

WELCOME TO LLOYD'S

Everything you need to know about Lloyd's on two pages

WHAT IS LLOYD'S

- Lloyd's is the world's leading, specialist insurance market. Like any market, it enables those with something to sell – underwriters providing insurance coverage – to make contact with those who want to buy – brokers, working on behalf of their clients who are seeking insurance.
- Brokers come into the Lloyd's Building in London and 'shop around', taking a particular risk they want covered around the market to try to find the best price, terms and conditions.
- At Lloyd's, businesses from all over the world can find insurance for risks in exchange for the payment of a premium. This premium, and the terms and conditions of the policy, are based on the likelihood of the risk happening, and its value. If it's a big risk and worth a lot of money, it is likely that you'll pay more to insure it.
- Since its early days based in a 17th century coffee shop, Lloyd's has proved time and time again that it can respond quickly to change and meet customer demands. Lloyd's underwriters are known throughout the world for devising tailored, innovative solutions to complex problems.
- Lloyd's covers the world's most complex and specialist risks – from oil rigs to celebrity body parts, from major airlines to the world's biggest banks and sporting events.
- Insurance is sold (or 'underwritten') by members of Lloyd's. The members provide the financial backing, known as capital, which acts as security for Lloyd's policies to help ensure that claims are paid. Capital comes from a mixture of financial institutions, major insurance businesses and individuals (sometimes called 'Names').
- A member or a group of members form a syndicate. A syndicate's underwriting and other activities are managed on behalf of its members by a managing agent. For example, managing agents employ the underwriters who use their specialist knowledge to accept or decline risks for the syndicate. Different syndicates can specialise in different types of insurance.
- Planning for the future, Lloyd's issued a three-year strategic plan in January 2006 to ensure that the market is "the platform of choice for insurance and reinsurance buyers and sellers to access and trade both specialist and large property and casualty risks".

To find out more, click: www.lloyds.com/threeyearplan

Lloyd's is regulated by the Financial Services Authority.

KEY STATS AND FACTS

**46 MANAGING
AGENTS
75 SYNDICATES**

**92% OF FTSE
100 COMPANIES**

**LLOYD'S
UNDERWRITING
CAPACITY £15.95BN**

**LLOYD'S
COMBINED RATIO
83.1%**

**RATED A BY A.M.
BEST AND A+ BY
FITCH AND S&P**

- There are 46 managing agents running 75 syndicates in the Lloyd's market.*
- Business comes into the Lloyd's market from more than 200 countries and territories worldwide.
- There are 176 accredited Lloyd's brokers bringing risks to the market on behalf of their customers.*
- 92% of FTSE 100 companies and 93% of Dow Jones companies have insurance at Lloyd's.**
- The market provides insurance for eight of the world's top pharmaceutical companies, and 48 of the world's top banks.**
- Each day, around 4,000 people visit the Lloyd's building.

FINANCIAL FACTS

- Lloyd's has capacity to write about £15.95bn of business as 1 January 2008.
- In 2006, Lloyd's reported a profit of £3,662m.**
- Lloyd's current combined ratio is 83.1%. The combined ratio is the amount spent by all Lloyd's syndicates on claims and expenses as a percentage of their premium income. A percentage less than 100% represents an underwriting profit.**
- The Lloyd's market is rated A, by rating agency A.M. Best and A+ by Fitch and Standard & Poors.
- At the end of 2006, the net assets of Lloyd's Central Fund, which serves as security for Lloyd's policies, stood at £843m plus subordinated loan notes of £497m.**
- Those bringing capital to the Lloyd's market include*:
 - 99 corporate members (private companies)
 - 907 individual members with unlimited liability ("Names")
 - 465 NameCos (individuals underwriting via limited liability companies) and
 - 125 Scottish Limited Partnerships (individuals underwriting via limited liability partnerships)
 - 3 Group Conversion Vehicles (individuals who converted into limited liability group schemes)
 - 463 Limited Liability Partnerships (individuals underwriting via limited liability partnerships)

For further information on Lloyd's New Central Fund, see Lloyd's 2006 Annual Report at www.lloyds.com/financialreports

* As at January 2008

** This information will be updated in April 2008