
GVNW, virtuelle Messe Digitalisierung:

„Digitale Platzierung bei Lloyd's – Aktueller Stand und Ausblick“

Jan Blumenthal, Hauptbevollmächtigter

Lloyd's Insurance Company S.A., Niederlassung für Deutschland

Frankfurt, 17. September 2020

Agenda

1. Ausgangspunkt: Präsenzmarkt seit 1683, Schlüsselfunktionen / Lloyd's Brüssel als Antwort auf den Brexit / robuste Ergebnisse als Voraussetzung
2. Digitalisierung ein Widerspruch? The Future at Lloyd's / Der Markt erfindet sich neu
3. Der Underwriting Room am 1.9.2020 / der virtuelle Underwriting Room
4. Elektronische Platzierung / Systeme / PPL
5. Wer kann PPL nutzen?
6. Welchen Nutzen haben Versicherte, Makler und Underwriter ?
7. Fragen aus Ihrem Kreis

1. Ausgangspunkt:
Präsenzmarkt seit 1683,
Schlüsselfunktionen / Lloyd's Brüssel als Antwort auf den
Brexit / robuste Ergebnisse als Voraussetzung



How the Lloyd's market works



The Corporation – Supporting the market

Why Lloyd's?

Lasting partnerships

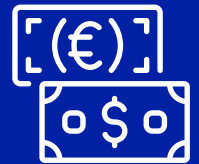
We build a partnership with you for the long term. Our community of underwriters and experts stay connected with their clients to ensure each Lloyd's market policy is the perfect risk transfer solution.

*Syndicates in run-off. Ceased as at 31.12.2019



Lloyd's Insurance Company S.A., Brüssel (LIC)

- LIC started its **first full year of operations** in **January 2019**
- LIC is the **largest non-life insurance company** in Belgium
- **EUR 2.65bn** GWP for 2019 (exceeded plan of **EUR 2.5bn**) – so a successful first year
- Further capitalisation increase of LIC from the current **EUR 300m**
- Reinforcing **strong independent governance** and **regulatory frameworks**
- **Largest user of structured data** in the Lloyd's market
- Critical focus in 2020 on the completion of the **Part VII transfer** as well as the adoption by our intermediaries of **EIOPA Recommendation 9**



Substantial underwriting improvement

- Excluding the impact of COVID-19 losses, the combined ratio is 91.7%, a 7.1% improvement on H1 2019. The reported combined ratio is 110.4% (H1 2010: 98.8%).
- The attritional loss ratio has improved significantly to 52.6% at H1 2020, an improvement of 7.1% on the H1 2019 ratio of 59.7%.
- COVID-19 losses adds 18.7% to the major claims ratio, which has increased to 20.6% of NEP (H1 2019: 1.4%). Major losses (excluding COVID-19) stand at 1.9% of net earned premium.
- Total net prior year releases remained largely consistent at H1 2020 with releases of £67m (0.5%) at H1 2020, from £52m (0.4%) at H1 2019. Consistent prior year releases show that syndicates continue to provide strong reserving performance.
- Underlying underwriting performance has improved to 89.8%. This is made up of an attritional loss ratio of 52.6% and expense ratio of 37.7%, offset by prior year releases of 0.5%.
- COVID-19 losses have had a significant impact on the reported loss ratio. Excluding the impact of COVID-19, the loss ratio is 6.7% better than H1 2019. The reported loss ratio is 72.7% (H1 2019: 60.7%).

Major claims



Prior year releases

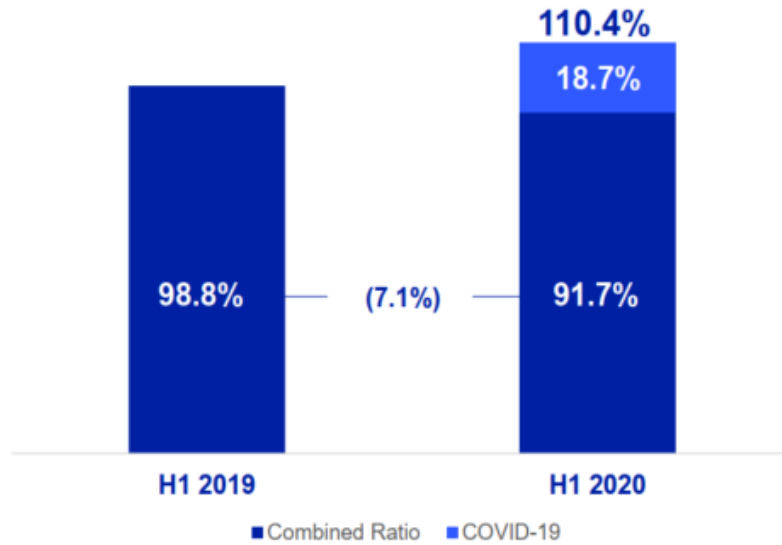


Loss Ratio

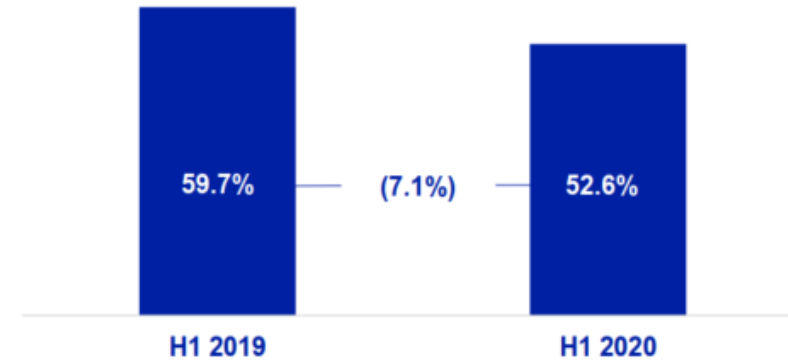


Substantial underwriting improvement

Combined ratio



Attritional ratio



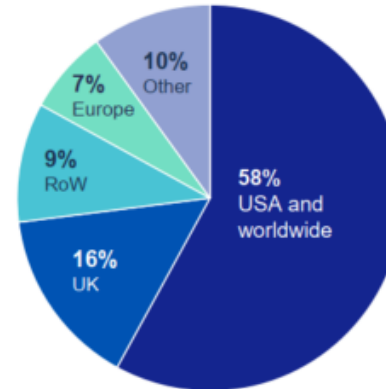
Half year results 2020

COVID-19 losses

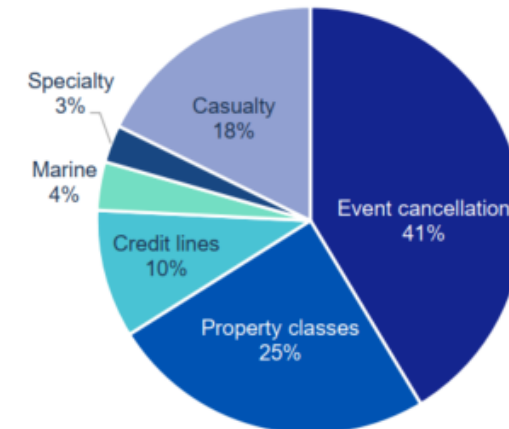
Estimated losses as at May 2020	£2.5bn-£3.5bn
Incurred losses as at 30 June 2020	£2.36bn
Net ultimate losses as at 30 June 2020	£2.96bn

Distribution of COVID-19 losses

Geography



Classes



'Worldwide' – customers that have global risk programmes

'Other' – Australia, Canada and Asia

'RoW' – all other countries and territories not specifically listed Lloyd's customer pay-out range is net of reinsurance

Half year results 2020

Why Lloyd's?

Complete confidence

Robust financial strength

Excellent financial security

AA- A+ A

Fitch Ratings
(Very Strong)

Standard &
Poor's (Strong)

A.M. Best
(Excellent)

Lloyd's Chain of Security

€62bn

Syndicate level assets

€33bn

Member's funds
at Lloyd's

€4bn

Central assets

Gross written premium

€40,932m

2. Digitalisierung: ein Widerspruch?

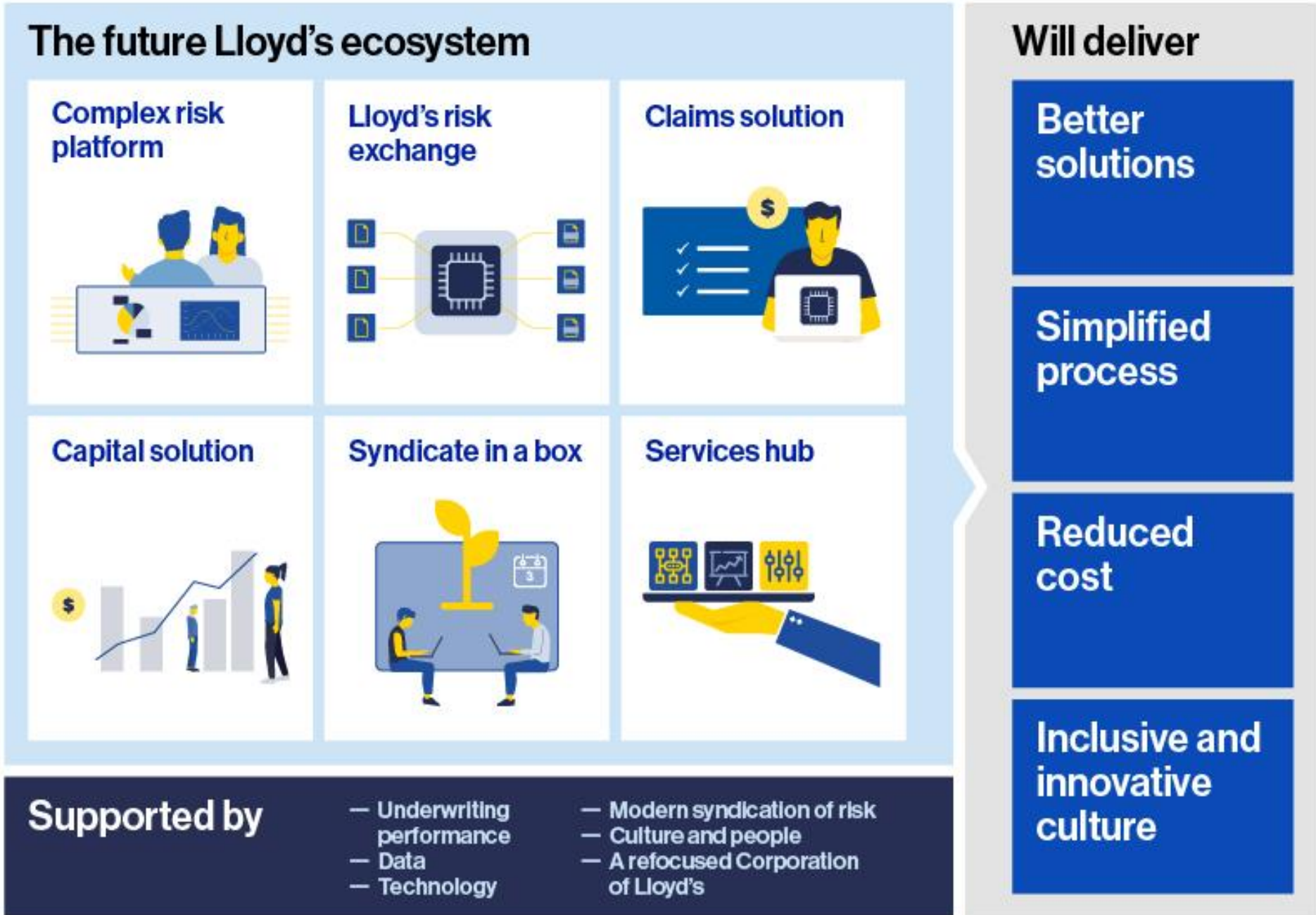
The Future at Lloyd's ,
Der Markt erfindet sich neu

LLOYD'S

The Future at Lloyd's

Sharing risk to create a braver world

The most advanced insurance market place in the world



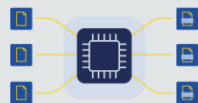
The Future at Lloyd's

Sharpening our strategy in response to COVID-19

Key priorities during this period

Initiatives the market has asked us to prioritise, which are expected to begin delivery during 2020 and create tangible value to the market

- Lloyd's risk exchange: digital coverholder solution



- Complex risk platform: document-plus-data version of PPL



- Claims solution: efficiencies



Foundational and design activities

Initiatives supporting the other solutions have been scaled back to those supporting the key priorities

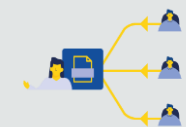
- Data and technology



- Middle and back office



- Lead / follow (modern syndication of risk)



Neal: 'We can rip up the underwriting room'

Catrin Shi | 14 September 2020

Lloyd's is looking to reinvent the underwriting room to suit a more flexible working environment, with the aim of presenting concepts to the market for feedback in the first quarter of next year, CEO John Neal said during *Insurance Insider's* virtual [\(Re\)Connect](#) event.

The CEO said the Lloyd's market had been remarkably resilient during the height of the pandemic and said the enforced lockdown period had led the Corporation to think "more quickly and deeply" about how it would operate in the future.

One aspect is the use of both the physical and virtual underwriting rooms, with market debate ongoing about the need for a physical space in which to trade.

"I think we can rip up the room," Neal said during the session. "Nothing envisaged in 1980 should be operable in 2025."

He said Lloyd's was working with the Lloyd's Market Association on coming up with concepts for what the underwriting room could look like to present to the market in Q1.

Looking ahead, the CEO said: "I don't think [the underwriting room] is rigid boxes with a number on which you turn up to every day."

Neal said he believed the whole market would work more flexibly, with potentially less resource based in London. The location of Lloyd's could prove to be the most valuable aspect of the marketplace, perhaps as a convening place, he added.

Lloyd's reopened the underwriting room on 1 September, with around 400 people out of a usual 6,000 coming in 1 Lime Street in the first week. Under new social distancing measures, the Lloyd's building can operate at 45% capacity.

3. Der Underwriting Room am 1.9.2020 sowie der virtuelle Underwriting Room









Virtual Underwriting Room

The virtual room aims to drive connectivity and a sense of community across the market, including between the physical room and remote working

Virtual Room's purpose

The virtual room aims to **drive connectivity** and a sense of community across the market, **including between the physical room and remote working**

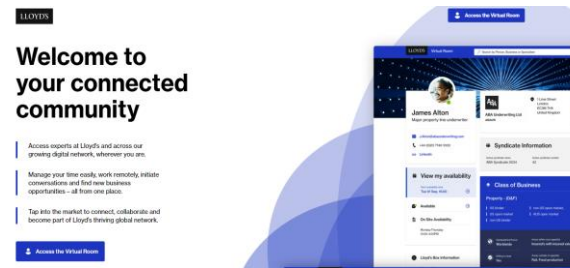
Using digital & data

We're going to use digital and data to power this, which will be different for the physical room and remote working

Experimentation

To do this we're being research and experiment led
To quickly test, learn and if necessary fail fast

The virtual and physical channels



Virtual connectivity: Will be underpinned by technology that creates efficient, smart and collaborative ways of doing business

The physical room: Will become **powered by digital and data**. Short experiments will enable us to trial enhancements as well as new transformative physical room experiences.

The room re-opening on Sept 1st provided the opportunity to start to change, starting small but stretching into the future.

Introducing Lloyd's Virtual Room

A new digital platform to **support remote working**, providing brokers and underwriters with virtual access to the Lloyd's community.

Launch Features

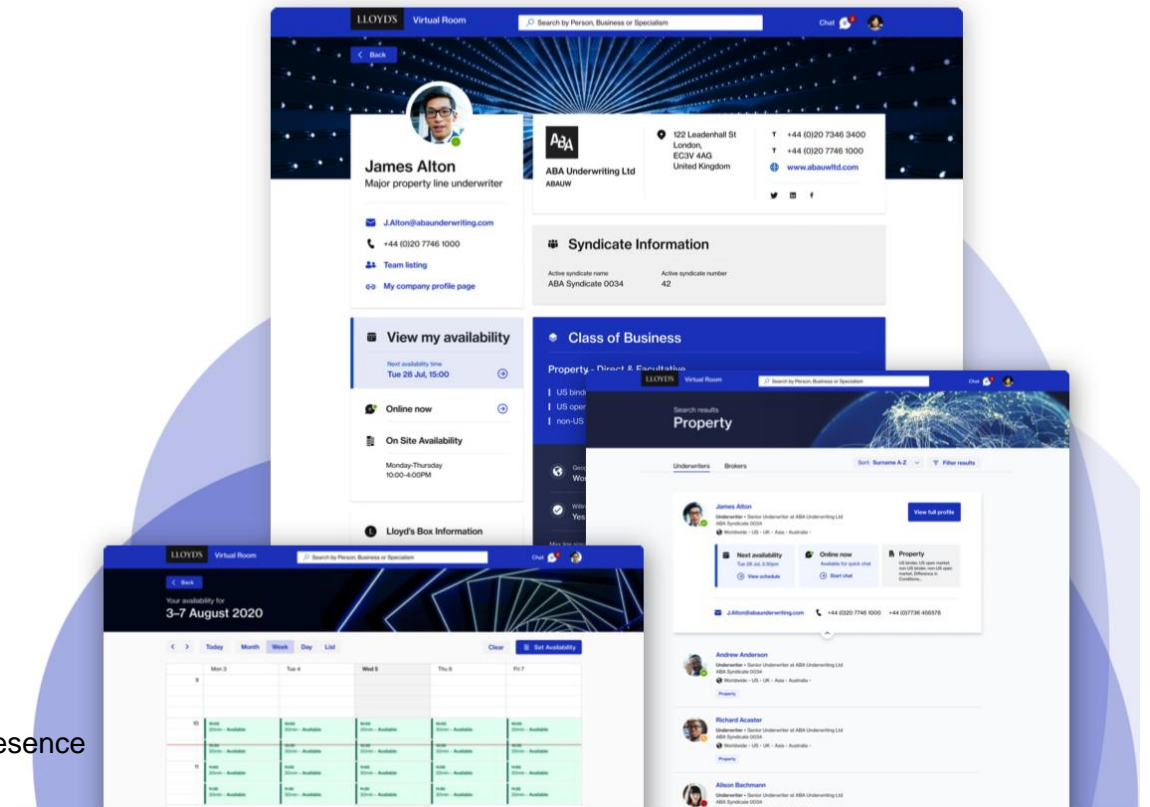
Market Directory | Search broker or underwriter profiles using the directory

Instant Messaging | Connect and collaborate via market-wide instant messaging

Scheduler | Understand someone next availability and schedule meetings

Key needs addressed

- ✓ Better access to the Lloyd's community
- ✓ Help scheduling time and seeing who is available
- ✓ Virtual & physical presence



Placeholder for Video

4. Elektronische Platzierung / Systeme / PPL

Platzierungssysteme im Markt

- PPL
- GC Market Place 2.0
- ABCConnect
- Whitespace
- etc.

Aber: die Systeme müssen „miteinander reden können“

Placing Platform Ltd. (PPL)

- Gründung 2016
- Nonprofit Organisation Londoner Markt
- Shareholder Lloyd's (40%), LMA, Makler (LIIBA), Underwriter (IUA)
- 330 User (Unternehmen), ca. 50% jeweils Makler und Risikoträger mit ca 20.000 Einzelpersonen
- <https://placingplatformlimited.com/useful-information>
- Helpdesk



Designed by the market
for the market

Placing Platform Limited – the headlines

Established in 2016, Placing Platform Limited is a not for profit company currently owned by the LMA, IUA, LIIBA, and Lloyd's.

Its purpose is to create a **single market solution** for electronic placing that allows brokers and insurers to quote, negotiate and bind business electronically.

The existing market solution is a trading platform referred to as "PPL". The platform has expanded to cover **almost all classes of risks placed in the London Market**. It is used by around 140 carriers and more than 100 broker firms.

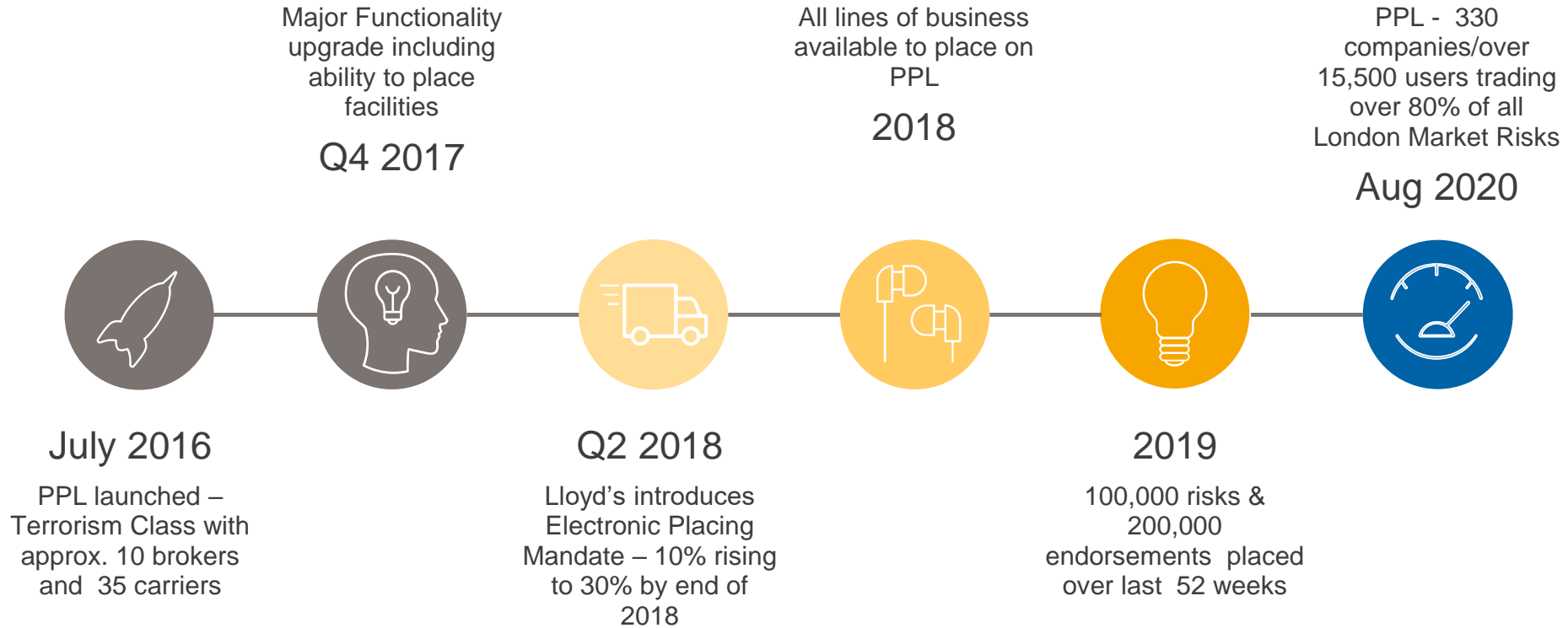
PPL supports **face-to-face negotiation across the placement process** and enables a **faster, more efficient process for complex risks**. PPL is the leading London Market e-placing platform, offering best-in-class customer service to the market.

KEY FEATURES

- **The ability for brokers and underwriters to quote, bind and endorse risks electronically.**
- Fully auditable history, **enabling clearer audit trails** of activity throughout the placement process.
- **Management Information (MI) data extracts and the ability to extract all files related to a risk from the platform.**
- Opportunities for integration to back office systems.
- The ability to work in 'teams' – re-assign the workload between team members and share visibility of risks.

For more information on PPL visit: www.placingplatformlimited.com

PPL Timeline



PPL Activity July 2020

PPL Activity – July 2020

- **15,267** user accounts
- **13,652** risks were bound on the platform in July
- **367** new users set up
- **64** users registered for WebEx training sessions
- The total number of helpdesk calls in July was **3062**
- LMS training remains a strong training choice for **146** users (by comparison, we had 96 in July 2019).
- Commenced work on the PPL Brand refresh
- 2021 Pricing notices prepared
- Our email addresses are changing to @placingplatformlimited.com - will keep you posted!

PPL Market Engagement



Market Engagement July 2020

PPL Market Engagement – July 2020

- Total of 339 market firms are PPL Clients:
 - 174 broker firms
 - 165 Underwriter firms
- We welcomed **Forge Underwriting Limited** as a new Client in July
- 60 market meetings held
- 10 Bespoke platform demonstrations
- 2 Market-wide events

Training & Support

PPL provide a number of support channels if you get stuck ...

- Ebix help desk : PPLSupport@ebix.com & 0207 264 0880
- PPL enquiries – pplenquiries@lloyds.com
- Dedicated Relationship Manager Team – Martin Baker, Christophe Lacroix and Sue Baker
- Website - www.placingplatformlimited.com

We provide a variety of training options to suit you ...

- Classroom training
- Learning Management Suite (LMS)
- User Guides
- Bespoke sessions matched to your needs

Training & support – August 2020 availability

We still have spaces on the August sessions and September dates will be made available this week.

Broker Training - August		Carrier Training - August	
Monday 3rd	9.30am	Wednesday 5th	9.30 am
Wednesday 5th	2pm	Wednesday 12th	2pm
Monday 10th	9.30am	Tuesday 18th	9.30am
Wednesday 12th	9.30am	Thursday 27th	9.30am
Thursday 13th	2pm	Carrier Quote Training	
Monday 17th	9.30am	Monday 10th	2pm
Wednesday 19th	2pm	Monday 24th	2pm
Monday 24th	9.30am		
Wednesday 26th	2pm		
Broker Quote Training			
Monday 3rd	2pm		
Tuesday 18th	2pm		
Facilities Training - June			
Thursday 6th	9.30am		
Thursday 20th	9.30am		

As some sessions are only held every fortnight, if you are registered for a session but are unable to attend, please can you cancel your place to free up places for others.

Continuous improvement

Gill Runciman
PPL Service Manager

BAU activities

PPL Enquiries Support

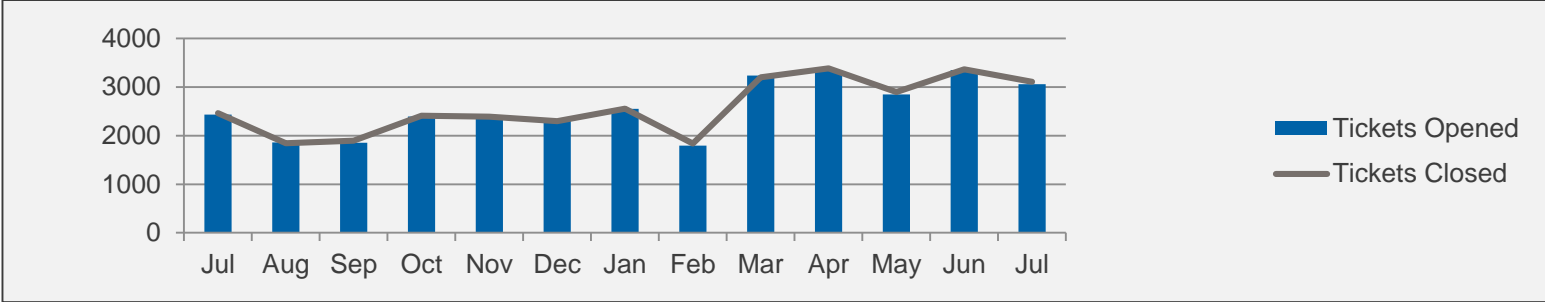
Company Structures - The deadline date has passed. All configuration amendments have now been made.

Please note that going forward, these bi-yearly reviews will be driven by each individual company and we will send out the how-to guide to help you do this. They can also be downloaded at any point in time. The guide will be sent with this month's forum pack.

FAQ v2 document - Coming soon

Standardisation of non-standard stamps - In progress

Helpdesk Ticket trends over the last 12 months



Top 5 Ticket type trends in July

- Corrections/Cancel and Replace
- New user accounts
- Endorsement Creation queries
- Broker / U/W connections
- Manage User accounts

Key Issues that were raised during July

- PPL Support phone lines
- MI Defect introduced in 3.17 Warranty release – Fixed

Technical Improvement

Jonathan Bloomfield
PPL Change Manager

Release schedule – 2020 YTD

10th January

- ✓ Security improvements

24th January

- ✓ 3.15.1.1
 - Warranty fixes

6th March

- ✓ 3.16
 - Facilities calculator & 17 priority defects

3rd April

- ✓ 3.16.2
 - Warranty fixes, including the relabelling of the calculation screen pop-up

15th May

- ✓ 3.17
 - Endorsement improvements
 - Quote APIs

19th June

- ✓ 3.17.1.2
 - New firm order extract, and additional column (Action performed by)
 - Updated legal wording, giving clarity on facilities and binders
 - 7 minor warranty defect fixes

17th July

- ✓ 3.17.1.5
 - Warranty defect fixes relating to new firm order extract

Planned improvements

Q3

- **Team working on facilities**
 - Enables single/central teams to create master facilities for use by one/many broker teams
- **11 low complexity change requests**
 - Including the addition of an underwriter “Quote Rejection Reason” field
- **29 defect fixes**
 - Including the ability to search sectioned facility placements

Q4

- **Graphical Wet Stamps**
 - We will soon be asking firms for their updated logos
- **Changes to quote extracts**



5. Wer kann PPL nutzen?

Zugang zu PPL:

Stand 1.9.2020

- Alle Mitglieder des Maklerverbandes LIIBA (<https://liiba.co.uk/about/>)
- Alle Lloyd's Broker weltweit (mit Branch in UK ab 2021)
- Alle Lloyd's Broker, die Zugang über einen Outsourcing Partner in London haben

6. Welchen Nutzen haben
Versicherte, Makler und
Underwriter ?

Nutzen

Kunden / Versicherte

- Niedrigere Kosten (admin.)
- Besserer (und schnellerer) Schadensservice
- Transparenz
- Leichter Zugang
- Compliance: Revisionsfeste Dokumentierung aller Prozesse

Underwriter und Broker

- Niedrigere Kosten / Effizienzgewinn insgesamt
- Zugang zu weiteren Dienstleistungen
- Mehr Flexibilität
- Compliance: Revisionsfeste Dokumentierung aller Prozesse

7. Fragen aus Ihrem Kreis

**Anmerkung: Fragen gerne auch schriftlich an
jan.blumenthal@lloyds.com**

LLOYD'S