

## Live Webinar - Understanding Insurance Finance in Lloyd's

**Duration:** 4 Hours (split across 2 days)

**Delivery Method:** Zoom

**Maximum 8 delegates**

### About the course

This series of practical live on-line interactive insurance webinar sessions is an antidote to the mystique that can surround finance. A basic understanding of “the numbers” will help you view the Lloyd's market through the lens of finance: to better appreciate the financial pressures within the business model.

It explores Lloyd's dual accounting, the role of capital, main financial statements and the key ratios. Within this framework we explore the operational elements that directly affect its ability to deliver profit and a return on capital whilst maintaining its solvency and liquidity.

All this is discussed in the context of the unique set of the risks and opportunities that Lloyd's faces.

### A Web based approach

Delivery of content in four sessions over two days, two 60 min session with 10 min break in between. Not only does it reduce the intensity but it also gives time for learner reflection between the two days.

Support notes and exercises are sent out as a pdf and participants are asked to read them, if possible, beforehand. This focuses participants' needs and they are invited to submit them in advance of the first session. The exercises are used in hard copy during the Sessions.

### Who is it for?

The course assumes that the participants are not finance professionals but insurance professionals and familiar with the Lloyd's operating model. It blends input and discussion. Due to the technical virtual constraints, the scope for practical exercises is limited but where possible the course will walk through the key processes and transactions.

With economic challenges, and with emphasis on prudential management, capital adequacy and Solvency II, financial competence is very much under the regulatory spotlight. There are immense career benefits in being able to understand where the numbers come from and the ultimate measures of business success.

### Learning Objectives

- Explain insurance cashflow and basic financial concepts.
- Identify the financial characteristics that make insurance – and Lloyd's - unique
- Revise the three-year underwriting year v annual GAAP accounting
- Summarise the Lloyd's business model dynamics of capacity and capital adequacy
- Explain the financial treatment of premium, outwards reinsurance, claims and investment income
- Navigate and interpret the syndicate balance sheet and the technical account in the context of the Syndicate Business Forecast
- Explore how the key insurance and performance ratios measure performance
- Describe the key terms and the language: translating the jargon

## Schedule

- **Day 1**
  - **Session 1**
    - Introductions and objectives
    - Industry characteristics and syndicate cash flow
    - Assets and liabilities
    - The building blocks of finance
    - Introducing financial statements
  - **Session 2**
    - Three-year v GAAP accounting
    - Capital in Lloyd's, capacity and premium income
    - Calculating written/earned and gross/net premium
    - The treatment of outwards reinsurance
- **Day 2**
  - **Session 3**
    - Reflection and emerging needs...
    - Ultimate claims cost: paid, outstanding and incurred but not reported (IBNR)
    - Reserving, prior year release and incurred but not enough reported (IBNER)
    - Management expenses and acquisition costs
    - The purpose and types of investment
    - Risk and return – asset and liability matching
  - **Session 4**
    - Building the technical account and the balance sheet
    - Interpreting the key insurance and financial performance ratios
    - Summary and review learning