

My vision for Lloyd's is quite straightforward, says Neal

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Lloyd's should be the only global marketplace that operates in commercial and specialty insurance and reinsurance, and to do that Lloyd's had to be ecologically the most advanced marketplace, said John Neal on Friday in his keynote speech to Marine Insurance London. However, Neal said that this would entail delivering "outstanding" value and products for customers.

Working out how to go about that was not the same thing as saying that it was necessary, said Neal. "I think we have to take what we do well, be it our risk expertise, our partnership with broker, underwriter and client, or the global network, our claims-payment track record, our talent, we need to do all that and transformative power that is available in the world today".

Neal said that Lloyd's had redefined its purpose as "sharing risk to create a braver world". Lloyd's also redefined its value proposition, making it adaptable, not in terms of its components, but in terms of its application to a customer, a broker, a carrier, a partner. Neal said that this would show where Lloyd's could be unique and where it could add value, other than in just price.

Lloyd's was also developing a strategy on how it would go to market with solutions. "I keep saying that it is genuinely evolution. Some people might think it's revolution, but the market has been through an awful lot of change in its history and this is just another phase of needed change", Neal said, adding that "everything is up for discussion", because this was a one-time generational opportunity to secure a successful and profitable future for Lloyd's.

Lloyd's was looking at how the future of distribution could look. It was also looking at capital and the way it could participate in the market. It was looking at the structure of Lloyd's and at the potential uses of technology. It was looking at the way the market attracted talent and the role that Lloyd's has to play in the centre.

Neal revealed that he was often asked: 'are you open to third-party capital?', and that he said in response, 'yes, why wouldn't we be?'

We have to get much more sophisticated about the way in which we assess and trade risk, so why shouldn't we be able to trade different forms of capital and capacity?" said Neal.

Lloyd's was publishing a 26-page prospectus that would discuss all of the above. Multiple platforms would be able to operate at Lloyd's. "We don't want to be constrained by any lack of ambition. Some people have said to me 'isn't Lloyd's best to be slightly smaller, more profitable, just concentrating on corporate and specialty insurance?' I am thinking completely the opposite. Why can't we be bigger and better? To me it is far more logical to bake a bigger pie than to argue how you redistribute the components of a smaller pie and fight over the crumbs, said Neal.

Neal concluded that "This feels like a pivotal moment for Lloyd's and insurance. It remains a strong brand, but on the other hand as the chastening results of past few years, success in the past is no assurance of success in the future.

"If we get it right we will assure that market's legacy for years to come, and I am confident that we will", Neal concluded.