

Lloyd's Brexit Plans

What Brexit will mean for Lloyd's customers

Lloyd's has prepared the following summary note for its Irish policyholders to outline the possible impact that the United Kingdom's withdrawal from the European Union (EU) will have on their Lloyd's insurance and reinsurance contracts, and to confirm the relevant contingency measures Lloyd's has put in place.

Background

The United Kingdom (UK) is scheduled to leave the EU on 29 March 2019. Lloyd's has been working to ensure that, whatever the outcome of the Brexit negotiations between the EU and the UK, Lloyd's policyholders across the European Economic Area (EEA) can continue to access the underwriting expertise and financial security of the Lloyd's market and their existing policies can continue to be serviced by the Lloyd's market, including the payment of valid insurance claims.

Lloyd's Brussels

Lloyd's has established a subsidiary insurance company based in Brussels, Lloyd's Insurance Company S.A (Lloyd's Brussels), to ensure that EEA policyholders can continue to access the Lloyd's market after the date of the UK's withdrawal from the EU.

Lloyd's Brussels has 19 branches across the EEA, including one branch in the UK. Lloyd's Brussels is authorised in Belgium by the National Bank of Belgium (NBB) and regulated by the NBB and the Financial Services and Markets Authority of Belgium. It will be capitalised according to Solvency II rules.

Lloyd's Brussels is licensed to write all new Lloyd's market non-life risks from EEA countries with effect from 1 January 2019 and it started placing and processing 2019 EEA business in November 2018.

The company benefits from the same financial ratings as Lloyd's market and which are provided by A.M. Best (A "excellent"), Standard & Poor's (A+ "strong") and Fitch Ratings (AA- "very strong").

The establishment of Lloyd's Brussels ensures that our European intermediaries and policyholders will have access to the combined scale, expertise, capacity and claims service of the Lloyd's market through a single insurance company based at the heart of Europe.

Implications for Policyholders - Part VII Transfer

Lloyd's is also continuing with its plans to ensure that existing non-life EEA insurance and reinsurance policies can be serviced by the Lloyd's market beyond the date of the UK's withdrawal from the EU, including the payment of valid insurance claims.

To achieve this, Lloyd's is proposing to transfer all relevant non-life EEA business that has been written by the Lloyd's Market between 1993 and 2018 to Lloyd's Brussels before the end of the anticipated

transition period in 2020. This will be undertaken via an insurance business transfer under Part VII of the UK's Financial Services and Markets Act 2000.

Lloyd's publicly confirmed in October 2018 that in the event the UK leaves the EU before the end of 2020 with no transition or implementation period, Lloyd's underwriters will continue to honour their contractual commitments including the payment of valid claims.

Lloyd's expects that this will have the support of all European regulators as it goes to the heart of treating customers fairly. Lloyd's approach has the full support of the UK's Financial Conduct Authority.

Contact

If you have any queries regarding this Circular, then please contact your local Lloyd's representative office for further information.