

MS&AD

International Business Day

MS Amlin (Lloyd's)

Johan Slabbert

5th March, 2021

Self introduction

- Previous MSI positions include Chairman of both MS AUL and MSIEU before taking the CEO role.
- Founder of Augustus Specialty LLC (USA) focused on acquiring and managing MGAs in the US market & partner with Apollo Global Asset Management
- CEO of Chaucer Syndicates (then owned by Hanover Insurance Group)
- 16 Years with AIG International
 - Africa 1997- 2000
 - Europe 2000 - 2003
 - Japan & Korea 2003 - 2009
 - USA & Latin America 2010 - 2013



Johan Slabbert
CEO - NEW

Executive team changes



Martyn Rodden
Director of Strategy &
Transformation



Andrew Carrier
Chief Underwriting
Officer- NEW



Louise Musgrove
Chief People Officer –
Group Transfer



Phil Green
Chief Financial Officer



Alberto Verga
Chief Operating Officer



Fred Foreman
Chief Legal Counsel –
Group Transfer



Vishal Desai
Chief Risk Officer -
NEW



Martin Burke
Director of Underwriting
Performance – Group
Transfer

AUL & Lloyd's Strengths

- MS Amlin AUL's strengths include:
 - Brand recognition,
 - Quality of service to brokers and policyholders,
 - Size and market presence (scale)
 - Claims and UW skills
 - Significant cost management applied
- Significant work has been done in the last three years that has transformed the portfolio. Visible improvements can be seen. (Ref. slide 8).
- Lloyd's market remains a specialty, high complex and high value insurer. Currently, due to COVID, subject to process efficiency, electronic placement that should lead to lower operational costs.
- Lloyd's writes 40% of the Excess lines produced in the US

Current Portfolio & 2021 changes

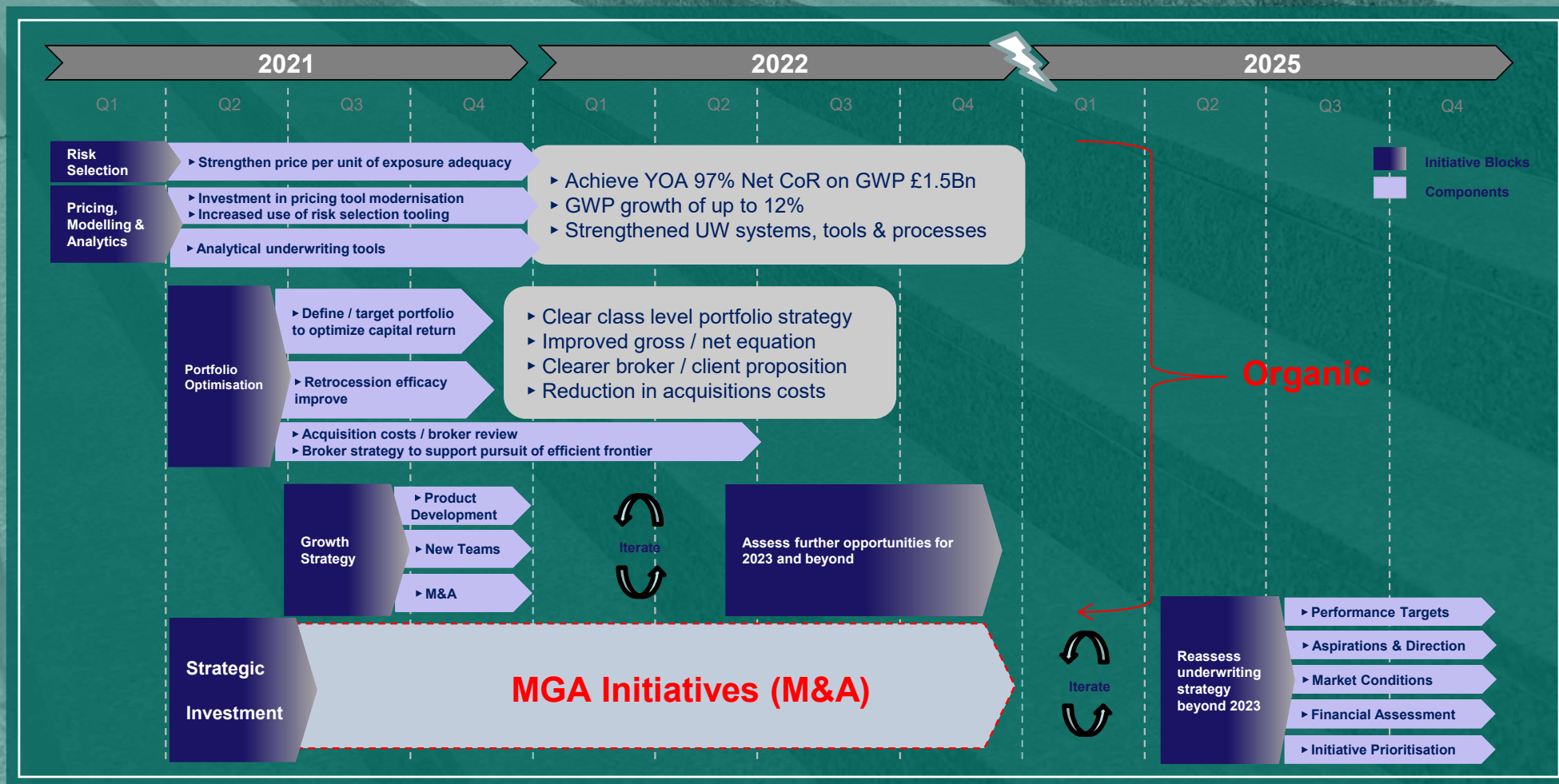
❑ ORGANIC GROWTH STRATEGY

- Reduce volatility from all Natural CAT events.
- Grow the non-Cat exposed parts of the portfolio to reduce the volatility.
- Improve risk selection and take advantage of the rate improvements.
- Portfolio mix to our appetite and not on what brokers show us.
- Improve the efficacy of the reinsurance purchased. 2021 changes.
- New team to deliver profit through loss ratio and expense improvement

❑ ADDITIONAL GROWTH STRATEGY

- Target US Based Specialty MGAs

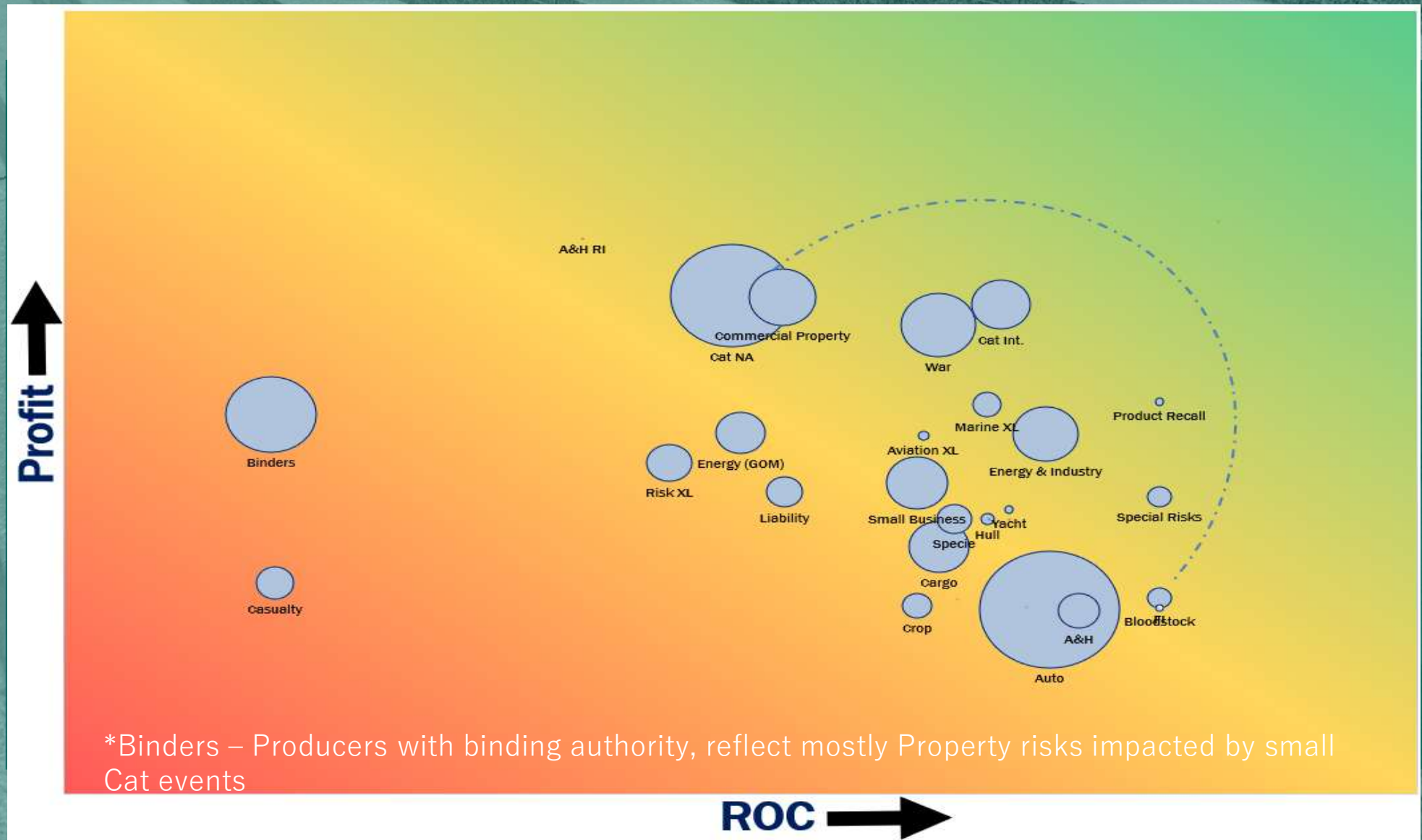
AUL Combined Strategy



Organic Growth

- Expand Quality Underwriting
 - Better risk selection
 - Adequate pricing
 - Higher Gross margin
- Product Development to enhance current products with adjacent products
- Build / Acquire New Teams with additional UW and management skills
- More efficient Outwards Reinsurance applied in 2021 and further improvements in 2022

Current Portfolio 2021 projections



Strategic Investments - Targets

Acquire majority ownership in Specialty MGAs / related parties and assist in UW niche segments. Three Tier target – MGAs, Wholesalers & Fronting Cos

1. MGA Targets

- Established MGAs with a track record, Non-risk income and an ability to move their existing portfolio to AUL.
- New MGAs as an incubator with high potential and unique criteria

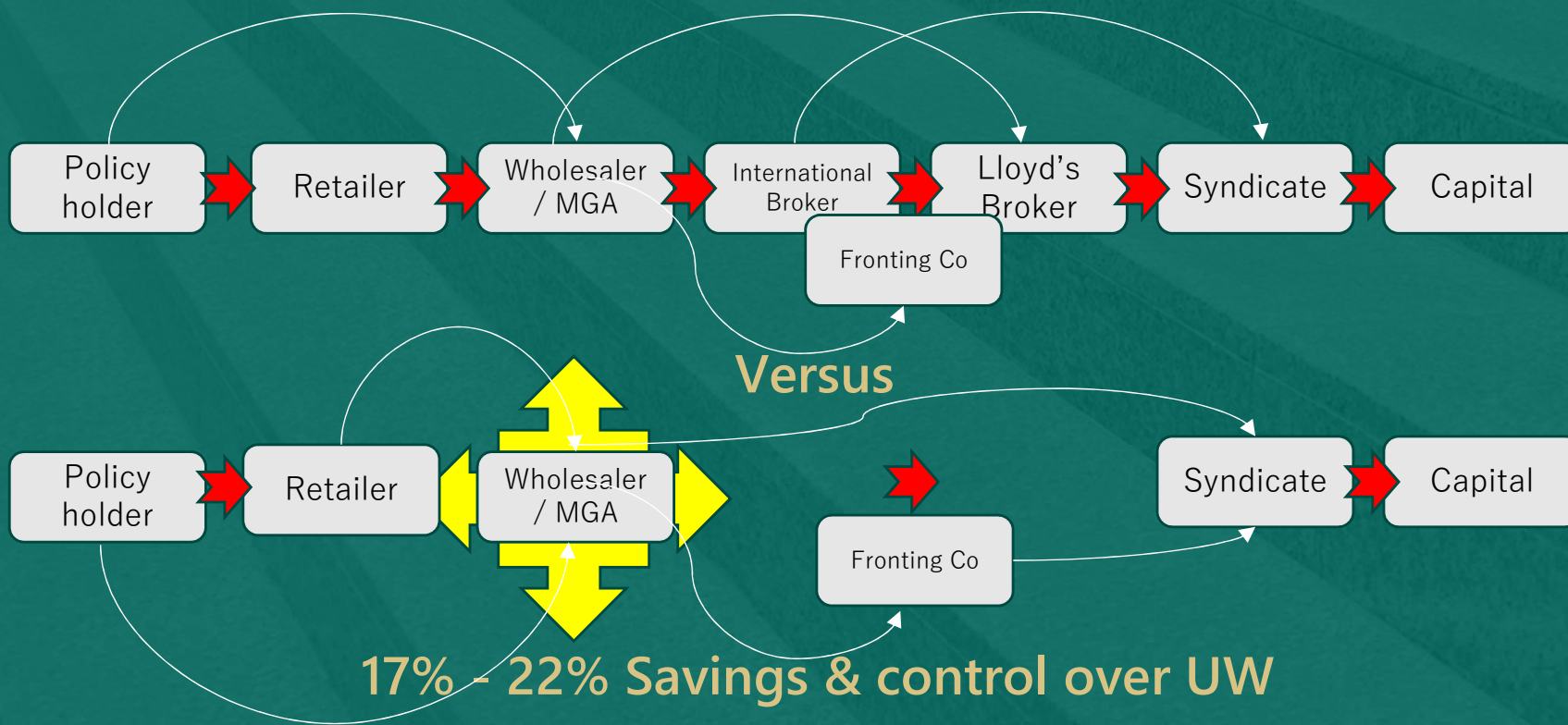
2. Wholesalers Targets

- Aggregators of Class or segments that diversifies risk and drives a lower LR

3. Fronting Company

- Natural access to paper for both the above.
- Diversified sources and not concentrations.
- First right of refusal on all business.

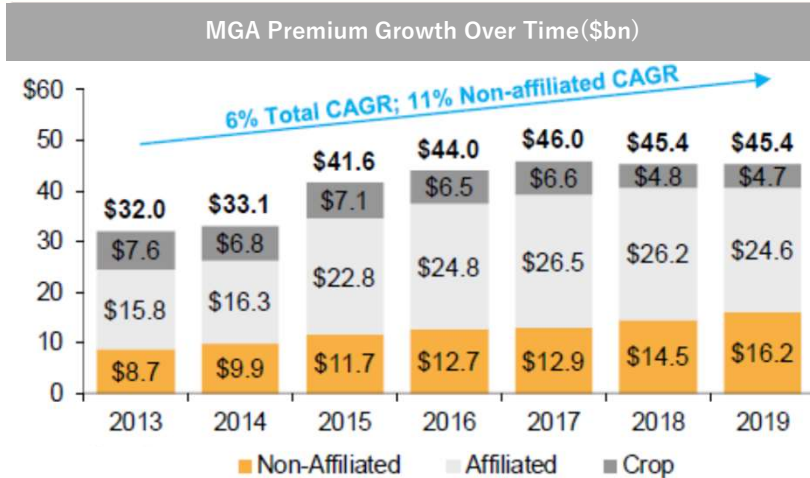
Short circuit capital to risk



MGA Characteristics

- Exist due to opportunities in the market
 - Merger of large carrier
 - Acquisition of companies (Brokers and MGAs)(i.e. covers niche areas where large insurers will not participate)
- By nature focused on single skills and sectors
- Use their own products and Underwriting skills not just broking
- Focused on Loss adjusting as high quality business results in further Profit Commission income

Size of opportunity

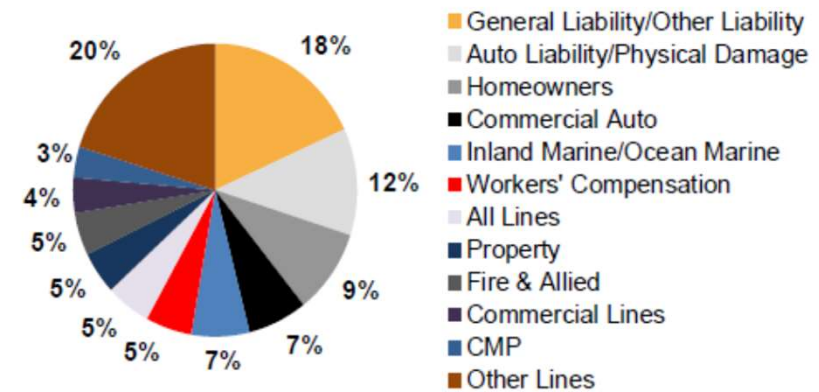


Source: Conning.

(a) Business breakdown by number of lines of business offered, not premium dollars.

(b) CMP = Commercial Multiple Peril for Corporate and SME

MGA Type of Coverage Offered (a)



Expected outcome

- Better loss ratios as a result of direct contribution to underwriting skills
- Outgrowing the Natural Catastrophe volatility with non-CAT exposed business
- Significant reduction in acquisition costs by owning the MGA/Wholesaler
- Expected medium term growth of £1 billion with combination of Organic Growth and MGA Initiatives resulting in a targeted Combined Ratio of 95 – 97%
- No. 1 Syndicate in growth of new business at Lloyd's over 5 years
- This can only be delivered by executing both the strategies discussed today

Q & A