



Lloyd's Market Association



... providing professional, technical support to the Lloyd's underwriting community

An Introduction to the LMA by David Gittings, LMA's Chief Executive



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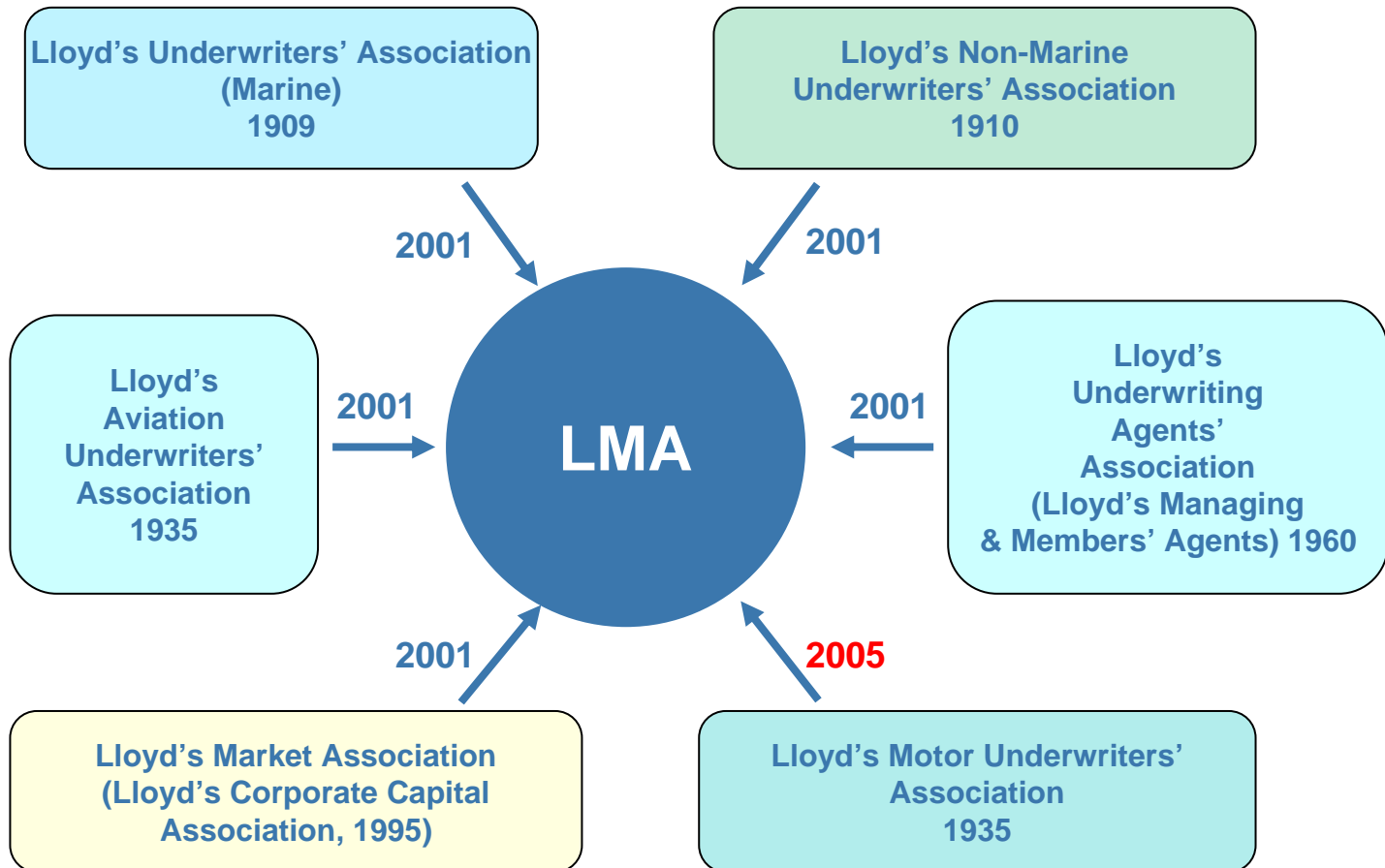
The Lloyd's Market Association is a professional and proactive executive body, providing technical support to underwriting businesses in the Lloyd's market and representing their interests



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Role

- To provide professional, technical support for underwriters and managing agents
- To work in partnership with the Corporation and others to influence the course of future market initiatives
- To promote a profitable and appropriately regulated market



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Overview

- Company limited by guarantee
- Owned and funded by its members
- Independent of the Corporation of Lloyd's
- £5m turnover
- 32 staff
- Located on the 3rd Floor of the Lloyd's Building



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LMA Membership comprises:

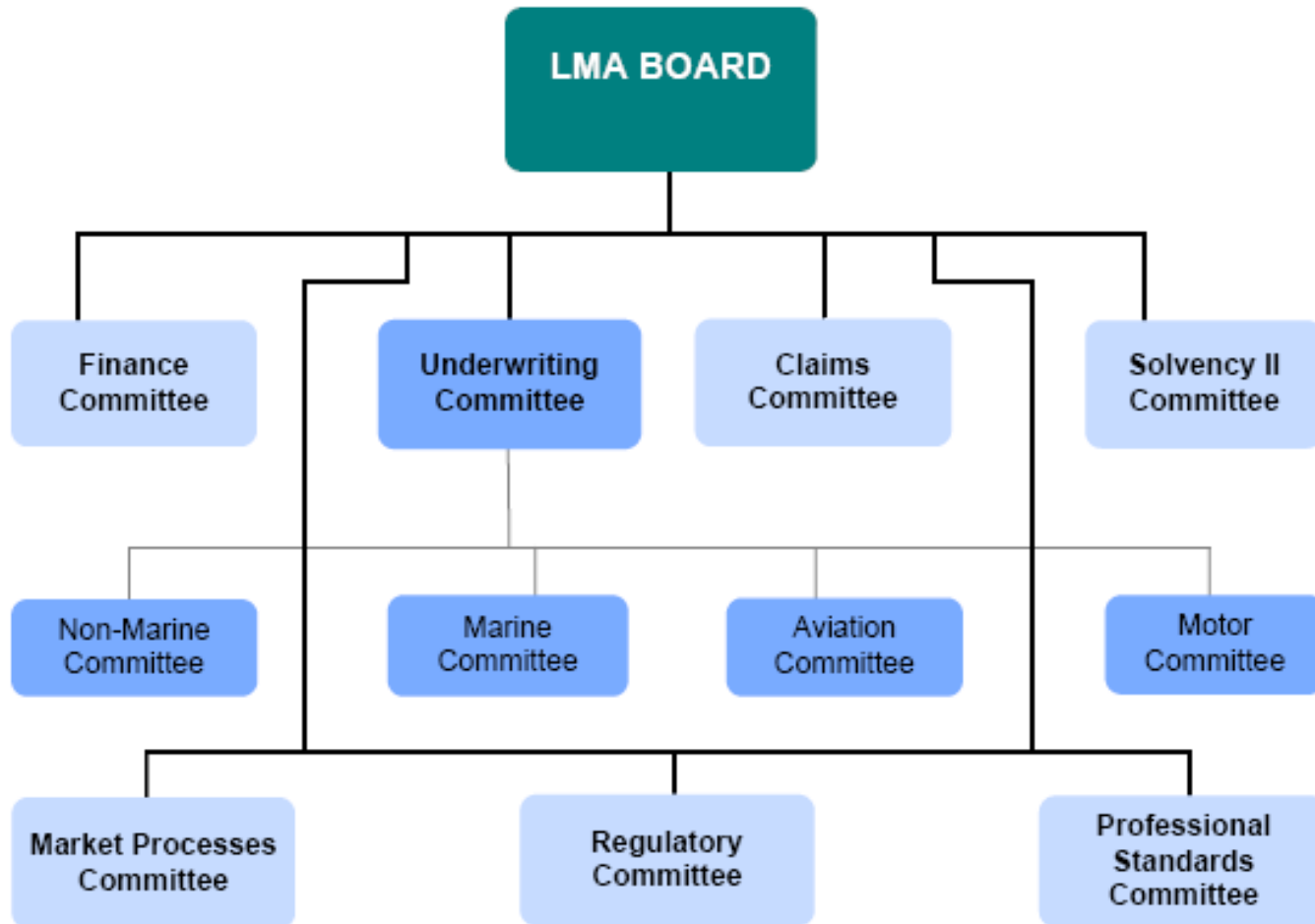
- 51 Managing Agents – 100% membership
- 3 Members' Agents
- 4 Run-off Agents
- 46 Associate members including Mazars, ACORD, Xchanging, The Baltic Exchange, Barlow Lyde & Gilbert, JP Morgan Asset Management, PricewaterhouseCoopers and Dewey & LeBoeuf



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LMA Board:

- Barnabas Hurst-Bannister LMA Chairman (Chairman, Travelers Syndicate Mgmt)
- Bob Stuchbery LMA Deputy Chairman (CEO, Chaucer Holdings PLC)
- David Gittings LMA CEO
- David Constable (QBE, Active Underwriter, Casualty Syndicate 386)
- Charles Franks (Kiln, Group Chief Executive, R J Kiln & Co Ltd)
- Nick Furlonge (Director of Risk Management, Beazley PLC)
- David Harris (MD, Amlin Underwriting Ltd)
- Lawrence Holder (MD, Cathedral Underwriting Ltd)
- Andrew Kendrick (Chairman and CEO, Ace European Group)
- David Ibeson (CEO, Catlin Underwriting Agencies Ltd)
- Jeremy Pinchin (Group Claims Director, Hiscox Ltd)
- Tom Corfield



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LMA Executive

32 staff representing 7 business areas:-

- Underwriting
- Claims
- Market Processes
- Finance & Risk
- Legal & Compliance
- Professional Standards
- Operations (Communications/HR/IT)
- Staff have extensive London Market experience encompassing underwriting, claims, broking, run-off and expert witness



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Market Liaison – headed by Mel Goddard

- Responsible for market liaison with Lloyd's Franchise Performance Directorate & Lloyd's International Markets, including Market Development, ensuring that the underwriters' viewpoint is taken account of.
- Identifying and resolving cross-market underwriting and market development issues as they arise. Recent examples include 2011 risk codes, ISO Contract, Wordsensa QA tool, Lloyd's 2011 Market Development Strategy, practical market assistance to Lloyd's overseas representatives.
- Forming specific market working groups and identifying appropriate market practitioners for consultation on the issues in questions such as Singapore User Group, China User Group, Brazil Market Development Group, Realistic Disaster Scenario Steering Group, Market Development Strategy Group.



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Underwriting Team – headed by Neil Smith

- The Underwriting Team runs 41 underwriting panels/committees involving over 700 underwriters
- The team work on issues impacting the underwriting community in all areas of Lloyd's business:-
 - Marine
 - Aviation
 - Non-Marine (property, casualty, financial lines etc)
 - Motor



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- Current work includes:-
 - Liaising internationally with UK/US governments, naval forces and other marine entities re the Marine Piracy situation
 - Helping LMA members manage legislation, such as the UK Export Control Order 2008 regarding the export of controlled goods e.g. munitions
 - Improving the quality of regulatory and licensing information to members writing global policies through detailed research
 - Developing model wordings for market use (81 were introduced in 2009)
 - Responding to the Law Commission's review of insurance contract law
 - Working with Association of Chief Police Officers for the exchange of information between insurers and the police in cases of suspected claims fraud



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- Hosting and presenting at international conferences such as:-
 - International Union of Aerospace Insurers (IUAI) Conference
 - International Union of Marine Insurers (IUMI) Conference (2013)
 - NATO's annual Maritime Commanders Meeting (MARCOMET 2010)
 - European Commission Seminars
- Running the Marine Joint Committees for the London Market (whose members are the key underwriters in their class) addressing issues of concern such as US extraterritorial legislation i.e. Somalia, Iran



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Claims Team – headed by Tim Willcock

- LMA Claims Team provides technical support to claims committees and project groups to resolve issues at class of business and market level
- Close liaison is maintained with the Corporation of Lloyd's and the London Market to deliver improvements in claims handling
- Current work includes:-
 - The Claims Transformation Project Pilot:
 - Aim is to enhance Lloyd's reputation for claims handling
 - Launched in January 2010
 - Segments claims into tranches according to value and complexity
 - Claims under £100k are handled by the lead underwriter
 - Managing Agents have the option to handle claims in house or to outsource to third parties



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- Electronic Claims Files (ECF):
 - Moving from paper to electronic files
 - Studies show ECF has reduced claims handling times by a third
 - ECF2 launches in 2010 bringing improved functionality for claims staff with greater search, diary and workflow capabilities

- Xchanging Claims Services (XCS):
 - Claims Service Review Board manages the XCS relationship for delivery of core services to the Market
 - Agrees service schedules, service levels, quality and price



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Market Processes Team – headed by Rob Gillies

- LMA Market Processes Team supports the development of efficient and cost effective processes in the London Market
- Current work includes:-
 - Electronic Endorsements
 - The submission and agreement of endorsements using ACORD data messages via the Exchange to support negotiation between underwriter and broker
 - Direct marine hull, cargo, war and liability – pilot launched 1 June
 - Benefits include a reduction in the rekeying of information and scanning of documents and reduction in queuing at underwriting boxes



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- Electronic Accounting
 - Introducing the use of ACORD data messaging between broker and Xchanging for premium accounting
 - Makes the market more attractive for brokers by reducing the cost and complexity of dealing with underwriters' bureau

- LMG Future Process Model – streamline and standardise current London Market processes. Four work streams:-
 - Placing
 - Accounting & Settlement
 - Facilities & Binders
 - Claims



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LMA Finance & Risk Team – headed by Pat Hakong

- The Finance & Risk Team monitor and assess the potential impact of developments relating to accounting, reporting, taxation and regulatory matters affecting Lloyd's Managing Agents such as:-
 - Premium payment improvements
 - Liaising with Lloyd's on changes to capital funding
 - US & Canadian Financial Reporting
- These developments arise from proposed changes in regulatory, statutory and other requirements from Lloyd's, the UK Government, the Financial Services Authority, and the European Commission as well as overseas regulators



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- Current activities are dominated by Solvency II:-
 - Solvency II is a regulatory process for insurers and re-insurers. It aims to ensure understanding by insurers of the inherent business risks in the industry and the allocation of sufficient capital to cover them
 - In January 2010 the LMA created a Solvency II committee to provide practical guidance to the Lloyd's market on its implementation
 - It comprises nine working groups led by representatives of LMA member firms and 75% of managing agents are represented on at least one group
 - The working groups aim to have every Lloyd's managing agent Solvency II compliant by November 2012



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Legal and Compliance - headed by Kees van der Klugt

- Legal & Compliance are responsible for:-
 - Monitoring legal and regulatory developments in the UK and overseas relating to the Lloyd's market such as:-
 - Regulatory developments emanating from the financial crisis
 - Financial Crime – new Bribery Act coming into force in Autumn 2010, Export Control Order, Sanctions
 - Reviewing and providing guidance on specific matters of concern to LMA Members such as:-
 - Amendment to the Insurance Block Exemption by the EU in relation to model policy wordings
 - Premium flow – legal issues relating to premium payment/cancellation clauses and terms of business agreements with brokers



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- Supporting other LMA teams and committees on legal and compliance issues such as:-
 - Market Processes on setting up the Lloyd's Exchange
 - Agreements relating to Finish What We Started

- Co-ordinating responses of LMA Members to proposals by governments and regulators such as:-
 - FSA consultation papers e.g. broker remuneration
 - Law Commission consultations e.g. insurers' liability for consequential loss for delayed claims payments

- Holding regular meetings with Corporation of Lloyd's, FSA and other supervisors



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Professional Standards – headed by Terry Hayday

- The Professional Standards Committee (PSC) helps define training standards for Lloyd's market practitioners across all disciplines
- Under the umbrella of the PSC the LMA Lloyd's Market Academy is a 2 year pilot scheme with the objective of becoming a lead awarding body able to accredit training programmes. Programmes currently being developed include:-
 - A bespoke Lloyd's Market Energy qualification
 - Compliance Programme
 - Claims Training Programme
 - Underwriting & Claims Apprenticeship Programme



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- Events that the Academy runs include:-
 - Overseas Seminars e.g. Earthquake Seminar (San Francisco), Living with US Litigation (New York)
 - Master Classes e.g. US Hurricane, Solvency II, Financial Lines
 - Leadership Programme run with the Saïd Business School, Oxford University
- Professional Career at Lloyd's – newly launched website www.pcal.info designed to provide guidance, education and competencies at each stage of a professional career at Lloyd's.
- LMA Graduate Portal – a website www.graduatesatlloyds.com designed to:-
 - attract graduates to recognised Lloyd's Market graduate training schemes (within the underwriting and broking community)
 - raise the profile of Lloyd's and the London market among the graduate community/universities



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LMA Members' Survey March 2010:

- Comprehensive feedback with 374 responses
- 92% of respondents very or quite familiar with the LMA
- Day to day operations of the LMA are well respected
- Following feedback, improvements will be made to the LMA's website and updates on our activities will be communicated to Members more frequently

We communicate our activities by:-



*Bulletins
and Letters
to Members*

Events

*Media
and PR
activities*

*Other
publications*

www.lmalloyds.com

*CEO
and other lunches*



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What can we do for you?

- Answer technical queries
- Invite you to LMA Events e.g. Master Classes/Market Meetings
- Invite you to join LMA Committees
- Keep you up to date with our activities

Our Contact Details:

- Located on the 3rd floor of the Lloyd's Building
- Telephone - 020 7327 3333
- Website - www.lmalloyds.com
- Email - Ima@lmalloyds.com



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LMA Contact Details

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Any Questions?