July 27, 2025
Based on the most up-to-date data (mid-2025), about **56%** of Britons view Brexit as a **mistake**, with a larger share (around 60-61%) judging its outcome a failure.

Because of this I have republished a series of articles from the IRL (Insurance Research Letter) on Brexit from the early days through the to the final vote and a few articles post vote. Much has changed since 2020 and a majority in the United Kingdom feel it was a mistake.

January 29, 2020

Brexit: What happens next?
Source: Lloyd's

Implications of Brexit
On 31 January 2020, the UK will formally leave the EU and enter a transition period lasting until 31 December 2020. During the transition period the UK and the EU will negotiate their future relationship and EU law will continue to apply in and to the UK. While there is a legal mechanism to facilitate the extension of the transition period by a further two years, a request to do so would need to be made by the UK by 30 June 2020, and this has already been ruled out by the current Government.

Following the end of the transition period, it is anticipated that Lloyd's members will no longer benefit from EU passporting provisions and will no longer have permission to underwrite European Economic Area (EEA) (re)insurance business. However, Lloyd's members will continue to be able to provide reinsurance to cedants in the EEA (with the exception of Germany) on a cross-border basis, provided relevant local requirements are complied with. Please refer to Crystal for country specific authorisation information. Notwithstanding the above, Lloyd's has been working to ensure that, despite Brexit, Lloyd's policyholders across the EEA can continue to access the underwriting expertise and financial security of the Lloyd's market and their existing policies can continue to be serviced by the Lloyd's market, including the payment of valid insurance claims.

Lloyd's Insurance Company S.A. (Lloyd's Europe)
Lloyd's has established a subsidiary insurance and reinsurance company incorporated in Belgium, Lloyd's Insurance Company S.A. (Lloyd's Europe). Lloyd's Europe is authorised in Belgium by the National Bank of Belgium (NBB) and regulated by the NBB and the Financial Services and Markets Authority of Belgium. It is capitalised according to the Solvency II standard formula and benefits from the same financial ratings as the Lloyd's market, which are provided by A.M. Best (A "excellent"); Standard & Poor's (A+ "strong"); and Fitch Ratings (AA- "very strong"). Lloyd's Europe has 18 branches across the EEA and a branch in the UK.

Lloyd's Europe writes all classes of non-life insurance business and non-life reinsurance (facultative and non-proportional excess of loss treaty only) business from EEA countries. It does not underwrite proportional treaty reinsurance.

The establishment of Lloyd's Europe ensures that Lloyd's European intermediaries and policyholders still have access to the combined scale, expertise, capacity and claims service of the Lloyd's market through a single insurance company based at the heart of Europe.

Note: With the exception of open market reinsurance which may continue to be underwritten on a cross-border basis from the UK (as outlined above), managing agents and coverholders obtain their authority to write EEA business from Lloyd's Europe and not Lloyd's underwriters. Coverholders, service companies and brokers should ensure that they accurately report which Lloyd's entity their authority is derived from when communicating with policyholders, regulators and other third parties.

Post-Brexit structuring requirements for intermediaries (including coverholders and brokers)

On 19 February 2019, the European Insurance and Occupational Pensions Authority (EIOPA) issued Recommendations for the insurance sector in light of the UK withdrawing from the EU. As a result of its interpretation of the Insurance Distribution Directive, intermediaries and entities carrying on distribution activities to EU policyholders seeking cover for EU risks will be required to be established and registered in the EU following the end of the transition period. In meeting this requirement, many UK intermediaries have established an EU-authorised intermediary with a UK branch, also known as reverse branching.

Lloyd's Europe has a regulatory obligation to ensure that its distribution channels are properly authorised throughout the lifetime of its policies. If you do not have a compliant structure in place, please contact Lloyd's Europe immediately. Lloyd's Europe will communicate on the implications of the EIOPA Recommendations in due course.

Post-Brexit requirements for non-EEA authorised coverholders

Non-EEA authorised coverholders cannot be coverholders of Lloyd's Europe. For contracts written by Lloyd's Europe where the policyholder and the risk location are both in an EEA country, all the intermediaries in the distribution chain must be authorised in an EEA country. For global contracts where part of the risk is located in the EEA and part of it is located outside the EEA, it must be written as two separate contracts with the EEA part underwritten by Lloyd's Brussels and the non-EEA part written by Lloyd's underwriters.

New and renewing policies

From 1 January 2019 onwards, with a few minor exceptions, all new EEA non-life direct insurance policies have been written by Lloyd's Europe and all renewing EEA non-life direct insurance policies have transferred (and continue to transfer) to Lloyd's Europe on their renewal.

It continues to be Lloyd's policy that all non-life EEA insurance risks are written by Lloyd's Europe and not Lloyd's syndicates.

Part VII transfer

To achieve contract continuity, Lloyd's will transfer all remaining affected policies (comprising all relevant non-life direct EEA insurance and inwards German reinsurance business that has been written by the Lloyd's market between 1993 and 2020) to Lloyd's Europe. This will be undertaken via an insurance business transfer under Part VII of the UK's Financial Services and Markets Act 2000 (the Part VII transfer) and is scheduled to take place before the end of 2020.

Servicing of existing contracts

Passporting rights will continue to apply during the transition period, allowing Lloyd's underwriters and UK intermediaries to continue to service existing EEA policies, including the payment of valid insurance claims.
It continues to be Lloyd's policy that all new non-life EEA direct insurance policies are written by Lloyd's Europe and all renewing EEA non-life direct insurance policies are transferred to Lloyd's Europe on their renewal.