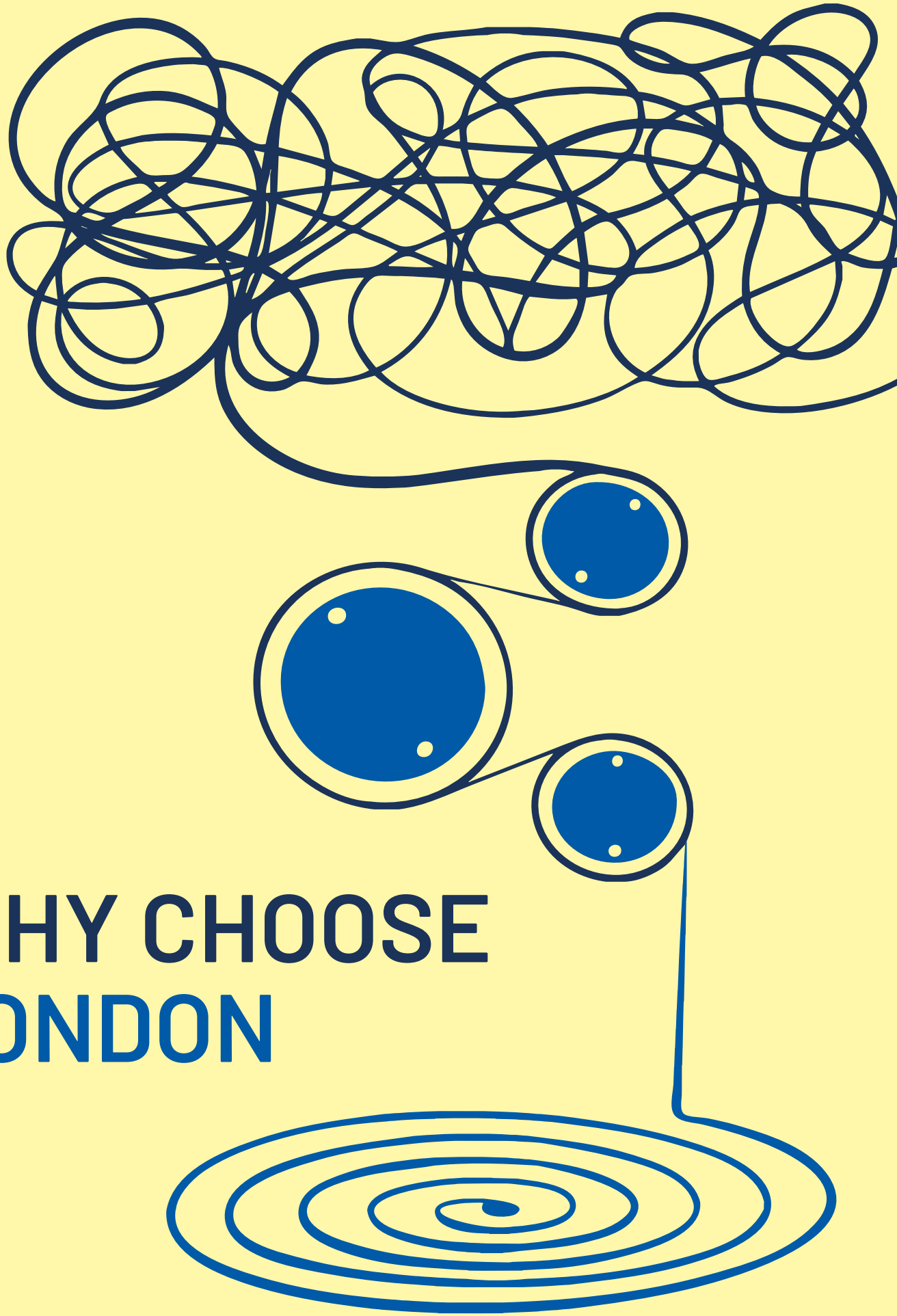
LONDON MARKET GROUP

LLOYD'S LIIBA lma IUA OF LONDON

WHY LONDON → MATTERS





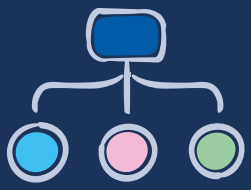
WHY CHOOSE LONDON



WORLD LEADING EXPERIENCE

61,000 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 marine, aviation and energy risks, in which it has a 45% 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.



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. London now writes $5.3bn of cyber premium each year, a 23% increase from 2020, helping businesses large and small to recover from the consequences of cyber-attacks, pioneering cover and services that barely existed a decade ago. In AI the London Market is also breaking new ground, extending existing liability to cover AI risks as well as creating new products that offer third party liability and performance warranties.

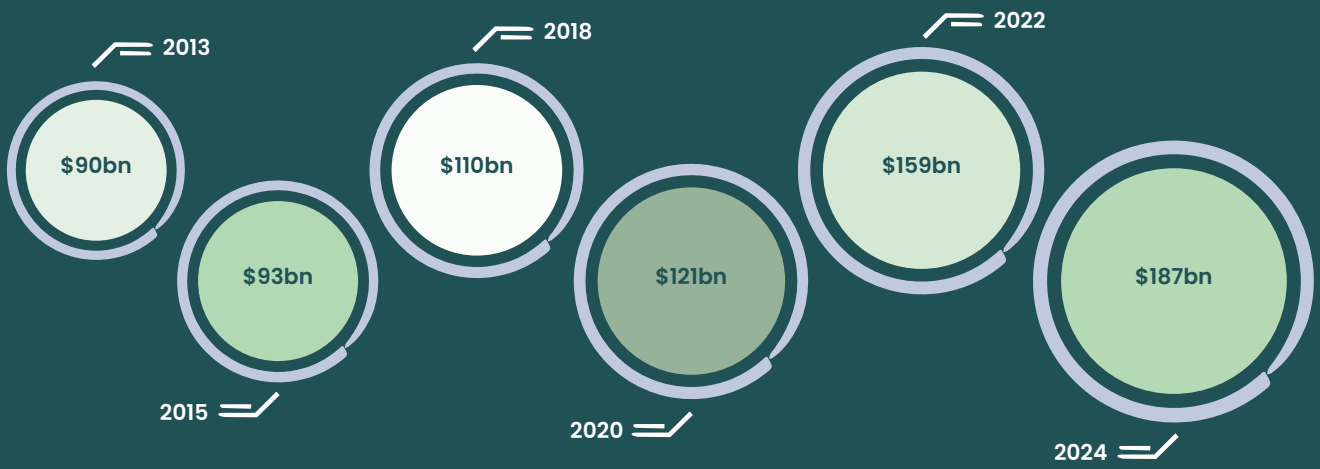


DEPTH OF CAPITAL

Every one of the top 20 global insurance and reinsurance firms and brokers are based in London, with 84% of London's capital coming 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.

LEADING THE WORLD

LONDON HAS DOUBLED ITS PREMIUM IN 10 YEARS



LONDON HAS A DEPTH OF SPECIALIST EXPERTISE

Marine, Aviation and Energy

45.4%

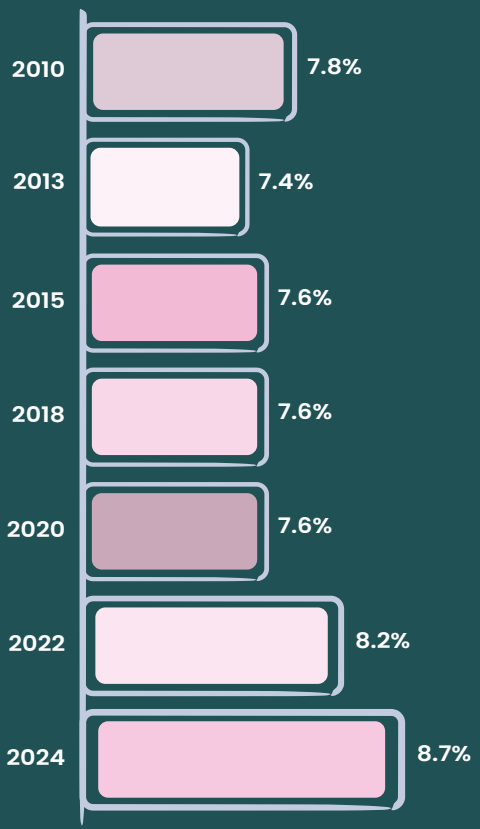
Casualty & Financial Lines

6.4%

Property

9.1%

LONDON'S SHARE OF THE GLOBAL (RE)INSURANCE MARKET



THE INSURANCE INDUSTRY KEEPS THE WHEELS OF THE GLOBAL ECONOMY TURNING.

LONDON CAN HELP:

- With more complex risks
- When catastrophic accidents happen
- When significant capital is required
- When local insurers provide some but not all the insurance
- With those risks that require 'thinking outside the box'
- When pooling across the globe is required to build expertise

Without insurance protection, investment in new technologies, exploration, and research, would be significantly reduced or become prohibitively expensive. Insurance enables businesses to expand 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.

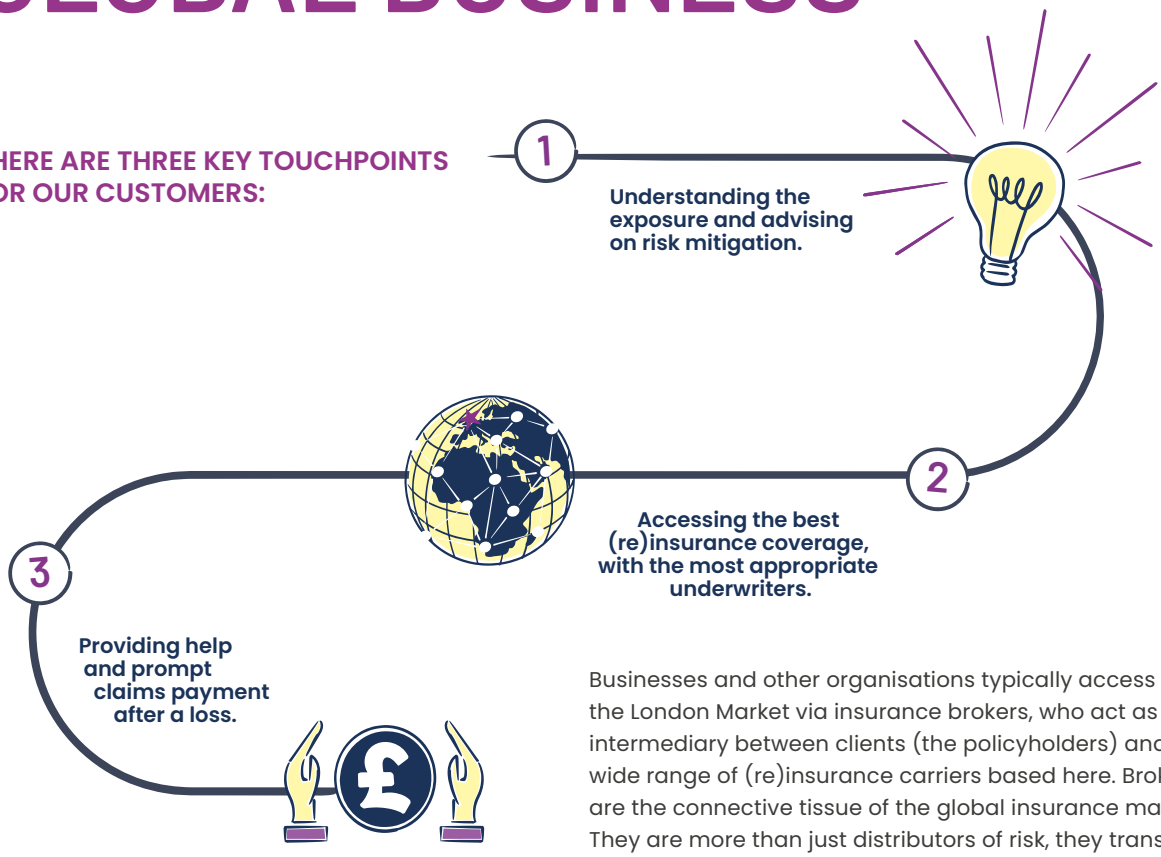
The London market is a key partner for insurance and reinsurance clients globally, providing a home for their challenging and developing risks that local insurers either do not wish to, or cannot, underwrite. Our dynamic eco-system, genuine specialty expertise, data-driven insights and deep reserves 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.

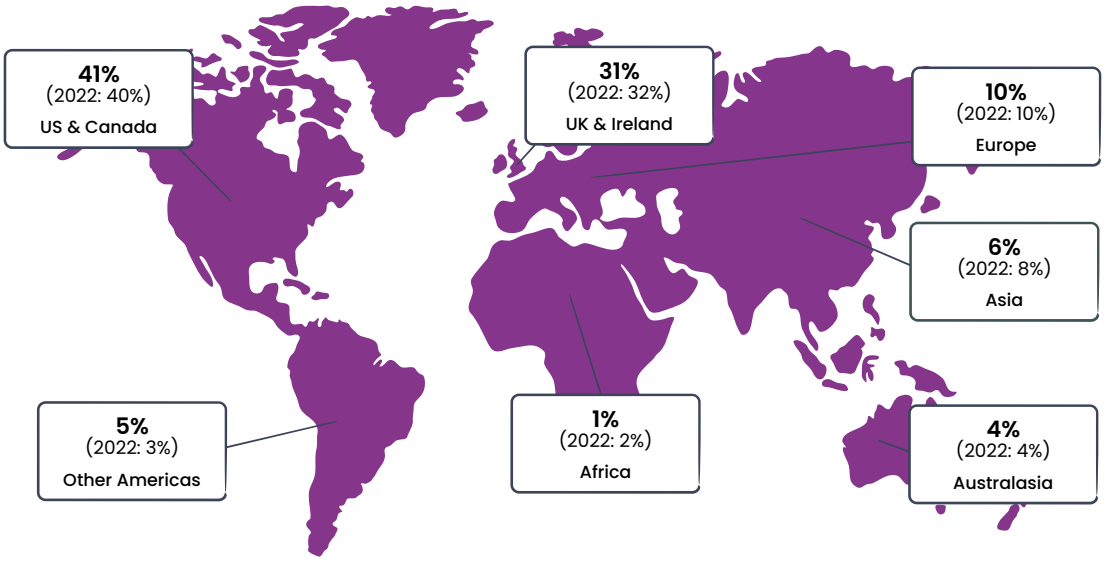
So, whatever you want to achieve, wherever you want to go, and whatever challenges lie ahead, London makes it possible.

SUPPORTING GLOBAL BUSINESS

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. Brokers are the connective tissue of the global insurance market. They are more than just distributors of risk, they translate client needs into solutions and unite them with diverse sources of capital so that insurance becomes an enabler of growth and resilience. 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.



BEFORE AND AFTER

WHEN THE WIND DOES NOT BLOW

2021 saw a European 'wind drought', when unusually low wind speeds led to a €380 million loss for Ørsted, with no insurance to protect them against the drop in revenue.

A major insurance broker brought together experts, including climate risk modellers and underwriters, to craft a bespoke insurance solution for offshore wind. The lack of historical data and modelling for offshore wind was remedied by new catastrophe models, which gave clarity on extreme-weather loss scenarios. Importantly, the broker also tackled the problem of 'uninsurable' revenue volatility due to fluctuating winds by tapping into alternative risk transfer markets.

The result was a first-of-its-kind insurance solution with a parametric trigger tied to wind conditions and energy output.

The policy automatically pays out without requiring physical damage evidence. Better data and parametric designs enabled underwriters to price coverage more accurately and offer greater capacity, helping project developers and lenders to greenlight offshore wind projects where they otherwise might stall.

Source: LIIBA The Innovation Imperative



IN THE FACE OF FIRE

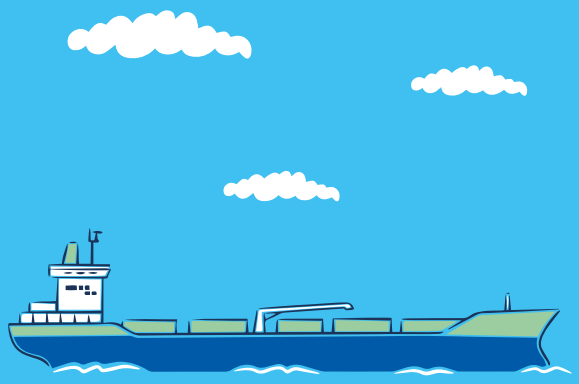
January 7th 2025 marked the beginning of a series of five devastating wildfires that swept through Southern California and struck dense metropolitan communities, becoming one of the costliest incidents on record with estimated insured losses of $40 billion.

MS Amlin didn't wait for claims to arrive, but launched a proactive response, pre-emptive of claims notifications, to ensure financial assistance reached those affected without delay. Their early and proactive payments accelerated relief.

Policyholders displaced from their homes received rapid financial assistance for alternative living expenses. Their reinsurance team's swift cash advances helped cedents protect their own balance sheets and serve their customers more effectively. On 23 January – just 16 days after the fires started, and with some blazes still active – MS Amlin began making lead payments for property damage. Within the first 30 days of the blaze taking hold, MS Amlin had paid millions of pounds – helping families and businesses begin to rebuild their lives.



BEFORE AND AFTER



MISSION IMPOSSIBLE

The aging supertanker FSO Safer was moored approximately 4.8 nautical miles off the coast of Yemen where conflict had meant the suspension of maintenance operations on the ship in 2015. Without a functioning system to pump inert gas into its tanks, the vessel could have leaked or exploded at any time.

The UN-led mission to insure the non-standard Ship-to-Ship transfer of the oil to another vessel was only made possible through a massive collaborative effort. Howden together with the London Market worked against the clock to prevent an enormous environmental disaster with serious humanitarian and economic consequences, in the face of the considerable risks it presented. By de-risking the investment required and mitigating the risks involved in this complex and delicate operation, the insurance market demonstrated what a key role it had to play in preventing one of the largest, man-made disasters the world would ever have faced.

The successful Ship-to-Ship transfer of oil from the FSO Safer to a replacement tanker was completed on 11 August 2023 and marked the end of a complex salvage operation.

BRIDGING THE DATA DIVIDE

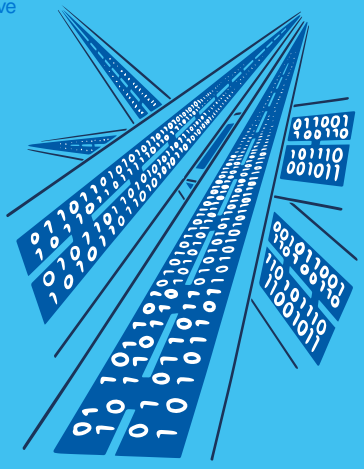
In the Netherlands, housing associations historically faced limited insurance options because of a mismatch between the data required by insurers and the actual potential losses they faced.

Meijers, a leading Netherlands broking firm partnered with Infofolio (a data-science specialist with real estate and econometric modelling capabilities) to translate diverse property and risk information into a format insurers could accept, all without resorting to costly physical appraisals.

Key hurdles included aligning alternative data with insurers' expectations, gaining trust from associations sceptical about new valuation methods, and delivering accurate, insurer-ready information without expensive inspections.

Their service launched in October 2024, offering housing associations a comprehensive, accurate overview of rebuilding values and object data, delivering better negotiation power to the associations, while insurers benefited from reliable, structured data.

Source: LIIBA The Innovation Imperative



BEING HELD TO RANSOM

Cyber ransom demands surged sharply in 2023, with average payments increasing over 500%, often exceeding $1 million. While 2024 saw a decline in both demands and payments, this type of criminal activity remains a serious risk across sectors, including charities and nonprofits.

One particular charity, supporting survivors of domestic abuse, fell victim to a data breach and cyber extortion when hackers exposed sensitive information about safe houses for domestic abuse victims and demanded a ransom.

From their 24/7 Incident Room, the Canopius Incident Management team played a critical role in both containing the breach and securing systems, thereby safeguarding highly sensitive data and protecting vulnerable individuals. They mobilised a multi-disciplinary response from our panel, including legal counsel, public relations specialists, ransom negotiators, and digital forensic experts, and coordinated with law enforcement and multiple government agencies at the highest levels.

Given the nature of the data taken and the real risk of harm to individuals should it be released, Canopius supported the policyholder with arranging a specialist cyber extortion negotiation firm to successfully negotiate a 50% reduction in the ransom demand.

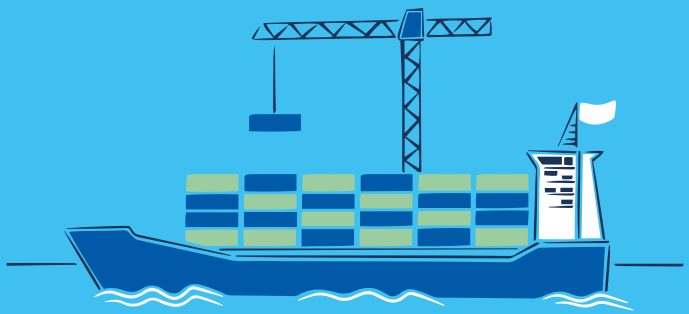


RESCUE AT SEA

In 2024, a serious engine room fire broke out aboard a vessel anchored in Japan, rendering the ship a 'dead vessel' – incapable of moving under its own power, while at the same time there was an imminent threat of a typhoon. While the crew remained onboard, the worsening weather conditions intensified the danger of the situation and the urgency of the response.

Beazley's claims team found a solution that prioritised safety, minimised financial impact, and far exceeded client expectations. They identified a suitable shipyard in China for the repairs, at around 50% less cost, sourced and arranged appropriate tugs to tow the ship and, in a bold, supportive move, facilitated same-day direct payments to the emergency support providers. This enabled the tow to commence immediately, safeguarding the vessel and those aboard from the impending storm.

The claims team operated beyond standard hours – including evenings and weekends – to meet the urgency of the evolving situation and maintain decision-making momentum. Their solutions drew on internal technical expertise and external partnerships to deliver a coordinated, client-first solution that prevented a constructive total loss, delivered major cost savings, and protected both assets and people.



HOW INSURANCE UNLOCKS CLEAN, RESILIENT ENERGY

Conception & invention

Energy security needs improvements to current production or the invention of new technology

If new ideas cannot be protected, it will inhibit innovation.



IP insurance
Provides protection to intellectual property, guaranteeing support if ideas are stolen

Securing financing

Infrastructure projects need investment to get off the ground

There are challenges to securing financing for new energy solutions due to repayment uncertainty, especially for new technologies and amidst regional political volatility.



Credit risk insurance
Protects against losses from loan defaults

Equity contribution guarantee
Protects against losses due to delays in the project

Political risk insurance
Protects against political risks such as war and nationalisation

Construction

New technology needs to be built

Building new energy solutions introduces fresh risks: third-party liability, project delays, property damage, and machinery breakdown.



Construction insurance
Protects against risks during the construction of new projects

Energy security is a cornerstone of national resilience, strategic autonomy and economic growth. Whether through traditional insurance products or innovative solutions to tackle new complex risks, the London Market can use its scale, and expertise to help secure new sources of energy.

Operation & maintenance

Solutions need to be run and deliver the energy expected

Running innovative energy projects has risks such as business interruption, tech underperformance and cyber security.



Tech performance insurance
Guarantees energy output from new unproven technology

Energy price guaranteee
Protects against energy prices falling below cost of production

Dismantling & repurposing

New energy security can be enhanced by repurposing existing infrastructure

The dismantling and repurposing of projects has risks from third-party liability to waste disposal.



Repowering
Facilitates the upgrade of energy projects when technology develops

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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