Live Webinar - Understanding Insurance Finance in Lloyds

Duration: 6 hours (2 x 3-hour sessions or 1 x full day session)
Maximum 10 delegates

About the course
In a world where economic volatility continues to test the resilience of insurance companies, prudential management, capital adequacy and financial awareness have become increasingly important. This is driving a growing need for professionals across the business to understand the financial drivers of performance, the industry's key exposures, and the factors that contribute to profitability and solvency.

This interactive webinar provides a practical introduction to insurance finance within the Lloyd's market. Designed for non-financial professionals, it explains the key concepts, terminology and financial mechanics that underpin insurance operations, while highlighting the distinctive features of the Lloyd's model, including dual accounting, capital structures and the Chain of Security. Through practical examples and discussion, participants will gain the confidence to understand financial performance, profitability, solvency and decision-making within both syndicates and managing agents.

Who should attend
This course is suitable for professionals working within the Lloyd's and London Market who wish to develop a practical understanding of insurance finance and financial performance. It will be particularly valuable for those working in underwriting, claims, broking, operations, risk, compliance and management roles.

Course objectives

- Explain the financial characteristics that make insurance and the Lloyd's market unique.
- Compare Year of Account and GAAP reporting and understand their respective uses.
- Explain how premiums, claims, expenses and reinsurance influence financial performance.
- Understand the sources of capital within Lloyd's and the operation of the Chain of Security.
- Describe the role of investments and asset-liability matching in insurance finance.
- Interpret key financial statements and performance measures used within the Lloyd's market.
- Summarise the Syndicate business forecast/planning process.

Course content

- Revise insurance cashflow and basic financial concepts.
- Explore the financial characteristics that make insurance – and Lloyd's - unique
- Compare the Year of Account v GAAP reporting and describe where and when each is used
- Revise the drivers of profit (or loss) and financial treatment of premium and the cost base claims
- Identify and compare different sources of capacity capital, and describe the Lloyd's the Chain of Security
- Explain the investment products used within the market and the concept of Asset Liability Matching
- Navigate and interpret the balance sheet and the technical account in the context of both syndicate business planning (the "SBF") and the GAAP aggregated results

Course Structure

- **Part 1**
  - Introductions and objectives
  - Company and syndicate cash flow
  - Assets and liabilities
  - Introducing the technical account and the balance sheet
  - Industry characteristics: sources of risk and opportunity

- **Part 2**
  - Two lenses: Year of Account v GAAP reporting
  - Insurance capital in Lloyd's and the expectations of capital providers
  - What is capital optimisation/diversification….?
  - Revising written/earned and gross/net premium
  - The purpose and treatment of outwards reinsurance

- **Part 3**
  - When can we declare our profit?
  - Ultimate claims cost and reserving adequacy
  - Acquisition costs and management expenses
  - Fixed/variable costs and scope for scalability
  - The purpose and types of investment
  - Risk and return – asset and liability matching
  - A possible investment strategy

- **Part 4**
  - Building the GAAP technical account (and SBF 100) and the balance sheet
  - Interpreting the key insurance and financial performance ratios
  - The Solvency II/UK balance sheet at a glance
  - Cass Study: the numbers tell the story
  - Summary and review learning

Approach.

Comprehensive support notes are provided (a financial "workshop manual") and sent out in advance and participants are invited to read them beforehand. Participants are also invited to submit particular needs/areas of interest in advance.