LLOYD'S

# 2026 Lloyd's China Entry Guide

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# Content

# Executive Summary

Lloyd's China offers the Lloyd's market an exciting opportunity to access insurance and reinsurance business in the rapidly growing Chinese market. Lloyd's China provides participating Lloyd's syndicates a platform (Lloyd's China platform) with which to access the Chinese (re)insurance market via the relevant underwriting division within Lloyd's China. Risks can either be written 100% by one underwriting division or as subscription business to pool underwriting capacity amongst divisions. Lloyd's China can conduct non-life insurance and reinsurance business inside China, as well as international reinsurance / retrocession business from territories which permit reinsurance to be freely transacted on a cross-border basis.

Due to regulatory requirements and the structure of Lloyd's China (a licensed insurance company), syndicate's participating on the Lloyd's China platform acts as a reinsurer (for insurance) or retrocessionaire (for reinsurance) business underwritten by Lloyd's China.To access business under the Lloyd's China's licence, each risk carrying syndicate shall apply to the Lloyd's China platform through their respective MA, and meet the requirements established by Lloyd's and China's National Financial Regulatory Administration (NFRA).

Admission to Lloyd's China is subject to an approval process, taking into account the business plan, staffing and resourcing plan, and /or a product development plan where applicable.

To be accepted onto the Lloyd's China platform, NFRA expects that syndicates have qualified staff employed by Lloyd's China. The nominated staff can be based in the Lloyd's China Head Office in Shanghai and/or the Lloyd's China Beijing Branch. If a syndicate participates on the Lloyd's China platform in respect of direct insurance[1], the syndicate must have sufficient staff and resource to develop the business and a realistic product development plan.

This guide provides an overview of the entry process for syndicates and MAs who want to join Lloyd's China. For more information please refer to the Lloyd's China Handbook, which provides an overview of Lloyd's China and applicable processes, and the Lloyd's China operation manuals.

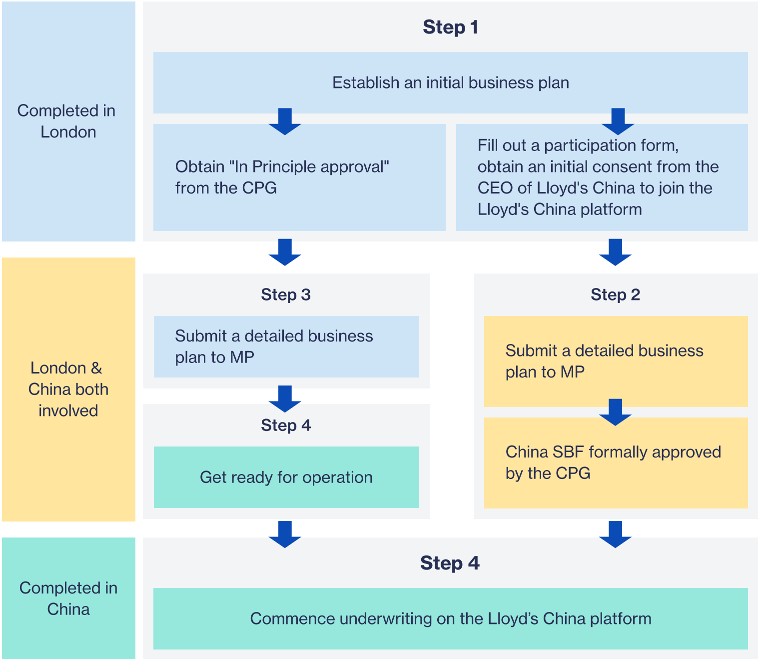
The entry process should be followed by MAs looking to join the Lloyd's China platform for the first time as well as those who have previously withdrawn from the Lloyd's China platform and wish to re-join. The key steps of the joining process include:

1. Establishing an initial business plan and obtaining an In Principle agreement by the CPG and an initial consent by the CEO of Lloyd's China to join the Lloyd's China platform;
2. Submitting a detailed business plan (including business forecast, staffing and resourcing plan and product development plan (if planning to write direct business)), and obtaining agreement from the CPG;

[1] Direct insurance – business that requires a locally issued policy to the client/consumer (either from Lloyd's China or a co-insurer). It is different from Inward Facultative Reinsurance policies which are treated as Reinsurance under the Lloyd's China licence and local regulatory framework.

3. Obtaining sign-off of legal agreements from Lloyd's London, Lloyd's China and the MA; and
4. Preparing for operations.

The process is outlined in the diagram below.




Syndicates may establish a non-represented underwriting division to write business from Lloyd's China as following market under Lead- Follow Model via delegated authority arrangements. In such cases, underwriting activities are conducted by delegated underwriters from the on-platform leading underwriting division, who underwrite business through structured pooling arrangements such as consortia or via a coverholder.

Therefore, the syndicates as following market may not be required to maintain local nominated underwriting staff members. For further details, please contact the local team.

# Before the entry process begins

Before formally kick off the entry process, MAs shall first approach Lloyd's China management to express intent and provide authorized representation. Lloyd's China will provide a necessary introduction of the platform. Lloyd's China may produce, amend or update protocols concerning the operation that are applicable to MAs and/or any nominated staff.

**Please note that additional information is required at the planning stage where a syndicate is intending to write direct insurance. Refer to the Lloyd's China Product Development and Management Policy for details.**

## Step 1.
## Establish an Initial Business Plan to Join Lloyd's China Platform

MAs are required to submit an initial business plan to Lloyd's Market Performance (MP) team as part of the annual Syndicate Business Forecast (SBF) planning process. Alternatively, MAs can apply to the Lloyd's Capital Planning Group (CPG) for an In Principle Agreement to join the Lloyd's China platform.Key elements of the initial business plan to join the Lloyd's China platform include:

1. Key elements of the initial business plan to join the Lloyd's China platform include:Information about the class(es) of business to be underwritten;The gross written premium (GWP) by class of business;
2. The gross written premium (GWP) by class of business;
3. The gross and net line size by class of business;
4. The type of business to be underwritten (i.e. reinsurance vs direct or both);
5. General information on the underwriting control framework(i.e. referrals and management of the overseas operation); and
6. Confirmation that there have been no major compliance matters or regulatory violation/failure over the past two years.

MAs must also submit an official confirmation, outlining its intention to participate on the Lloyd's China platform, together with the completed Lloyd's China Participation Application Form (Appendix I) to Lloyd's China for consent.

In Principle agreement means a MA is approved to join the Lloyd's China platform. Following receipt of an In Principle agreement from the CPG and the initial consent from Lloyd's China to join the Lloyd's China platform, MAs are permitted to proceed to Step 2 and 3.

An In Principle agreement does not mean that a MA can commence underwriting on the Lloyd's China platform. MAs must follow and complete Steps 2, 3 and 4 to obtain the CPG's formal approval of the SBF for business in China.

Only when a MA has received the CPG's formal approval can it start writing business on the Lloyd's China platform.

# Step 2.
# Establish a Detailed Business Plan

Once the initial business plan is approved, MAs need to prepare a detailed business plan including the following:

1. China SBF – to be submitted to the Lloyd's MP team and input in the Core Market Return Sys
2. All participating syndicates are required to complete the China section of the SBF return for business written on the Lloyd's China platform (China SBF), including:
   - Classes of business to be written on the Lloyd's China platform (Form 51);
   - Underwriting Performance Forecast (Form 105);
   - Summary of Technical Accounting (Form 100); and
   - Underwriting Controls (Form 443).

   For more information please refer to the China SBF Guidance document. The China business plan and strategy of the syndicate may affect capital requirements. This will be considered by Lloyd's MP, Market Reserving and Capital (MRC) and Lloyd's China at this stage in the process.

   MP and Lloyd's China will consider the MAs staffing and resourcing plan and/or product development plan (for syndicates participating in direct insurance) together with their China SBF.

3. Staffing and Resourcing Plan – to be submitted to Lloyd's China.
   MAs must nominate qualified staff (i.e. the head of the corresponding underwriting division, underwriter(s), claims, supporting staff, etc.) to Lloyd's China according to the Participation Agreement. Nominated staff will be employed by Lloyd's China for the underwriting division corresponding to the syndicate. The level of qualification, experience and number of the nominated staff must align with the syndicate's China SBF.

   Office space and IT infrastructure requirements should be discussed and agreed with the Lloyd's China Corporate teams at this stage.

   Additional staffing and operations resources are required for direct insurance business. Managing Agents (MAs) intending to write direct business shall consult with Lloyd's China management during the formulation of their Product Development Plan.

4. Product Development Plan (direct insurance only) to be submitted to Lloyd's China.

   Product development involves completing the product filing process with the NFRA and configuring the product within the core business system. Given that this work requires significant lead time as well as system development investment to achieve the operational readiness, Managing Agents (MAs) intending to write direct business shall consult with Lloyd's China management during the formulation of their Product Development Plan.

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# Step 3.
# Legal Agreements Sign Off

Legal documentation
Lloyd's prepares bespoke versions of the following legal agreements for execution. These must be signed by MAs following an In Principle agreement being granted by the CPG to join the Lloyd's China platform.
For all MAs:

- Participation Agreement

For MAs planning for a syndicate to participate in respect of reinsurance business:

- Retrocession agreement

For MAs planning for a syndicate to participate in respect of direct insurance:

- Reinsurance Agreement;
- Deed of Indemnity;

Hard copies of executed legal documents will be kept by Lloyd's China's Legal and Compliance Department. Electronic signature is acceptable if MAs are working from home.

# Step 4.
# Get Ready For Operation

The following must be completed before a syndicate can commence underwriting:

**Staffing & Employment**
MAs are required to nominate the candidates the head of the corresponding underwriting division and other roles, including underwriter(s), claims or supporting staff, which can match their business plan.

The candidates will sign the employment contract with Lloyd's China, providing the successful completion of the pre-employment screening process. Lloyd's China will help to facilitate to obtain a work permit for non-Chinese residents, which is subject to approval from relevant authorities.
Pro forma employment contracts and the Lloyd's China Employee Handbook can be provided on request.

**System Set Up**
Lloyd's China will establish an underwriting division within its core business systems, accounting platform, and office applications. This setup ensures that business transactions are processed and recorded accurately, while office tasks are completed efficiently and on time.

**Bank Accounts**
Lloyd's China will set up dedicated bank accounts (in CNY and USD) for the underwriting division, which are used to settle business transactions related to the division and to hold funds for the corresponding syndicate.

**Office & Equipment**
Lloyd's China will work with MAs to agree on the office space. Lloyd's China will provide various office facilities, including agreed office area, office equipment and IT infrastructure.

**Induction & Training**
MAs should arrange orientation training for its underwriting division staff in respect of its own operation and internal policies.

Lloyd's China will carry out an induction program related to platform operations for newly joiners. Lloyd's China also provides ongoing training to the divisional staff according Lloyd's policies and local regulatory requirements.

**If an MA do direct insurance via Lloyd's China, the Underwriting Division shall complete relevant product filing and system development before commencing writing business.**

**Upon reaching the operational readiness, Lloyd's China and MAs will agree an appropriate timeframe for the syndicate to formally commence underwriting on the Lloyd's China platform.**

# Glossary

- **Lloyd’s Insurance Company (China) Limited (Lloyd’s China)** – Lloyd’s subsidiary in Shanghai, licensed to write non-life reinsurance business nationwide, and non-life direct business in Shanghai and Beijing municipalities and, in the future, those provinces, autonomous regions and municipalities where it has established branches
- **National Financial Regulatory Administration (NFRA)** – the regulator for the banking and insurance industry in China
- **Underwriting Division (UW Division)** – Within its structure, Lloyd’s China will set up an Underwriting Division for each participating managing agent, which writes direct or reinsurance business that is ceded to the respective syndicates managed by that managing agent via a retrocession and/or reinsurance arrangement
- **Syndicate Business Forecast (SBF)** – Lloyd’s market return which provides information that is needed to enable Lloyd's to support the business plan approval and capital processes. The SBF Return collects data that is common to each syndicate.
- **Capital Planning Group (CPG)** - a governance group established by Corporation, which consists representatives from relevant functions to: a) approve business plans for the market to meet the Council’s risk appetite for the prospective year of underwriting b) set capital, based on past performance and risk profile, to support the business plan
- **Market Performance (MP) team** – The team in Lloyd’s of London with responsibility for monitoring the market’s performance and approving business plans
- **Market Oversight (MO) team** – The team in Lloyd’s of London in charge of oversight of the Lloyd’s market globally, including Lloyd’s China. It sets up and implements Lloyd’s annual market oversight plan and ensures that the market oversight approach and activities applied to Lloyd’s overseas offices are consistent with those in London

# Key Contacts

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# Participation Form For Managing Agents Planning to Join Lloyd's China

For the purpose of this application form, "Applicant" refers to the Managing Agent (MA) that intends to join LJI. Please provide all monetary amounts in GBP when completing the form below.

## 1. General details

1.1 MA Full Name: ______________________

1.2 Syndicate Number: ______________________

## 2. Business Plan

2.1 Please provide the China SBF for the next year operation.

2.2 Has the Applicant's China SBF been submitted to the Capital Planning Group (CPG) of Lloyd's?

☐ YES ☐ NO

2.3 Please advise if the Applicant plans to participate in:

☐ Direct business ☐ Reinsurance business ☐ Both ☐ Cross-border only

## 3. Direct Business

**This Section MUST be completed by the Applicant if it plans to participate in Direct Business**

Please advise details of the proposed 20% third party reinsurer as follows[1]:

Company name: ______________________

Registered Address: ______________________

Paid-in Capital: ______________________

Credit ratings if available: ______________________

Standard & Poor's: ______________________

A.M. Best: ______________________

Moody's: ______________________

Fitch: ______________________

1 Under PRC law, up to a maximum of 80% of each risk can be reinsured with any one carrier or any one related party except for space and aviation, nuclear, oil and credit business. In interpreting this law the Lloyd's market is considered to be a single reinsurer. Therefore a maximum of 80% of any one risk underwritten through the China Platform can be reinsured to the corresponding Lloyd's syndicate or syndicates in London (by means of an annual treaty). The remaining 20% of the risk must be reinsured outside of the Lloyd's market, either with a company that is part of the same group as the relevant syndicate or with a third party reinsurer (also by means of an annual treaty).