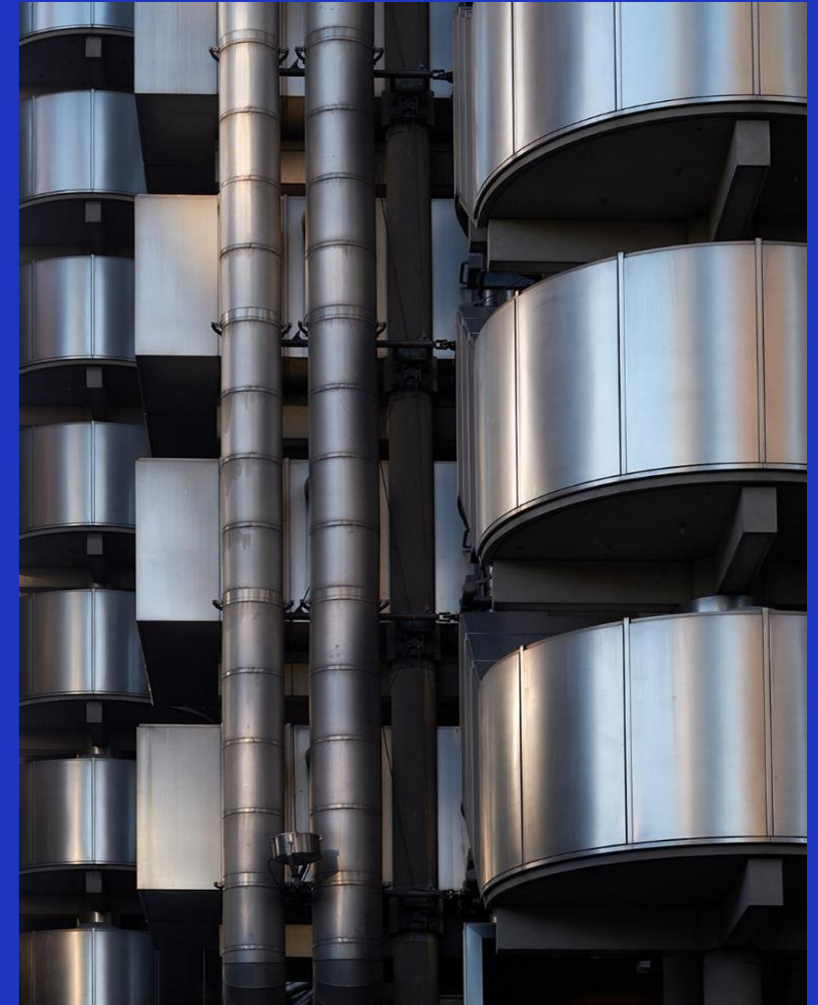


No Island is an Island: Lloyd's Perspective - The impact of major international issues on the New Zealand market

Scott Galloway

Lloyd's General Representative in New Zealand

Partner – Hazelton Law



What is Lloyd's?

World's leading insurance and reinsurance market



What is Lloyd's

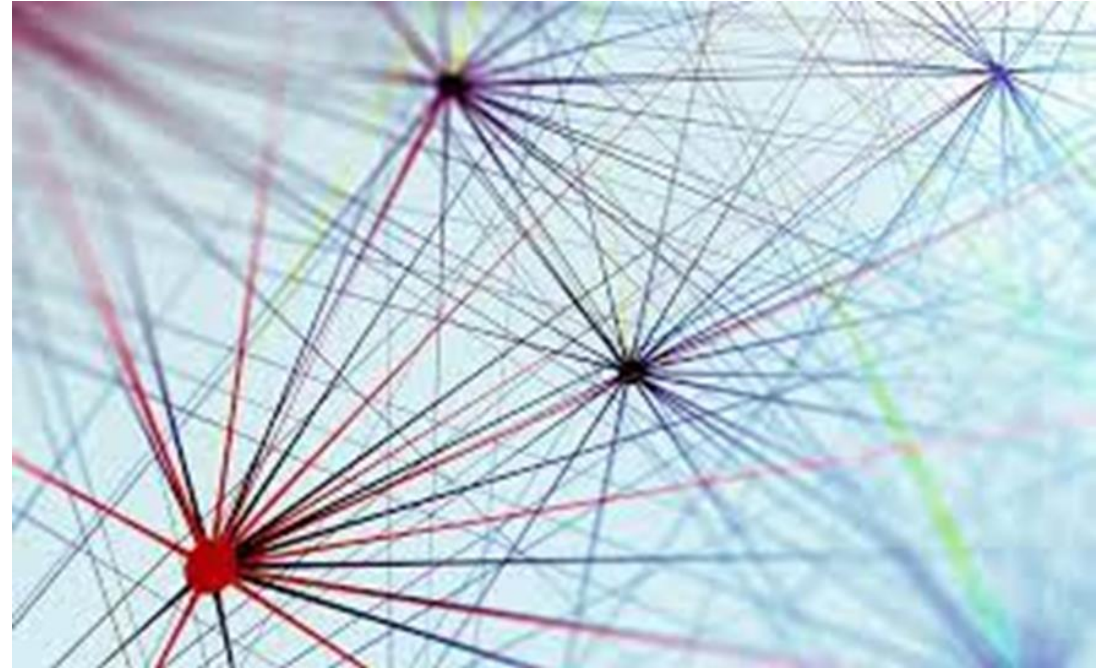
How the Market works



The Corporation of Lloyd's

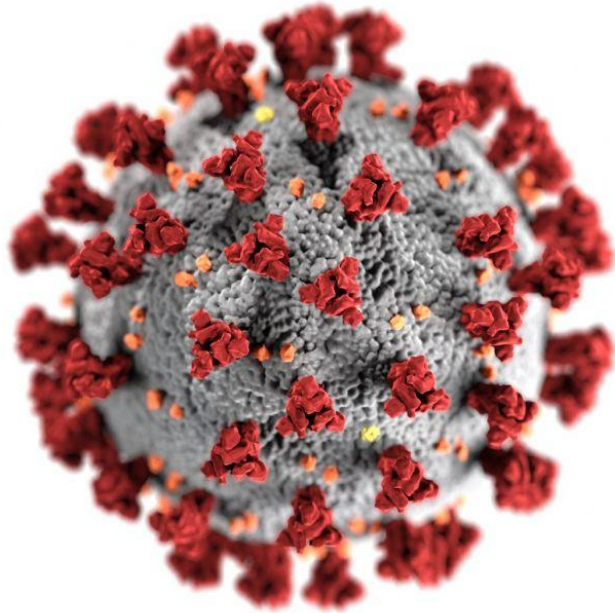
Increasing Interconnectedness

- Global Benefits
- Correspondingly greater risks
- Direct Impacts
- Ripple effects



Covid19 Pandemic

A Dress Rehearsal?



- Staff upheavals
- Supply chain disruption
- Inflation
- Government spending
- Political and social unrest
- Business collapses
- Unclear insurance policy responses

Climate Change and Weather Events



Cyber Threats

A Clear and Present Danger



- Ever Evolving
- Truly systemic
- Facilitated by AI
- Global economic losses estimated to rise to \$10.5 trillion per year by 2025
- Cyber – Lloyd's fastest growing class of business
- Cyber market to treble from 2022 to 2030 to £35bn

Geopolitical Threats: Russo-Ukraine War

Re-shaping the global risk landscape

Inflation

Geopolitics

Economics

Social transformation

And creating new challenges for businesses:

01

Supply chain

Disruption and cost pressures arising from transportation challenges, commodity and raw materials shortages and trade wars

02

Energy security

Ramifications of restricted oil and gas supply from Russia

03

Climate transition

Implications of energy security on net zero commitments

04

Cyber

Growing cyber threat due to geopolitical tensions

05

Food security

Production challenges and export restrictions contributing to food shortages and price rises

06

Public sentiment

Rising public pressures and reputational risk on governments and the private sector driving policy and business responses

07

ESG

Businesses' ESG investment response and the impact on governance structures

Supply Chain Disruption

Global supply chain complexity increasing



Increasing risk of systemic failure

Examples:

- Pandemic
- Climate
- Ukraine war

Case study:

Loose connections: Rethinking semiconductor supply chains

Covid, Economic conflict, Cryptocurrency, Droughts

Where to From Here?

Uncertainty = Risk = Opportunity



Insurers are in the business of risk

Lloyd's continues to be innovative

NZ is still a good place to do business:

- Business environment
- Legal system
- Low level of corruption
- Geographic location – balancing of portfolios
- Good regulation

LLOYD'S