



## Finance and Actuarial Q1 2025 Update

Welcome to our latest update on key activities and developments within the Finance, Actuarial and Exposure Management areas relevant to the market for the first quarter of 2025.

On 20 March 2025, the full Lloyd's results for 2024 were [published on their website](#). The highlight figures to note are as follows:

	2024	2023
GWP	£55.5bn	£52.1bn
COR	86.9%	84.0%
Underwriting result	£5.3bn	£5.9bn
Profit before tax	£9.6bn	£10.7bn
Investment result	£4.9bn	£5.3bn
Attritional loss ratio	47.1%	48.3%
Major claims ratio	7.8%	3.5%
Expense ratio	34.4%	34.4%
Admin cost ratio	11.8%	11.8%
Acquisition cost ratio	22.6%	22.6%
Prior year releases	(2.4%)	(2.2%)
Rate movement	+0.3%	+7.2%

The commentary highlighted the improvement in the underlying attritional ratio in a year where the major claims ratio was more than double the prior year. The lack of movement in both components of the market expense ratio has also attracted comment. Along with the results, Lloyd's published its best estimate for the California wildfires at US \$2.3bn net.

The Lloyd's Market Association (LMA) issued its second annual analysis of syndicate results, in conjunction with ICMR, available [here](#). The report includes a detailed examination of individual syndicate performance, the factors driving growth and risk-return profiles for Lloyd's major classes of business, as well as a deeper analysis of expenses for delegated binder business.

## Finance

The Finance Committee met in January and April and agreed that for 2025 the committee will focus on Lloyd's Reporting Simplification, talent and career development for finance

professionals, acquisition cost management, premium collection efficiency and supporting Lloyd's asset infrastructure initiatives.

**Reporting Simplification Project:** The steering committee has been re-constituted to comprise three Finance committee members and three underwriting/portfolio management representatives from managing agents. The next phase of the project will focus on four workstreams:

- Quarterly Monitoring Return Part A (QMA) delta removal.
- Performance management data review and redesign.
- Solvency UK implementation.
- Re-platforming of Reserving Return Annual (RRA) and Reserving Return Quarterly (RRQ) submissions.

Following Lloyd's briefing on 27 March on Solvency UK, a market pilot has been launched, inviting as many managing agents as possible to participate, contact [kathryn.edwards@lloyds.com](mailto:kathryn.edwards@lloyds.com) to be included.

**Lloyd's Europe Funds Withheld:** The reinsurance contract between LIC and syndicates continues to be at 100% and LIC has continued a dialogue with the Belgian regulator (NBB) over the last few years about triggers and potential amounts of collateral held in Belgium for the reinsurance balances. To mitigate the regulatory risk a range of options have been considered with the LMA Finance Committee, seeking to ensure that any arrangement does not produce a cliff-edge trigger point but also does not trap significant funds in Belgium which would add to liquidity constraints.

The current proposal involves establishing a working fund in Belgium in which premium is retained to the level of claims reserves (excluding IBNR) which would apply prospectively only from the 2026 year of account. A working group of treasury and investment market representatives has been established to collaborate with Lloyd's on the details of the operational processes and the fund investment options. The final details will be put to the LMA Finance Committee for approval before implementation.

**Finance Next Gen:** This group is focused on delivering the Finance Committee priorities around financial talent development and career pathways, acquisition cost management and premium collection efficiency.

**Treasury & Investments Group:** The new Treasury & Investments Group (TIG) has been set up for 2025 reporting to the Finance Committee, with representation from 17 managing agents. The first TIG meeting was held in March. Sharon Ingham (Blenheim) and Sufen Lim (TMK) were confirmed as committee chair and deputy chair respectively. The activities for the group include the following items:

- Influencing asset infrastructure implementation.
- LIC (Europe) funds withheld project (via sub-groups).
- Lloyd's oversight of illiquid assets and private credit funds in Funds at Lloyd's.
- Effectiveness of member services transformation.
- Investment platform development.
- Alleviate liquidity constraints from overseas trust funds.

- Responsible/Sustainable Investment strategies and oversight.
- Developments in Lloyd's asset reporting requirements.

**Asset infrastructure project:** This involves implementing Blackrock's Aladdin solution, initially for Central Fund and Lloyd's managed overseas trust funds, and subsequently for managing agent reporting or funds management. Engagement with managing agents is expected to begin in Q3 2025 to discuss data migration and integration processes.

## Actuarial

**Committee of Actuaries in the Lloyd's Market (CALM):** The chair was handed over from Laura McMaster (Asta) to Lydia Rhodes (Axis), with Laura continuing as deputy. The group thanked Laura for her work as chair.

**Reserving Return Transformation:** As signposted last year, there will be a delay in publishing underwriting development triangles for Q1 until May. Lloyd's plans to analyse the differences between Technical Provisions Data Return (TPD)/Gross Quarterly Data Return (GQD) and RRQ datasets and share high-level analysis with the market via CALM.

**Reserve Benchmarking:** This will be revisited after the reserving return submission in June, with feedback from the market expected in Q4 2025.

**QMA and Actuarial Function Report (AFR) Updates:** Efforts continue at Lloyd's to eliminate the QMA delta, with Form 800 being the most significant for Actuarial.

**Solvency UK Compliance:** A draft version of the analysis of change was shared with the working group in February, and feedback was incorporated. The annual attestation requirement and the need for it to be signed by a Senior Management Function (SMF) role was discussed and feedback shared with Lloyd's. Lloyd's is liaising with the Prudential Regulation Authority (PRA) and defining how managing agents should attest to Lloyd's in support of an aggregate attestation to the PRA.

**Partial Internal Model (PIM) Survey Results:** Mixed responses were received from managing agents regarding changing their internal modelling approach. The PIM approach is being considered for capital setting for the 2027 year of account, subject to approval from Lloyd's and the PRA.

**Institute of Faculty of Actuaries (IFoA) Exams:** Discussion was held between CALM members and IFoA CEO and executive team to express concerns regarding the April exam sitting and recommend urgent actions for improvement.

**Capital Submissions and Deferred Review Process:** The deferred review process, implemented last year, allowed Lloyd's to review and provide feedback to certain aligned syndicates later than the usual time scales. This year, Lloyd's is exploring expanding this process to allow aligned syndicates to benefit from deferred submissions.

**Other CALM working groups:** These now cover climate change (capital), new syndicate capital setting, Lloyd's Capital Return (LCR) instructions, capital setting bases and Solvency UK.

**Survey results on artificial intelligence in actuarial and risk:** These have been collated and a report prepared in conjunction with Barnett Waddingham. This is due to be published early in Q2.

## Exposure Management

**Exposure Management Working Group (EMWG) chair:** Laura Freeman (Apollo) continues in her role as chair, joined by Vanessa Jones (Dale Underwriting) as deputy chair. Louise Jane Matthews (Lancashire) was thanked by the group for her work as co-chair.

**Cyber exposure:** The Cyber sub-group's [Practical Management of Cyber Exposures and Aggregations](#) paper was published. The paper highlights the key issues in managing cyber risk today, including data quality and governance.

**EMWG Forum:** This was held on 31 March 2025, where EMWG members and Lloyd's shared updates on recent developments and priorities for 2025. For those who missed it, you can [rewatch here](#).

## **LMA Academy**

In Q1 2025, the Finance, Risk & Actuarial Academy delivered six events/programmes, attended by 68 delegates, totalling nearly 500 market learning hours.

The six events were Global Macro Economics, Understanding Financial Statements for GAAP Reporting, Introduction to Financial Crime, Introduction to Python, Understanding Financial Statements for IFRS17 Reporting and Data Visualisation for Python (new for 2025).

Please contact [Andrew Oakley](#), Head of LMA Academy, for further information or details of our 2025 Academy events.

This update provides a high-level summary of activities. Members are encouraged to review the detailed minutes and materials for each activity on the [Finance and Risk Activity Trackers](#) for more information.

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