

# Legendary insurance market comes to Denmark after 334 Years

For the first time in 334 years the legendary insurance market Lloyd's of London have approved an Insurance broker in Denmark.



Henrik Skaft is the director of O2 Broking – the first broker in Denmark authorised by Lloyd's of London. Foto: Andreas Vinther

Finans by [David Bentow](#)

16. oct 2020 KL.19:00

In 1686, a group of shipowners gathered in Edward Lloyd's coffee shop in London's Tower Street and agreed to insure each other's ships so they would not be ruined if their own ship went down.

And in 1801, the English Vice Admiral Horatio Nelson defeated the Danish navy at the Battle of Reden.

In 2020, the British insurance market Lloyd's of London will have an authorized broker in Denmark for the first time.

Most Danes know insurance companies such as Tryg, Codan and Topdanmark. But in the insurance world, everyone knows Lloyd's of London.

It is technically not an insurance company, but an insurance market where just over 330 authorized brokers can ensure insurance coverage for their clients by getting one of approx. 80 insurance syndicates to sign, or “underwrite” an insurance coverage against an agreed premium.

That with the insurance market must be taken quite literally.

Because although of course a lot is happening digitally today, there is still a gigantic and busy

"underwriting room" in the Lloyd's building in Lime Street in central London, where brokers can carry their policies around to "underwriting agents".

### **London focused**

That market has now, for the first time ever, authorized a broker in Denmark, namely O2.

Lloyd's has taken out policies in Denmark for many years, just as Danish insurance companies have taken out so-called reinsurance with Lloyd's, but this has typically been done by contacting an authorized Lloyd's broker in London.

"Lloyd's business has historically been very London-focused. Insurance is taken out all over the world, and about 13 per cent. of all premium income comes from the EU, but typically you have gone to a Lloyd's broker in London if you should have insurance," explains Henrik Skaftø, director of O2.

"But since the UK is on its way out of the EU, you need brokers within the EU who are allowed to advise EU customers on insurance products, so therefore there has been a need to get more authorized brokers," he continues.

In Norway, there are already two Lloyd's brokers, and the same in Sweden, where the insurance market also has a representative office.

But in Denmark, so far, there has only been one law firm as legal representative and a number of "coverholders" who can take out insurance on Lloyd's behalf in specific areas.

### **Expensive to become Lloyd's broker**

Henrik Skaftø explains that it is typically expensive to become a Lloyd's broker, partly because you have to invest in the insurance market's common IT platform, and partly because Lloyd's places high education and qualification requirements on the brokers.

Lloyd's still largely insures ships, but pretty much writes policies on anything that can be lost and that one can put a financial price on. Among the more curious examples are Dolly Parton's breasts, insured for 4 million. dollars; David Beckham's legs, which at one point were insured for 100 million. dollars and singer Tom Jones' chest hair, which in the 1970s was insured for 5 million. dollars.

But Lloyd's specialty is very large individual insurances such as drilling rigs and complex risks such as factories and satellites.

"Lloyd's still operates according to some old-fashioned principles, but in particular has a strength in making tailor-made insurance solutions," explains Henrik Skaftø.

### **FACTS**

- Briefly about Lloyd's of London  
Lloyd's of London has roots dating back to 1686 and was regulated in 1871 through "The Lloyd's Act".
- For hundreds of years, insurance coverage was guaranteed, especially by the English landlord, who received a share of the premium income in return for guaranteeing the compensation.
- Typically, 4000 insurers come daily to "The Underwriting Room", where insurance is written for just over 800 million. DKK daily.

And what does Lord Nelson have to do with Lloyd's and Denmark?

Yes, in the headquarters on Lime Street there is a very special Nelson collection, where you can find, among other things, one of the cannonballs that the English used in Copenhagen in 1801. A war that otherwise caused very large insurance claims.