

Our Solutions – Syndicate-in-a-Box

We work with aspiring new entrants to find the route into Lloyd's that best meets your circumstances and objectives*.

Syndicate-in-a-Box – who is it for?

- Innovative start-up businesses offering different products and distribution.
- Significant, established MGAs/MGUs seeking to take underwriting risk into their own business.
- Single geography or product line experts unable to set up independently.

Syndicate-in-a-Box – how is it different to a syndicate?

- Fast approval and reduced Lloyd's application fee.
- Reduced initial capital load proportionate to risks written. Option to defer enhanced Central Fund contributions until years four to six.
- Proportionate oversight to reduce administration burden.
- Remote underwriting capability (no requirement to be in London).
- Business plans for years two and three will be automatically approved subject to no material change in initial plan.



Entry to Lloyd's

- We'll work with you to ensure your proposed business plan provides accretive value to Lloyd's and meets with their entry requirements.
- We'll sponsor your application and support you through the due diligence and decision stages.
- We'll then support you in "making it happen"; guiding you through the implementation of your plan before securing final approval for you to start underwriting.

*A summary of the options for underwriting in the Lloyd's market is provided **overleaf >>**

To talk to us about establishing a Syndicate-in-a-Box at Lloyd's please contact:



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Why work with Asta?

- **You'll need a managing agent to operate at Lloyd's.** Asta is the leading third party managing agent, having helped establish over twenty new syndicates in the last two decades.
- **You'll have your business launched and trading at Lloyd's as quickly as possible.** Typically within 3 months for a Syndicate-in-a-Box.
- **You'll have our support throughout the 3-year term applying to a new Syndicate-in-a-Box.** We'll also help prepare you for the next stage of your development*
- **You'll benefit from a low-cost standardised package of support and services.** This allows you to focus on underwriting and retain your independence as an individual entity.
- **You'll benefit from economies of scale.** Giving you access to a depth and breadth of expertise and experience that would be difficult to resource on your own.
- **You'll benefit from our independence.** Asta doesn't have its own syndicate or any underwriting capital at risk which means our sole focus is on meeting the needs of our clients who do.

*After the initial 3 year fixed term, we can help you reapply to continue underwriting, migrate to a Syndicate, or (if business plan targets are not met) implement a pre-agreed plan for exit.

Our Solutions – Syndicate-in-a-Box

What are the options for underwriting in the Lloyd's market?

Requirements	Syndicate	Syndicate-in-a-Box (SIAB)	Special Purpose Arrangement (SPA)
Qualifying Criteria			
Classes	All Classes – Simple and Complex risks	Single or limited number of classes - typically Simple risks	Whole Account or specified classes
Geography	Worldwide	Single Country / Limited geographic spread	Worldwide
Minimum GWP (year 1) - Recommended	£100,000,000	£20,000,000	£10,000,000
Expense Ratio	Lloyd's requires all new applications to demonstrate an expense ratio less than 35% by year 3		
Peak Zone Catastrophe Exposures	Limited - providing deemed accretive	No	Limited - providing deemed accretive
Underwriting "tail" of business	Short & Long Tail	Short Tail strongly preferred	Short & Long Tail
Ability to Underwrite from a Box at Lloyd's	Yes	No	No

Lloyd's Entry Process and Costs

Target time from Application to Approval	5-12 months	3 months	4-6 Months
New Syndicate / SPA Application Fee	£200,000	£100,000	£75,000
New Member Application Fee	£52,000	£52,000	£52,000
Annual Subscription	0.36% of Gross Written Premium		
Central Fund Contribution	1.40% of Gross Written Premium for the first 3 years of account and 0.35% thereafter		
		Note: There is an option to defer the higher rate until years 4-6 (with the differential based on the Gross Written Premiums from Years 1-3)	
Life Cycle	Continuous subject to annual approval of the business plan	3 years, after which there are 3 options: Continue as an SIAB, graduate to a "full" Syndicate or cease trading	Continuous subject to annual approval of the business plan
Initial Business Plan Loss Ratios	Lloyd's Market Average		
Initial Capital Setting	Lloyd's Capital Model		

Operating Requirements

Capital:			
Capital Model	Solvency 2 compliant internal model required after 2 years	Lloyd's Capital Model	Solvency 2 compliant internal model - Follows "host" Syndicate
Oversight:			
Business Plan	Full annual plan required	Initial 3 year plan - limited annual update	Full annual plan required
Line Sizes	Limited approach to dispensations	Flexible approach to dispensations	Limited approach to dispensations
Reporting	Full Lloyd's Reporting	Reduced Lloyd's Reporting	Full Lloyd's Reporting

Managing Agent Costs & Fees

Start-Up Fee	To be agreed on a case by case basis		
Annual Fee	To be agreed on a case by case basis		
Profit Commission	To be agreed on a case by case basis		
Basis for annual operating costs	To be agreed on a case by case basis		

Other Costs

External/Legal/Other	To be determined upon receipt of business plan	To be determined upon receipt of business plan	To be determined upon receipt of business plan
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