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# WELCOME TO LLOYD'S

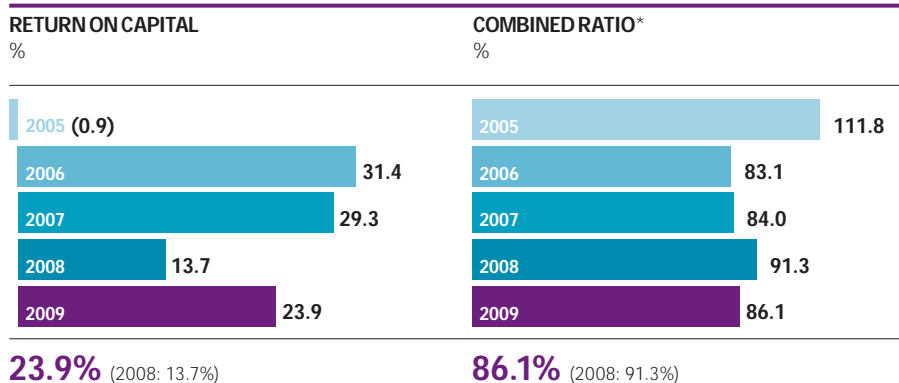
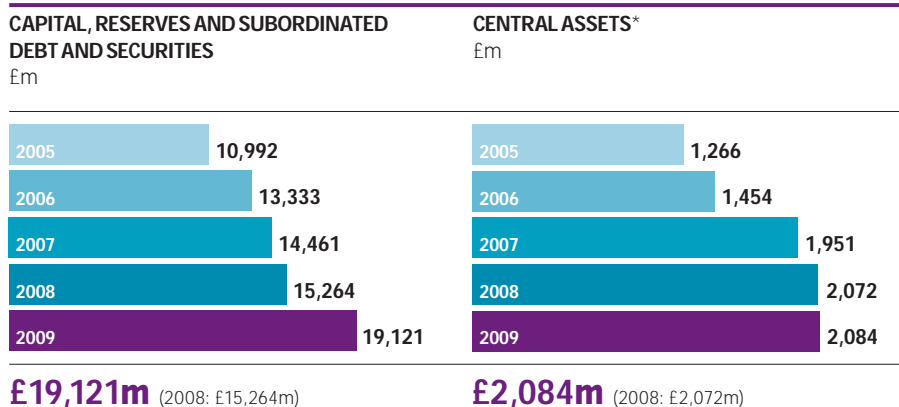
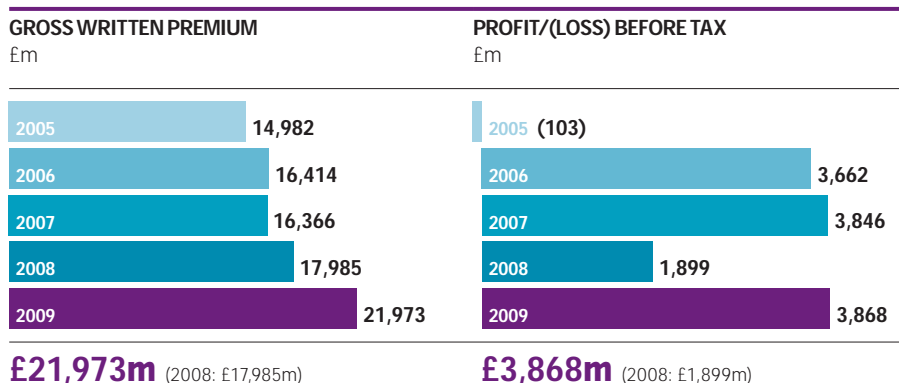
## FINANCIAL HIGHLIGHTS

- > Lloyd's achieved a record profit before tax of £3,868m (2008: £1,899m) and a combined ratio of 86.1% (2008: 91.3%). This was a strong performance during challenging economic conditions and reflects ongoing underwriting discipline, a recovery of confidence in financial markets and an absence of severe catastrophe losses
- > Lloyd's remains a stable and secure subscription market for risk with record levels of premium income of £21,973m (2008: £17,985m) and capital, reserves and subordinated debt and securities of £19,121m (2008: £15,264m)
- > Central assets increased for the fifth successive year to £2,084m (2008: £2,072m)

The pro forma financial statements (PFFS) are prepared so that the financial results of Lloyd's and its members taken together and their net assets can be compared with general insurance companies. The PFFS include the aggregate of syndicate annual accounts (Aggregate Accounts), members' funds at Lloyd's (FAL) and the Society of Lloyd's financial statements.

 To read more on our financial results see [page 44](#).

 The Aggregate Accounts are reported as a separate document and can be found at [www.lloyds.com/financialreports](http://www.lloyds.com/financialreports)



\* See Glossary on page 143

The basis for translating income and expenditure and assets and liabilities in foreign currency is set out on page 66.

**CHAIRMAN'S  
STATEMENT****THE MARKET CAN BE PROUD  
OF WHAT IT HAS ACHIEVED  
IN 2009.**

At Lloyd's, our resilience means that we can face the future with confidence.



In a year when many parts of the financial services sector needed government bailouts, the insurance industry in general and Lloyd's in particular have done well. Even during difficult periods in the past, Lloyd's has relied on the resources of its members and not on the public purse and, most importantly, we have demonstrated that fundamental reform can happen from within. The changes which we put into place after the World Trade Center tragedy – especially closer oversight of underwriting and management of risk – and the lessons which we learned from the US corporate collapses in the last decade have served us well over the recent period of economic uncertainty.

These results show that not all parts of the financial services sector are the same. At Lloyd's, our resilience means that we can face the future with confidence. As regulators across the world discuss and finalise plans to reform the supervision of financial services, they need to recognise that many parts of the financial sector, such as ours, were not responsible for the financial crisis. We should not be burdened with regulatory changes which might hinder us from competing internationally and contributing to the creation of jobs and tax revenue in the United Kingdom.

The hard work and very careful attention to risk in the Lloyd's market, have resulted in a profit of £3,868m, the highest that we have ever recorded. These results were achieved despite the economic turbulence that characterised most of 2009, although we were certainly helped by a low level of catastrophe related losses – particularly a benign Atlantic hurricane season. The market can be proud of what it has achieved in 2009.

80% of our business comes from markets outside the UK, and improving access to Lloyd's remains a priority. Nonetheless, we remain a London-based market and a key part of the fabric of the UK financial industry.

Lloyd's success in 2009 is a tribute to the managing agents and brokers who work in the market, and also to the ancillary services that support the UK financial industry such as the accountancy and law firms. It is this depth of expertise and talent that makes London such a successful financial centre.

The trend of insurance companies choosing to redomicle their holding company outside the UK continued in 2009, with tax increasingly cited as a factor in their decision, although those with Lloyd's interests continue to play an active role in the market and to write as much business here as before.

It is critical to maintain a business environment in London which builds on the many strengths that the City offers to global business – the depth and breadth of our financial services sector, our first class legal system and, above all, a skilled, professional and dedicated workforce. Alongside these, a competitive tax regime is important to retain existing business and attract new opportunities to London.

But we can derive confidence from our performance in 2009, a very positive year for Lloyd's, not simply because it resulted in record profits, but also because we were able to help individuals and businesses across the globe to manage their risks and provide them with security in an uncertain financial climate.

As ever, the success of Lloyd's in 2009 was only possible due to the hard work and dedication of those who work in the Corporation and across the market. I would also like to thank the members of the Council and the Franchise Board for their contribution which has helped to ensure the continued success and progress of Lloyd's.

A number of members of Council – Martin Hudson, Philip Lader, Barbara Merry, Eileen McCusker and Dermot O'Donohoe – have stepped down in the last year and our thanks are due to them for all that they have done for

Lloyd's and to Jim Stretton for his distinguished service on the Franchise Board.

The results now reported are also a tribute to Rolf Tolle who retired from Lloyd's at the end of the year. Rolf's period in office will be remembered for his pioneering work in establishing the Franchise Performance Directorate, a division which is now a quintessential element of our daily working practices. Rolf was awarded the rare distinction of a Lloyd's Silver Medal for his invaluable contribution – recognition which is richly deserved.

I am grateful for the efforts of all the businesses in the Lloyd's market, which have led to these excellent results – their skill, prudence and endeavour will be seriously tested during 2010, which promises to be a challenging year for the entire industry, as rates soften.

**PETER LEVENE**  
Chairman  
23 March 2010

## ABOUT LLOYD'S

# WELCOME TO LLOYD'S – THE WORLD'S LEADING SPECIALIST INSURANCE MARKET.

With a tradition of innovation, Lloyd's is often the first to insure new, unusual or complex risks, and conducts business in over 200 countries and territories.

Lloyd's began over 300 years ago in Edward Lloyd's coffee house – a place where shipowners could meet people with the capital to insure them. Since then, Lloyd's has developed from its marine heritage to become the world's leading market for specialist property and casualty insurance, offering a unique concentration of expertise and talent, backed by strong financial ratings that cover the whole market.

Like any dynamic, innovative market, it allows those with something to sell (underwriters providing insurance coverage) to make contact with those who want to buy (brokers, working on behalf of clients seeking insurance). Our strength is built upon the diversity of managing agents (underwriting agents responsible for managing a syndicate) who choose to operate at Lloyd's, supported by capital from diverse sources around the world.

Lloyd's remains a place where business is conducted face-to-face. The Underwriting Room is central to the smooth running of our subscription market, which is a key part of the Lloyd's business model as many large or specialist risks are written by more than one syndicate. We offer a range of distribution channels which allow managing agents to access specialist business primarily via brokers, coverholders and service companies.

The Central Fund remains important to Lloyd's, and is a key factor in maintaining our competitive position in the global insurance market while also underpinning our international licences and strong financial ratings.

Over the last few years, much has been achieved in embedding changes to the way Lloyd's does business – raising standards in underwriting and risk management and strengthening the market's capital position. We continue to pursue ways of improving efficiency and raising standards of service, making Lloyd's an easier place to do business. In early 2009, for example, we launched The Exchange, a messaging hub that simplifies connections between brokers and managing agents. Our steady international expansion continues the development of the Lloyd's market for the future.

Managing performance throughout the cycle remains a priority for the Corporation's management, helping syndicates to focus on making an underwriting profit. During 2009 the Corporation introduced a number of tools that have enhanced its ability to oversee the market's underwriting performance with access to more granular data.

Implementation of the Solvency II framework remains one of the key priorities for Lloyd's. The Corporation is devoting significant resources towards its successful implementation. There has been significant progress made to date – but there is still much to do in the build up to 2012.



For more details on The Exchange please see the case study on **page 33**.



## HOW WE WORK MARKET STRUCTURE

Lloyd's is not an insurance company. It is a partially mutualised market where members join together to form syndicates that insure risks. Much of Lloyd's business is written on a subscription basis, with more than one syndicate taking a share of the same risk.

# LLOYD'S OFFERS AN UNRIVALLED CONCENTRATION OF UNDERWRITING EXPERTISE AND TALENT.

### HOW LLOYD'S WORKS

The majority of business written at Lloyd's is placed through brokers who facilitate the risk-transfer process between clients (policyholders) and underwriters. Clients can discuss their risk needs with a broker, a coverholder or a service company. Specialist underwriters for each syndicate price, underwrite and handle any subsequent claims in relation to the risk (see figure 1 below).

### MEMBERS

#### PROVIDING THE CAPITAL

The capital to support the syndicates' underwriting is provided by members of Lloyd's. These members include some of the world's major insurance groups and listed companies, as well as individuals and limited partnerships. Corporate members provide a significant majority of the total capital for the Lloyd's market (see figure 2).

Private members typically support a number of syndicates, while a corporate member usually underwrites through a single syndicate. A member is liable only for its share of the risks underwritten and is not responsible for meeting any other members' underwriting liabilities. Members' agents provide advisory and administrative services to members as required.

### SYNDICATES

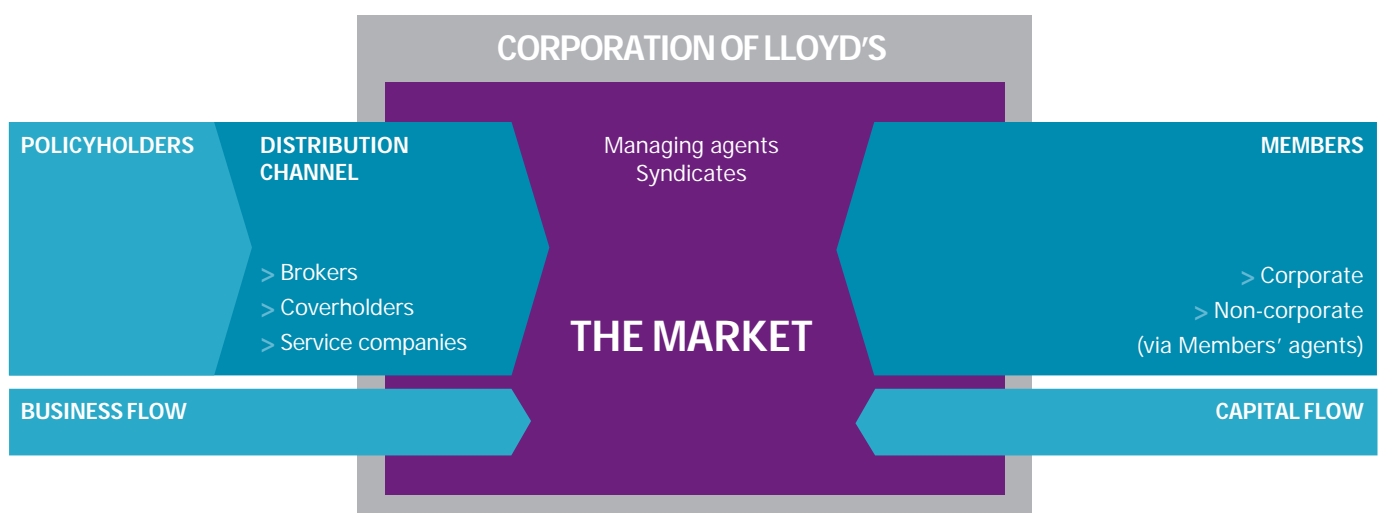
#### WRITING THE INSURANCE

A Lloyd's syndicate is made up of one or more members that join together as a group to accept insurance risks. As at 31 December 2009, there were 84 syndicates. They operate on an ongoing basis, although they are, technically, a series of annual ventures. Members have the right (but not an obligation) to participate in syndicates for the following year. In practice most syndicates are supported by the same capital providers for several years. The stability and diversity of the core capital base enables syndicates to function like permanent insurance operations under the Lloyd's umbrella.

A large proportion of our business is conducted in the Underwriting Room at One Lime Street, London. Most of the syndicates have a presence here and it is where detailed negotiations take place regarding the risks brokers wish to place at Lloyd's on behalf of their clients.

Figure 1

### HOW LLOYD'S WORKS



Some syndicates specialise in underwriting a certain class of insurance, while others write a range of classes. Most of these placements involve face-to-face negotiations and having direct access to this concentration of underwriting skill reinforces our excellent reputation for expertise, innovation and fast decision-making.

## MANAGING AGENTS

### MANAGING THE SYNDICATES

A managing agent is a company set up to manage one or more syndicates on behalf of the members who provide the capital. It is responsible for the oversight of the syndicate's underwriting, employing the underwriters and handling the day-to-day running of the syndicate's infrastructure and operations. Many syndicates are now managed and funded by a single corporate group, thereby aligning the management and capital provision. For other syndicates, the capital is provided by a 'spread' of different members who are not connected with the managing agent ('unaligned') and may comprise both private capital and corporate groups. New syndicates are often established under a 'turnkey' model by which a managing agent establishes and manages the syndicate on behalf of a third party capital provider. After a period of time, the capital provider may seek regulatory approval to establish their own managing agent.

## CORPORATION OF LLOYD'S

### SUPPORTING THE MARKET


The Corporation of Lloyd's ('the Corporation') oversees the market, establishing standards and providing services to support its activities. It also manages Lloyd's worldwide licences. The Corporation's Executive Team exercises the day-to-day powers and functions of the Council and the Franchise Board.

The Corporation (including its subsidiaries) had 886 employees worldwide, as at 31 December 2009.

As well as providing cost-effective services to aid the smooth running of the market, the Corporation strives to raise the standards and improve the performance. The Corporation's work is split into two main areas:

- Overall risk and performance-management of the market
  - Setting the level of capital Lloyd's members must provide to support their proposed underwriting
  - Overseeing the market's business activities by operating a minimum-standards framework and monitoring the performance of syndicates in areas such as exposure management, cycle management, claims management and operational risk management

- Working with the managing agents of underperforming syndicates to improve performance, intervening directly if stronger action is required
  - Managing financial and regulatory reporting for the market, including the production of its results and the Financial Services Authority (FSA) return
- Maintaining and developing the attractiveness of the market for capital providers, distributors and clients while preserving Lloyd's diversity and London-based business model
    - Managing and developing Lloyd's global network of licences and the Lloyd's brand
    - Taking action in the long-term interests of the market

 A list of managing agents and the syndicates they manage can be found on **page 141**. See **page 13** for more detail on the governance of Lloyd's. More information on Corporation employees can be found in People Strategy on **page 34**.


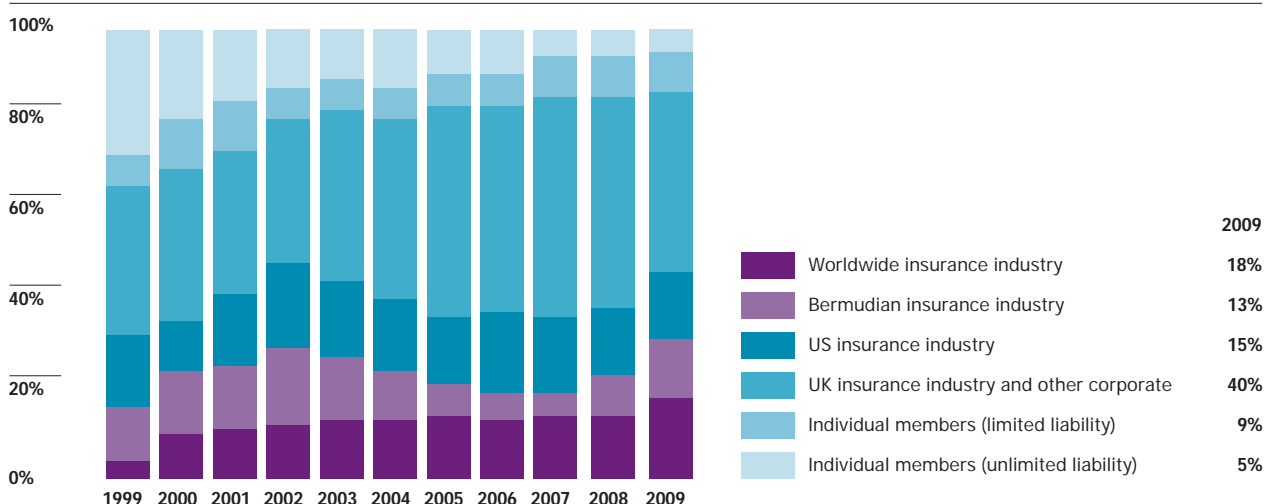
 To read more about the market structure visit [www.lloyds.com/aboutus](http://www.lloyds.com/aboutus)

Figure 2

### SOURCES OF CAPITAL BY TYPE AND LOCATION



## HOW WE WORK SECURITY AND RATINGS

# LLOYD'S FINANCIAL STRENGTH DERIVES FROM ITS UNIQUE CAPITAL STRUCTURE.

### FINANCIAL STRENGTH

#### THE CHAIN OF SECURITY

Lloyd's unique capital structure, often referred to as the Chain of Security, provides excellent financial security to policyholders and capital efficiency for members.

There are three links in the Chain of Security (see figure 3):

- > Syndicate level assets
- > Members' funds at Lloyd's
- > Central assets

The funds in the first and second links are held in trust, primarily for the benefit of policyholders whose contracts are underwritten by the relevant member. Members underwrite for their own account and are not liable for other members' losses. The third link contains mutual assets held by the Corporation which are available, subject to Council approval, to meet any member's insurance liabilities.

The Corporation is responsible for setting both member and central capital levels to achieve a level of capitalisation that is robust yet allows members the potential to earn superior returns.

### FIRST LINK

#### SYNDICATE LEVEL ASSETS

All premiums received by a syndicate are held in its premium trust funds and are the first resource for paying policyholder claims from that syndicate. Funds are generally held in liquid assets to ensure that liabilities can be met as they fall due. Profits are not released until full provision has been made for future liabilities. The reserves for future liabilities of each syndicate are subject to annual independent audit and actuarial review.

### SECOND LINK

#### MEMBERS' FUNDS AT LLOYD'S

Each member, whether corporate or individual, must provide capital to support its underwriting at Lloyd's. In accordance with the FSA regime, each managing agent produces an Individual Capital Assessment (ICA) stating how much capital it requires to cover its underlying business risks at a 99.5% confidence level.

The Corporation reviews each syndicate's ICA to assess the adequacy of the proposed capital level. When agreed, each ICA is then 'uplifted' (by 35% for 2009) to ensure capital is in place to support Lloyd's ratings and financial strength. This uplifted ICA, known as the syndicate's Economic Capital Assessment, is used to determine the level of capital required by the syndicate's members to support their underwriting. This capital is held in trust as readily realisable assets and can be used to meet any Lloyd's insurance liabilities of that member but not the liabilities of other members.

### THIRD LINK

#### CENTRAL ASSETS

The Corporation's central assets are the third level of security. The Central Fund is available at the discretion of the Council of Lloyd's to meet any valid claim that cannot be met by the resources of any member. It is funded by members' annual contributions and subordinated debt issued by the Corporation in 2004 and 2007. During 2009, we took

advantage of favourable market conditions to buy back £102m of our debt securities, made possible because of our strong financial position. Central assets may also be supplemented by a 'callable layer' of up to 3% of members' overall premium limits.

The Corporation regularly undertakes detailed analysis to determine the optimum level of central assets, seeking to balance the need for robust financial security against members' desire for cost-effective mutuality of capital. In particular, the Corporation's sophisticated modelling tests each member's underwriting portfolio against a number of scenarios and a range of forecasts of market conditions.

The Corporation's current target for unencumbered central assets is a minimum of £1,700m. Members' contributions to the Central Fund remain at 0.5% of gross written premiums for 2010. The Council of Lloyd's regularly reviews the central assets target and the level of contributions in light of the current financial position and forecast needs, and will adjust the contribution levels as required.

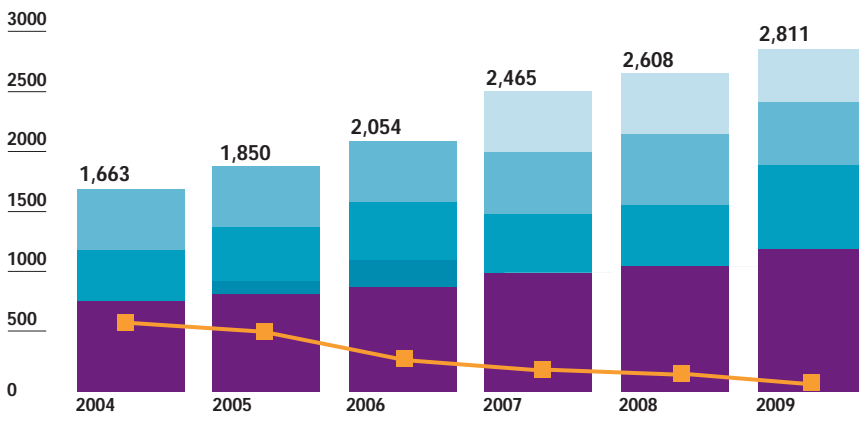
Figure 3

#### CHAIN OF SECURITY

SEVERAL ASSETS	FIRST LINK	SYNDICATE LEVEL ASSETS £37,400m	
	SECOND LINK	MEMBERS' FUNDS AT LLOYD'S £13,159m	
MUTUAL ASSETS	THIRD LINK	CENTRAL FUND £983m CORPORATION £143m	CALLABLE LAYER £683m
		SUBORDINATED DEBT/ SECURITIES £958m	

Figure 4

**CORPORATION & CENTRAL FUND NET ASSETS FOR SOLVENCY<sup>†</sup>**  
(£m)



	2009
Corporation & Central Fund net assets	1,170
Syndicate loans	0
Callable layer	683
Subordinated debt issued 2004	521
Subordinated perpetual securities issued 2007	437
Solvency deficits	59

<sup>†</sup> The aggregate value of central assets of the Corporation for solvency purposes at 31 December 2009, excluding the subordinated debt liabilities, including the callable layer.

Figure 5

**LLOYD'S RATINGS**

**STANDARD & POOR'S A+ (STRONG)**  
**FITCH RATINGS A+ (STRONG)**



**A.M. BEST A (EXCELLENT)**



As at 31 December 2009.

**LLOYD'S ICA AND SOLVENCY**

The Corporation also prepares an ICA for Lloyd's overall, using the FSA's six risk categories to examine the risks that are not captured in each syndicate's ICA, such as a global pandemic or damage to the Lloyd's building. In addition, the Corporation calculates the statutory solvency position of the Society of Lloyd's and reports this to the FSA. As at 31 December 2009, the Society had an estimated solvency surplus of £2,752m (see figure 4).

**LLOYD'S RATINGS**

Three of the world's leading insurance rating agencies recognise Lloyd's strengths and robust capitalisation and the financial strength of the market. In 2009, all three rating agencies re-affirmed our ratings as outlined in Figure 5.

All Lloyd's syndicates benefit from Lloyd's central resources, including the Lloyd's brand, its network of global licences and the Central Fund. As all Lloyd's policies are ultimately backed by this common security, a single market rating can be applied. The Lloyd's financial strength ratings apply to every policy issued by every syndicate at Lloyd's since 1993.

"Lloyd's competitive position is strong, supported by the positive attributes associated with its unique brand, attraction as the world's largest subscription market, London's continued position as a major international insurance and reinsurance market, and policyholder loyalty. In our view, the impressive level of resilience that Lloyd's has demonstrated to the events of the past 12 months further reinforces its attractiveness as an operating platform."

Standard and Poor's, October 2009

More information on the Chain of Security can be found on **page 73**.

## HOW WE WORK MANAGING INSURANCE RISK

# LLOYD'S USES A RANGE OF TOOLS TO CONTROL AND MANAGE INSURANCE RISK.

As with all insurers, the largest risk facing Lloyd's is the inherent uncertainty of the size and timing of insurance liabilities.

### MANAGING INSURANCE RISK

At Lloyd's, each managing agent sets its own risk appetite, develops a syndicate business plan, plans its reinsurance protection and manages its exposures and claims. Through the Performance Management Directorate, the Corporation regularly reviews syndicates' performance in each of these activities to ensure that the level of risk to the overall market and its mutual assets is acceptable. The Corporation uses various tools to control and monitor insurance risk, including:

- > Setting guidelines for catastrophe exposure and reinsurance usage
- > Devising Realistic Disaster Scenarios to help in the measurement and management of catastrophe exposures at syndicate and market level
- > Reviewing business plans and determining appropriate capital requirements

- > Establishing and monitoring underwriting standards, including claims and exposure management principles
- > Monitoring of syndicates' performance against approved business plans

Each area of potential risk is carefully considered by expert teams within the Corporation. If a managing agent's operations pose an unacceptable risk, the Corporation will work with that agent to make appropriate changes. If the agent does not respond to this approach, the Corporation can withhold or withdraw approval of a syndicate business plan. In extreme cases it can disqualify a managing agent and its syndicate from trading in the market.



Further information on managing insurance risk can be found on **page 51**



### RISK MANAGEMENT: IT'S IN OUR GENES

Farmers have engaged in selective breeding for millennia. Genetic modification has been part of medical practice since the 1970s. But the new science of synthetic biology promises a step change in our power to shape life. It is now possible to design new life on a computer, creating a blueprint for organisms with genetic code not found in the natural world. The technology is still in its infancy, of course. But we are already seeing commercial applications for it and can expect the industry to blossom over the next ten years.

Many believe synthetic biology will be one of the transformative technologies necessary to combat climate change, energy shortages, food security issues and water deficits. By rewriting genetic code, it may be possible to design plants that are disease-resistant and that can tolerate salt, heat and drought, for example. Other designs could make large-scale biofuel production more cost-effective, helping to meet feared energy shortages.

Although the potential to solve some of mankind's biggest problems represents a powerful driver for technological development, such radical innovation must be managed responsibly.

So it's appropriate that the Emerging Risks team within the Corporation of Lloyd's has published a report on this new technology. It found no consistent set of regulations around the world and that public opinion on the use of genetic engineering differs regionally. It uncovered fears that terrorists or criminals could procure segments of seemingly innocuous DNA and recombine the pieces into bio-hazardous substances. It's not just 'bioterror' – there are also concerns around 'bioerror', the accidental release of synthetically engineered organisms which could lead to environmental or health problems.

If these risks can be monitored and managed appropriately, synthetic biology is one of the most exciting technologies in development. Lloyd's will continue to track the risks as they emerge.



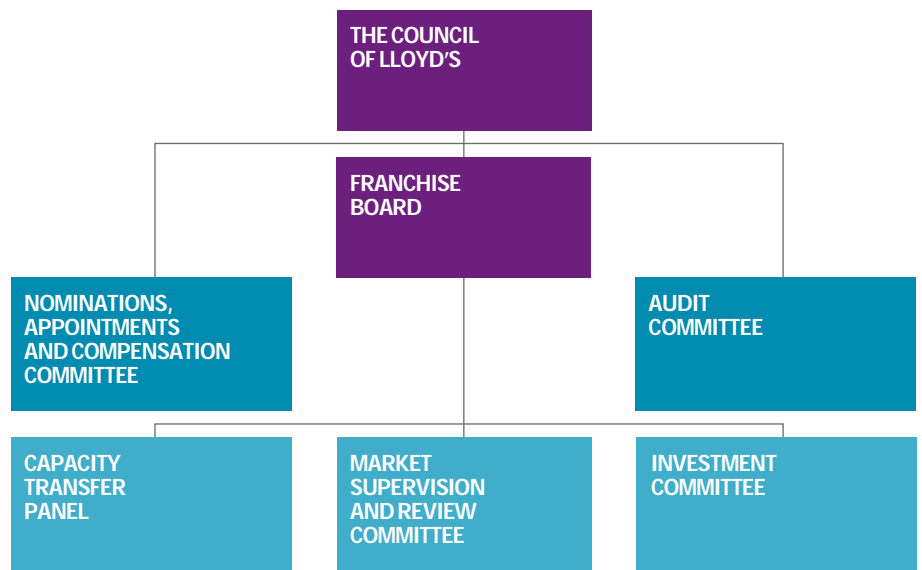
Read the report at  
[www.lloyds.com/emergingrisks](http://www.lloyds.com/emergingrisks)

# LLOYD'S GOVERNANCE STRUCTURE DELIVERS CLARITY AND ACCOUNTABILITY.

The Council of Lloyd's has responsibility for the supervision of the market.

Figure 6

**PRINCIPAL COMMITTEES OF LLOYD'S**



**THE COUNCIL AND FRANCHISE BOARD**

The Council of Lloyd's is the governing body of the Society of Lloyd's. It has ultimate responsibility for the management of the market as a whole. For many of its functions, the Council now acts through the Franchise Board, whose members are appointed by the Council and are drawn from both within and outside the Lloyd's market.

The day-to-day powers and functions of the Council and Franchise Board are exercised by the Corporation's Executive Team, consisting of the chief executive officer and directors of the Corporation.

Lloyd's is regulated by the FSA, which undertakes direct supervision of managing agents and monitors capital and solvency. The Corporation plays an active role in managing risk within the market to ensure that Lloyd's central assets, brand, licences and reputation are protected.

-  The members of the Council and Franchise Board are listed on **pages 14-17**. For more information on corporate governance see **page 79**.
-  Details of the Executive Team can be found at: [www.lloyds.com/executiveteam](http://www.lloyds.com/executiveteam)

## GOVERNANCE THE COUNCIL OF LLOYD'S

01	07	13
02	08	14
03	09	15
04	10	16
05	11	17
06	12	



- 01 LORD LEVENE OF PORTSOKEN KBE**  
Chairman of Lloyd's  
(Working member)  
Peter Levene was elected as Lloyd's Chairman in November 2002. He is the Chairman of General Dynamics UK Limited and a member of the Board of TOTAL SA, China Construction Bank and Haymarket Group. He is also the Chairman of International Financial Services London (formerly British Invisibles) and is a member of the House of Lords Select Committee on Economic Affairs. He is an Alderman of the City of London and served as Lord Mayor for the year 1998/99.
- 02 DR RICHARD WARD**  
Chief Executive Officer  
(Nominated member)  
Richard Ward joined Lloyd's as Chief Executive Officer in April 2006. Previously he worked as both CEO and Vice-Chairman at the International Petroleum Exchange (IPE), re-branded ICE Futures. Prior to this, he held a range of senior positions at British Petroleum (BP), after pursuing a scientific career with the Science & Engineering Research Council (SERC). He is a Board member of the Geneva Association and a Council member of the Heart of the City charity.
- 03 EWEN GILMOUR\*†**  
Deputy Chairman of Lloyd's  
(Working member)  
Ewen Gilmour is a chartered accountant. He was the former Chief Executive of Chaucer Holdings plc and is currently a non-executive director of Antares Underwriting Services Limited, Hampden Agencies Limited, Shelbourne Syndicate Services Limited and Xchanging Insurance Services Group of companies. Formerly a corporate financier with Charterhouse Bank, he moved to the Lloyd's market in 1993 to help facilitate the introduction of corporate capital. He is a former Chairman of the Lloyd's Market Association Market Processes Committee.
- 04 DR ANDREAS PRINDL CBE\*†**  
Deputy Chairman of Lloyd's  
(Nominated member)  
Andreas Prindl worked for Morgan Guaranty in New York, Frankfurt, London and as General Manager in Tokyo and then set up Nomura Bank International, which he chaired. He was appointed CBE for his contributions to financial services education in Britain and Eastern Europe.
- 05 GRAHAM WHITE†**  
Deputy Chairman of Lloyd's  
(Working member)  
Graham White is Managing Director of Argenta Private Capital Ltd and Deputy Chairman of Argenta Syndicate Management Ltd and has worked in the Lloyd's market since 1968 as a reinsurance broker, company secretary and members' and managing agent. He is a current trustee and a former Chairman of Lloyd's Charities Trust.
- 06 LORD ASHTON OF HYDE**  
Representative of Faraday Capital Limited  
(External member)  
Henry Ashton is the Chief Executive Officer of the Faraday Group, the London market arm of General Re. He was a reinsurance broker in London and New York for 10 years before joining the Lloyd's managing agent D P Mann, which was subsequently bought by General Re.
- 07 RUPERT ATKIN†**  
(Working member)  
Rupert Atkin is the Chief Executive of Talbot Underwriting and was the active underwriter for syndicate 1183 from 1991 until 2007. He is a director of all Talbot Group companies. He has served on various market bodies, including the Lloyd's Regulatory Board, and has chaired both the Lloyd's Underwriters Association and the Joint War Risk Committee.
- 08 MICHAEL DEENY**  
(External member)  
Michael Deeny is a chartered accountant. He was the Chairman of the Association of Lloyd's Members. His career has principally been in the music industry, where he promoted U2, Bruce Springsteen, Nirvana and Luciano Pavarotti among others. He underwrites through a Limited Liability Partnership and is Deputy Chairman of the Equitas Trust.
- 09 CELIA DENTON\***  
(Nominated member)  
Celia Denton, a chartered accountant, was a senior audit partner at Deloitte & Touche and Head of its General Insurance Practice for ten years. She was responsible for risk management in the assurance and advisory practice, prior to her retirement in 2003.
- 10 SIR ROBERT FINCH\*†**  
(Nominated member)  
Sir Robert Finch qualified as a Solicitor in 1969 when he joined Linklaters, becoming Partner in 1974 and Head of Real Estate in 1997. He retired in 2005 to take the Chairmanship of Liberty International plc for three years. He became Chairman of the Royal Brompton and Harefield Hospital Foundation Trust in January 2009. In February 2009 he became Chairman of the Aviva Mall Fund. He is a director of FF&P Russia, served as a Church Commissioner from 2003 to 2008 and was Lord Mayor of London for the year 2003/04.
- 11 MATTHEW FOSH**  
Representative of Novae Corporate Underwriting Limited  
(External member)  
Matthew Fosh is the Chief Executive Officer of Novae Group plc which he joined in 2002. He previously worked in the capital markets, where in 1989 he co-founded a derivative trading business, which he subsequently sold in 2002 to ICAP plc.
- 12 CHRISTOPHER HARMAN**  
(Working member)  
Christopher Harman has worked in the Lloyd's market as a reinsurance broker since 1971, specialising in reinsurances of Lloyd's syndicates and companies writing global business. He is a Partner in Jardine Lloyd Thompson Reinsurance Brokers Ltd, who bought Harman Wicks & Swayne Ltd in 2008, an independent Lloyd's broker of which he was founder and Deputy Chairman. He has been an unlimited Name since 1979 as well as writing through a Nameco.
- 13 DR REG HINKLEY\***  
(Nominated member)  
Dr Reg Hinkley is Bursar at Christ's College Cambridge. Until July 2007 he was Chief Executive Officer of BP's UK pension fund. He joined BP in 1981, and worked in finance, planning and risk management roles. Previously he worked at HM Treasury. He is an independent Trustee and Deputy Chairman of the Lloyd's Pension Scheme.
- 14 BARNABAS HURST-BANNISTER**  
Representative of Aprilgrange Limited  
(External member)  
Barnabas Hurst-Bannister, who has worked in Lloyd's since 1975, is Chairman of Travelers Syndicate Management Limited, Chairman of the London Market Group (formerly the Market Reform Group) and Deputy Chairman of the Lloyd's Market Association. He also acts as a political risks underwriting consultant to Beazley Furlong Ltd.
- 15 PAUL JARDINE†**  
Representative of Catlin Syndicate Limited  
(External member)  
Paul Jardine, a qualified actuary, is Deputy Chairman of Catlin Underwriting Agencies Limited and Chief Operating Officer of Catlin Group Limited. He has over 25 years of insurance industry experience and was appointed Chairman of the Lloyd's Market Association in May 2007.
- 16 ALAN LOVELL†**  
(External member)  
Alan Lovell was until recently Chief Executive of Infinis Limited, the UK's second largest producer of renewable energy and now has a portfolio of green energy roles. He was previously Chief Executive of Costain Group plc, Dunlop Slazenger and Jarvis plc. He is Chairman of the Mary Rose Trust Appeal Committee. He is a director of the Association of Lloyd's Members and of Alpha Insurance Analysts Ltd (a members' agent).
- 17 NICHOLAS MARSH**  
(Working member)  
Nicholas Marsh is Director of Corporate Underwriting at Atrium Underwriting Group Limited, having been Chief Executive from 2000 to 2005. His Lloyd's career started in 1973, when he joined Syndicate 570 and was Active Underwriter from 1989 to 2005. He is a member of the Lloyd's Market Association Board.

The Council as at 23 March 2010.

**Key**

\* Member of the Audit Committee

† Member of NACC

## GOVERNANCE THE FRANCHISE BOARD

- 01 LORD LEVENE OF PORTSOKEN KBE**  
Chairman of Lloyd's  
Biography on page 15.
- 02 DR RICHARD WARD**  
Chief Executive Officer  
Biography on page 15.
- 03 TOM BOLT**  
Director, Performance Management  
Tom Bolt joined Lloyd's in September 2009. Previously, he was Managing Director of Marlborough Managing Agency. He has extensive experience in international insurance and reinsurance across the UK, US and Europe, and has held senior roles in Berkshire Hathaway's reinsurance divisions and as President of some of its insurance subsidiaries. He also assisted in the formation of Bankers Trust Insurance Derivatives business, as well as a related group of insurance and reinsurance companies.
- 04 NICHOLAS FURLONGE**  
Nicholas Furlonge is the Director of Risk Management at Beazley plc. He has worked in the Lloyd's Market since 1972 and was co-founder of Beazley. He is a member of the Lloyd's Market Association Board and Chairman of the Lloyd's Community Programme Management Board.
- 05 CLAIRE IGHODARO CBE\***  
Claire Ighodaro is a Board member of the British Council, the Banking Code Standards Board, UK Trade & Investment (UKTI), the Learning and Skills Council and the Open University. Claire also chairs three Audit Committees and was President of the Chartered Institute of Management Accountants (CIMA).
- 06 ANDREW KENDRICK\***  
Andrew Kendrick is Chairman and Chief Executive Officer of ACE European Group. Prior to this, he served as President and Chief Executive Officer, ACE Bermuda. He has over 30 years of insurance industry experience. He is a member of the Lloyd's Market Association (LMA) Board and was Chairman of the LMA from January 2006 to June 2007.
- 07 DR MARTIN READ**  
Martin Read is a non-executive director of Invensys and Aegis Group and senior adviser to Indian technology company HCL. He has recently led a UK Government review of back-office operations and IT across the public sector and is now a member of the Conservatives' Shadow Public Services Productivity Advisory Board. He was chief executive of international IT services company Logica from 1993 to 2007 and has served as a non-executive director on the boards of British Airways, Siemens Holdings, Boots and ASDA.
- 08 LUKE SAVAGE**  
Director, Finance, Risk Management and Operations  
Luke Savage, a chartered accountant, joined Lloyd's in 2004. He has over 20 years' experience in financial services, spent mostly supporting sales and trading in investment banks including Morgan Stanley and Deutsche Bank.
- 09 DIPESH SHAH OBE**  
Dipesh Shah is Chairman of ANHD International Advisory Services Ltd, a non-executive director of Thames Water and Kemble Water Group of Companies and JXX Oil and Gas plc where he is Chairman of the Remuneration Committee. He is also a Board Advisor to The Crown Estate. He is a former Chairman of Viridian Group plc and Hg Capital Renewable Power Partners LLP, a former Chief Executive officer of the UK Atomic Energy Authority and of various businesses within the BP Group, and a former non-executive director of Babcock International Group plc where he chaired the Remuneration Committee.
- 10 DAVID SHIPLEY\***  
David Shipley was named underwriter for MAP Syndicate 2791 from its formation in 2000 until 2007, and is now non-executive Chairman of MAP, having worked as a Lloyd's underwriter since 1976. He has underwritten since 1984, first as a Name and subsequently with limited liability. He was a member of the Council from February 2003 to January 2009 and was appointed Chairman of Equitas in September 2009.

The Franchise Board as at 23 March 2010.

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**Key**

\* Member of the Audit Committee

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