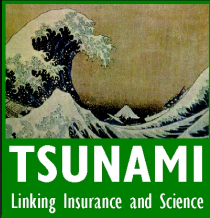


# How the insurance market works

## *The Market Place*

- **Billingsgate**
- **World insurers within 500 metres**
- **£25bn capacity**
- **Broker driven (Lloyd's)**

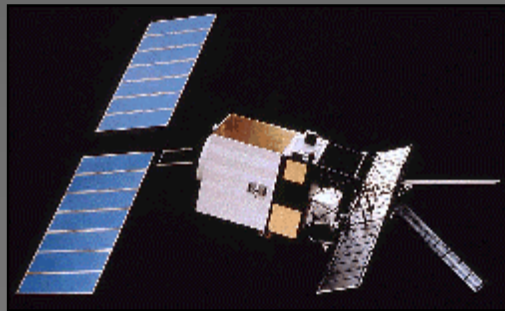


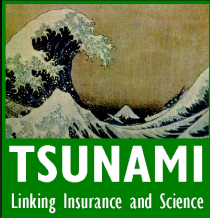


# What do we underwrite

## *Wide range of classes*

- Household contents to satellites
- Cars to rogue traders
- Esoteric risks (legs, hole-in-one)
- Reinsurance (other risk takers' risks)

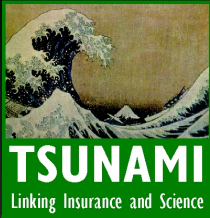




# How do we underwrite

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- **Secret!!**
- **Experience - focused underwriters**
- **Market awareness**
- **Information technology**
- **Tsunami**
- **Internet**
- **Bloomberg/Reuters**

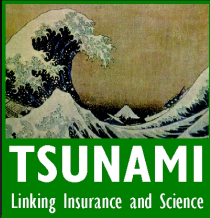


# Rating the risk

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## *Technical rate vs. market rate*

- **Mitigating circumstances!**
- **Market cycles**
- **Payback**
- **Market share**
- **Broker relationship**
- **Client relationship**

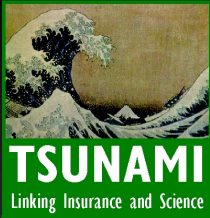


# Rating the risk

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## *Technical rate vs. market rate (cont.)*

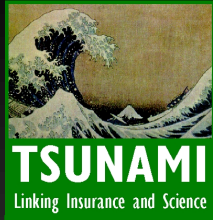
- **Confidential information**
- **Loss leader**
- **Balanced portfolio**
- **Continuity**
- **Security**
- **Belly index**



# Why do the brokers use this market?

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- **Decision makers**
- **Lateral thinkers**
- **Security (claims)**
- **Long term partnership**
- **Unattractive risk**
- **My word is my bond**
- **Face to face**



# Conclusion

*Are we right?*