United States

Underwriting human progress
Lloyd's is the world's specialist insurance and reinsurance market.

Our distinctive structure supports a market based on trusted relationships and expertise. Led by specialty underwriters and brokers with a global view of risk, the Lloyd's market delivers the risk transfer solutions essential to underwriting human progress in more than 200 countries and territories.

Backed by diverse capital and excellent financial ratings, Lloyd's works with a global network of distribution partners – to promote the resilience of local businesses and communities, in the process strengthening economic growth.
Lloyd's is a unique insurance and reinsurance market with an unrivalled concentration of specialist underwriting expertise.

More than 50 leading insurance companies, over 200 registered Lloyd's brokers and a global network of over 4,000 local coverholders operate in and bring business to the Lloyd's market. Much of the (re)insurance available at Lloyd's is provided on a 'subscription' basis – a process in which individual syndicates in the same class of business provide all or part of the capacity needed for specific risks. This capacity, combined with the choice, flexibility and financial certainty of the market, makes Lloyd's the world's leading (re)insurance platform.

From start-ups to small and medium-sized enterprises, national governments and multinational corporations, our customers are the people driving the global economy. They rely on the specialization, strength and security of the Lloyd's market to help them protect what matters most.

**Global Market Snapshot**

<table>
<thead>
<tr>
<th>$ billion in gross written premiums in 2015</th>
<th>$ billion – Claims paid by Lloyd's over the last five years</th>
</tr>
</thead>
<tbody>
<tr>
<td>41</td>
<td>97</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Syndicates</th>
<th>Coverholders</th>
</tr>
</thead>
<tbody>
<tr>
<td>84</td>
<td>4008</td>
</tr>
</tbody>
</table>

There are more than 1000 Lloyd's coverholders in the US, making it easy for American customers to access the strength and creativity of the entire market.

Visit lloyds.com/directories for a full list and description of market participants.
When you place your risk with Lloyd’s, you can be confident that valid claims will be paid no matter their scale or complexity. We are able to make this commitment because of the strength of our Central Fund, a contingency that pays claims in the rare instance of a syndicate becoming insolvent. The Central Fund is an important part of our Chain of Security, a three tier capital structure supporting all policies underwritten in the Lloyd’s market.

Syndicates operating in the market enjoy the benefit of a single market rating given by independent agencies.

<table>
<thead>
<tr>
<th>Standard &amp; Poor’s: A+ (Strong)</th>
<th>Fitch Ratings: AA– (Very Strong)</th>
<th>A.M. Best: A (Excellent)</th>
</tr>
</thead>
<tbody>
<tr>
<td>A+</td>
<td>AA–</td>
<td>A</td>
</tr>
</tbody>
</table>

Strong Chain of Security and Financial Ratings

The Chain of Security is made up of three levels of protection that we call ‘links’. Should the first link need additional funds, a second link ensures members have the resources available. In the rare event that these two links are still insufficient, a third link provides further back-up to policyholders so that all valid claims are paid.

<table>
<thead>
<tr>
<th>Link One</th>
<th>$ billion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Syndicate level assets</td>
<td>68</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Link Two</th>
<th>$ billion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Members’ funds at Lloyd’s</td>
<td>26</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Link Three</th>
<th>$ billion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Central assets</td>
<td>4</td>
</tr>
</tbody>
</table>
**Safeguarding American Enterprise** Lloyd’s has been a major force in the American insurance market for over a century

From coastal homeowners, urban construction and renewable energy, to transportation networks and satellite launches, Lloyd’s provides creative and cutting-edge insurance solutions for US entrepreneurs, businesses and communities. As the economy has grown and new risks have emerged, we’ve innovated and expanded our support to protect the American economy.

Lloyd’s is eligible to write surplus lines and is an accredited reinsurer in all US states and territories. Lloyd’s is also a licensed insurer in Illinois, Kentucky and the US Virgin Islands. More than 40% of Lloyd’s global business is generated in the US market, accounting for more than US$15bn in 2015.

**Lloyd’s in the United States** As the largest surplus lines insurer in the US and largest non-US domiciled reinsurer, we provide cover for the following classes of business

<table>
<thead>
<tr>
<th>Class of Business</th>
<th>% of Lloyd’s Global Premium</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property (D&amp;F)</td>
<td>35%</td>
</tr>
<tr>
<td>Casualty</td>
<td>23%</td>
</tr>
<tr>
<td>Property treaty</td>
<td>18%</td>
</tr>
<tr>
<td>Marine</td>
<td>6%</td>
</tr>
<tr>
<td>Energy</td>
<td>6%</td>
</tr>
<tr>
<td>Accident &amp; health</td>
<td>5%</td>
</tr>
<tr>
<td>Casualty treaty</td>
<td>4%</td>
</tr>
<tr>
<td>Overseas motor</td>
<td>2%</td>
</tr>
<tr>
<td>Aviation</td>
<td>1%</td>
</tr>
</tbody>
</table>

The Lloyd’s market is accessible through coverholders in retail, wholesale and reinsurance brokers

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>$ billion in (re)insurance premium</td>
<td>15</td>
</tr>
<tr>
<td>% of Lloyd’s global premium</td>
<td>41%</td>
</tr>
<tr>
<td>$ billion claims paid in the US over the last five years</td>
<td>30</td>
</tr>
</tbody>
</table>
**Unmatched Expertise** At Lloyd’s, customers have access to the combined scale, expertise and capacity of the entire market, not just a single insurance company.

Brokers work with underwriters from a diverse range of syndicates to identify those best qualified to insure your risk.
Unmatched Choice Lloyd’s underwriters can develop tailor-made policies for customers across multiple classes of business in the US and worldwide.

Underwriters in the Lloyd’s market know that standard policies don’t always meet the needs of their customers and are able to develop specialized, well-priced solutions in response.

Because Lloyd’s is uniquely placed to consider even the most complex, high-risk exposures, the market has covered Arctic explorers, international aid organizations, satellite launches and taken on major global risks including cyber, terrorism and the consequences of climate change. Lloyd’s writes more than 60 lines of insurance and reinsurance in the following classes of business:

Marine
We’re an industry leader of marine insurance business. The principal classes include hull, cargo, marine liability, fine arts and specie (mobile property such as cash, precious metals and jewelry), political risks and war.

Property
The property sector consists of a broad range of risks written worldwide. It is made up of predominantly surplus and excess lines business with a weighting to the industrial and commercial sectors, binding authority business comprising mainly non-standard commercial and residential risks, and specialist classes including terrorism, power generation, engineering and nuclear risks.

Casualty
The casualty market at Lloyd’s comprises a broad range of classes. The most significant are General Liability, D&O and E&O. Although shorter-tail in nature than most casualty lines, Accident and Health business is also included within this sector. The US market is the largest single market for Lloyd’s casualty followed by Europe, Canada and Australia.

Energy
The Lloyd’s energy sector includes a variety of onshore and offshore property and liability classes, ranging from construction to exploration, production, refining and distribution.

Motor
Lloyd’s motor market primarily covers UK private car, commercial and fleet business. Private car represents around 40% of Lloyd’s UK motor premium and includes niche motor risks. Lloyd’s commercial and fleet business is diverse, ranging from light commercial vehicles and taxis to buses and heavy haulage. International motor is also written; a large proportion of this is North American physical damage risk, primarily transportation and dealer open lot.

Aviation
Lloyd’s writes across all main business segments including airline, aerospace, general aviation, space and war. Airline (hull and liability) is the largest segment, but Lloyd’s is also actively involved in the underwriting of general aviation (privately owned light aircraft, helicopters and corporate jets), airport liability, aviation product manufacturers’ liability, aviation war-terrorism and satellite launch and in-orbit risks.

Reinsurance
The reinsurance market at Lloyd’s covers a wide range of classes, both short and long-tail. Business is written as both facultative and treaty, mainly on an excess of loss basis. The predominant class is property, which includes catastrophe risks worldwide with a significant exposure to the US market.
Looking Forward: Innovative products in support of renewable energy projects

The Lloyd's market has been at the forefront of our industry for more than 300 years, pioneering new forms of protection for a rapidly changing world.

Lloyd's was the first to create policies for motor, aviation and space risks. Lloyd's underwriters originated cyber insurance, Directors and Officers liability insurance and developed the specialist coverage needed to enable entrepreneurial disruptors to thrive.

As the need for energy security drives investment in renewable energy, the Lloyd's market has responded by providing innovative products to mitigate some of the potential volatility.

Lloyd's strength lies in its ability to write both large and complex risks that meet the demand of industry today.

In 2001, working with specialist renewable energy coverholder GCube, Lloyd's insured King Ranch Wind Farm. At the time of construction, the 214 turbine project was the largest operational wind farm in the world. Fifteen years on, the project continues to supply power to the grid.
Lloyd's emerging risk reports bring together the views of some of the world’s leading academic, business and insurance experts.

We analyze the latest information on emerging risks to ensure we’re able to provide new risk management solutions in a fast changing world.

In Business Blackout, a 2015 report by Lloyd’s and the University of Cambridge, analysts outlined the potential cost of a major cyber attack in the USA – a scenario that could cost the US economy more than US$1 trillion and leave 93 million people without electricity.

In 1999, Lloyd’s pioneered the first cyber liability policy. Today, there are more than 60 syndicates in the Lloyd’s market providing coverage for cyber risks.

Read more about emerging risks, visit https://www.lloyds.com/news-and-insight/risk-insight/library
This brochure provides general information only and does not constitute solicitation of business. All US business underwritten at Lloyd's must be placed in accordance with US regulatory requirements.

Coverage must comply with local law. Lloyd's America, Inc. is not licensed as an insurer in any state. Underwriters at Lloyd's are licensed only in Kentucky, Illinois and the US Virgin Islands, and are eligible surplus lines insurers in all US jurisdictions. Lloyd's underwriters are also accredited reinsurers in all states. Lloyd's is regulated by the Financial Conduct Authority and Prudential Regulation Authority.

All figures and ratings are accurate as at 31 December 2015.
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