



Risk and Sustainability Q1 2025 Update

Welcome to our latest summary of key activities and updates relevant to risk management and sustainability during 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

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 annual report also highlighted Lloyd's view of the principal risks and the high-priority emerging risks facing the market:

Principal risks	High-priority emerging risks
Sustainable market performance	Climate change
Geopolitical volatility	Technology
Macroeconomic uncertainty	Geopolitical and macroeconomic interdependencies
Climate change	Insurance talent
Blueprint Two	
Operational resilience and evolving cyber security threats	
Talent, people and culture	

The Lloyd's Market Association (LMA) also 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.

Risk

CRO Committee: The committee agreed its 2025 priorities and will focus on enhancing the strategic value of the ORSAs, advancing the understanding and management of geopolitical risks, supporting the development of Lloyd's Principles-Based Oversight framework and providing guidance to members on performing risk-culture assessments. Emerging risks, including artificial intelligence (AI) and climate change, will remain a cross-cutting theme across committee discussions.

CRO Next Gen ORSA workstream: The Own Risk and Solvency Assessment (ORSA) workstream focused on improving the strategic value of ORSAs. After conducting extensive research and information gathering, the group is currently drafting a report for chief risk officers (CROs) and Lloyd's, with observations and recommendations from CROs and (I)NEDs, which Lloyd's Governance & Risk Oversight team will consider prior to publishing their own thematic analysis of ORSAs in Q3 this year. Alongside this priority, the Risk Next Gen committee will be focusing on developing frameworks on risk culture assessments, AI risk management and stress and scenario testing.

Geopolitical risk: Information sharing discussions continued in this area, with a few members sharing their framework and approach to what is a very systemic and interconnected risk. Risk committee members flagged the heightened macroeconomic and underwriting risks from global tensions and US tariffs and agreed to coordinate further on scenario analysis with a view to producing a best practice paper for the market later in the year.

Principles Based Oversight (PBO) Working Group: This combined group of CROs and Regulatory Committee members continues to engage with Lloyd's on changes to pricing methodology and delegated authority oversight. An updated, more user-friendly version of the Lloyd's PBO attestation guidance is expected soon.

Q1 Market Message: Lloyd's confirmed a strong focus on underwriting discipline, capital consistency, and operational resilience in its Q1 Market Message, annual results and risk management oversight updates.

Sustainability

2025 priorities: The Sustainability Committee in 2025 will prioritise upskilling our members with the development and assessment of transition plans for both managing agents and clients respectively. A market briefing on this with David Carlin was held in Q1 2025. We will also look to increase engagement on transition planning with Lloyd's Sustainability team and the Sustainable Markets Initiative (SMI).

Underwriting the Transition: A series of underwriter roundtables were held in Q1 2025 following the publication in October last year of the LMA's Underwriting the Transition report in conjunction with KPMG. These will inform how the report is developed and re-issued later this year, as well as lead into engagement with Airmic members on the topic around the Airmic conference in June 2025.

SUSTAIN 2025: The LMA team and members of the Sustainability Committee and Climate Risk Working Group supported a series of events in March as part of the inaugural SUSTAIN Festival.

Additional focus areas include climate resilience, sustainability reporting developments, transition finance, and expanding LMA's educational efforts through case studies and collaboration with external partners.

Lloyd's Sustainability Report: The Sustainability Committee previewed and welcomed [Lloyd's 2024 Sustainability Report](#) and updates on the SMI Insurance Taskforce, with the upcoming

initiatives on climate adaptation and resilience, nature risk, and support for technologies in the carbon capture and nuclear space.

TCX risk code: Members continue to discuss effective market use of the TCX risk code and how this may support the role of insurers in scaling transition finance. Lloyd's, in the meantime, is working on revising its Insuring the Transition Roadmap, with an update expected later in 2025.

LMA Academy: The LMA Academy team is working on embedding sustainability content into each LMA Academy programme. Content will reference the updated Lloyd's Roadmap (per above) and provide technical insights for those in underwriting, claims, risk, finance and operational roles.

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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