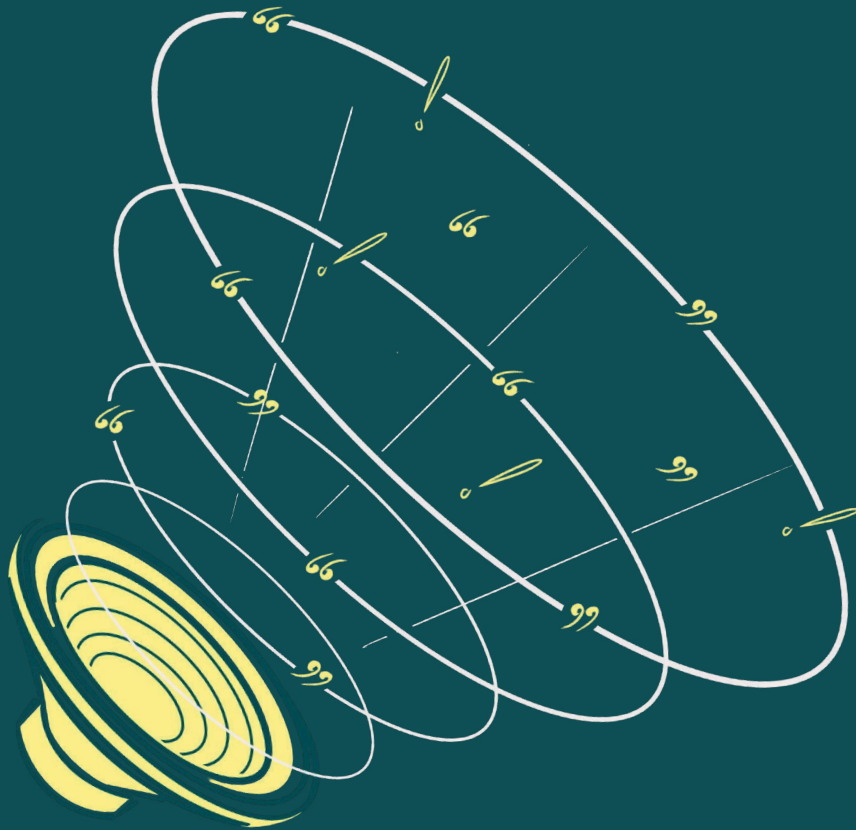


LONDON
MARKET
GROUP



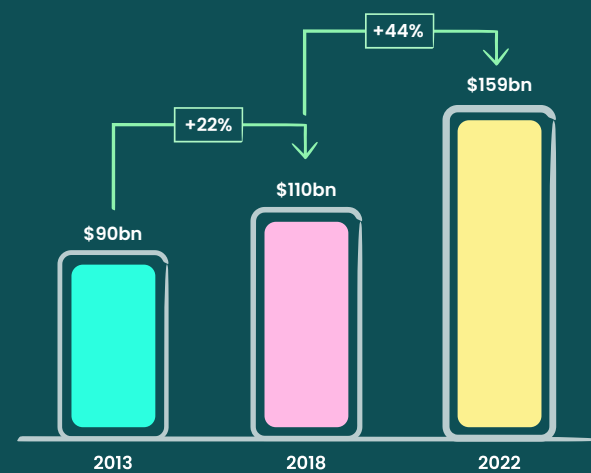
WHY LONDON → MATTERS



WHY LONDON → MATTERS

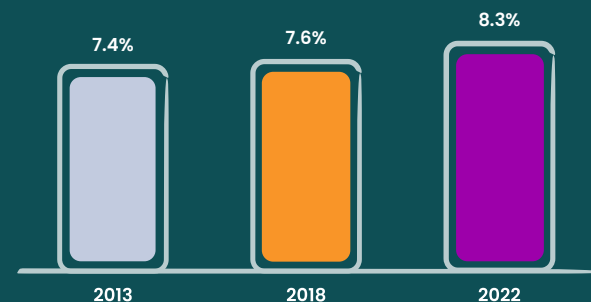
LONDON HAS THE CAPACITY TO TAKE ON THE LARGEST RISKS

GROWTH OF THE LONDON MARKET GROSS WRITTEN PREMIUM (GWP)



London accounts for \$107bn out of a global (re)insurance market \$1,306bn

PERCENTAGE OF THE GLOBAL (RE)INSURANCE MARKET



LONDON HAS A DEPTH OF SPECIALIST EXPERTISE

SPECIALTY (PERCENTAGE OF THE GLOBAL MARKET)

Marine, Aviation and Energy

43%

Casualty & Financial Lines

7.2%

Property

8.8%

"London remains home to large, complex and newer risks where it has the expertise, concepts and ways of crafting the coverage of them."

Global reinsurer



WORLD LEADING EXPERIENCE

59,000 people work in the London Market offering an unrivalled breadth of expertise and unique concentration of knowledge and experience. This drives creative solutions to existing and emerging risk transfer problems – both in traditional industries and in newer, fast-growing economies and technologies.

London can deliver solutions for every conceivable type of risk, from the largest to the smallest and from the most standard to the most specialist and complex. It remains the market of choice for many specialist risks such as marine, aviation and energy, where it has a 43% global market share.



UNIQUE ECO-SYSTEM

The City of London contains the highest concentration of insurance talent in the world, with over 350 businesses operating in the market supported by professional advisers such as lawyers, claims adjusters, accountants etc. This eco-system offers efficient interaction and rapid decision-making on even the most complex of risks and claims.



NEW FRONTIERS OF INNOVATION

The London Market has a reputation for being at the centre of global risk transfer innovation and its participants have historically been pioneers for new product development and managing emerging risks. In 2022, London accounted for \$4.5bn of global cyber insurance GWP having grown 39% since 2020. Cyber insurance helps businesses large and small to recover from the consequences of cyber-attacks, pioneering cover and services that barely existed a decade ago.



DEPTH OF CAPITAL

Every one of the top 20 global insurance and reinsurance firms and brokers are based in London, and nearly 83% of London's capital comes from overseas. These companies can utilise subscription solutions, providing risk carriers the ability to manage capital flexibly and securely, and the resilience to take on and pay out on larger scale risks.

"From a direct specialty insurance perspective, you would still look to London as the leader... it is the best marketplace for risks like Property D&F."

Leading specialty reinsurer

WHY LONDON

The insurance industry keeps the wheels of the global economy moving forward.



SOME COMMON CHARACTERISTICS OF THE TYPES OF RISKS THAT THE LONDON MARKET COVERS

- ✓ More complex
- ✓ High severity but low frequency
- ✓ Those requiring significant capital capacity, often at short notice where subscription is beneficial
- ✓ Where local insurers provide some but not all the insurance
- ✓ Those that require 'thinking outside the box'
- ✓ When pooling across the globe is required to build expertise

"There is so much history and expertise, experience, skills, know how that is fostered here in the UK."

A Japanese insurer

Without insurance protection, investment in new technologies, exploration, and research, would be significantly reduced or become prohibitively expensive. Insurance enables businesses to expand, grow and discover through de-risking the innovative, the complex, and the unknown. Insurance remains as relevant today as ever, as does London's position as a leading provider of complex, commercial insurance to businesses located all around the world.

The London Market is a key partner for insurance and reinsurance clients globally, providing a home for their challenging and developing risks that local insurers either do not wish to, or cannot, underwrite. Our dynamic eco-system, genuine specialty expertise, data-driven insights and deep reserves of capital make us better equipped to manage complex and challenging risks. It also makes London based insurance specialists better prepared to help our clients - from individuals to global businesses - get back on their feet when disaster strikes.

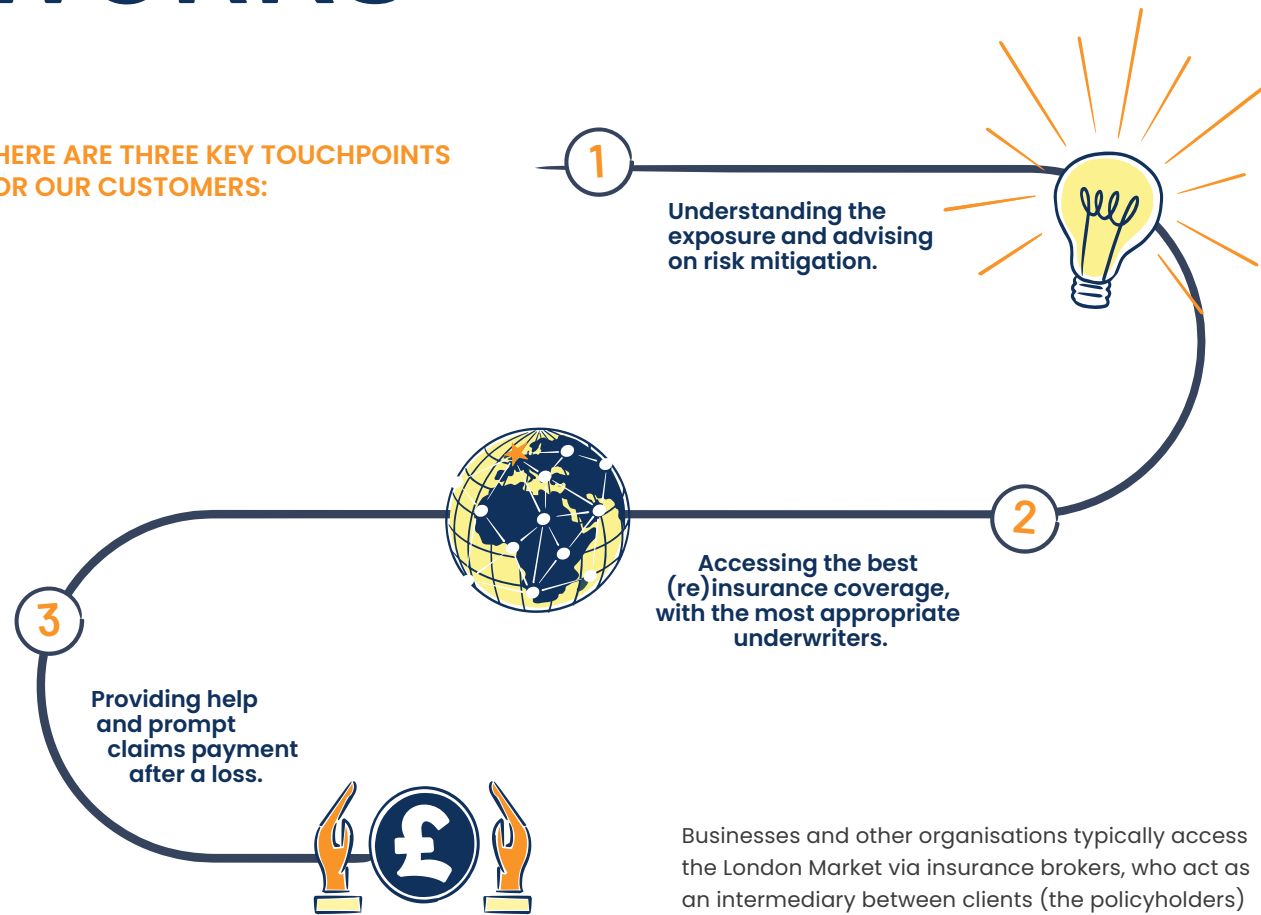
Without the London Market's willingness to innovate and insure emerging risks, a great deal of progress across the globe would have been impossible.

Only London can bring together the breadth of expertise and depth of resource needed to address the universe of risks that decision makers are facing.

So, whatever you want to achieve, wherever you want to go, and whatever challenges lie ahead, London makes it possible.

HOW LONDON WORKS

THERE ARE THREE KEY TOUCHPOINTS FOR OUR CUSTOMERS:



Businesses and other organisations typically access the London Market via insurance brokers, who act as an intermediary between clients (the policyholders) and the wide range of (re)insurance carriers based here. London brokers have strong relationships with all the London-based underwriters but will always look for the most appropriate (re)insurers for their client, and their reputation and expertise enable them to seek out markets globally. So, while business flows through London to access the expertise embedded here, it may be placed elsewhere.

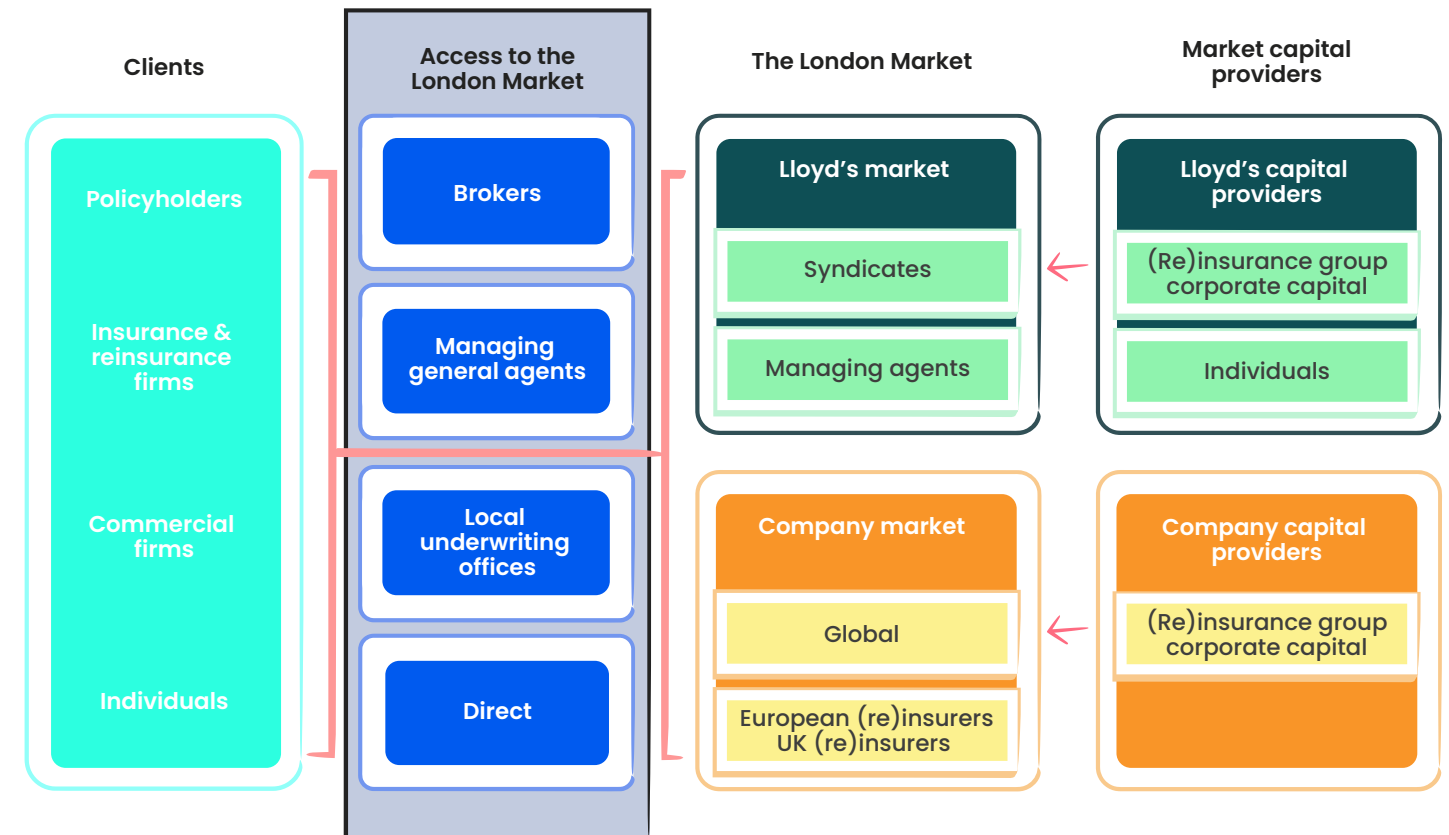
All the key global brokers operating in the property/casualty market have a major presence in London. They are multi-disciplined, acting as brokers, consultants, risk advisors, risk managers, claims consultants, and specialist data, analytics, and technology providers. Some also advise on business strategy, including mergers, acquisitions and divestments, and capital solutions such as catastrophe bonds and insurance-linked securities.

“London has a great depth of talent – established players and innovators starting up.”

A capital provider

“London has the largest subscription insurance market in the world.”

A global broker



London has the largest subscription insurance market in the world. Subscription insurance is where more than one (re)insurance carrier takes a share of the same risk. This allows brokers to access complementary skillsets to get the best deal for their clients – and it allows the client to benefit (intellectually and pricewise) from tapping into a range of experts, especially for those larger and complex risks.

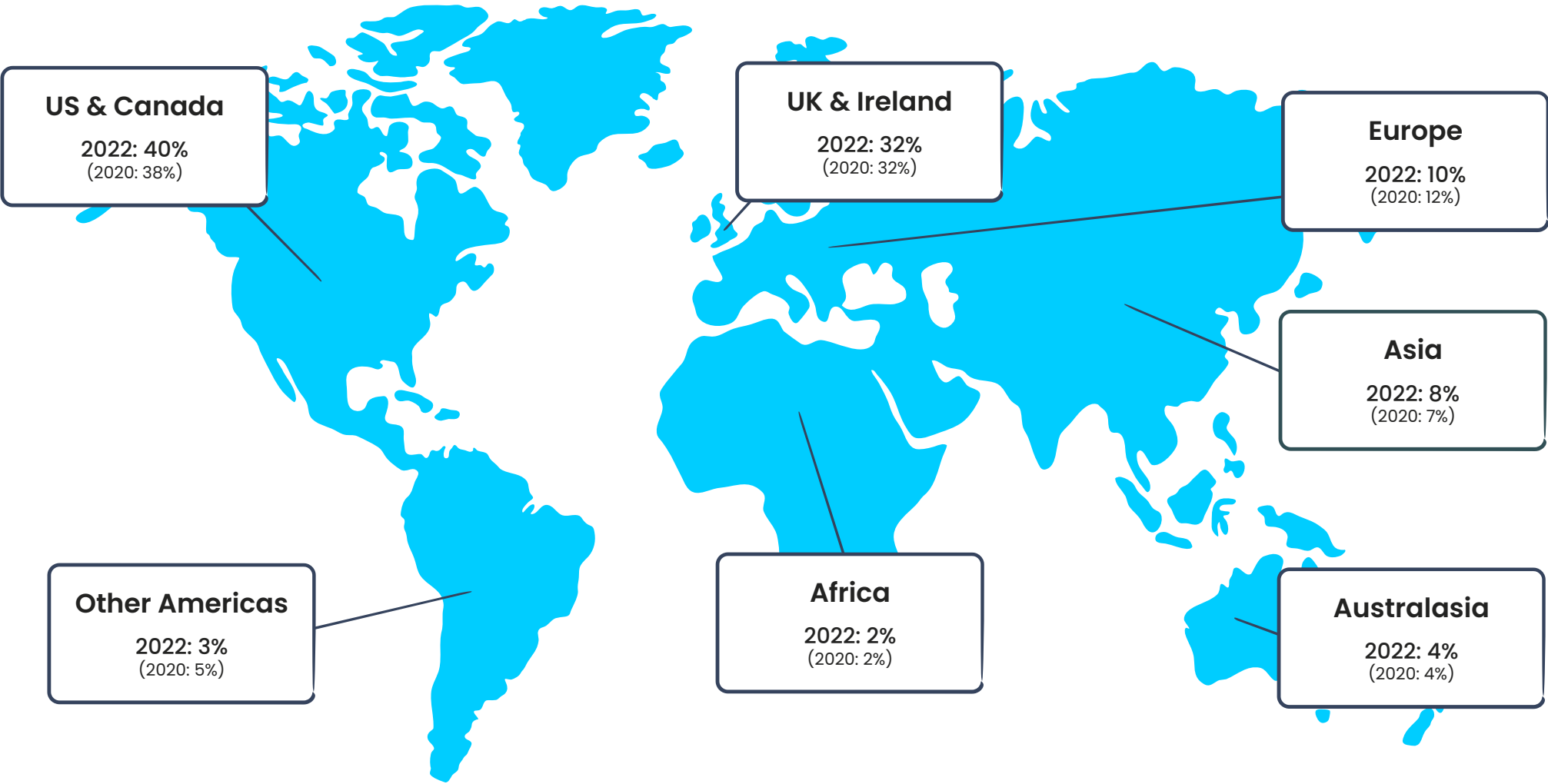
Subscription also enables an efficient spread of risk across a range of underwriters. This creates additional financial protection for the customer by automatically reducing the risk of (re)insurer failure, but also means that they benefit from being able to readily access capital for those exposures that are too specialist, too large, or too complex for one (re)insurer alone.

This conception of collaboration with other (re)insurers stretches beyond subscription within the London Market. Particularly large and difficult risks often see the London Market working in partnership with other global (re)insurance centres to create the best solution for the client.

SUPPORTING GLOBAL BUSINESS

In 2022, 68% of the London Markets business came from companies outside the UK and Ireland, based on gross written premiums by insured location.

Many buyers come to the London Market having found that domestic insurers do not have an appetite for their risks because they are unique or unusual. For others, it can offer a better price.



SUPPORTING DOMESTIC INSURANCE MARKETS

The London Market provides a variety of mechanisms whereby it can work in partnership with domestic insurance markets who want to access its expertise and capital. For many markets around the world, London is a vital support mechanism for non-standard and/or large, complex risks. Often these exposures are higher risk (new start-ups, new products), unusual, and/or too large (catastrophic weather), so they fall outside the normal scope for the domestic carriers who may not have the appetite or experience to underwrite it.

MEETING CHANGING MARKET NEEDS

We enable businesses to access the protection they require and so help underpin domestic economies. A good example of partnership in action is London's long-established role in the US Excess & Surplus Lines market which demonstrates every day the advantages of mutually beneficial collaboration. The London Market can only offer cover if a risk has been rejected by three separate standard insurance companies. This ensures domestic insurers are protected from undue competition but enables those local customers with large or complex risks to access brokers and (re) insurers who have been vetted by the regulators and are specialists in their fields. They may also be more able to quickly adapt to individual requirements and to changing market needs and conditions than the domestic market.

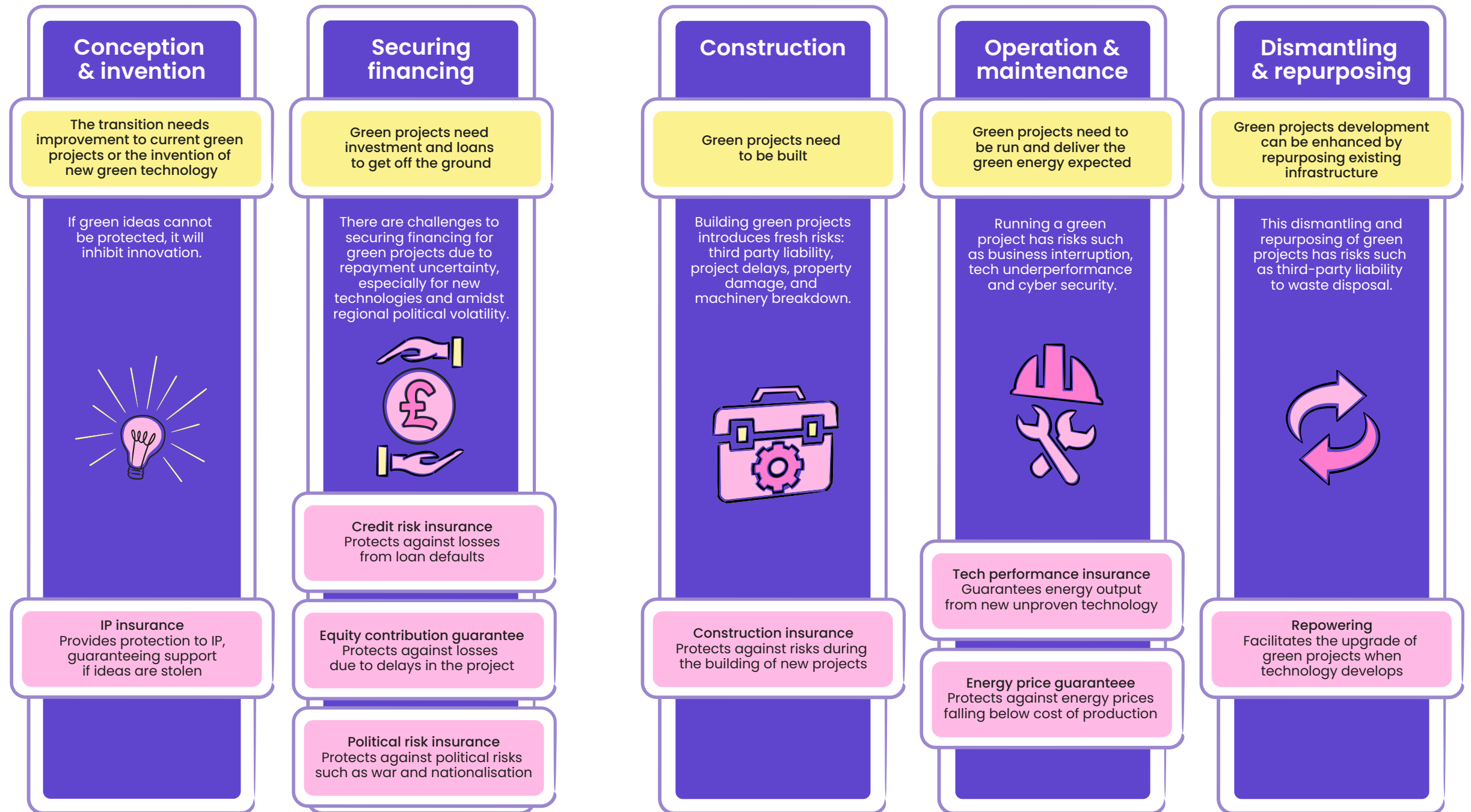
FLEXIBILITY IN COVERAGE

This mechanism enables real flexibility in risk appetite for the local market and allows business to ebb and flow between domestic and non-standard carriers. After suffering significant or catastrophic losses, it is not unusual for local carriers to retrench. The London Market then steps up to provide coverage until more normal market conditions return, at which point domestic appetite often resurges, prices fall and more of the risk is, once again, underwritten locally.

INSURING A SUSTAINABLE FUTURE

As a vibrant international financial services sector contributing to the UK economy, and the global hub of insurance excellence, the London Market constantly aims to be the fulcrum of (re)insurance innovation, the place where new solutions are developed and nurtured to meet new customer demand.

Protecting green projects across their lifecycle



ABOUT THE LONDON MARKET GROUP

The London Market Group is the only body which speaks collectively for all practitioners in this significant market, representing the views of insurance brokers (London & International Insurance Brokers' Association), those insurers and reinsurers operating within Lloyd's (Lloyd's and Lloyd's Market Association), and branches of overseas insurers and reinsurers operating in London (International Underwriting Association).

FOR FURTHER INFORMATION

www.thelondoninsurancemarket.com

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