

Lloyd's of London to drop several US licenses

by [Terry Gangcuangco](#) 13 Jul 2020
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Centuries-old exchange Lloyd's of London will be focussing on its core markets, announcing a strategy that will see the world's specialist insurance marketplace relinquish US admitted licenses.

In a market bulletin issued by syndicate capability oversight head Peter Montanaro, Lloyd's said it will be strengthening its focus on the US

reinsurance and excess & surplus (E&S) insurance market “where it is the market leader,” in a move that will be carried out by relinquishing admitted licenses in the US Virgin Islands, Kentucky, and Illinois.

“This decision was not related to the local markets or the business we write under the licenses,” explained Lloyd’s, “rather it was a recognition that E&S business is a better fit for our underwriters given the market’s innovative nature and expertise in emerging risks.

“Lloyd’s believes that the product flexibility of the E&S space is key to realizing Lloyd’s strategic vision.”

According to the market bulletin seen by *Insurance Business*, the abovementioned licenses represent 1% of the annual US premium income of Lloyd’s.

Meanwhile, the insurance marketplace went on to state: “Lloyd’s understands that the market and our key stakeholders will need time to make changes to their commercial plans.

“We are therefore providing a window of 12 months during which new business will continue to be allowed. After July 01, 2021, no new business or programmes will be accepted on the US licensed platforms.”

As for existing and renewal business, Lloyd’s offered assurances that it will be working with regulators in the licensed territories to develop plans to non-renew business with as little disruption as possible to both policyholders and the local markets.

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