

Lloyd's plans in Europe

Why Brussels?

We looked at several criteria when making the decision. We chose Brussels for these main reasons:

It provides a robust regulatory framework

It is in a central European location,

An international talent pool and;

It will enable Lloyd's to continue to provide specialist underwriting expertise to our customers.

Who will regulate the Lloyd's European insurance company?

The company will be a Belgian insurer regulated by the National Bank of Belgium and the Belgian Financial Services and Markets Authority for prudential and conduct issues respectively.

When do you expect to be open for business?

We are in the process of applying for the licence. We expect the new company will be open for business in good time for our customers to negotiate 1/1/2019 renewals, subject to regulatory approval.

What happens to Lloyd's policies in the meantime?

For Lloyd's it is business as usual, compliant with all current rules and regulations, until such time as UK membership of the EU officially ends. Placing European business in London continues to be unaffected until then.

How will the Lloyd's insurance company operate?

The Lloyd's insurance company will operate as a fully functional insurance company, able to write risks from all 27 EU and 3 EEA countries via our current distribution channels of brokers, coverholders, and managing agents.

How much of Lloyd's business comes from the European market?

In 2015, the EEA accounted for £2.93bn or 11% of Lloyd's Gross Written Premium.

Will Lloyd's remain subject to Solvency II?

Solvency II has been incorporated into UK law and continues to apply to UK insurers, including Lloyd's and Lloyd's managing agents. Retaining access to insurance markets inside and outside the EU requires the UK's insurance regulatory regime to be recognised internationally as credible and broadly comparable with regulatory regimes in place elsewhere. We do not therefore expect major changes to the UK's insurance regulatory regime in the near future

How are Lloyd's global trading rights impacted?

Our trading rights in territories outside of the EU are not impacted by the referendum outcome.

Who will be the insurer, and who will pay claims?

The Lloyd's insurance company will be the insurer and will pay the claims.

What risks will Lloyd's Europe be able to write?

Once authorised, the Lloyd's insurance company will be able to write European risks and provide the innovative specialist solutions of the Lloyd's market.

What does this mean for brokers?

The Lloyd's insurance company will benefit Lloyd's brokers by ensuring that insurance business for EU/EEA risks can continue to be placed in the Lloyd's market.

We value our partnership with brokers and Lloyd's will continue to be a brokered market. Brokers will be able to continue to use the same distribution network as they do today.

How will brokers place European risks at Lloyd's after the UK leaves the European Union?

Insurance business from EU/EEA countries will be placed with the Lloyd's insurance company through our broker and coverholder network. Lloyd's syndicates will still be able to write European reinsurance risks on a cross-border basis after the UK leaves the European Union.

What does this mean for coverholders?

Coverholders are Lloyd's trusted distribution partners and an integral part of our growth strategy. The Lloyd's insurance company will continue to do business through the European coverholder network, and we will work with coverholders as we adapt to the new model

What does this mean for policyholders?

Policyholders will still have access to the same choice of expertise and coverage that they get from Lloyd's today. Brokers and policyholders will be able to access Lloyd's innovative policies through the European company from 1/1/2019.