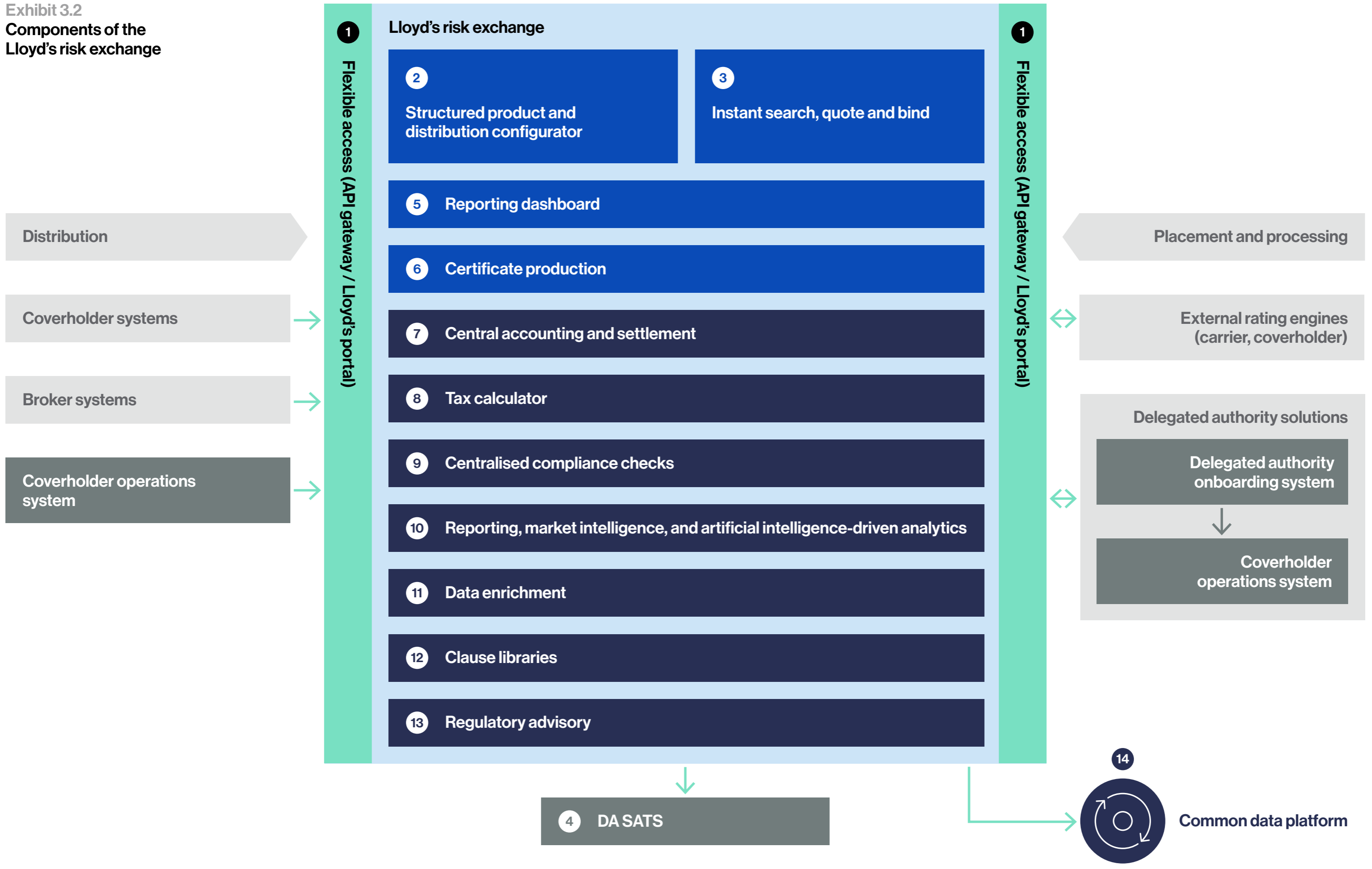


Exhibit 3.2
Components of the
Lloyd's risk exchange



Suitable for the risk exchange

1 Algorithm-based quotes

Rating engines can provide **instant quotes** based on **product selection** and **rating variables**

2 No iteration on coverage and terms

Standard coverage and terms are available

3 Reliable third-party information

Information required can be provided by policyholders or sourced **from reliable external and/or public sources**

4 No need for onsite inspections

There is **no need to conduct onsite inspections**

5 No layering

No independently structured layers

Less suitable for the risk exchange

Quote needs to start with a **dialogue on coverage and needs**, rating engine does not provide an instant quote

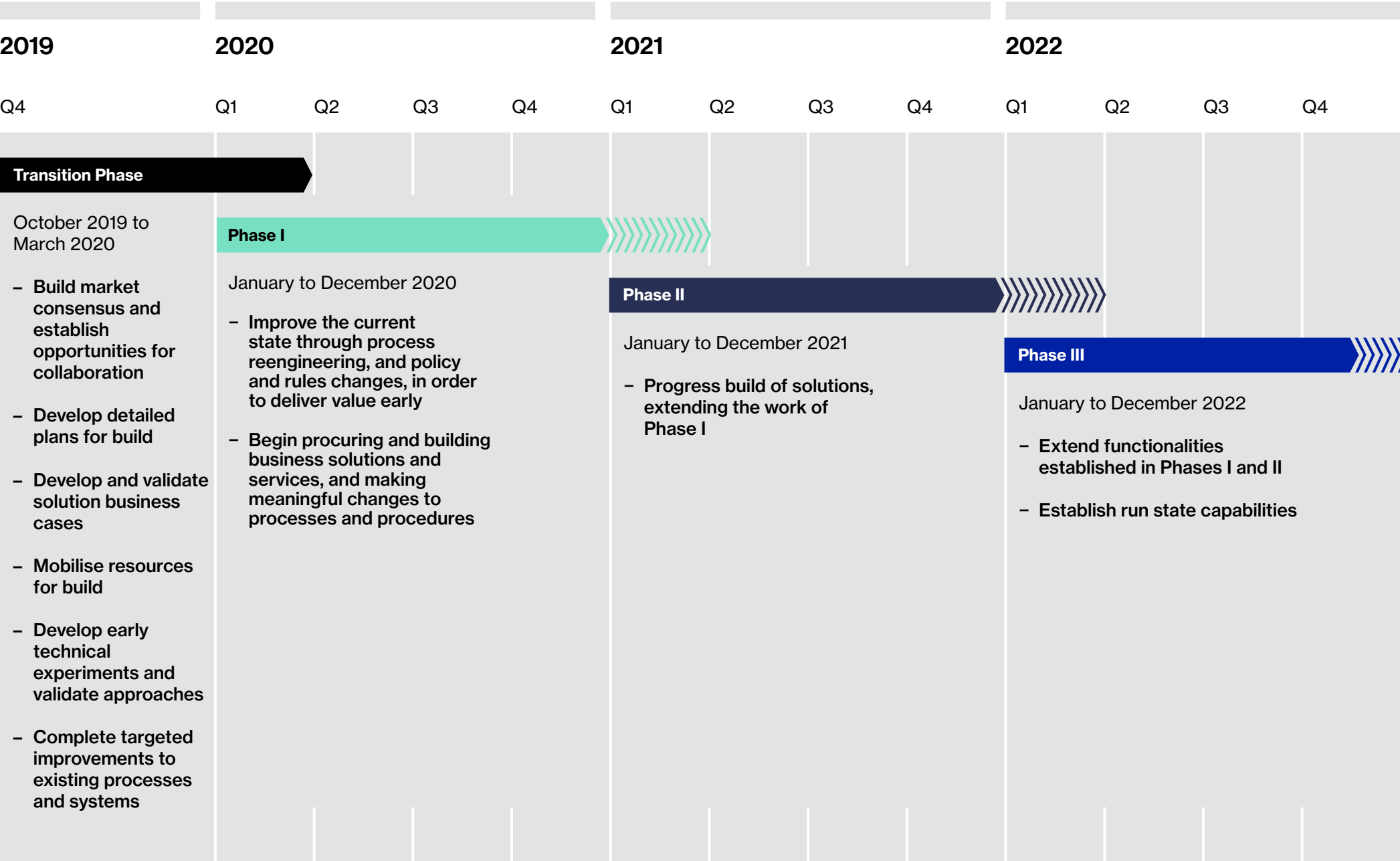
Extensive ongoing discussion on coverage and terms

Underwriters often need **additional information** and **clarification** that cannot be sourced from external or public sources

Extensive onsite inspections needed (e.g. risk assessments, inspections of fire fighting equipment)

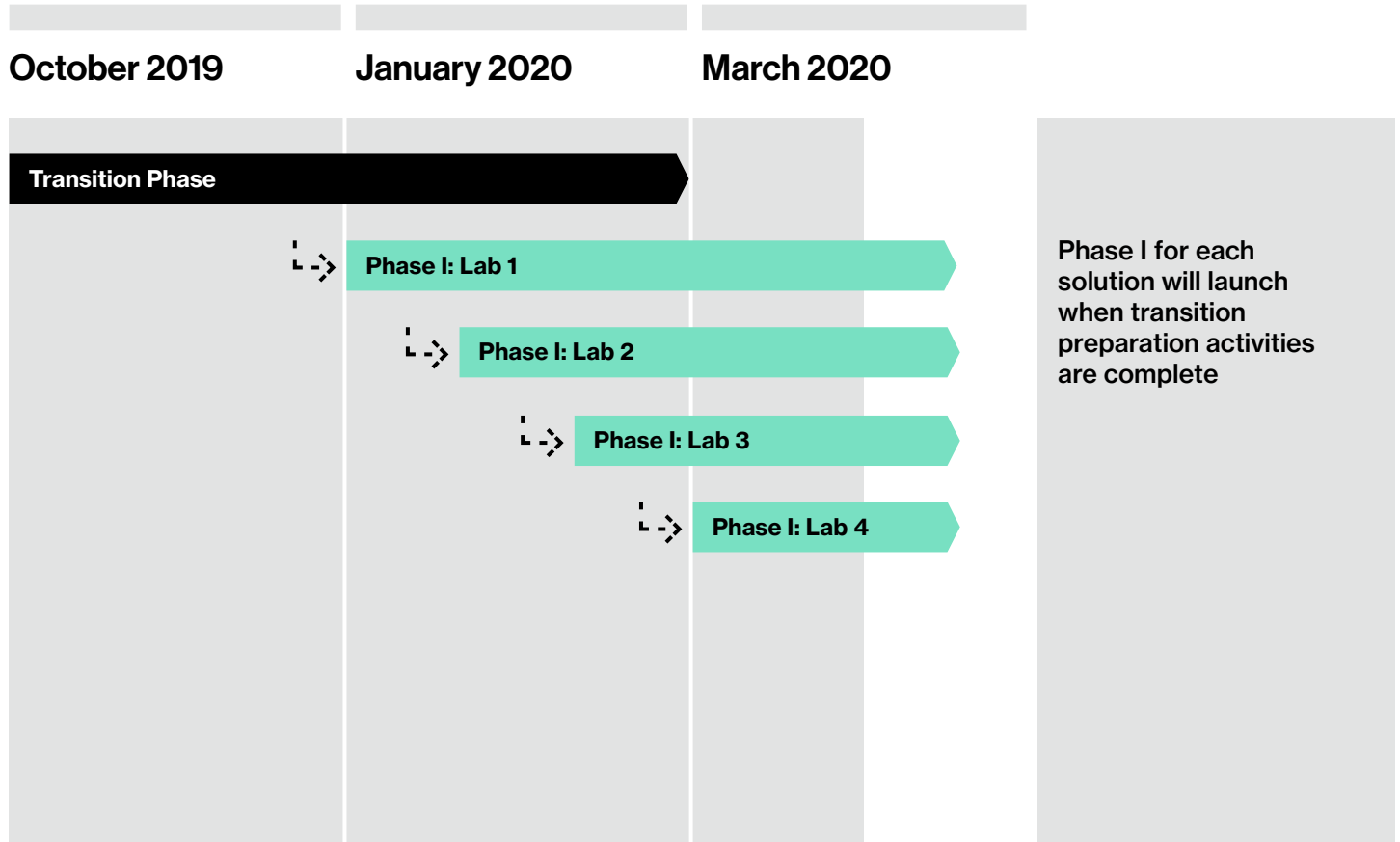
Broker often **splits the risk** into **different layers** that are often **negotiated independently**

Exhibit 13.1 Phased delivery timings



Move from Transition Phase to Phase I may be staggered lab-by-lab

Exhibit 13.2 Staggered Phase I launches over the first three months of 2020



2019

2020

2021

2022

1/1/19

1/1/20

1/4/20

1/1/21

1/1/22

Transition and planning

Phase I: Lab

Phase I: Lab

Phase I: Lab

Phase I: Lab

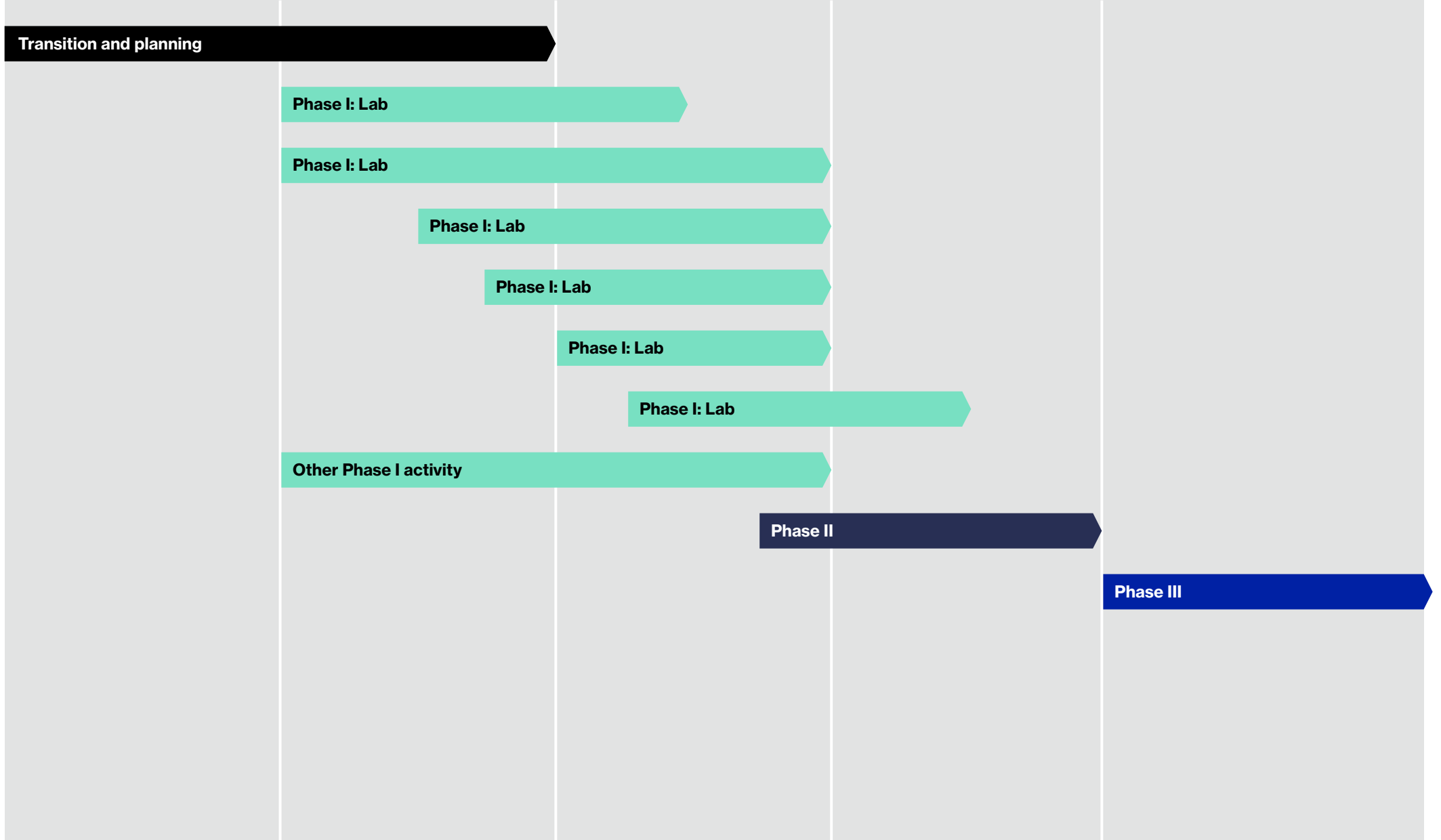
Phase I: Lab

Phase I: Lab

Other Phase I activity

Phase II

Phase III



Requirements	Syndicate in a box	Syndicate
Transparent set of qualifying criteria		
– Profitable	●	●
– Expense ratio	< 35% by year three	c. 40
– New or innovative	●	●
– Box space permitted		●
– Developing business: GWP<£100m in year 1	●	
– Limited or collateralised LCM5* exposure	●	
– Short tail (unless historical track record of long tail)	●	
Entry process		
Fees	£100k	£200k
Time	Three months	5-12 months
Efficient rules of participation		
Capital setting:		
– New entrant capital uplift		●
– Market average loss ratios mandated		●
– Annualised premium		●
– Hypothecated reserves		●
– Internal model required	Not for three years	Not for two years
– Enhanced Central Fund contributions	Deferred until graduation	●
Oversight:		
– Flexible line size dispensations	●	
– Optimised reporting	●	
– Streamlined business plan submission	●	
Annual review lifecycle		
Timebound	●	
Fast fail assessment with run-off plans	●	

*LCM5 are currently: US/Caribbean Wind, US/Canadian Earthquake, Japanese Earthquake, Japanese Typhoon, and European Wind).

Access to future claims services

Automated common services (incl. accounting, settlement, reporting):

Better insights and pricing decisions

Basic policy data

Third-party enriched data

Bound policy data

Post-bind premium data

Renewal/endorsement data

Claims data

Policy Lifecycle

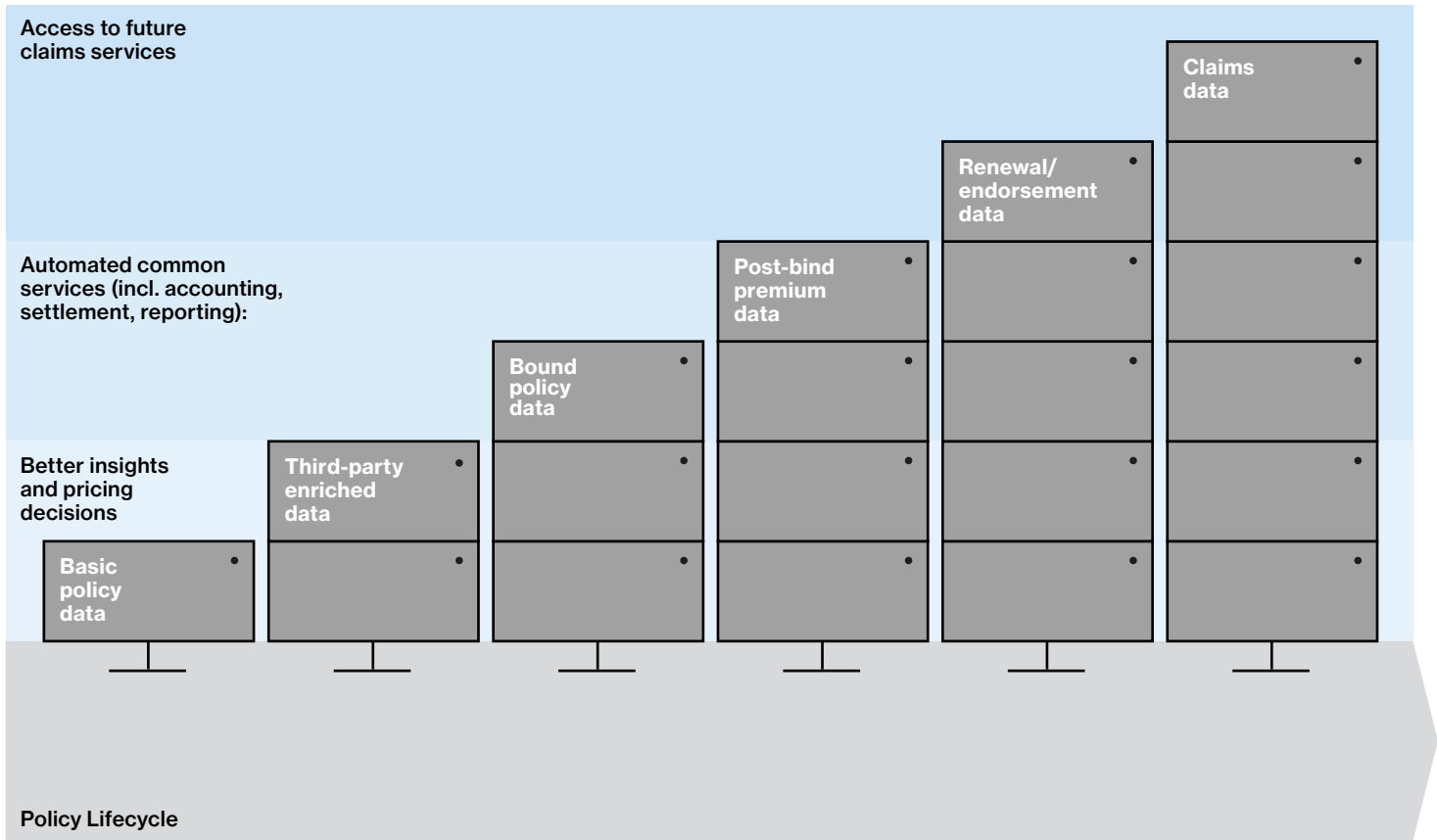


Exhibit The future on Lloyd's enhances the Lloyd's value proposition for customers and market participants

Lloyd's value proposition

Expertise

- Better access to world-class underwriting expertise and claims practitioners
- More innovation and product development

For market participants

- More time on activities requiring expertise: bespoke advising, underwriting and innovating
- Less time on activities that do not benefit end customers

Choice

- Better, more relevant risk solutions, including coverage for new and emerging risks
- Simpler access to Lloyd's products and services

- Increased transparency of available choices and participant appetites
- Access to new sources of capital, and new opportunities to participate in the market

Insight

- Easier access to relevant cross-market insights
- Better insights on new and emerging risks

- Easier access to structured data and insights to stimulate product development
- Improved management information

Confidence

- More consistently high-quality customer service
- Greater certainty of cover and transparency of the risk placement and claims processes

- Simpler processes for doing business at Lloyd's
- More transparent capital requirements, rules and processes

Partnership

- Improved real-time collaboration with Lloyd's brokers and underwriters
- More time with advisors on risk coverage and insurance strategies

- Easier multi-party collaboration
- More time with customers

Ecosystem

- More innovative, value-adding coverage, loss prevention and risk mitigation services
- Better connectivity and access to high quality data

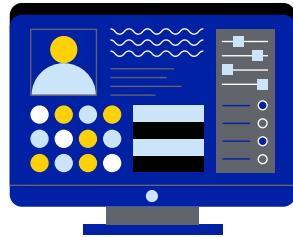
- Easier technological integration with Lloyd's platforms and services
- Reduced duplication of activities

The Lloyd's ecosystem

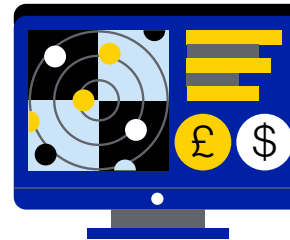
Complex risk platform



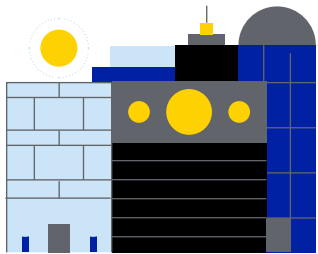
Lloyd's risk exchange



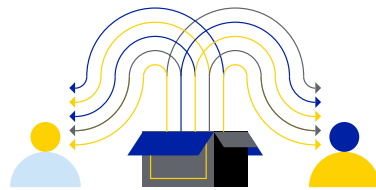
Claims solution



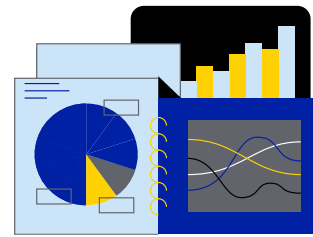
Capital solution



Syndicate in a box



Services hub



Will deliver

Better solutions

Simplified process

Reduced cost

Inclusive and innovative culture

Supported by

- Performance
- Data
- Technology
- Talent and culture
- A refocused Lloyd's Corporation
- Modern syndication of risk

Exhibit 2.1 Components of the complex risk platform

