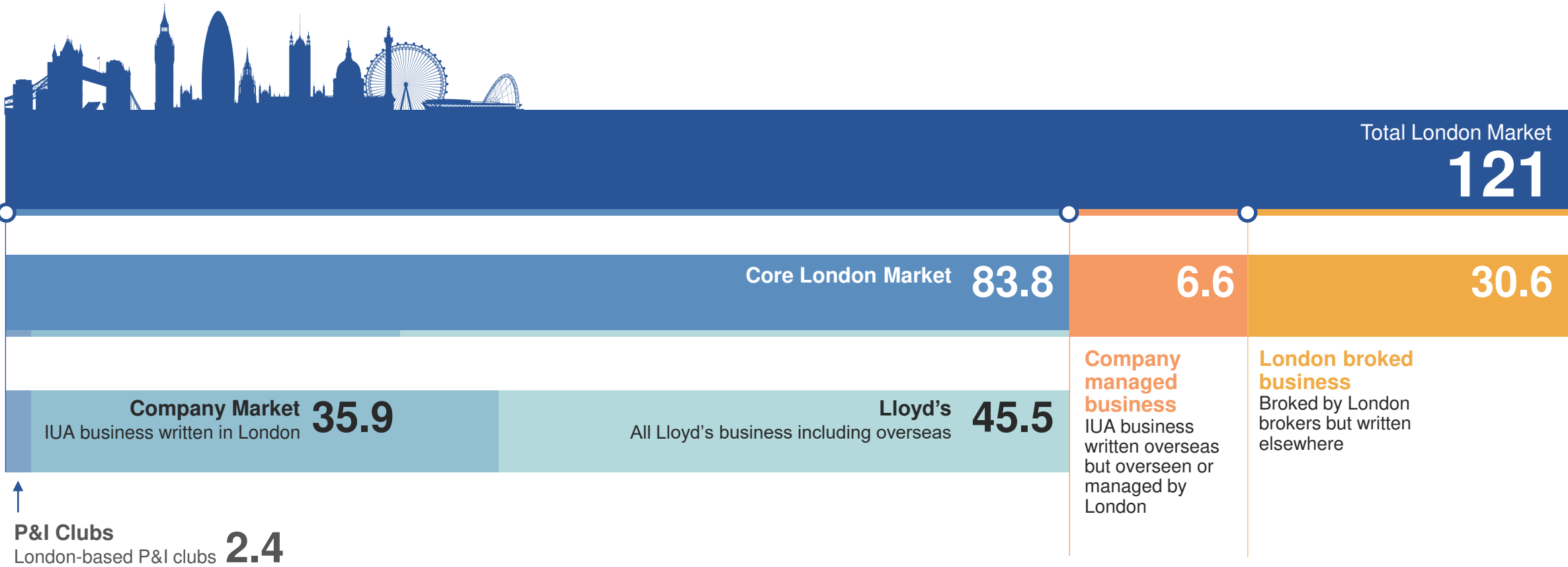


The Fact Base

2022

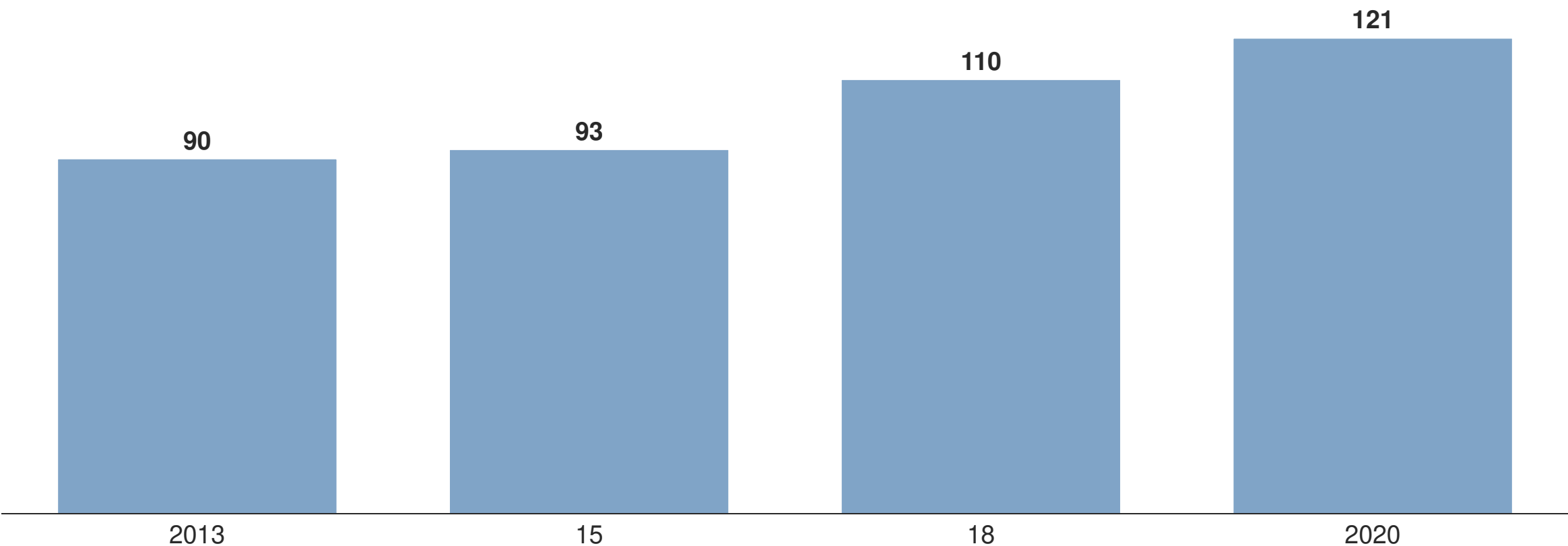
London Market gross written premium in 2020 in \$bn



Source: Lloyd's, IUA, Tysers P&I Report, Gallagher Marine P&I Pre-renewal Review. London Market premium managed via brokers obtained via survey responses received from London Market brokers, grossed up to estimate premium from non-respondents

London Market premium has risen steadily in the last decade

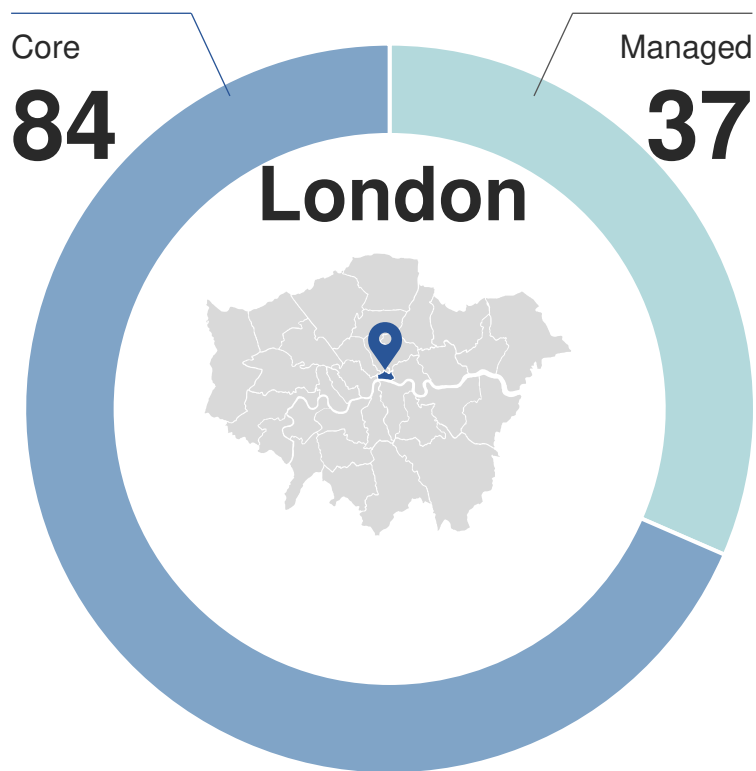
London Market gross written premium, \$bn, including managed business (written overseas but overseen, managed or brokered by London-based teams)



Source: Lloyd's, IUA, Tysers P&I Report, Gallagher Marine P&I Pre-renewal Review. London Market premium managed via brokers obtained via survey responses received from London Market brokers, grossed up to estimate premium from non-respondents

London's comparative position to other geographies in 2020 in \$bn

Global hubs gross premium, \$bn, 2020



Germany



59

US E&S



52

Bermuda



45

Japan



42

Switzerland



33

Singapore



12

Hong Kong

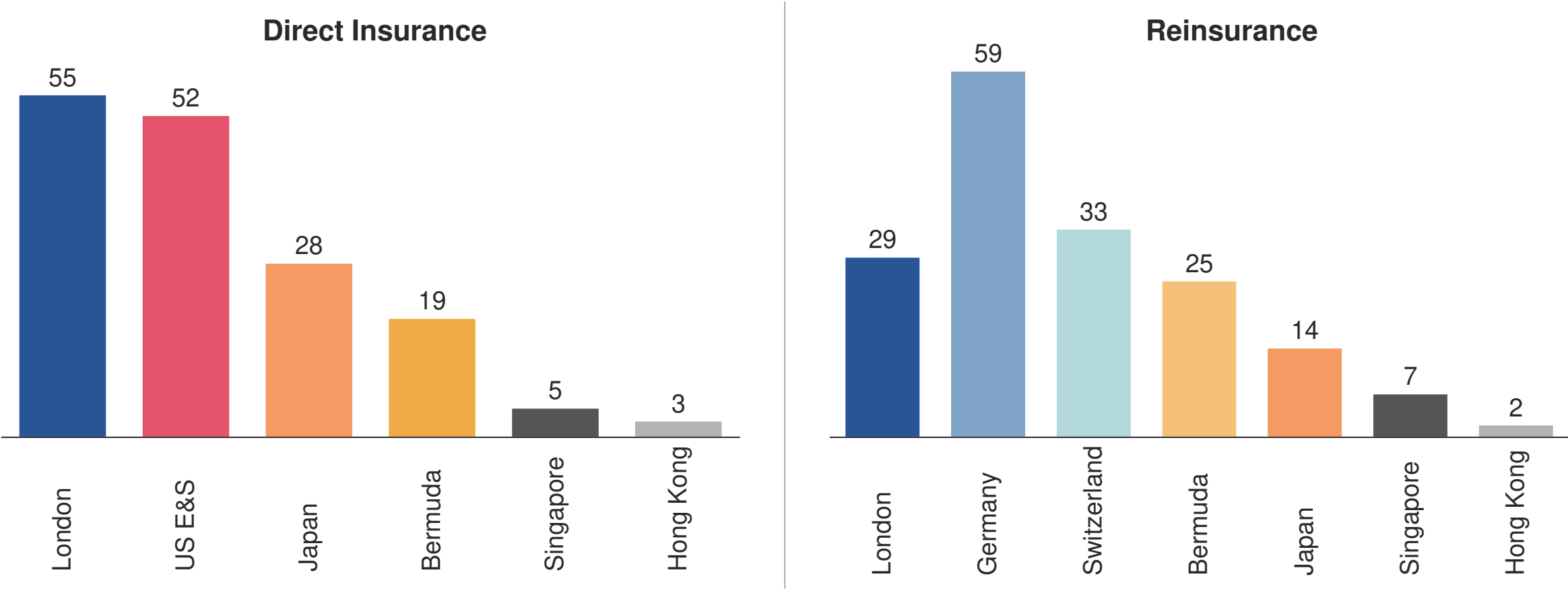


5

Source: London Market sizing: Lloyd's, IUA, Tysers P&I Report, Gallagher Marine P&I Pre-renewal Review. Bermuda: BMA, Class 4 insurance and reinsurance. Switzerland: FINMA, Swiss Inwards reinsurance, Singapore: MAS, offshore premium and onshore commercial premium. Germany: BAFIN. Hong Kong: Insurance Authority of Hong Kong. New York: S&P Capital. Japan: GIAJ. Bermuda & Japan figures are estimations based on 2019 results. US E&S: AM Best data and research. Used by permission. A deduction is made to exclude US E&S underwritten in London Market.

London's comparative position to other geographies in 2020 in \$bn

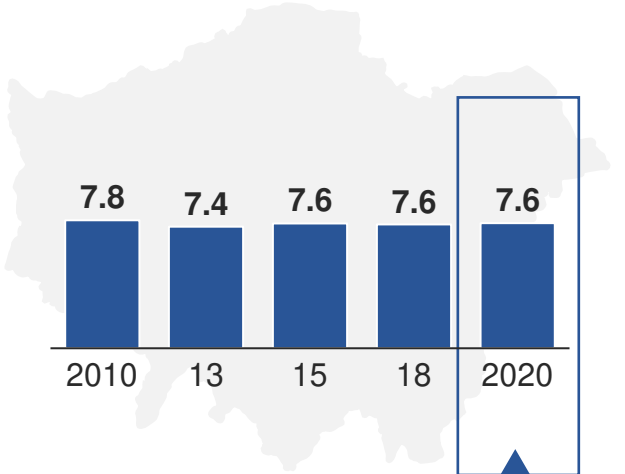
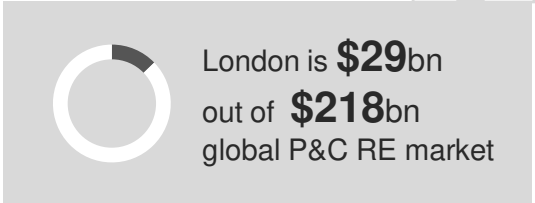
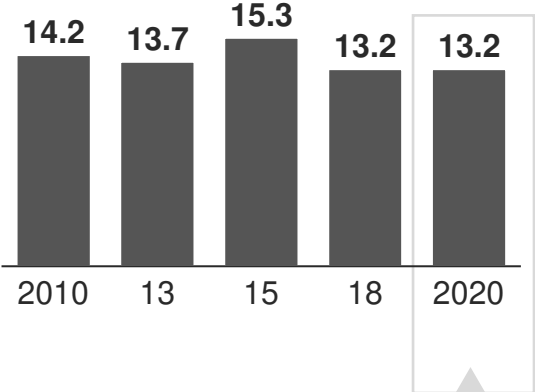
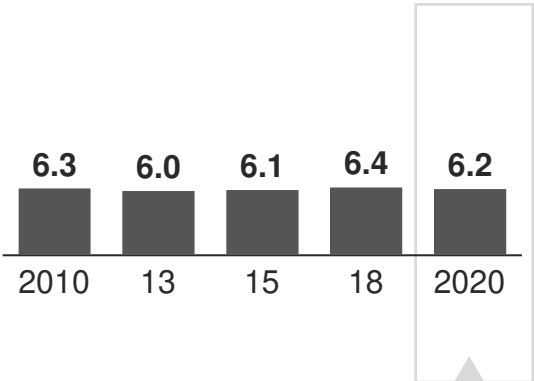
Global hubs gross premium, \$bn, 2020



Source: London Market sizing: Lloyd's, IUA, Tysers P&I Report, Gallagher Marine P&I Pre-renewal Review. Bermuda: BMA, Class 4 insurance and reinsurance. Reinsurance premium calculated using net reinsurance written reported in S&P Capital Global Reinsurance Highlights. Bermuda CAGR is not shown due as S&P net insurance values for Bermuda are calculated based on a voluntary survey, where participants vary in each edition. Switzerland: FINMA, Swiss Inwards reinsurance, Singapore: MAS, offshore premium and onshore commercial premium. Germany: BAFIN, German Inwards reinsurance. Hong Kong: Insurance Authority of Hong Kong. New York: S&P Capital. Japan: GIAJ. US E&S: AM Best data and research. Used by permission. A deduction is made to exclude US E&S underwritten in London Market.

London is maintaining its share of the global (re)insurance market

London Market's share of global premium, %



Note: Global inwards reinsurance figure is calculated based on A.M.Best – used with permission; For London Market, Reinsurance includes all treaty reinsurance, and facultative reinsurance for Casualty, Motor, Property and Other. For aviation, energy and marine, facultative reinsurance is included in commercial insurance as these business types share similar underlying risk characteristics.

Source: London Market sizing: Lloyd's, IUA, Tysers P&I Report, Gallagher Marine P&I Pre-renewal Review. Global Insurance sizing: Global Data. The commercial insurance share for each country have been calculated by applying a split to the overall premium based upon the GDP levels. GDP levels obtained from World Bank. Global reinsurance values: AM Best data and research. Used by permission. Based on A.M.Best Global Reinsurance Net Written Premium, grossed using premium of Top 50 global reinsurance companies, A.M.Best – used with permission. Classification: Confidential

Market share by class of business, gross written premium, \$bn



Specialty (Marine,
Aviation, Energy)

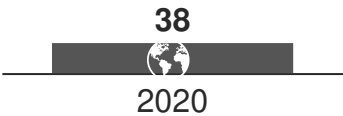


Casualty & Financial Lines

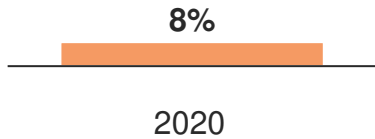
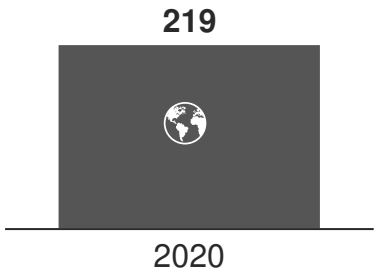
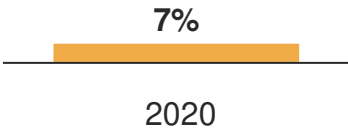
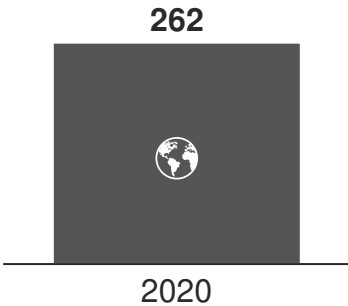
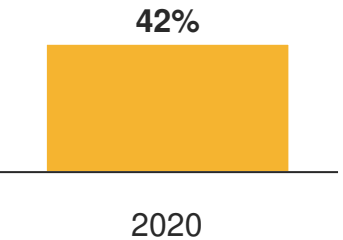


Property

Global Commercial Insurance
Premium, \$bn



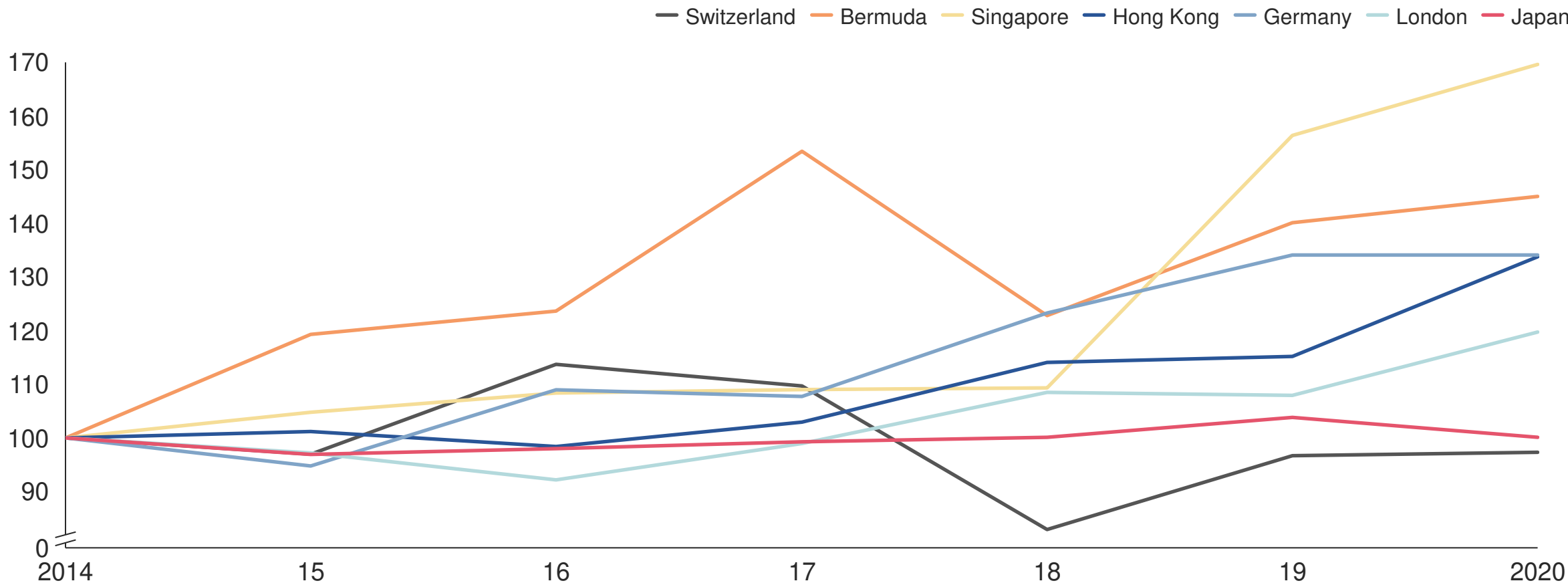
London Market's share



Source: London Market sizing: Lloyd's, IUA, Tysers P&I Report, Gallagher Marine P&I Pre-renewal Review. Global Insurance sizing: Global Data, Willis Global Energy Review, IUMI. The commercial insurance shares for each country have been calculated by applying a split to the overall premium based upon the GDP levels. GDP figures obtained from World Bank. All London Market excludes reinsurance premium.

Overall growth has not kept up with other geographies

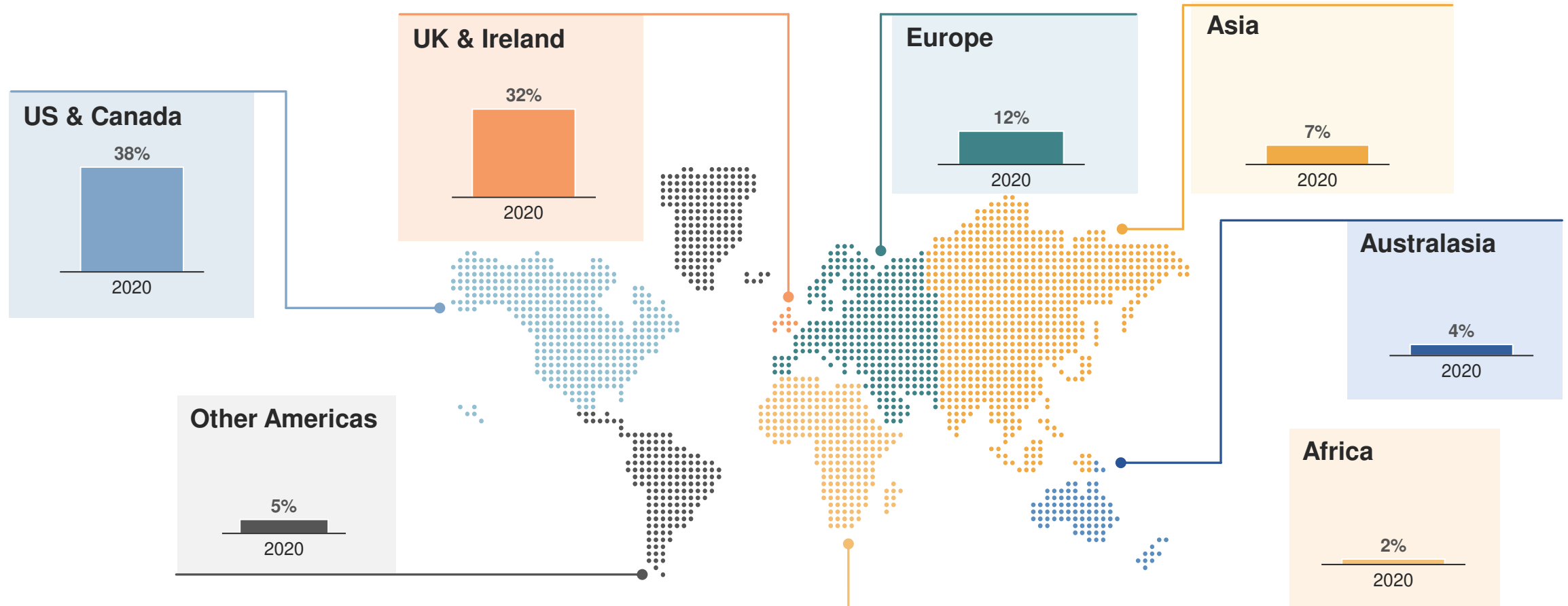
Size of (Re)Insurance hubs, indexed to 2014=100



Source: London Market sizing: Lloyd's, IUA, Tysers P&I Report, Gallagher Marine P&I Pre-renewal Review. Bermuda: BMA, Class 4 insurance and reinsurance. Switzerland: FINMA, Swiss Inwards reinsurance, Singapore: MAS, offshore premium and onshore commercial premium. Germany: BAFIN. Hong Kong: Insurance Authority of Hong Kong, New York S&P Capital. Japan: GIAJ. Bermuda figures are estimations based on 2019 results.

Where does business come from?

London Market gross written premium by insured location (includes both commercial insurance and reinsurance), %



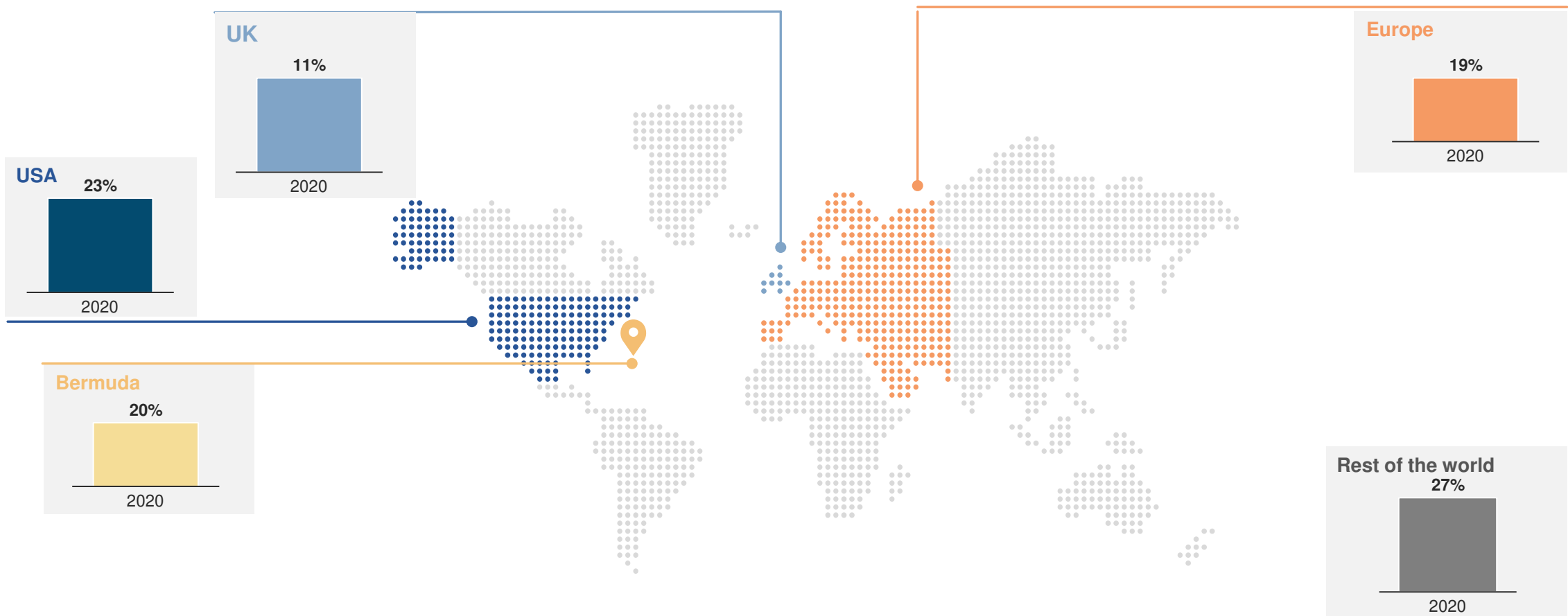
Source: London Market sizing: Lloyd's, IUA, Tysers P&I Report, Gallagher Marine P&I Pre-renewal Review. Global Insurance sizing: Axco, Willis Global Energy Review, IUMI.

The commercial insurance shares for each country have been calculated by applying a split to the overall premium based upon the GDP levels. GDP figures obtained from World Bank. All London Market figures shown exclude reinsurance premium.

Classification: Confidential

Where does capital come from?

Distribution of London Market premium by holding domicile, %, \$bn



Note: Group holding premium refers to the total premium recorded for the holding company (i.e. parent insurer of London Market entities). Source: AM Best, Lloyd's Statistics, Company Annual Reports, IUA

London Market business as part of a global portfolio

Insurers operating in the London Market

Contribution to London Market premium →

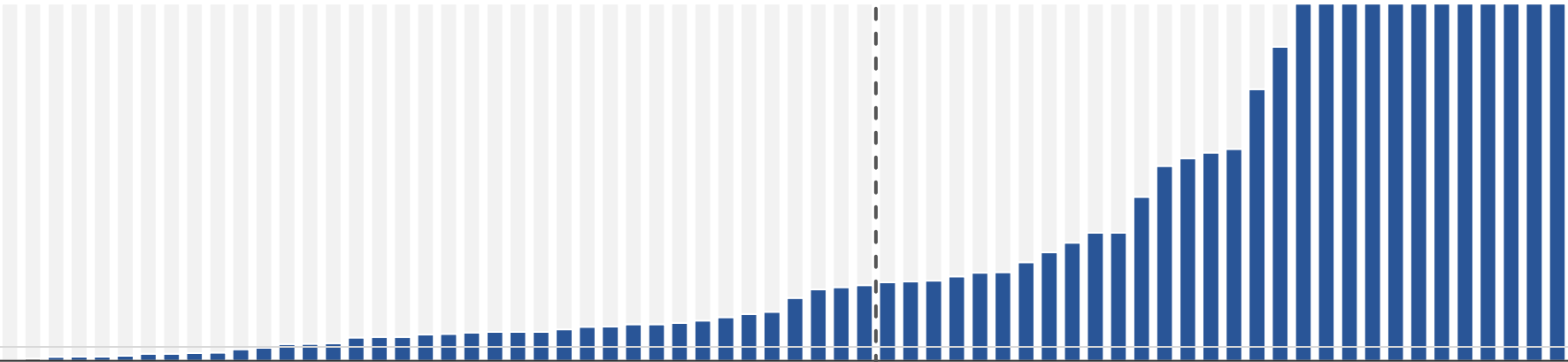
2018 61%

2020 68%

2018 39%

2020 32%

% of total group premium transacted in the London Market →



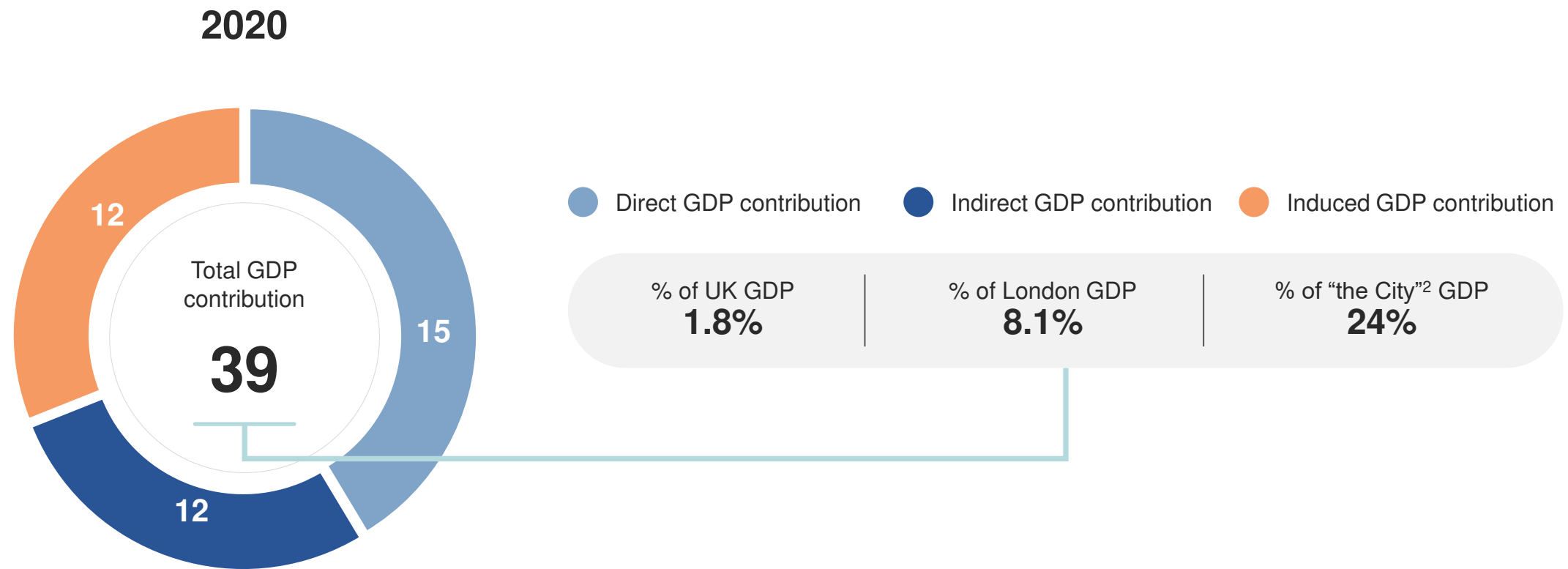
Insurers operating in the London Market →

For 65% of companies the London Market is
<25% of GWP

For 35% of companies the London Market is
>25% of GWP

The London Market contributed £39bn to UK GDP

London Market's Gross Domestic Product contribution, normalised for loss ratio¹, £bn



1. To account for significant variations in year-on-year loss ratio, the economic contribution has been calculated based on the profit levels at the 10-year average loss ratio for the market, but adjusting for rate fluctuation.

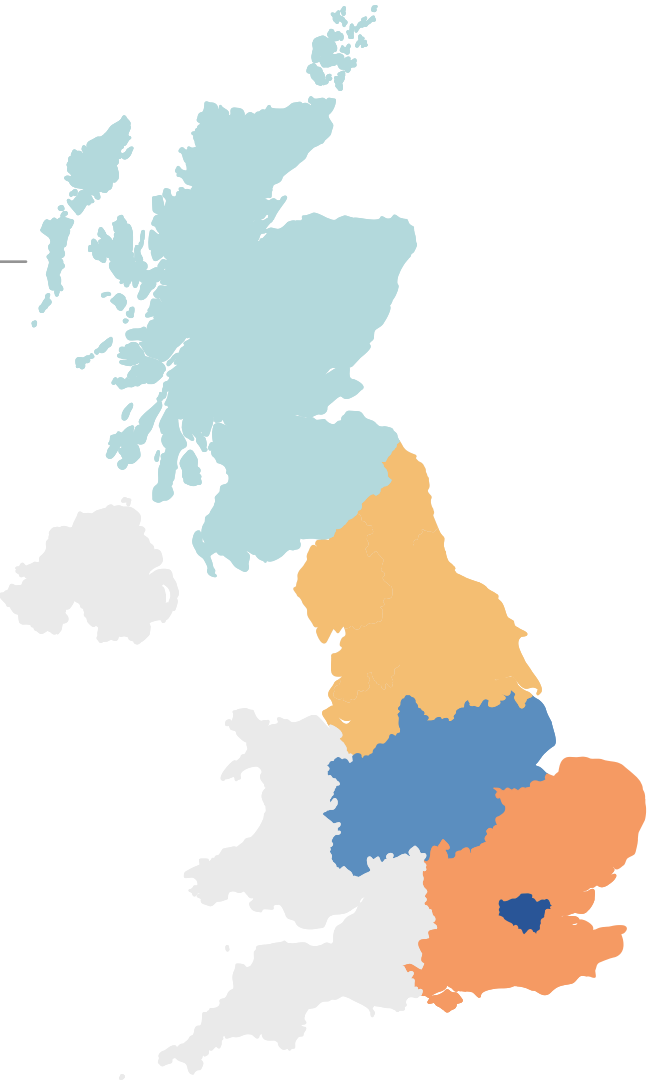
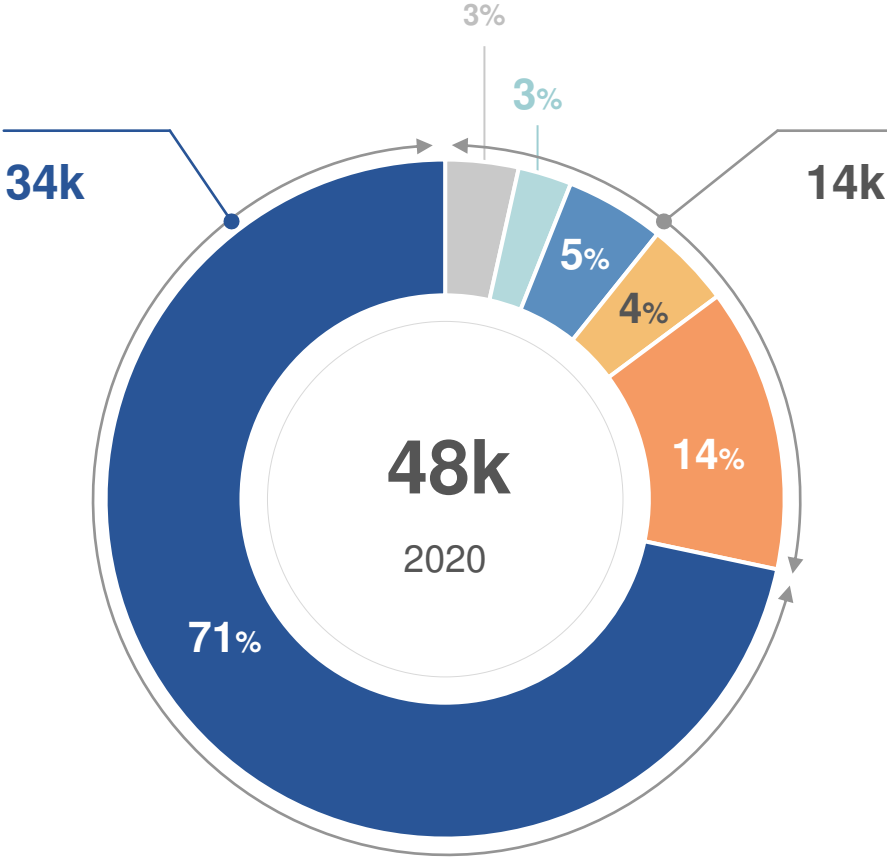
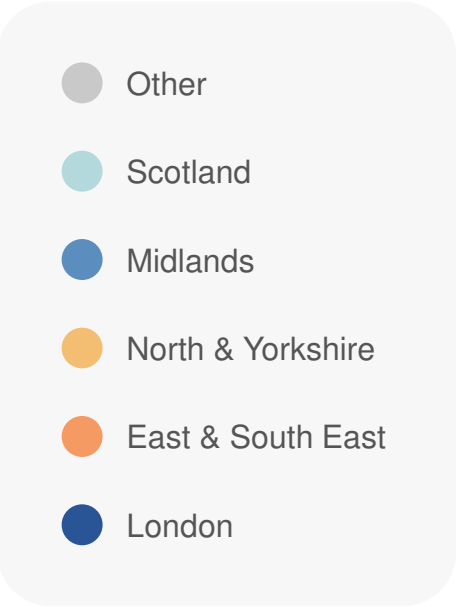
2. The City grown from 2018 report based on GDP of financial and insurance activities in Camden and City of London and Tower Hamlets

Source: ONS, Lloyd's, Broker, Survey, Carrier Survey.

Note: Some 2018 figures have been restated and are now different to those quoted in London Matters 2020 because the Office of National Statistics restated its figures for the period.

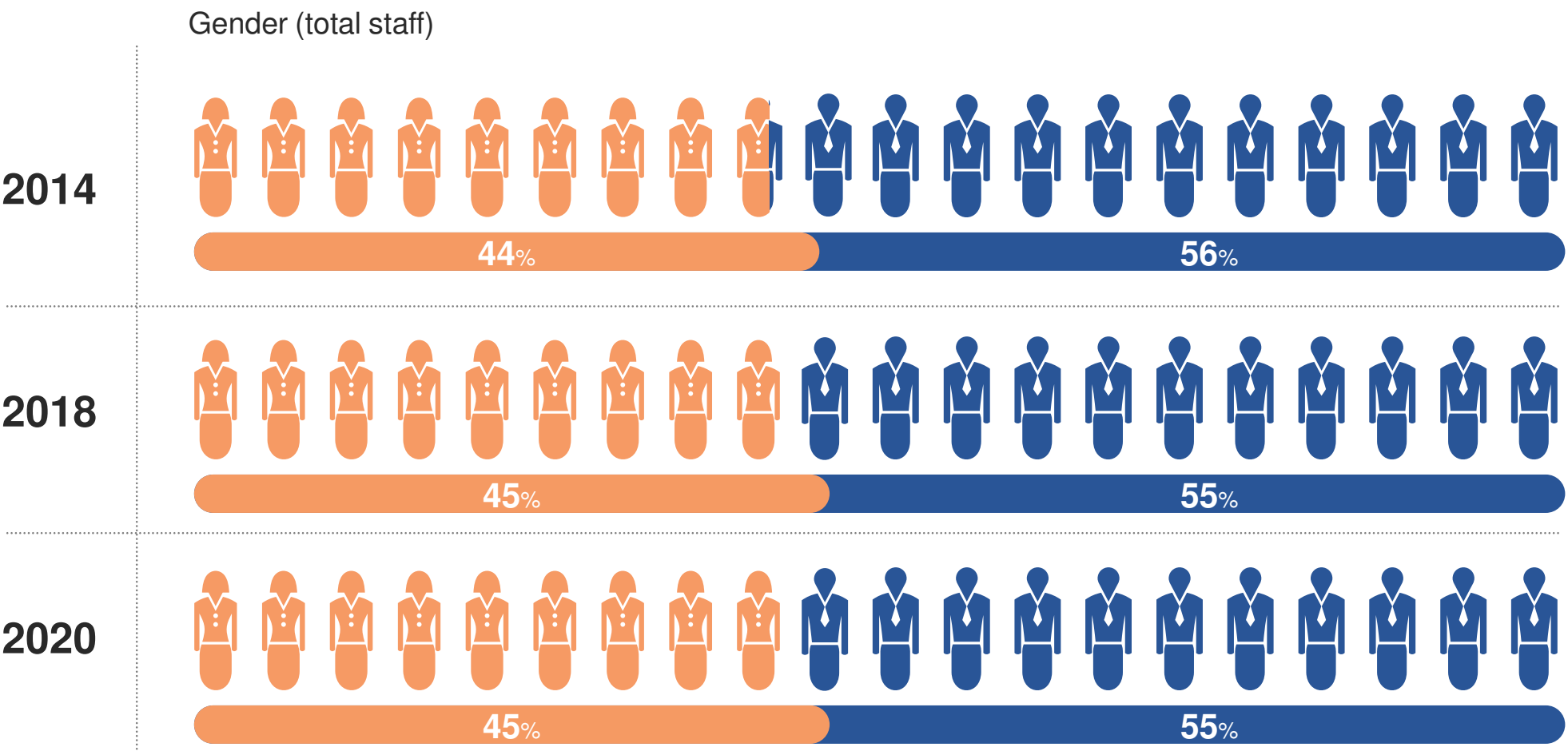
Total employment in the London Market

Regional breakdown of the number of jobs supporting the London Market



Gender breakdown of workforce

Gender diversity of the London Market workforce, 2014-2020

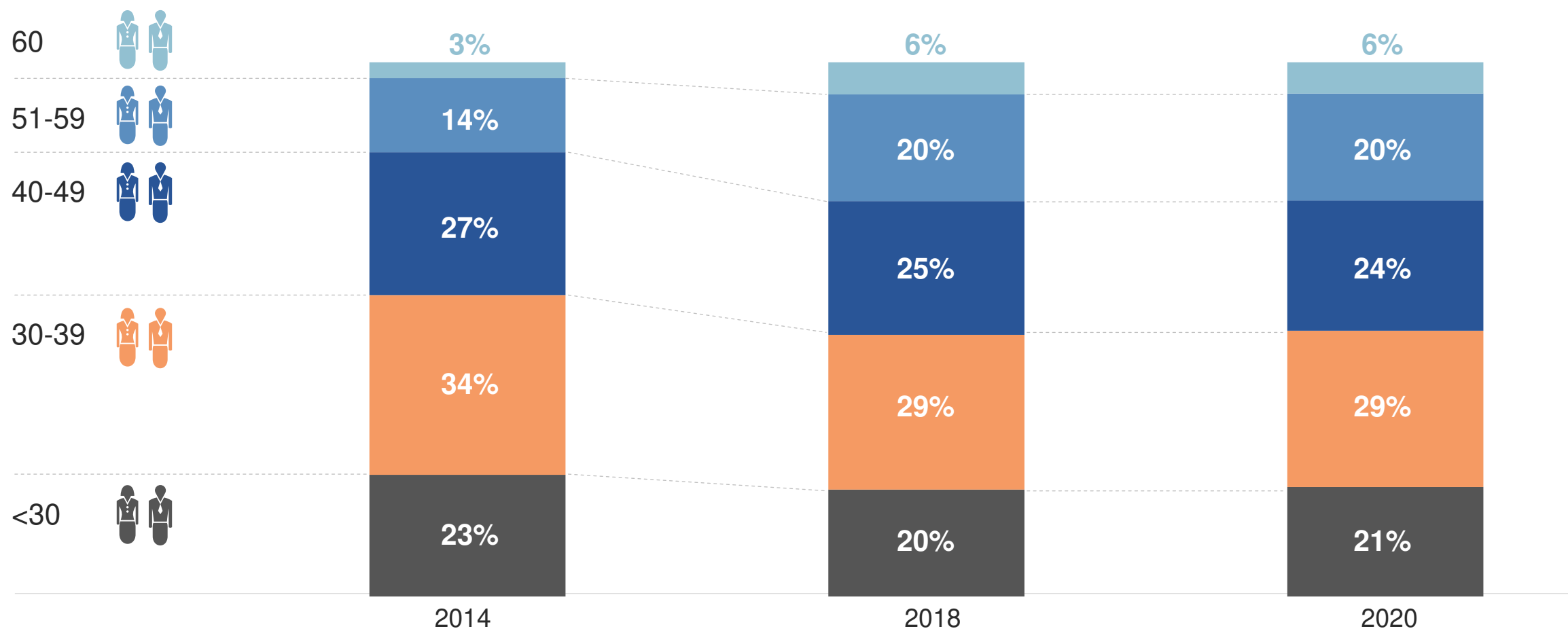


Source: Broker Survey, Carrier Survey, Lloyd's, ONS

Classification: Confidential

Age distribution of workforce

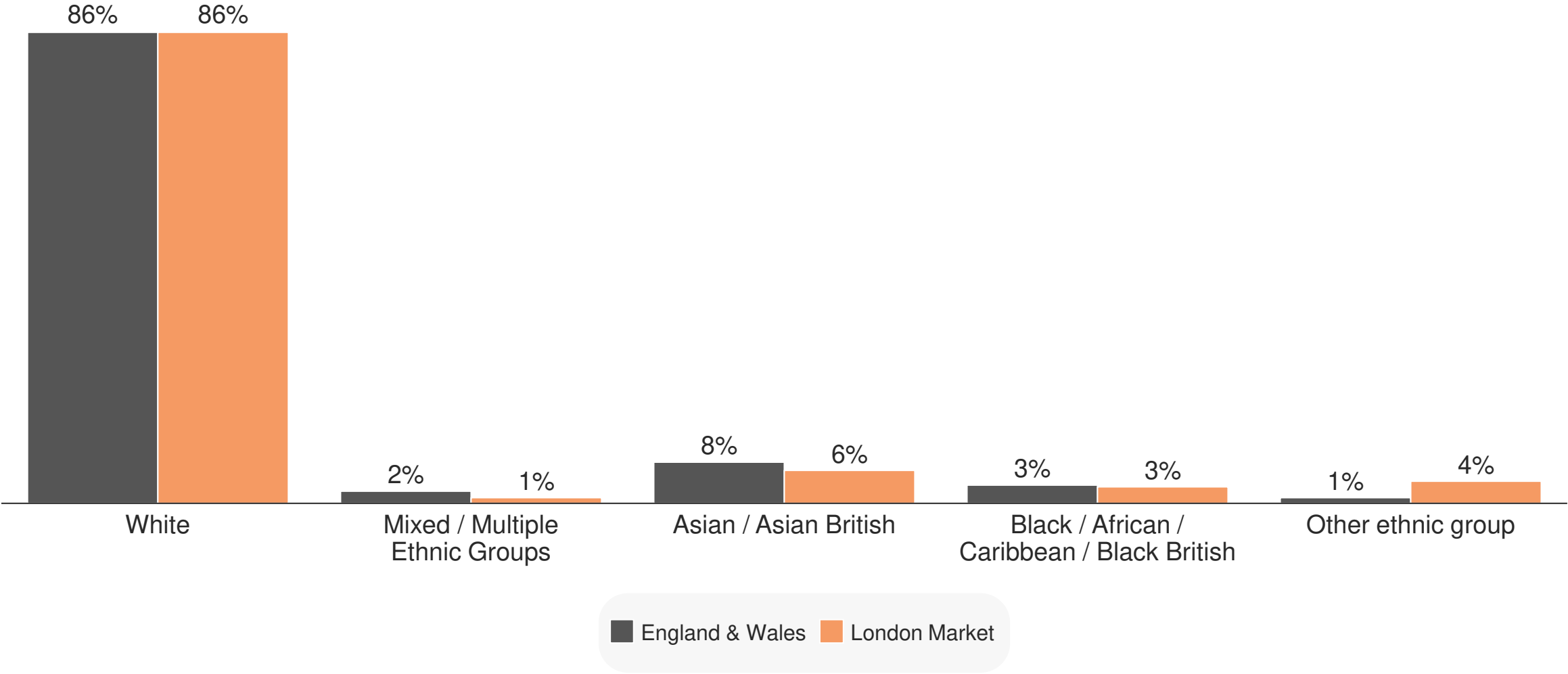
The London Market workforce by age



Source: Broker Survey, Carrier Survey

Classification: Confidential

Ethnicity statistics



Source: London Market values based on survey sent to Managing Agents and Brokers. England and Wales data based on 2011 census data. Classification: Confidential

Contributors

Authors

LMG

Matthew Moore, Chairman, London Market Group; President or Underwriting London, Global Risk Solutions, Liberty Specialty Markets

Caroline Wagstaff, Chief Executive, London Market Group

Industry insights and analysis supported by

McKinsey
& Company

James Polyblank, Associate Partner

Adam Hannath, Associate Partner,
Finalta

Joshua Hughes, Associate, Finalta

Additional thanks



The authors are grateful to the members of the London Market Group Board

With thanks to Global Data for the provision of global market figures

With thanks to AM Best for the provision of inward reinsurance figures

With special thanks to Dave Matcham (IUA), Scott Farley (IUA), the Lloyd's Market Intelligence team (Tom Allebone-Webb, David Franco, Anastasios Stogiannis) and Chris Croft (LIIBA)

In memory of Flemmich Webb

Acknowledgements to our survey participants

