

Unique Perspectives

Helping to build
great partnerships



Liberty
Specialty Markets

We Insure. You Prosper.

libertyspecialtymarkets.com

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Building upon our solid foundations

Liberty Specialty Markets' insurance operation was established in Continental Europe nearly 15 years ago. The organisation now has a strong presence in six countries: France, Germany, Netherlands, Switzerland, Italy and Spain. But this is just the beginning of our journey: Europe is a key market for us and we are working towards expanding our capabilities and insurance product offering there by 2020.

Last year, we undertook extensive research of our European markets and the UK. Results showed that there is room for a leading specialist underwriter like ourselves. We're not being complacent: the competition is tough and the number of players significant. But we strongly believe that we have the skills needed to make further inroads in this region. Our positioning is a key differentiator: we focus on small and medium companies as well as big corporates to which we can offer a standardised or tailor-made approach according to clients' needs. This result has been achieved through the tremendous efforts of our European teams over the years: their engagement has allowed Liberty Specialty Markets to build a great platform of expertise and large suite of products.

Left to right:

- Kerry McKay, Head of Distribution and Client Management for Continental Europe
- Rob Groenen, Country Manager - Netherlands
- Fernando Lara, Country Manager - Spain
- Wolfgang Weis, Country Manager - Germany



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Fifteen years ago, we started with financial lines. In some of our European countries we have now expanded into a wide range of insurance products: professional indemnity, property and casualty, environmental impairment liability, credit insurance and political risks, marine and transportation, fine art and specie, surety and terrorism. Overall, we plan to offer 30 insurance products throughout Europe by 2020. To support our ambitions, we hope to hire 20 to 30% more employees in Continental Europe. They will complement the excellent pool of talent we already have in each country. Growth will also come by maintaining a high service level in claims and in the actual delivery of products. We also want to build and strengthen the great partnerships we already have with our network of brokers.

We have ambitious plans for growing the insurance business. And we also believe that the time is right to deliver on this new strategy.

Kadidja Sinz,
Head of Europe, Liberty Specialty Markets

• Kadidja Sinz, Head of Europe • Felix Boeni, Country Manager - Switzerland • Antonio Sacchi, Country Manager - Italy
• Olivier Muraire, Country Manager - France

France

is leading the way in financial risks

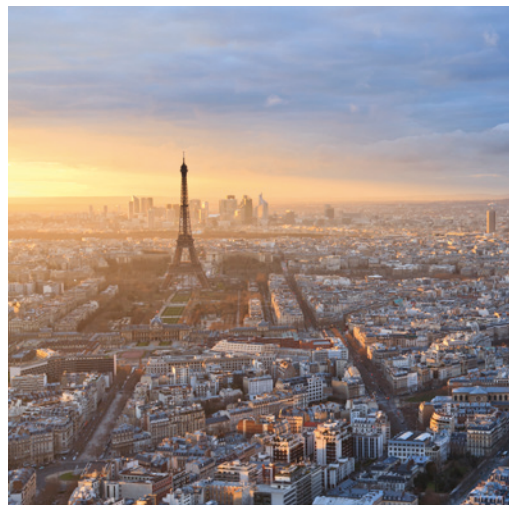
FRANCE: with a particular focus on financial risks

Created in 2003, Liberty Specialty Markets' French insurance branch has been very successful in building profitable activity around almost all commercial lines.

As the largest continental European market for Liberty Specialty Markets, the French insurance operation is holding up well. Fourteen years after its creation, the French branch, which employs 43 people, generated 130 million euros of turnover in 2016, compared to just 3 million in 2003: "Over 50% of our revenues come from commercial lines (financial risks, casualty and PI, credit and political risks, property, marine, etc.) and the rest from our affinity business which tends to reduce over time," explains Olivier Muraire, country manager for France. "Commercial lines are very much at the core of our expansion going forward." Big corporates – companies that generate over 1 billion euros of turnover – account for nearly 70% of the total turnover of the branch compared to 30% for small and medium companies: "We currently work with 80% of the CAC 40 index, the 40 largest capitalisations in the Paris Stock Exchange," explains Olivier Muraire. "Over time, we have managed to build strong links with these companies."

FINANCIAL RISKS

Financial risks are a large part of the French insurance business. In 2007, this activity accounted for 90% of the French operations. It has now reduced to 40% as a result of the diversification of the company into other risks: "When we started in 2003, this activity was very much developed in London but much less so in France," recalls the country manager. "We then decided to hire a specialised team with expertise to manage the activity which now encompasses a wide range of risks (Directors & Officers, ransom risks, social risks, risks around M&A and IPOs, etc.)." Last year, Liberty Specialty Markets also launched into fine art and specie: "The interest generated by cultural events over the last few years has been significant throughout Europe," explains Olivier Muraire. "And we saw an opportunity to develop this activity in the French market." The country manager also firmly believes that the success of the branch is down to the great partnerships it has built over time with its network of 150 brokers: "In the latest barometers published by French marketing company Golder & Partners on non-life insurance, we achieved the top score for the quality of service provided to our brokers; a top position we've maintained since 2011!" He continues: "We are very proud to be able to service our brokers swiftly, providing them with in-depth answers and the flexibility required when creating tailor-made solutions." Going forward, the growth prospects of the French insurance market are significant: "Liberty in France has shown a cumulative growth of 25% a year since the branch was established," explains Olivier Muraire. "The target is to keep this pace up until the end of 2020."



"Over time, we have managed to build great partnerships with our big corporates."

"We are very proud to be able to service our brokers swiftly, providing them with in-depth answers and the flexibility required when creating tailor-made solutions."

"Business risks are very much at the core of our expansion going forward."

LIBERTY SPECIALTY MARKETS INSURANCE OPERATION IN FRANCE

- **Date established:** 2003
- **Product lines:** financial risks, casualty, PI, credit and political risks, property and marine
- **Number of employees:** 43
- **Country manager:** Olivier Muraire
- **Address:**
5 boulevard de la Madeleine,
75001 Paris, France
- **T:**+33 (0)1 53 05 90 59



Germany focuses on the professional liability sector

LIBERTY SPECIALTY MARKETS INSURANCE OPERATION IN GERMANY

- **Date established:** 2003
- **Product lines:** financial lines, D&O and professional liability
- **Number of employees:** 25
- **Country manager:**
Wolfgang Weis
- **Address:**
Im Mediapark 8, D-50670
Cologne, Germany
- **T:** +49 (0)221 50 05 2201

“The quality of people is the main driver for differentiation.”

“We are well positioned to benefit from the global orientation of German manufacturing companies.”

“Our brokers and partners are key to the success of Liberty Specialty Markets in Germany.”

GERMANY: Liberty Specialty Markets is set to grab a significant share of the 900 million euros GWP professional liability insurance market

Liberty Specialty Markets entered the German insurance market in 2003 in the aftermath of the September 11 terrorist attacks: “All of a sudden, the insurance market changed drastically,” comments Wolfgang Weis, country manager for Germany who joined the company in 2009. “We were lucky enough to attract a team of highly skilled professionals in the market. It did not take long for us to become a very well-known and respected specialty insurer in Germany.” Fourteen years later, the specialty insurer has managed to impose its strengths in a broad range of insurance lines through organic growth: “In order to succeed, you have to work with quality people, as well as reliable peers and partners,” explains Wolfgang Weis. “We are extremely lucky to have this ecosystem in place.” Financial lines are an important part of Liberty’s German insurance business: “We started with very large corporates and then moved to address the needs of small and medium companies. Most of our customers are manufacturing companies and corporate advisers,” explains the country manager.

PROFESSIONAL LIABILITY

The branch also sees significant growth prospects in the professional liability segment, which encompasses the liability of lawyers, public notaries, auditors, tax consultants as well as insurance brokers: “This market represents between 800 and 900 million euros of GWP (gross written premiums) in Germany,” explains the country manager. “We are very committed to doubling our current 4% market share in this segment.” Wolfgang Weis notes that as professional standards increase, the liabilities become more stringent: “This is a very positive trend: it means that insurance brokers, as well as company advisers and other professionals are improving their standards significantly. The increasing importance of professional liability is not a German specific issue: it goes down to European legislation and secondary laws and various directives.” According to the country manager, the current economic climate in Germany will support Liberty Specialty Markets’ ambitions in this market: “Manufacturing represents 25% of the total GDP in Germany; twice as much as in the UK and France. There is enough activity to create a strong and sustainable insurance market and we are well positioned to benefit from the global orientation of German manufacturing companies,” concludes the country manager.



The Netherlands builds upon the strengths of professional indemnity

LIBERTY SPECIALTY MARKETS INSURANCE OPERATION IN THE NETHERLANDS

- **Date established:** 2006
- **Product lines:** D&O, financial institutions, professional indemnity, general liability, environmental, fine art & specie, stand alone terrorism and energy
- **Number of employees:** 20 people by the end of 2017
- **Country manager:** Rob Groenen
- **Address:**
Koninginnegracht 22, 2514 AB
Den Haag, Netherlands
- **T:** +31 70 302 8650

“Having great partnerships with our brokers is very important to us.”

“Each country has its specific strengths and we are committed to rolling out these strengths to the rest of Continental Europe.”

“We’re supporting the needs of our clients and always striving to better serving them.”

THE NETHERLANDS: success in professional indemnity

This year marks the tenth anniversary of Liberty in the Netherlands. Country Manager, Rob Groenen, who joined the company at that time, still remembers the early days: “Ten years ago, we were essentially a D&O/Financial Institutions insurance operation. But, over the years, we managed to grow the business significantly by adding a broad range of lines: PI, GL, EIL and recently fine art & specie.” New projects and products are also on the radar: terrorism and energy are in the pipeline over the coming months. “The Netherlands is a very commercial insurance market and our development is based upon great partnerships with our brokers,” comments Rob Groenen.

Liberty Specialty Markets is currently working with the 40 largest commercial brokers in the country but does not exclude the possibility of expanding its network: “the growth has to come from our existing brokers,” insists the country manager. This close relationship has helped Liberty to support the needs of its large domestic and SME clients over the years in this country by offering a tailor-made approach.

PROFESSIONAL INDEMNITY

Liberty Specialty Markets aims to replicate the success of professional indemnity in the Netherlands into other European countries. Rob Groenen will help to make this happen. Along with his role as country manager for Benelux, Rob has also taken over the role of Professional Indemnity manager for Continental Europe: “My role is to help the six European countries to double the professional indemnity insurance gross written premiums in Europe by 2020.” France and the Netherlands are already leading the way but the growth potential will come from Italy, Spain and Germany, according to the country manager. “Our plan is to build upon the success of the Dutch insurance market in the professional indemnity segment and to expand it across all European countries. Every country manager will then make sure that the strategy will be implemented at a country level.”

At Liberty Specialty Markets, the philosophy is really about learning from each other’s strengths: “We are aware that all countries have grown at different paces and in different directions,” explains the country manager. “The strategy is very much about making sure that every country benefits from the strengths of its European counterparts.”



Switzerland

sets reputation as a priority

SWITZERLAND: Liberty Specialty Markets' Swiss insurance branch is now targeting the fine art and specie market

FINE ART AND SPECIE ENCOMPASSES A BROAD PRODUCT RANGE:

- Fine art: auction houses, exhibitions, galleries, museums, private jewellery, private and corporate collections, shippers and packers, stately homes, storage facilities and vintage cars.
- Jewellery: diamonds in transit or storage from mines, wholesale jewellers, retail jewellers, manufacturing/processing exhibitions and fairs.
- Specie: banks – premises and transit XS SIPC, coin dealers, national mints, bullion/precious metals in vault, safety deposit boxes, securities, precious metal mines and refineries.
- Cash-in-Transit: armoured car operators, couriers, cheque cashers and ATMs.

"Reputation is always important but it is even more important in a small market like Switzerland."

"We are a very well-known niche player specialising in a broad range of insurance products."

"We have the ability to come up with tailor-made solutions very quickly."

Founded in 2005, Liberty Specialty Markets' Swiss insurance branch is now targeting the fine art and specie market where the company hopes to grow further. According to country manager, Felix Boeni, the success of Liberty in the Swiss market relies upon its great partnerships with its network of 400 brokers: "We are convinced that brokers have the right local relationships with clients and they also have excellent links to the regions," adds Felix Boeni. Apart from big corporates, the Swiss branch is also helping small and medium companies especially in the manufacturing sector to manage risks such as product recalls or operating losses.

FINE ART AND SPECIE

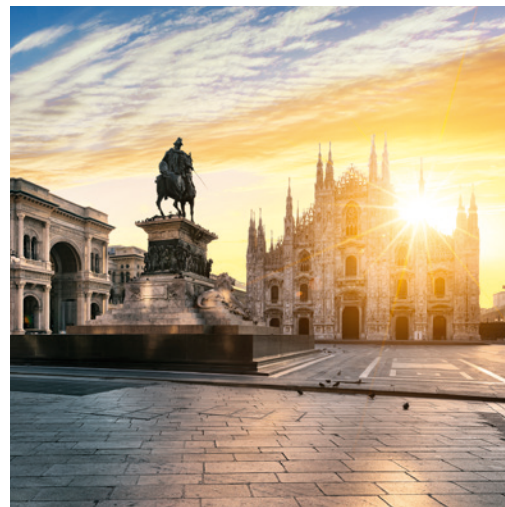
A year ago, the branch also decided to enter into the fine art and specie insurance market: "We were very lucky to find the right professional in the market with David Saillen, who joined from AXA ART," says the country manager. "We think there is significant growth potential in this 80 million CHF Swiss market of which we hope to gain nearly 20%." Through fine art and specie, Liberty provides risk solutions for a diverse range of businesses, from local jewellery retailers and regional armoured car operators through to world-famous museums and the vaults of multi-national banks. "Hiring experienced underwriters with good reputation helps you to come up with tailor-made solutions very quickly," concludes Felix Boeni.

LIBERTY SPECIALTY MARKETS INSURANCE OPERATION IN SWITZERLAND

- **Date established: 2005**
- **Product lines: financial lines, fine art and specie, terrorism, professional indemnity, energy and construction, D&O and cyber**
- **Number of employees: 13**
- **Country manager: Felix Boeni**
- **Address:**
Lintheschergasse 19
CH-8001 Zurich, Switzerland
- **T: +41 (0) 44 285 10 00**

Italy

wants to expand its capability and expertise in the second largest surety bond market in the world



ITALY: Liberty Specialty Markets banks on surety bonds

Under the direction of Italian country manager Antonio Sacchi, Liberty Specialty Markets wants to expand its capability and expertise in the surety bonds market.

“Back in 2012, when Liberty Specialty Markets launched in the Italian market, we were only writing financial insurance lines,” says Antonio Sacchi, country manager for Italy. But in September 2016, the Italian branch was given a major boost through the acquisition of the business, staff and assets of Wholesale Binding Authorities (WBA), an Italian Lloyd’s coverholder based in Milan. A move that immediately enhanced the reach and relevance of Liberty Specialty Markets in the Italian insurance market: “WBA’s 24-person team was then integrated with Liberty’s existing Milan-based insurance team. We’re now 30 people,” explains the country manager. “The two companies are a perfect fit: WBA targets small and medium-sized enterprises and that complements our existing portfolio of large corporate risks predominantly placed by major international brokers.”

SURETY BONDS

Liberty Specialty Markets currently works in Italy with a network of 300 intermediaries, mostly brokers: “The use of our very efficient IT distribution platform makes it possible to work with this size broker network,” explains the country manager. The success of the Italian market relies heavily upon a broad range of insurance product lines: property, fine art, cargo, personal accident, professional indemnity, liability and public officials: “Professional indemnity and D&O currently make up for 50% of the total revenues of the Italian operation,” explains Antonio Sacchi. “Our plan is to double our current 23 million euros of GWP by 2020 throughout all product lines.” Quality of service is also at the heart of Liberty’s commitment in the Italian market: “Swift action and a close attention to our clients’ and brokers’ needs are key differentiators from our competitors,” adds the country manager. The branch has also firmly set its sights on the surety bonds market. Generally used in the construction and engineering industries, a surety bond is cover for the obligations of one counterparty to another, with the surety insurer covering any potential loss and damages up to the agreed bond limit: “The demand for surety in the Italian market is big,” explains the country manager. “We are well positioned to increase our foothold in this market by benefitting from the expertise and capability of Liberty Mutual Surety, the second largest surety writer in the U.S.,” concludes Antonio Sacchi.

“Swift action and close attention to our clients’ and brokers’ needs are key differentiators from our competitors.”

“We are well positioned to increase our foothold in the Italian surety market by benefitting from the expertise and capability of Liberty Mutual Surety.”

LIBERTY SPECIALTY MARKETS INSURANCE OPERATION IN ITALY

- **Date established:** 2012
- **Product lines:** property, fine art, cargo, personal accident, professional indemnity, liability and public officials
- **Number of employees:** 30
- **Country manager:** Antonio Sacchi
- **Address:** 1st Floor, Time Building, Via Fabio Filzi 29, Milano 20124, Italy
- **T:** +39 02 2627 081



Spain considers risks to the environment as a priority

LIBERTY SPECIALTY MARKETS INSURANCE OPERATION IN SPAIN

- **Date established:** 2007
- **Product lines:** D&O, FI, PI, marine, energy and construction, casualty, environmental and property
- **Number of employees:** 29
- **Country manager:** Fernando Lara
- **Address:** Paseo de la Castellana 31-3° A, 28046 Madrid, Spain
- **T:** +34 914 44 28 67

“We sell our products through our strong network of brokers and in parallel, we try to establish very good relationships with our clients.”

“Environmental disasters are high intensity, low frequency events and an increasing number of firms across the board are starting to see the risks.”

SPAIN: a bigger share of the environmental impairment liability insurance market

Liberty Specialty Markets’ Spanish insurance branch is building on its expertise to take a bigger share of the environmental impairment liability market.

After ten years of operating in Spain, it has managed to build a very well balanced insurance business in the country: “We are active in six lines of business,” explains Fernando Lara, country manager for Spain. “Financial lines account for 40% of the business, another 20% for marine, energy and construction (MEC) and the rest comes from the remaining lines.” The Spanish insurance business is on target for further growth in the next few years: “By the end of 2017, Liberty Specialty Markets’ Spanish insurance branch will have increased to 29 employees in its two offices in Barcelona and Madrid,” explains Fernando Lara.

ENVIRONMENTAL IMPAIRMENT LIABILITY

Different product lines are also being considered in the near future: fine art and specie, terrorism, surety bonds and trade credit, among others. The operation has already set its sights firmly on environmental impairment liability, an insurance coverage for liabilities associated with environmental damage or pollution. A European directive was published in 2004 (Directive 2004/35/EC) on environmental liability with regard to the prevention and remedying of environmental damage (ELD): “This directive is derived from an environmental disaster in Spain,” recalls the country manager. In 1998, a dam containing toxic waste from a mine burst in the south of Spain, releasing a massive wave of acidic tailings that eventually reached the Doñana National Park. As a consequence of this disaster, Spanish authorities spent more than €250 million on clean-up operations: “We really needed some legislation in Europe to respond to this kind of pollution incident,” explains the country manager. “By establishing a framework based on the ‘polluter pays’ principle, it really refocuses the responsibility back onto the polluters.” Over the last few years, environmental impairment liability insurance has seen a steady growth in the Spanish market and local and international players are now competing to increase their market share: “Talking to our brokers, we realise that awareness is becoming more widespread in the market,” explains Fernando Lara. To meet this increasing demand, Liberty Specialty Markets is offering a wide range of products, from simple standardised insurance products through to custom made and complex products depending on its clients’ needs: “Environmental disasters are high-intensity, low-frequency events and an increasing number of firms across the board are starting to see the risks,” concludes Fernando Lara.

Why choose Liberty Specialty Markets?

Liberty's private ownership gives us a unique perspective on your risk. Not being driven by short term thinking means we can invest time and energy to develop tailor-made services and solutions that support you and evolve with you, over the long term.

We offer continuity and stability, delivered to you through the technical expertise of our staff, who are always willing to guide, assist and advise.

Through cycles of certainty and more vitally, uncertainty, we are committed to putting you at the heart of everything to help you prosper.

To stand out from the crowd we want to be:

- ▶ Great partners – working in ways which are beneficial to our brokers and clients.
- ▶ Market makers – helping secure the deal with our breadth of product and trading platforms.
- ▶ Claims leaders – giving all your claims our full care and attention.
- ▶ Decision makers – making the right decisions, fast, so you know where you stand.

This unique structure delivers a unique perspective and the ability to help you prosper.

*Liberty Mutual Insurance Group - Key facts





Liberty Specialty Markets offers specialty and commercial insurance and reinsurance products across key UK, European, Middle East, US and other international locations, with approximately 1,000 employees in 22 offices around the world.

Liberty Specialty Markets also benefits from the full financial strength of the Liberty Mutual Insurance Group*, a Boston-based US Fortune 100 company.

GREAT PARTNERS

- ▶ The breadth of our product offering means we can fulfil broker and client requirements for risk solutions across multiple lines of business and trading platforms when required.
- ▶ This means we can deliver added value, flexibility, increased confidence and consistency in service and pricing.

MARKET MAKERS

- ▶ Working across both traditional and new markets, we are never afraid of going it alone to help our brokers and clients.
- ▶ As innovators with a proven track record for product development, our clients can be confident that we can support their development of new ideas.

DECISION MAKERS

- ▶ Harnessing our international presence, we can share our local expertise and draw on past experience to deliver the best solutions to current issues.
- ▶ By empowering our teams and encouraging a consistent approach across our business, they can make efficient, swift and accurate decisions.

CLAIMS LEADERS

- ▶ From pre-inception to claims settlement, we promise to deliver an exemplary claims service.
- ▶ We ensure we have technically excellent staff to look after your claim, and then empower these specialists to ensure decisions are made quickly and consistently.

“This is an exciting time for Liberty Specialty Markets in Europe. We continue to expand and invest across European insurance markets with our unique approach to delivering what our brokers and clients need. Our recent appointments and expanding insurance product range reflect our commitment to Europe and will open up new avenues for us leading to the development of many great partnerships.”

Matthew Moore, President and Managing Director, Liberty Specialty Markets



Delivering a Unique Perspective

At Liberty Specialty Markets,
our unique structure delivers
a unique perspective and the
ability to help you prosper.

Our private ownership means we are not driven by short term thinking or goals. Our long term commitment means we can invest our time in building great partnerships with brokers and their clients.

We have also invested in a European footprint that means we understand your local point of view and can deliver service, knowledge and expertise on your doorstep.

Want to find out more?

Visit libertyspecialtymarkets.com



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