

# Many hats. One company.



# Welcome to our 2025 Solvency and Financial Condition Report

**Beazley plc is the ultimate holding company for the Beazley Group, a global specialist risk insurance and reinsurance business operated through its managed syndicates at Lloyd's in the UK, Beazley Excess and Surplus Inc., a surplus lines carrier in the United States, Beazley Insurance Company, Inc. and Beazley America Insurance Company, Inc., both of which are admitted insurance carriers in the United States, Beazley Bermuda Insurance Limited, a Bermudan Class 4 reinsurer and Beazley Insurance dac, a European insurance company based in Ireland.**

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# Summary

In accordance with the EU-wide regulatory regime for insurance and reinsurance undertakings (Solvency II), Beazley plc (Beazley or the Group) is required to publish annually its Solvency and Financial Condition Report (SFCR).

The report covers the business and performance of the Group, its system of governance, risk profile, valuation for solvency purposes and capital management and has been approved by the Board of Directors.

## Business Review

Beazley's Insurance written premiums decreased by 1% in 2025 to \$6,100.7m (2024: \$6,164.1m). Rates on renewal business on average decreased by 3.6% across the portfolio (2024: decreased by 0.5%) as the market continued to soften. We have actively managed our premiums in 2025, ensuring that we maintained rate adequacy where needed. Our approach has always been to grow profitably and, where that is not achievable, maintain underwriting discipline, which came to the fore in 2025.

Our net insurance written premiums increased by 0.9% in 2025 to \$5,198.7m (2024: \$5,152.3m). The higher growth seen in our net insurance written premium is primarily driven by the higher reinsurance spend in Cyber Risks during 2024 compared to 2025. This is as a result of purchasing cyber catastrophe bonds, which were multi-year contracts, as well as a Cyber Industry Loss Warranty (ILW). Given the multi-year aspect of these, the corresponding spend has been reduced. Beazley's investment performance generated a return of \$607.5m or 5.2% in 2025 (2024: a return of \$574.4m or 5.2%).

Beazley Insurance dac (Bldac) continues to act as an internal reinsurer within the Group and provides capital to support the underwriting activities of Beazley Underwriting Limited (BUL) in the Lloyd's market. BUL is a Lloyd's of London corporate member. It participates in the Lloyd's insurance market on a limited liability basis through syndicates 2623, 3622, 3623 and 5623. Bldac has a number of aggregate excess of loss reinsurance contracts with BUL. Under the 2025, 2024 and 2023 contracts, BUL cedes effectively 65% of the final declared result (less a retention of \$2.6m) of its participation in syndicates 2623 and 3623 to Bldac. In the event that the declared result is a loss, the extent of the reinsurance is limited to the loss in excess of \$2.6m not exceeding 65% of the Funds at Lloyd's (FAL).

## Solvency Coverage

The Group Solvency II balance sheet comprises the consolidated assets and liabilities of the insurance undertakings, insurance holding companies and ancillary service companies included in the Group. The Solvency II technical provisions of Bldac are consolidated with those of Beazley Insurance Company, Inc. (BICI), Beazley Excess and Surplus Insurance, Inc (BESI) and Beazley America Insurance Company, Inc. (BAIC). Corporate members within the Group, such as BUL, are accounted for using the adjusted equity method and are included in the participations line within the Group Solvency II balance sheet.

As detailed in Section D, the primary variance between the International Financial Reporting Standards (IFRS) and Solvency II balance sheet is the replacement of the technical provisions. The Solvency II technical provisions have been calculated in line with strict application of the Solvency II regulation that considers the contract cash flows. For example, the cash flows in relation to the aggregate excess of loss reinsurance agreement with BUL represent the premium (provided the declared result of BUL is a profit) or claim (in the case of a loss) paid in respect of BUL's declared result and the fees for providing capital to support BUL's reinsured underwriting at Lloyd's.

Whilst the Group Solvency II balance sheet presentation separates the BUL and Bldac sides of this intra-group reinsurance (RI) contract (see section D), the underlying cash flows eliminate. The underlying cash flows relating to the intra-group RI contract between BESI and Bldac also eliminate.

## Summary continued

Beazley holds a level of capital over and above its regulatory requirements. As at 31 December 2025, total own funds eligible to meet the Group Solvency Capital Requirement (SCR) are \$5,628.7m (2024: \$5,356.1m), compared to the Group SCR of \$2,006.1m (2024: \$1,837.1m) giving a solvency ratio of 281% (2024: 292%) net of foreseeable dividends.

In March 2025 Beazley plc Board approved a share buyback programme to return up to an aggregate amount of \$500m via open market purchases of the Company's ordinary shares on the London Stock Exchange. The buyback was completed on 21 October 2025.

When deciding on the appropriate level of capital, the Board considers several criteria: firstly, we aim to maintain a solvency ratio in excess of 170% of SCR. We also seek to absorb volatility to ensure financial resilience should a 1-in-250 year event occur as well as assessing the impact of interest rate movements. Finally, we consider the opportunities for growth, which encompass the business plan for the following year as well as the opportunities for growth in the medium term (subsequent 1-2 years), whilst ensuring we can swiftly take advantage of rising unforeseen opportunities.

On 2 March 2026 the Board approved the payment of an interim dividend of 25.0p per share covering the whole of 2025 (2024: 25.0p per share) which will be paid on 1 May 2026 to Beazley plc shareholders registered on 20 March 2026.

### Investment Performance

Beazley's investment portfolio generated a return of \$607.5m, or 5.2%, in 2025 (2024: a return of \$574.4m, or 5.2%). Our financial assets grew to \$12.0bn as at 31 December 2025 (2024: \$11.5bn). Returns were driven by strong performance from our credit and equity holdings, and from the decline in treasury yields in our fixed income portfolio which matches the interest rate sensitivity of our liabilities.

### Corporate, social and environmental responsibility and charitable donations

The Group's Sustainability report is set out on pages 43 to 59 of the Beazley plc Annual report and accounts 2025 and the Task Force on Climate-related Financial Disclosures (TCFD) statement from pages 60 to 80.

This year marked the official launch of the Beazley Foundation. Not a charitable entity in itself, our Foundation, fully funded by Beazley and run through the Charities Aid Foundation, funds and supports work being done by other charitable organisations, community groups and nonprofits. This builds on the decades of commitments that Beazley has made already to supporting charities and communities.

### Climate-Related Issues

The primary responsibility for climate-related issues sits with the Group Board and Committees listed on the table in section B.1 General information on the system of governance (see page 16). Beazley's key subsidiary entities also have oversight of sustainability strategy and climate-related risks and opportunities. They review information to ensure that strategy and actions are in accordance with legal and regulatory requirements in the jurisdictions in which they operate. These entities are insurance risk-focused and review climate-related risks as part of the approval of the risk framework and entity Own Risk and Solvency Assessment (ORSA).

### Material post balance sheet events

On 02 March 2026, the Boards of Beazley plc and Zurich Insurance Group Ltd ('Zurich') announced that they had agreed the terms of a recommended offer by Zurich to purchase the entire issued and to be issued share capital of Beazley plc, subject to certain conditions including regulatory and shareholder approvals ('the Transaction'). Shareholder approval was received on 22 April 2026. Details of the Transaction are set out in the announcement dated 02 March 2026 and can be found on the Beazley Group's website.

As things stand, our exposure to the unfolding events in the Middle East is limited, and we do not expect to be materially impacted. We continue to monitor the situation closely.

# A. Business and performance

All financial data in this section is presented on an International Financial Reporting Standards (IFRS) basis, consistent with the financial statements of Beazley plc Annual report and accounts 2025 unless otherwise stated.

## A.1 Business

Beazley plc, a company incorporated in England and Wales and resident for tax purposes in the United Kingdom, is the ultimate parent and the ultimate controlling party within the Group.

The address of the registered office is:

22 Bishopsgate  
London  
EC2N 4BQ  
United Kingdom

The supervisor of Bldac and the Group is the Central Bank of Ireland (CBI), and can be contacted at:

Central Bank of Ireland  
PO Box 559  
New Wapping Street,  
North Wall Quay, Dublin 1  
Ireland

The independent auditor of the Group's SFCR is:

Ernst & Young  
Harcourt Centre  
Harcourt Street  
Dublin 2

As at 18 May 2026, there are no holders of qualifying holdings in Beazley plc (being a holder of 10% or more of the capital or voting rights). For details of significant shareholders in Beazley plc, see the Directors' report in the Beazley plc Annual report and accounts 2025.

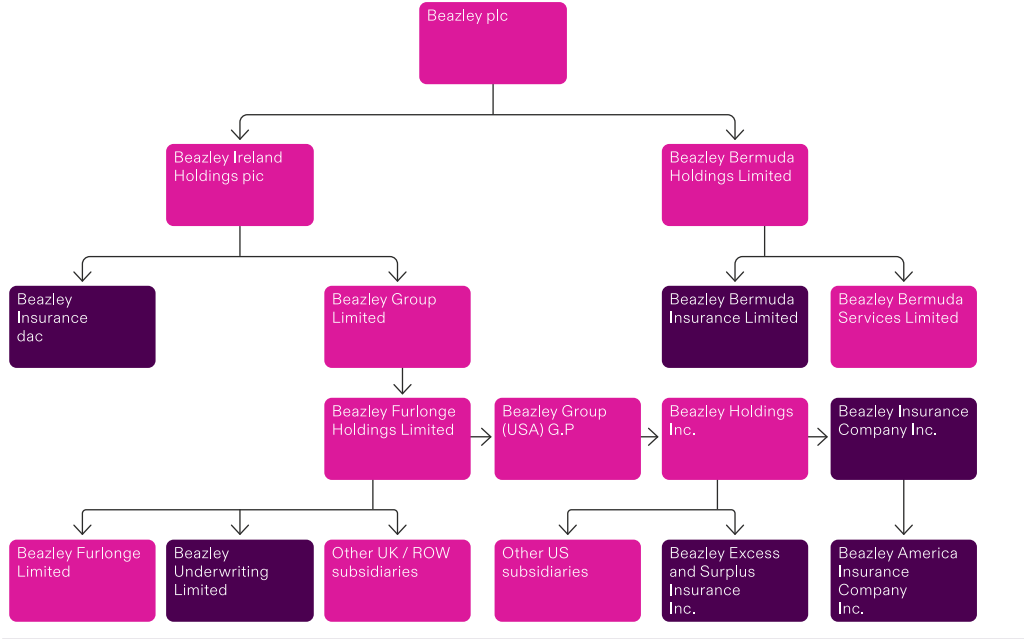
The Group operates across Europe, Asia, Canada and the United States (US) through a variety of legal entities and structures. During 2025, a Bermudian Insurance carrier and service company was established, to support the Group longer-term strategy. As at 31 December 2025, the main entities within the legal entity structure are as follows:

- **Beazley plc** – Group holding company, listed on the London Stock Exchange;
- **Beazley Ireland Holdings plc** – intermediate holding company;
- **Beazley Bermuda Holdings Limited** – intermediate holding company;
- **Beazley Underwriting Limited (BUL)** – corporate member at Lloyd's providing all capital to syndicates 2623, 3622 and 3623, and approximately 25% of capital to 5623 (2024:20%);
- **Beazley Staff Underwriting Limited (BSUL)** - corporate member at Lloyd's providing approximately 5.4% of the capital to syndicate 623 (2024:9%);
- **Beazley Furlonge Limited (BFL)** – managing agency for the seven syndicates managed by the Group (623, 2623, 3622, 3623, 4321, 5623 and 6107);
- **Beazley Insurance dac (Bldac)** – insurance company based in Ireland that acts as an internal group reinsurer, and also writes business directly in Europe;
- **Syndicate 2623** – a Lloyd's syndicate through which the Group underwrites its general insurance business excluding life and portfolio underwriting. Business is written in parallel with syndicate 623;
- **Syndicate 3622** – a Lloyd's syndicate through which the Group underwrites its life insurance and reinsurance business;
- **Syndicate 3623** – a Lloyd's syndicate which underwrote business through our North American coverholders in 2025;
- **Syndicate 5623** – a Lloyd's syndicate through which the Group underwrites across a diverse mix of classes via its portfolio underwriting business;
- **Syndicate 4321** – a Lloyd's syndicate which focused on writing business on a consortium basis led by syndicate 2623/623 based on environmental, social and governance (sustainability) scores of insureds, now in run-off;
- **Syndicate 623** – a Lloyd's syndicate which has its capital supplied by third party names and BSUL;
- **Syndicate 6107** – special purpose Lloyd's syndicate writing property reinsurance and cyber business ceded from syndicates 623 and 2623 on behalf of third party names;
- **Beazley Corporate Member (No.3) Limited (BC3L)** – participated in syndicate 4321 on a limited liability basis;
- **Beazley America Insurance Company, Inc (BAIC)** – admitted insurance company regulated in the US;
- **Beazley Insurance Company, Inc. (BICI)** – admitted insurance company regulated in the US. Licensed to write insurance business in all 50 states;
- **Beazley USA Services, Inc. (BUSA)** – service company based in West Hartford, Connecticut. Underwrites business on behalf of syndicate 3623, BICI, BESI and BAIC;
- **Beazley NewCo Captive Company, Inc. (BNCC)** – provides internal reinsurance to BICI on older accident years;
- **Beazley Excess and Surplus Insurance, Inc. (BESI)** – Insurance company regulated in the US to write surplus lines business; and
- **Beazley Bermuda Insurance Limited (BBIL)** – Class 4 insurance company based in Bermuda.

# A. Business and performance continued

## A.1 Business continued

The diagram below provides an overview of the Group structure with the key operating subsidiaries. Insurance carriers are in purple:



# A. Business and performance continued

## A.1 Business continued

The following is a list of all the subsidiaries in the Group as at 31 December 2025, all of which are wholly owned:

	Country/ territory of incorporation
Beazley Bermuda Insurance Limited	Bermuda
Beazley Bermuda Services Limited	Bermuda
Beazley Canada Limited	Canada
Beazley Bermuda Holdings Limited	England
Beazley Corporate Member (No.2) Limited	England
Beazley Corporate Member (No.3) Limited	England
Beazley Corporate Member (No.6) Limited	England
Beazley Corporate Governance Services Limited	England
Beazley Furlonge Holdings Limited	England
Beazley Furlonge Limited	England
Beazley Group Limited	England
Beazley Investments Limited	England
Beazley Management Limited	England
Beazley Staff Underwriting Limited	England
Beazley Solutions Limited	England
Beazley Security Limited	England
Beazley Underwriting Limited	England
Beazley Underwriting Services Limited	England
BHI Digital UK Limited	England
Beazley Insurance dac	Ireland
Beazley Solutions International Limited	Ireland
Beazley Ireland Holdings plc	Jersey
Beazley Labuan Limited	Malaysia
Beazley Pte. Limited	Singapore
Beazley America Insurance Company, Inc.**	USA
Beazley Excess and Surplus Insurance, Inc.**	USA
Beazley Group (USA) General Partnership***	USA
Beazley Holdings, Inc.***	USA
Beazley Insurance Company, Inc.**	USA
Beazley Newco Captive Company, Inc.**	USA
Beazley RI Manager, Inc.***	USA
Beazley Security LLC*	USA
Beazley USA Services, Inc.***	USA
BHI Digital, LLC.***	USA

Please see page 246 of Beazley plc Annual report and accounts 2025 for registered addresses.

All of the entities under Group supervision, as listed above, are included within the Quantitative Reporting Template (QRT) S.32.01.22 'Undertakings in the scope of the Group' (see appendix).

The Group Solvency II balance sheet has been prepared using the default accounting consolidation based method (described as "Method 1"), which gives material differences to the scope of consolidation of the Corporate Members (BUL, BSUL and BC3L). The assets and liabilities of these entities, and their participations in the Lloyd's syndicates are consolidated on a line-by-line basis within the Group's IFRS consolidated financial statements. Under Solvency II, the Group's investments within the Corporate Members is shown as a single line participation in the Solvency II balance sheet.

Further detail on the above can be found in section D.

# A. Business and performance continued

## A.1 Business continued

An overview of the Group's segments is set out below:

### Cyber Risks

This segment underwrites cyber and technology risks.

### Digital

This segment underwrites a variety of marine, contingency and 'small and medium sized enterprises' (SME) liability risks through digital channels such as e-trading platforms and broker portals.

### MAP Risks

This segment underwrites marine, portfolio underwriting and political and contingency business.

### Property Risks

This segment underwrites first party property risks and reinsurance business.

### Specialty Risks

This segment underwrites a wide range of liability classes, including employment practices risks and directors and officers (D&O), as well as healthcare, lawyers and international financial institutions.

The Group generates revenue in multiple geographies, an overview of which is set out below. The basis for attributing insurance revenues is as follows:

- UK insurance revenue represents all risks placed at Lloyd's;
- US insurance revenue represents all risks placed at the Group's US insurance companies BICI, BESI and BAIC; and
- European insurance revenue represents all risks placed at the Group's European insurance company (Bldac).

Insurance revenue	2025	2024
	\$m	\$m
UK (Lloyd's)	4,011.7	4,412.4
US (Non-Lloyd's)	1,576.0	878.5
Europe (Non-Lloyd's)	477.1	387.2
	<b>6,064.8</b>	<b>5,678.1</b>

2025 saw Beazley deliver profit before tax of \$1,146.5m (2024: \$1,423.5m) for the full year.

These results come amidst a volatile global backdrop. From the California wildfires at the beginning of 2025, to a geopolitical landscape in flux, we also saw sophisticated ransomware attacks escalate, striking multiple sectors, from retailers to manufacturers. These disruptive forces are visibly straining resilience across the economy, reinforcing the need for specialty insurance and risk management solutions.

We achieved an undiscounted Combined Ratio (COR) of 81.2% (2024: 79.0%). As we entered softening market conditions, we exercised robust underwriting discipline, ensuring we delivered profitable results and long-term value to our brokers, clients and shareholders.

# A. Business and performance continued

## A.2 Underwriting performance

The following table presents our underwriting performance by operating segment:

	Year ended 31 December 2025					Total \$m
	Cyber Risks \$m	Digital \$m	MAP Risks \$m	Property Risks \$m	Specialty Risks \$m	
Insurance revenue	1,218.3	227.8	965.6	1,693.7	1,959.4	6,064.8
Insurance service expense	(782.0)	(147.8)	(784.0)	(957.5)	(1,765.3)	(4,436.6)
<i>Current year claims</i>	(565.4)	(99.4)	(381.3)	(660.3)	(1,007.1)	(2,713.5)
<i>Adjustments to prior year claims</i>	39.7	25.1	(98.9)	183.1	(183.0)	(34.0)
<i>(Loss on)/reversal of onerous contracts</i>	(0.2)	0.4	0.7	0.0	(0.2)	0.7
<i>Insurance acquisition cash flows amortisation and other directly attributable expenses</i>	(256.1)	(73.9)	(304.5)	(480.3)	(575.0)	(1,689.8)
Allocation of reinsurance premium	(336.8)	(26.5)	(74.8)	(305.0)	(163.3)	(906.4)
Amounts recoverable from reinsurers for incurred claims	115.8	10.0	113.7	62.3	145.5	447.3
<i>Current year claims</i>	147.5	15.9	50.1	98.2	123.1	434.8
<i>Adjustments to prior year claims</i>	(29.7)	(5.7)	64.0	(34.1)	23.4	17.9
<i>Share of expenses and other amounts</i>	(2.0)	(0.2)	(0.4)	(1.8)	(1.0)	(5.4)
<b>Insurance service result</b>	<b>215.3</b>	<b>63.5</b>	<b>220.5</b>	<b>493.5</b>	<b>176.3</b>	<b>1,169.1</b>
Net investment income	111.4	18.6	82.6	106.9	288.0	607.5
Net finance expense from insurance contracts issued	(61.7)	(5.5)	(30.1)	(26.8)	(174.2)	(298.3)
Net finance income/(expense) from reinsurance contracts held	22.7	1.2	(1.1)	3.0	39.2	65.0
<b>Net insurance and financial result</b>	<b>287.7</b>	<b>77.8</b>	<b>271.9</b>	<b>576.6</b>	<b>329.3</b>	<b>1,543.3</b>
Other income	32.3	1.9	8.2	14.3	16.7	73.4
Other operating expenses	(84.4)	(16.0)	(67.8)	(119.0)	(138.8)	(426.0)
Foreign exchange losses	(0.7)	(0.1)	(0.5)	(0.9)	(1.1)	(3.3)
<b>Segment result</b>	<b>234.9</b>	<b>63.6</b>	<b>211.8</b>	<b>471.0</b>	<b>206.1</b>	<b>1,187.4</b>
Finance costs						(40.9)
<b>Profit before tax</b>						<b>1,146.5</b>
Tax expense						(233.1)
<b>Profit after tax</b>						<b>913.4</b>

## A. Business and performance continued

### A.2 Underwriting performance continued

	Year ended 31 December 2024					
	Cyber Risks \$m	Digital \$m	MAP Risks \$m	Property Risks \$m	Specialty Risks \$m	Total \$m
Insurance revenue	1,156.7	234.7	917.4	1,518.1	1,851.2	5,678.1
Insurance service expense	(784.8)	(160.0)	(716.8)	(919.6)	(1,351.8)	(3,933.0)
<i>Current year claims</i>	(641.8)	(104.0)	(383.9)	(678.4)	(977.5)	(2,785.6)
<i>Adjustments to prior year claims</i>	85.0	37.7	(29.7)	158.4	149.8	401.2
<i>(Loss on)/ reversal of onerous contracts</i>	2.6	0.3	2.9	0.2	(0.9)	5.1
<i>Insurance acquisition cash flows amortisation and other directly attributable expenses</i>	(230.6)	(94.0)	(306.1)	(399.8)	(523.2)	(1,553.7)
Allocation of reinsurance premium	(231.1)	(28.5)	(81.1)	(225.4)	(198.8)	(764.9)
Amounts recoverable from reinsurers for incurred claims	189.1	6.8	40.0	(22.4)	42.3	255.8
<i>Current year claims</i>	212.0	13.5	67.2	68.5	155.7	516.9
<i>Adjustments to prior year claims</i>	(22.0)	(6.6)	(26.0)	(90.0)	(112.1)	(256.7)
<i>Share of expenses and other amounts</i>	(0.9)	(0.1)	(1.2)	(0.9)	(1.3)	(4.4)
<b>Insurance Service Result</b>	<b>329.9</b>	<b>53.0</b>	<b>159.5</b>	<b>350.7</b>	<b>342.9</b>	<b>1,236.0</b>
Net investment income	108.2	17.7	72.3	112.8	263.4	574.4
Net finance income from insurance contracts issued	(29.6)	(1.5)	(5.8)	(4.5)	(47.7)	(89.1)
Net finance (expense)/income from reinsurance contracts held	6.3	0.0	3.8	10.2	12.9	33.2
<b>Net insurance and financial result</b>	<b>414.8</b>	<b>69.2</b>	<b>229.8</b>	<b>469.2</b>	<b>571.5</b>	<b>1,754.5</b>
Other income	21.6	4.4	17.1	28.3	34.6	106.0
Other operating expenses	(79.2)	(16.1)	(62.8)	(103.9)	(126.6)	(388.6)
Foreign exchange gains	(1.8)	(0.4)	(1.5)	(2.4)	(3.0)	(9.1)
<b>Segment result</b>	<b>355.4</b>	<b>57.1</b>	<b>182.6</b>	<b>391.2</b>	<b>476.5</b>	<b>1,462.8</b>
Finance costs						(39.3)
<b>Profit before tax</b>						<b>1,423.5</b>
Tax expense						(293.2)
<b>Profit after tax</b>						<b>1,130.3</b>

# A. Business and performance continued

## A.2 Underwriting performance continued

### Divisional performance

#### Cyber Risks

Softening rating conditions are not an indication that cyber threats are relenting. The many high-profile incidents across the retail and manufacturing sectors during the year attest to this. Nevertheless, in this challenging risk and rating environment we maintain a disciplined, vigilant approach to our underwriting and this is reflected in our discounted COR of 75.6% (2024: 64.4%). Our focus on discipline also led to a 8.8% shrinkage (2024: 7.7% growth) in our cyber underwriting.

This was delivered with active risk selection and an absolute determination to achieve rate adequacy. This is achieved via a relentless focus on Leveraging data and analytics to further refine our risk selection criteria as the risk landscape continues to be complex and constantly evolving. At the same time we're carefully managing accumulation risk and protecting ourselves with robust reinsurance protection that includes insurance linked securities and traditional reinsurance.

Throughout the year, our international business was the clear engine of growth, with Europe and Asia Pacific maintaining strong, rate-adequate pricing. As a market leader, our appetite for cyber risk remains unchanged, but we are responding to the US market conditions, where we believe the rating environment is now unsustainable, by maintaining underwriting discipline and rate adequacy.

The claims environment shows increasing data liability and class action cases which are costly and complex to handle and which need careful and active management of the individual claims. Our experience also shows that businesses often need immediate cash support while it recovers from an attack, leading us to speed up and streamline claims payments for business interruption claims. In 2026 this will see us roll out, across certain territories, an immediate cash payment when a cyber-triggered interruption lasts more than five business days.

Our Full Spectrum Cyber proposition extends beyond traditional insurance, delivering integrated protection through enhanced supply chain assessments and advanced managed extended detection and response solutions. In 2025 this also saw the addition of Beazley Security's proprietary Security Posture Report which is given to every client and supports them to improve their cyber hygiene. This approach moves clients beyond tick-box compliance, and into more proactive risk management and mitigation. Beazley Security – responsible for providing our state-of-the-art cyber security services – continued expanding its footprint, building a fee-based pipeline, while staying true to its commitment to supporting our insureds.

Looking ahead, we see no let-up in demand for comprehensive cyber protection as weak cyber insurance penetration, underinsurance and lack of resilience all remain a challenge our market needs to address.

#### Digital

Digital trading continued scaling in 2025. This was underpinned by sustained investment in our platform and data capabilities; and brokers pursuing their own digital initiatives to strengthen client experience. This resulted in submissions and binds growing across channels and geographies, cycle times shortened and broker experience improved.

Amidst strong competition across our specialist small-business offerings, disciplined underwriting and deep risk insights ensured profitable and sustained differentiation. To strengthen our digital edge, we partnered with Beazley Security to introduce new SME posture reports and remediation advisory. With digital trading for the small business segments now embedded within our trading teams, this will be the last year we report Digital separately as we move into the business as usual phase with our specialist digital capabilities part of our underwriting divisions and managed on that basis from 2026.

#### MAP Risks

In a year marked by geopolitical turbulence and shifting trade dynamics, MAP Risks has stood firm – leveraging deep expertise, disciplined underwriting and strategic agility to deliver a discounted COR of 75.2% (2024: 80.9%). The division's underwriting excellence has been in demand, particularly in political risks and renewable energy, which has helped deliver growth of 4.8% (2024: 1.5% shrinkage).

The marine market is facing the double pressure of excess capacity and altered trading patterns, and this is particularly true of the marine war market. As a market leader we are focused on supporting our clients with cover to manage the trade challenge, whilst we continue our laser-like focus on rate adequacy.

Transition underwriting is a key topic across Beazley and in marine underwriting. We are working to ensure our underwriting and risk management advice for the shipping industry offers the right support to manage the additional risks that come with moving to alternative fuels.

# A. Business and performance continued

## A.2 Underwriting performance continued

### Divisional performance continued

#### MAP risks continued

Renewables are a strategic priority, and we continue to look to expand our underwriting footprint with new hires in London and Singapore. During 2025 we supported the Sustainable Markets Initiative in its efforts to look at how insurance can support the commercial implementation of fusion energy projects, and we are hopeful that 2026 will see the first successful test of a commercial nuclear fusion facility.

The Portfolio Underwriting team is firmly established as a market leader for broker facilities and Fast Follow underwriting. The team has returned unbroken profitability to Beazley and third-party capital investors since it was established in 2018, and given this strong track record, we expect further profitable growth in 2026.

Looking ahead we see ongoing geopolitical change bringing continued demand for our specialist product suite. In transition underwriting, we see a significant opportunity to drive growth by working across the division and the Company as a whole.

#### Property Risks

The rate increases of the past three years continued to ease in 2025, signalling a more moderate pricing environment. Our strong foundations of robust technical pricing and rate adequacy continue to provide an effective baseline from which we were able to continue to grow our portfolio by 1.7% (2024: 26.0%). This discipline has enabled our underwriting teams to navigate a more normalised pricing environment and continue to drive profit with a discounted COR of 64.5% (2024: 72.9%).

We continue to see ongoing long-term growth opportunities as property is evolving into an increasingly specialist class of insurance. This is where we excel, bringing our expertise as a specialist insurer.

January 2025's terrible Californian wildfires and July's deadly floods in Texas highlighted that climate-related risk is not going away, and the impact of sudden natural disasters remains as destructive as ever. Added to this, inflation continues to drive materials, labour and insured values, which lead to the complexities of rebuilding after an event.

In 2025 we have also continued to grow our Parametric and Structured Solutions team with key expertise and resources. This planned strategy will enhance and strengthen our ability to support clients and brokers with dynamic solutions to help solve their risk and insurance challenges.

Meanwhile, our European expansion is gaining traction at a faster pace than anticipated, with large and multi-national accounts being particularly attractive as we continue to broaden our global footprint. In North America, we still expect substantial opportunity and demand for our specialist approach across the market, as the risk landscape and needs of property owners are becoming increasingly more complex.

Looking ahead to 2026, the property rating environment continues to be highly competitive, and underwriting discipline and expertise will remain key. Climate risk and rising property values, however, mean maintaining rate adequacy and underwriting discipline is critical, and our specialised underwriting approach remains key to our ongoing growth and success.

#### Specialty Risks

2025 saw Specialty Risks shrink by 0.6% (2024: 6.1% growth). This was driven by our approach to active cycle management where we de-risk in products which do not meet our targets, which is how we outperform as a specialty insurer over the market cycle. Specialty Risks delivered a discounted COR of 90.2% (2024: 79.2%) as we strengthened prior year reserves on certain classes.

Our Directors & Officers (D&O) business remains our cornerstone and saw stabilising rates in 2025. The European D&O market remains stable but does show signs of legal and regulatory shifts. Emerging claims trends in this market mirror those we are used to in the US, as boardrooms increasingly become a target for litigation.

Capital markets activity remained in flux during 2025. This led to our highly specialist M&A team experiencing a later than expected surge in business through the second and third quarters, as investors began to move forward with long-postponed transactions.

We continue to respond to market uncertainty with agility, offering higher limits and more capacity through consortia arrangements, to areas such as European IPOs. As well as delivering cross-class solutions through our flex product, combining our cyber and financial lines to meet the specialist needs of our clients. We see the potential for long-term growth in both areas.

# A. Business and performance continued

## A.2 Underwriting performance continued

### Specialty Risks continued

Our Safeguard risk management and insurance solution saw ongoing growth, as dealing with the scourge of sexual molestation and misconduct rightly remained high up organisations' agendas.

Looking ahead, our focus remains on staying ahead of the evolving risk environment – including an increasingly litigious environment for boardrooms and innovating where new risk areas are emerging.

### Segmental Analysis

The tables below show the 2025 and 2024 net IWP split into Solvency II lines of business, as reported on QRT S.05.01.02.

	2025 \$m	2024 \$m
<b>Net insurance written premiums</b>		
Income protection	58.6	54.5
Marine, aviation and transport	450.0	466.8
Fire and other damage to property	1,263.2	1,242.9
General liability	2,822.5	2,801.2
Credit and suretyship	178.0	140.1
Miscellaneous financial loss	76.7	77.5
Non-proportional health reinsurance	17.8	16.2
Non-proportional casualty reinsurance	51.9	53.2
Non-proportional property reinsurance	248.4	267.7
Other life insurance	24.8	25.0
Life reinsurance	6.7	7.2
<b>Total</b>	<b>5,198.6</b>	<b>5,152.3</b>

### Geographical breakdown

The tables provide an analysis of the geographical breakdown of gross IWP. Data in the tables below is presented using Solvency II criteria for activity by geographic location. For direct lines of business the Solvency II criteria is the country where the risk is located or the country where the contract was entered into, determined by the line of business. For reinsurance business the location is based on where the ceding undertaking is based. As presented in the S.05.02, only the home country and the top five countries are reported.

	2025 \$m	2025 %
United Kingdom	2,153.7	35.3 %
United States of America	2,893.7	47.4 %
Belgium	285.3	4.7 %
Canada	139.8	2.3 %
Germany	94.0	1.5 %
France	90.2	1.5 %
Other	444.0	7.3 %
<b>Total</b>	<b>6,100.7</b>	<b>100.0 %</b>

	2024 \$m	2024 %
United Kingdom	2,491.5	40.4 %
United States of America	2,780.8	45.1 %
Belgium	256.3	4.2 %
Canada	120.3	2.0 %
Singapore	114.0	1.6 %
France	91.5	1.7 %
Other	309.7	5.0 %
<b>Total</b>	<b>6,164.1</b>	<b>100.0 %</b>

# A. Business and performance continued

## A.3 Investment performance

### Summary of investment return

	2025	2025	2024	2024
	%	\$m	%	\$m
Investment income derived from financial assets	–	576.4	–	522.7
Investment expenses and charges	–	(12.7)	–	(9.6)
<b>Total<sup>1</sup></b>	<b>5.5 %</b>	<b>563.7</b>	<b>5.2 %</b>	<b>513.1</b>

<sup>1</sup> The difference between investment income of \$607.5m reported in the Beazley plc Annual report and accounts 2025 and investment income of \$563.7m is the return on cash and cash equivalents of \$32.3m and the gain on Lloyd's Overseas deposits of \$11.5m.

### Income and expenses by asset class (\$m)

2025	Fixed interest	Capital growth				Total	Total
		Equity	Hedge funds	Illiquid credit	Total		
Income	477.2	47.1	54.3	(2.2)	99.2	576.4	
Expenses <sup>1</sup>	(8.6)	–	(3.7)	(0.4)	(4.1)	(12.7)	
<b>Total</b>	<b>468.6</b>	<b>47.1</b>	<b>50.6</b>	<b>(2.6)</b>	<b>95.1</b>	<b>563.7</b>	

2024	Fixed interest	Capital growth				Total	Total
		Equity	Hedge funds	Illiquid credit	Total		
Income	402.3	77.3	52.1	(9.0)	120.4	522.7	
Expenses <sup>1</sup>	(5.8)	–	(3.3)	(0.5)	(3.8)	(9.6)	
<b>Total</b>	<b>396.5</b>	<b>77.3</b>	<b>48.8</b>	<b>(9.5)</b>	<b>116.6</b>	<b>513.1</b>	

<sup>1</sup> Expense allocations by asset class are estimates.

### Investment return vs benchmark (%)

2025	Fixed interest	Capital growth				Total	Total
		Equity	Hedge funds	Illiquid credit	Total		
Investment assets	5.2	16.1	7.7	(1.4)	7.4	5.5	
Benchmark	5.2	22.3	7.1	5.9	11.8	6.0	

2024	Fixed interest	Capital growth				Total	Total
		Equity	Hedge funds	Illiquid credit	Total		
Investment assets	4.6	24.2	7.3	(4.8)	9.9	5.2	
Benchmark	5.1	17.5	5.3	9.0	9.2	5.7	

Beazley's investment performance generated a return of \$563.7m or 5.5% in 2025 (2024: a return of \$574.4m or 5.2%). Our financial assets were \$12.0bn as at the 31 December 2025 (2024: \$11.5bn). Returns were driven by strong performance from our credit and equity holdings, and from the decline in treasury yields in our fixed income portfolio which matches the interest rate sensitivity of our liabilities.

The macroeconomic backdrop proved resilient. Despite an uptick in market volatility earlier in the year and a backdrop of elevated geopolitical risk, the US economy performed well supported by investment and consumption growth. The Federal Reserve cut rates by 0.75% over the year which created a favourable backdrop for short dated fixed income, while long dated bond yields saw smaller declines which resulted in a steepening of the overall yield curve. Our exposure to investment grade corporate bonds benefited from tightening credit spreads, brought about by the stable macroeconomic environment and resilient corporate fundamentals. Our holdings in collateralised loan obligations also performed well, offering incremental credit spread in well-diversified and high-quality structures.

The portfolio benefited from its exposures to equity markets. Following a weak start in Q1, equities recovered well led by corporate earnings growth and supportive monetary policy. We added regional diversification to our equity holdings, which are now closely aligned to global indices. Our exposure to high yield also added value as spreads rallied in the second half of the year. Hedge funds generated positive excess returns, offering an additional diversified source of return. We continue to target incremental exposure to credit in public and private forms, and intend to scale up our impact portfolio holdings.

# A. Business and performance continued

## A.3 Investment performance continued

The yield of our fixed income portfolio at 31 December 2025 was 3.9% with a duration of 1.7 years. This level of yield is a positive starting point for fixed income investment returns. Our investment portfolio remains diversified and well-positioned for a range of market outcomes.

## A.4 Performance from other activities

### Other income

Other income is analysed as follows in the financial statements.

	2025	2024
	\$m	\$m
Income from third-party syndicates	10.4	28.1
Managing agent profit commissions	37.7	42.4
Cyber services income	22.0	9.4
Other income	3.3	26.1
<b>Total</b>	<b>73.4</b>	<b>106.0</b>

### Income from third-party syndicates

This primarily relates to commissions received from third-party syndicates by Group service companies writing business on their behalf. Remuneration is triggered by incurring expenses irrespective of volume of business gained. Fees are recognised as the services are provided and therefore the performance obligations of the contracts are met.

This also includes managing agent fees which represent amounts payable by third-party syndicates to their managing agent, BFL, in return for management services. Fees are calculated as a percentage applied to syndicate capacity for each year of account. No other variable consideration is attached (for example: discounts, rebates, refunds, incentives). Fees are recognised as the services are provided and therefore the performance obligations of the contracts are met.

### Managing agent profit commissions

The underlying agreements are in place between the third-party capital syndicates managed by the Group and their managing agent, BFL. Under these agreements, the transaction price represents a fixed percentage on profit by year of account. As such, the profitability of the syndicates is a performance criterion. No other variable consideration is attached.

### Cyber services income

Cyber services income represents the revenue generated from the Group's cyber risk management services.

### Lease Arrangements

For disclosures on the lease arrangements please refer to note 26 in the Beazley plc Annual report and accounts 2025, page 225.

## A.5 Any other information

On 2 March 2026, the Boards of Beazley plc and Zurich Insurance Group Ltd ('Zurich') announced that they had agreed the terms of a recommended offer by Zurich to purchase the entire issued and to be issued share capital of Beazley plc, subject to certain conditions including regulatory and shareholder approvals ('the Transaction'). Shareholder approval was received on 22 April 2026. Details of the Transaction are set out in the announcement dated 2 March 2026 which can be found on the Beazley Group's website.

As things stand, our exposure to the unfolding events in the Middle East is limited, and we do not expect to be materially impacted. We continue to monitor the situation closely.

In March 2026, the Group acquired kWh Analytics, a US renewable energy MGA.

## B. System of governance

### B.1 General information on the system of governance

#### Governance framework

The role of the Board is to foster the long-term sustainable success of the Group, create value for shareholders, and contribute to broader society. This is achieved by overseeing the implementation of the Group's strategy and performance, while ensuring that the Group's culture remains aligned with its stated purpose and values. The Board ensures that the necessary resources are in place to support the business model and for the organisation to meet its objectives and measures performance against these. This is achieved through careful monitoring of the reports it receives from Group executive leadership, which include resourcing, as well as the Board's review of the annual business plan, which assesses the resources required to achieve the plan. In 2025, the Board also considered resourcing as part of its consideration of outsourcing arrangements.

To help discharge its responsibilities, the Board has established four key Committees. Those Committees are the Audit, Risk, Nomination, and Remuneration Committees, and details of their main responsibilities and activities in 2025 are set out in the Committee reports on pages 123-181 of the Beazley plc Annual report and accounts. The Committees work closely together where appropriate. For example, both the Audit and Risk Committees have responsibilities regarding the internal controls framework and the Chairs serve on both Committees to ensure an aligned approach. In addition, the Nomination and Remuneration Committees work closely on reviewing executive performance and compensation.

The Board has also established the Disclosure Committee, with responsibility for matters relating to the control and disclosure of inside information. This Committee is led by the Executive Directors and chaired by the Group Chief Financial Officer (CFO).

The Board evaluates the membership of its individual Board Committees on at least an annual basis, as well as when required during the year. The Board Committees are governed by terms of reference which detail the matters delegated to each Committee and their authority to make decisions. The terms of reference for the Board Committees can be found at [www.beazley.com](http://www.beazley.com).

The governance framework (in place at 31 December 2025) of the main Board and its Committees is shown in the diagram on the next page.

# B. System of governance continued

## B.1 General information on the system of governance continued

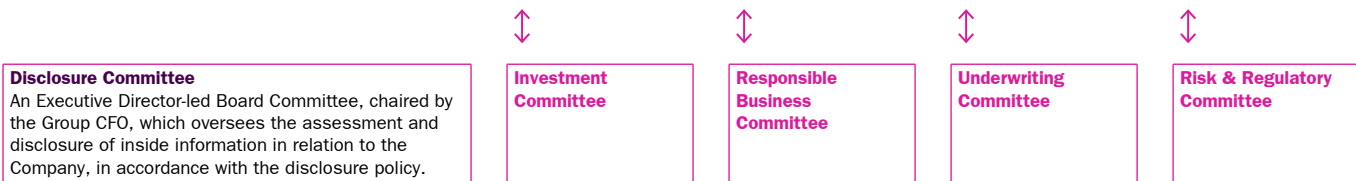
### Shareholders

**The Board**  
 The Board's role is to promote the long-term sustainable success of Beazley plc, for the benefit of shareholders while having regard to the interests of other stakeholders. The Board sets our purpose, values and strategy, ensuring that these are aligned with each other and our culture. It also maintains focus on the overall strategic direction of the Group. The Board has established a governance framework to enable it to operate effectively, fulfil its responsibilities and provide rigorous challenge to management. The Board has reserved certain areas of decision-making, which are set out in the matters reserved for the Board. The Board also delegates matters to its Committees. All delegations to Committees (including the Executive Committee) are set out in the terms of reference, which are approved by the Board. Two-way reporting between the Board and its Committees ensures appropriate governance and oversight of its responsibilities.

<p><b>Audit Committee</b>                  Assesses the integrity of the Company's financial statements, the financial reporting process, the system of internal financial controls and the audit process, including the effectiveness of the internal Audit and the External Auditor. The Audit Committee is also responsible for sustainability and climate-related reporting, including TCFD disclosures and metrics.</p>	<p><b>Risk Committee</b>                  Provides oversight of the Group's risk management framework, including all areas of risk. Oversees the Group's risk appetite, risk exposures and risk culture, and whether they are within tolerance. Monitors compliance with global laws and regulations.</p>	<p><b>Nomination Committee</b>                  Oversees Board composition, ensuring an appropriate balance of skills, experience, independence, knowledge and diversity, and recommends the annual board knowledge and training plan. The Nomination Committee also considers the current and future leadership needs of the business through consideration of Board and senior executive succession planning.</p>	<p><b>Remuneration Committee</b>                  Ensures that the remuneration policies and practices for the Group incentivise performance whilst promoting effective risk management and reviews the remuneration approach for senior executives and other key regulatory staff. The Committee supports the strategic aims of the business while complying with the requirements of regulatory bodies and satisfying the expectations of shareholders.</p>
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**Group Chief Executive Officer (CEO)**  
 The Board delegates day-to-day running of the business and the development and implementation of the Group's strategy to the Group CEO, who is supported by the Executive Committee.

**Executive Committee**  
 The Executive Committee supports the Group CEO with his responsibilities, including the review and monitoring of all strategic and operational activities as delegated by the Board. The Executive Committee's responsibilities are wide ranging and include the development and implementation of strategy, business planning, controls, risk management, oversight of the performance of the key underwriting divisions and three regulatory platforms, financial and investment performance, operational matters including cyber security, data, IT, and AI governance, as well as oversight of other key functions and activities of the Group. All Executive Directors are members of the Executive Committee as well as leaders representing key business areas or Group functions. For details on the other members of the Executive Committee and their roles, please see the Company's website.  
 To help the Executive Committee with their responsibilities, there are a number of sub-committees, steering groups and working groups, with the four key Committees referenced in the Annual Report set out below.



## B. System of governance continued

### B.1 General information on the system of governance continued

#### The Board

As at 31 December 2025, the Board consisted of 11 Directors, including the Chair (who was independent on appointment) and eight Independent Non-Executive Directors. The Nomination Committee reviews the independence of the Non-Executive Directors and reports any concerns regarding independence to the Board. Based on this assessment, the Board considers all the Non-Executive Directors to be independent and free of any relationship which could materially interfere with the exercise of their independent judgement. In accordance with the UK Corporate Governance Code (the Code), the Board has recommended that all Directors should submit themselves for re-election on an annual basis and as such all Directors (with one exception) will stand for re-election at the forthcoming Annual General Meeting (AGM). One Director has served on the Board since August 2016, and will not put himself forward for re-election at the 2026 AGM. Further information regarding these activities is provided in the Nomination Committee report on page 123 of the Beazley plc Annual report and accounts 2025.

The Board also delegates significant authority to the Group Chief Executive, Adrian Cox. The Group Chief Executive has established the Executive Committee, the role of which is to support him in executing the strategy and running the Group under powers delegated by the Board. The Board reviews the terms of reference of the Executive Committee annually. The Executive Committee usually meets monthly and is responsible for managing all operational activities of the Group. The Executive Committee comprises individuals representing Beazley's underwriting divisions and key functions, supporting the creation of a strong, well-diversified business. The Executive Committee members and their roles within Beazley are described on our website: [www.beazley.com](http://www.beazley.com).

The Board has appointed a Senior Independent Director who will, if required, deputise for the Chair. Pierre-Olivier Desaulle has acted as Senior Independent Director since the conclusion of the 2024 AGM. Pierre-Olivier's role is, in part, to act as a sounding board for the Chair and as an intermediary for other Directors. He is available to speak to shareholders particularly where they have concerns regarding management or the Board as a whole.

Biographies of the Board members (in place at 31 December 2025) appear in the Board of Directors section on pages 102 to 105 of the Beazley plc Annual report and accounts 2025.

Paul Bantick, Group Chief Underwriting Officer (CUO), was appointed as an executive Director on 1 January 2026.

#### Board Evaluation

The Board monitors and continually improves its effectiveness through its annual review of the performance of the Board and its Committees. The performance review is designed to assess how the Board and its Committees are operating and whether the Chair and Directors are making effective contributions individually and collectively. Feedback from the review is used to formulate action plans for improvement and identify where the composition of the Board and Committees could be enhanced.

In accordance with the Code, Board performance reviews are carried out on a three-year cycle, with an externally facilitated independent performance review carried out every three years, and internally led reviews taking place in other years. The last external review took place in 2024. The Nomination Committee is responsible for ensuring that a rigorous evaluation is carried out. The external and internal review processes are undertaken for Beazley plc and other principal Group subsidiaries.

Further details on the Board's performance review can be found on pages 129 to 131 of the Beazley plc Annual report and accounts 2025.

## B. System of governance continued

### B.1 General information on the system of governance continued

#### Remuneration policy and practices

The Board has delegated responsibility to the Remuneration Committee for oversight of remuneration policies to support our strategy, that it retains and incentivises our talented people to deliver for the Company and its shareholders, and that it is aligned with culture and values.

The main aim of Beazley's remuneration policy is to ensure that management and staff are remunerated fairly and in such a manner as to facilitate the recruitment, retention and motivation of suitably qualified personnel. The Committee considers that the policy supports our strategy and promotes the long-term success of Beazley.

The following table summarises how the Committee addressed the factors set out in the Code when determining the remuneration policy:

Factor	Details
<p><b>Clarity</b></p> <p>Remuneration arrangements should be transparent and promote effective engagement with shareholders and the workforce.</p>	<p>At Beazley performance-related remuneration is an essential motivation to management and staff and is structured to ensure that Executives' interests are aligned with those of our shareholders.</p> <p>We operate a bonus structure that is based on Group profitability and long-term performance. A key principle is that the Committee exercises its judgement in determining individual bonus awards. In recent years we have expanded our disclosure to provide shareholders with further clarity on the way in which we determine awards.</p>
<p><b>Simplicity</b></p> <p>Remuneration structures should avoid complexity and their rationale and operation should be easy to understand.</p>	<p>In determining our remuneration framework the Committee was mindful of avoiding complexity and making arrangements easy to understand for both participants and our shareholders.</p> <p>As part of the 2023 policy review we simplified our approach to bonus deferral so that one-third of any bonus is deferred into shares for three years and we also simplified the long-term incentive plan (LTIP) performance period.</p>
<p><b>Risk</b></p> <p>Remuneration arrangements should ensure reputational and other risks from excessive rewards, and behavioural risks that can arise from target-based incentive plans, are identified and mitigated.</p>	<p>We believe reward at Beazley is appropriately balanced in light of risk considerations. The Committee receives an annual report from the Chief Risk Officer (CRO) to ensure that our wider remuneration policy is consistent with, and promotes, effective risk management.</p> <p>Our framework has a number of features which align remuneration out-turns with risk, including a five-year time horizon on the LTIP, deferral of bonus into shares and personal shareholding requirements which extend post-departure. Further details of the link between risk and remuneration are set out on page 172 of the Beazley plc Annual report and accounts 2025.</p>
<p><b>Predictability</b></p> <p>The range of possible values of rewards to individual Directors and any other limits or discretions should be identified and explained at the time of approving the policy.</p>	<p>Stated in the 2026 Directors' remuneration policy are four illustrations of the application of our remuneration policy including the key elements of remuneration: base salary, pension, benefits and incentives. Payments at Beazley are directly aligned to the Group's performance and the graph and table, set out on page 168 of Beazley plc Annual report and accounts 2025, demonstrate how historic annual bonus out-turns have reflected ROE performance.</p>
<p><b>Proportionality</b></p> <p>The link between individual awards, the delivery of strategy and the long-term performance of the Company should be clear. Outcomes should not reward poor performance.</p>	<p>Individual remuneration reflects Group objectives but is dependent on the profitability of the Group and is appropriately balanced against risk considerations. Potential rewards are market-competitive and the Committee is comfortable that the range of potential out-turns are appropriate and reasonable.</p>
<p><b>Alignment to culture</b></p> <p>Incentive schemes should drive behaviours consistent with Company purpose, values and strategy.</p>	<p>The Remuneration Committee considers that the structure of remuneration packages supports meritocracy, which is an important part of Beazley's culture. All employees at Beazley are eligible to participate in a defined contribution pension plan and a bonus plan. Bonuses are funded by a pool approach which reflects our commitment to encourage teamwork at every level, which is one of our key cultural strengths.</p>

## B. System of governance continued

### B.1 General information on the system of governance continued

#### Remuneration policy and practices continued

The table below sets out an illustration of the operation of the remuneration policy for the current Executive Directors in respect of 2025 and includes base salary, pension, benefits, and incentives:

Element		Overview of implementation for 2025
Fixed remuneration	Base salary	Annual base salary for 2025.
	Pension	12.5% of base salary.
	Benefits	Benefits include private medical insurance, lifestyle allowance and company car or monthly car allowance.
Annual Bonus		Discretionary annual bonus determined by reference to both financial and individual performance. The maximum bonus opportunity for Executive Directors is 300% of salary. 33% of the award will be deferred into shares for three years
Long Term Remuneration Long-term Incentive Plan (LTIP)		Performance is measured after three years. Awards are subject to a further two year holding period taking the total time frame to five years. In addition, part of the award is linked to our sustainability priorities.

#### Pension

Executive Directors receive a pension allowance of 12.5% of salary, in line with the rate available to the majority of the UK workforce.

Prior to 31 March 2006 the Group provided pension entitlements to Directors that are defined benefit in nature, based on its legacy policy under the BFL Final Salary Pension Scheme. Future service accruals ceased on 31 March 2006.

#### Malus and clawback

Malus and clawback apply to all incentives that Executive Directors participate in. Recovery provisions have applied to incentives for a number of years. There was no application of the malus or clawback provisions in the reporting period. Further detail on the recovery provisions, including the circumstances and timeframe for which they can be applied are set out in the notes to the remuneration policy table on page 151 of the Beazley plc Annual report and accounts 2025.

#### Non-Executive Directors

The fees of Non-Executive Directors, as disclosed on page 173 of the Beazley plc Annual report and accounts 2025, are determined by the Board and are reviewed annually. When setting fee levels consideration is given to levels in comparable companies for comparable services and also to the time commitment and responsibilities of the individual Non-Executive Director. No Non-Executive Director is involved in the determination of their fees.

The following tables set out the additional incentive arrangements for staff other than Executive Directors of Beazley:

Element	Objective	Summary
Profit related pay plan (PRP)	To align underwriters' reward with the profitability of their account.	Profit on the relevant underwriting account as measured at three years and later.
Support bonus plan	To align staff bonuses with individual performance and achievement of objectives.	Participation is limited to staff members not on the Executive or in receipt of profit related pay bonus. The support bonus pool may be enhanced by a contribution from the enterprise bonus pool.
Retention shares	To retain key staff.	Used in certain circumstances. Full vesting dependent on continued employment over six years.
Long-term Incentive Plan (LTIP)	To award shares to senior management and selected underwriters subject to the achievement of stretching performance conditions.	Award of shares with performance conditions. Performance is measured after three years. Awards are subject to a further two-year holding period taking the total timeframe to five years. Vesting is based on growth in net asset value per share (NAVps) and the delivery of our sustainability priorities.

## B. System of governance continued

### B.1 General information on the system of governance continued

#### Remuneration policy and practices continued

The Remuneration Committee regularly reviews developing remuneration governance in the context of Solvency II remuneration guidance, other corporate governance developments and institutional shareholders' guidance. The CRO reports annually to the Remuneration Committee on risk and remuneration as part of the regular agenda. The Remuneration Committee believes the Group is adopting an approach which is consistent with, and takes account of, the risk profile of the Group. The performance criteria on which variable components of remuneration are based are as follows:

Incentive plan	Performance measures	Why performances measures were chosen and target is set
Annual bonus plan	<ul style="list-style-type: none"> <li>Financial performance (including profit and return on equity (ROE)), corporate/strategic performance (including risk adjustment) and individual performance.</li> </ul>	<ul style="list-style-type: none"> <li>The Remuneration Committee believes the approach to the determination of bonuses creates alignment to shareholders' interests and ensures that bonuses are affordable, while the ROE targets increase the performance gearing and the risk adjustment is consistent with and promotes effective risk management.</li> <li>The Committee reviewed the target setting approach to ensure it remained appropriate and made the decision that it should be recalibrated to recognise Beazley's current scale and risk profile and simplified to align with market practice at our global specialty peers. Targets are set taking into account the prevailing environment, interest rates and expected investment returns, headcount and any other relevant factors.</li> <li>A key principle of the process is that the Remuneration Committee exercises its judgement in determining individual awards taking into account the individual's contribution and performance.</li> </ul>
Underwriter bonus plan - profit-related pay (PRP)	<ul style="list-style-type: none"> <li>To align the interests of the Group and the individual through aligning an underwriter's reward to the long-term profitability of their portfolio. Profit related pay is awarded irrespective of the results of the Group. Awards are capped.</li> </ul>	<ul style="list-style-type: none"> <li>Underwriters who have significant influence over a portfolio may be offered awards under the plan. There is no automatic eligibility.</li> <li>This bonus is awarded as cash and is based upon a fixed proportion of profit achieved on the relevant underwriting account as measured at three years and later. Any movements in prior years are reflected in future year payments as the account develops after three years. For long-tail accounts, the class is still relatively immature at the three-year stage and therefore payments will be modest. Underwriters may receive further payouts in years four, five and six (and even later) as the account matures. Therefore each year they could be receiving payouts in relation to multiple underwriting years.</li> <li>If the account deteriorates as it develops any payouts are "clawed back" through reductions in future profit-related pay bonuses. Profit-related pay plans may be at risk of forfeiture or reduction if, in the opinion of the Remuneration Committee, there has been a serious regulatory breach by the underwriter concerned, including in relation to the Group's policy on conduct risk. The Remuneration Committee also have oversight for all material risk takers who participate in the profit-related pay plan.</li> <li>The fixed proportion is calculated based upon profit targets which are set through the business planning process and reviewed by a Committee formed of Executive Committee members and functional specialists including the Group actuary. Underwriting risk is taken into account when setting profit targets.</li> <li>In addition to profit-related pay, underwriters are also eligible to receive a discretionary bonus, based upon performance, from the enterprise bonus pool. A proportion of this bonus may be paid in deferred shares, which vest after three years subject to continued employment.</li> </ul>
Deferred share plan	<ul style="list-style-type: none"> <li>Award of nil cost share awards. Generally awarded as a deferred element of the annual performance bonus.</li> </ul>	<ul style="list-style-type: none"> <li>This is a discretionary award.</li> <li>A proportion of the annual performance bonus may be paid in deferred shares, which vest after three years subject to continued employment.</li> </ul>
Retention shares	<ul style="list-style-type: none"> <li>The retention plan may be used for recruitment or retention purposes.</li> </ul>	<ul style="list-style-type: none"> <li>Any awards vest at 25% per annum over years three to six.</li> <li>In line with policy, existing Executive Directors do not participate in this plan and no Executive Directors have subsisting legacy awards outstanding.</li> </ul>

## B. System of governance continued

### B.1 General information on the system of governance continued

#### Remuneration policy and practices continued

Incentive plan	Performance measures	Why performances measures were chosen and target is set
Long-term Incentive Plan (LTIP)	<ul style="list-style-type: none"> <li>The LTIP is an important tool in the remuneration framework for incentivising participants and aligning their interests with those of our shareholders. Under the LTIP, Executive Directors, senior management and selected underwriters receive awards of shares subject to the achievement of stretching performance conditions.</li> <li>For awards granted prior to 2023 vesting is based on growth in net asset value per share (NAVps), one of Beazley's key performance indicators. NAVps performance is assessed equally over a three-year and five-year period. In accordance with the Code, the first tranche of LTIP awards is subject to a further two-year holding period, taking the total timeframe for the entire award to five years.</li> <li>As part of the 2023 remuneration policy renewal the Remuneration Committee made a number of refinements to improve the effectiveness of the LTIP structure and to reflect evolving market practice. The key features of the plan for awards granted from 2023 are performance is measured after three years, awards are subject a further two-year holding period taking the total timeframe to five years and vesting is based on growth NAVps and delivery of sustainability priorities.</li> </ul>	<ul style="list-style-type: none"> <li>Creates alignment to Beazley's central key performance indicator, and recognises that NAVps is a key item supporting increases in share price and shareholder returns.</li> <li>Vesting of awards requires sustained growth in NAVps over a three-year time period.</li> <li>The Remuneration Committee reviews the NAVps targets periodically to ensure they remain appropriate with reference to the internal business plan, the external environment and market practice.</li> <li>In the event that NAVps were to become unsuitable as a performance measure in the opinion of the Committee (for example due to a change in accounting standards) the Remuneration Committee would substitute a measure which followed broadly similar principles.</li> <li>The Committee recognises the importance of sustainability to Beazley's long-term success and believes the use of sustainability measures incentivises the delivery of our ambitions.</li> </ul>
Investment in underwriting	<ul style="list-style-type: none"> <li>Management and underwriters may defer part of their bonuses into Beazley staff underwriting plan, providing alignment with capital providers. Capital commitments can be lost if underwriting performance is poor.</li> </ul>	<ul style="list-style-type: none"> <li>Executive Directors and other selected staff are invited to participate through bonus deferral with an element of their cash incentives 'at risk' as capital commitments. These capital commitments can be lost in full if underwriting performance is poor.</li> </ul>

## B. System of governance continued

### B.1 General information on the system of governance continued

Material transactions during the reporting period with shareholders, with persons who exercise a significant influence on Beazley, and with members of the Board

The members of the Board are deemed to have significant power to influence the direction, planning and activities of the Group. Details of the Board's remuneration can be found on pages 144 to 181 of the Beazley plc Annual report 2025. There are no other material transactions with shareholders or persons who exercise a significant influence on Beazley.

#### Climate Change

The table below details how climate-related matters are considered by the Board and supporting Committees:

Board/Committee	Description of how climate-related matters are considered
Beazley plc Board	The Board receives regular updates on sustainability activities and strategy, including progress towards Beazley's net-zero transition plans and the objectives set out in the sustainability strategy approved in 2024. Updates include progress in respect of climate-related risks and opportunities and progress in relation to disclosures required by TCFD.
Beazley plc Risk Committee	The Board has ultimate responsibility for risk management and delegates oversight of the Group's risk management framework to its Risk Committee, of which climate-related risk is a key part.
Beazley plc Audit Committee	The Audit Committee is responsible for sustainability and climate-related reporting, including TCFD disclosure metrics.
Beazley plc Nomination Committee	The Nomination Committee considers the current and future leadership needs of the business, and recommends the annual board knowledge and training plan. During 2025, Directors took part in an interactive session designed to improve knowledge and understanding of climate scenarios using case studies and focusing on the impact on underwriting and risk appetite.
Beazley plc Remuneration Committee	The Remuneration Committee is responsible for ensuring that the remuneration policies and practices for the Group incentivise performance whilst promoting effective risk management.

In addition to the above, climate-related matters are also considered by the Board as part of the annual process to:

- approve the risk appetite statements;
- approve the Own Risk and Solvency Assessment (ORSA); and
- the Responsible Investment Policy.

Further details of the Boards's oversight on climate-related risks and opportunities can be found on pages 60 to 80 of the Beazley plc Annual report and accounts 2025.

## B. System of governance continued

### B.2 Fit and proper requirements

Beazley's approach is to ensure that all senior management functions of the firm are identified with prescribed responsibilities allocated and that persons who effectively run the undertaking or have other key functions, and are important to the sound and prudent management of the undertaking, fulfil the following requirements:

- their professional qualifications, knowledge and experience are adequate to enable sound and prudent management (fit);
- they are of good repute and integrity (proper); and
- they meet the Prudential Regulation Authority (PRA), Financial Conduct Authority (FCA) and Monetary Authority of Singapore (MAS) conduct standards.

Beazley's policy is that Board members, PRA and FCA Senior Management Functions (SMFs) and Certification Functions, CBI Pre-approved Controlled Functions (PCFs) and Controlled Functions (CFs) and MAS Core Management Functions (CMFs) and Material Risk Personnel (MRP) for these entities must meet the fit and proper criteria and conduct standards as set out by the PRA and FCA, the fitness and probity standards as required by the CBI and conduct standards as set out by MAS and in that regard Beazley will ensure compliance with the provisions of Solvency II, to which the Senior Managers & Certification Regime (SM&CR) and the CBI regime are aligned. The high level requirements are:

- honesty, integrity and reputation;
- competence and capability; and
- financial soundness.

Beazley seeks to ensure that members of the supervisory bodies of BFL, Bldac, Beazley Solutions International Ltd (BSIL) and Beazley Pte, all SMFs, Certification Functions, PCFs, CFs, CMFs and MRPs (collectively – 'approved persons') possess sufficient professional qualifications, knowledge and experience in the relevant areas of the business to give adequate assurance that they are collectively able to provide a sound and prudent management of the entities. Beazley also applies this approach to the directors of Beazley in addition to the regulated entity boards.

The assessment of whether a person is 'fit' shall take account of the respective duties allocated to that person and, where relevant, the insurance, financial, accounting, actuarial and management skills of the person. In the case of members of the relevant boards, the assessment shall take account of the respective duties allocated to individual members to ensure appropriate diversity of qualification, knowledge and relevant experience to ensure that the business is managed and overseen in a professional manner.

In respect of roles identified under the fit and proper requirements, Beazley's policy is to assess the fitness of approved persons against the key competencies required by the FCA and PRA, namely:

- **market knowledge** – awareness and understanding of the wider business, economic and market environment in which the firm operates;
- **business strategy and model** – awareness and understanding of the firm's business strategy and model appropriate to the role;
- **risk management and control** – the ability to identify, assess, monitor, control and mitigate risks to the firm. An awareness and understanding of the main risks facing the firm and the role the individual plays in managing them;
- **Financial analysis and control** – the ability to interpret the firm's financial information, identify key issues based on this information and put in place appropriate controls and measures;
- **Governance, oversight and controls** – the ability to assess the effectiveness of the firm's arrangements to deliver effective governance, oversight and controls in the business and, if necessary, oversee changes in these areas; and
- **Regulatory framework and requirements** – awareness and understanding of the regulatory framework in which the firm operates, and the regulatory requirements and expectations relevant to the SMF role.

## B. System of governance continued

### B.2 Fit and proper requirements continued

Additionally Beazley's policy is to assess the fitness of approved persons against the key competencies required by the CBI, namely:

- conduct to be competent and capable – a person shall have the qualifications, experience, competence and capacity to perform the relevant function;
- conduct to be honest, ethical and to act with integrity – a person must be able to demonstrate that his or her ability to perform the relevant function is not adversely affected to a material degree; and
- financial soundness – a person shall manage his or her affairs in a sound and prudent manner.

Beazley's policy is to apply this approach to both external and internal appointments. Beazley then tailors individual development plans, including mentoring as appropriate, for the appointee to ensure that they are able to fulfil their obligations in their approved person roles.

## B. System of governance continued

### B.3 Risk management system including the own risk and solvency assessment

#### Risk management oversight and framework

The Beazley plc Board has ultimate responsibility for risk management and delegates oversight of the Group's risk management framework to its Risk Committee, as well as to the Boards of its primary regulated subsidiaries and their respective Audit and Risk Committees.

The Beazley plc Board delegates executive oversight of the Risk function and framework to the Executive Committee, which fulfils this responsibility primarily through its Risk and Regulatory Committee.

Beazley operates a governance structure founded on the three lines of defence model, with the Risk function forming part of the second line of defence. Ongoing communication and collaboration across the three lines of defence ensures that the Group identifies and manages risks effectively.

Our risk management framework sets out the approach for identifying, assessing, managing, monitoring and reporting principal risks. This framework underpins the delivery of the Group's strategic priorities and supports informed decision-making at all levels.

The Board approves the Group's risk appetite statements annually and receives regular updates throughout the year on performance against these appetites, including impact on the risk profile of the business.

A comprehensive suite of reports from the Risk function supports senior management and the Board in fulfilling their oversight responsibilities. These reports include updates on risk culture, risk appetite, risk profiles, stress and scenario testing (including reverse stress testing) and analysis, emerging and heightened risks, and the ORSA. In addition, the Risk function provides reporting to the Remuneration Committee to ensure alignment between risk considerations and remuneration practices.

An annual risk management plan is developed with reference to the Group's business strategy, external market and regulatory developments, as well as the inherent and residual risk profile captured within the risk register. In addition, the Risk function integrates insights from Internal Audit findings and other assurance activities into its risk assessment and planning processes to ensure a comprehensive and forward-looking approach.

#### Principal risks

The Group operates in a dynamic environment where risk exposures evolve in response to changes in market conditions, regulatory developments, and strategic priorities. Identifying and managing these risks is fundamental to safeguarding the Group's financial strength and delivering sustainable value to stakeholders.

Our principal risks are subject to regular review through the Group's risk and control assessment process. The overall risk profile is continuously monitored with emphasis on operational and regulatory risks, to ensure that our control environment and risk management capabilities evolve in line with business change and developments in the external environment.

The tables that follows summarise the principal risks faced by the Group, together with the governance, oversight and control measures in place to mitigate these exposures. It also sets out the Group's risk appetite for each category of risk, distinguishing between those risks actively assumed to generate returns (high appetite), to those accepted as inherent to core business activities (medium appetite), and those which the Group seeks to limit (low appetite) or minimise/avoid (very low appetite).

Each principal risk is aligned to the Group's strategic objectives, ensuring that risk management remains integral to the delivery of our long term strategy.










Our approach to managing the risks arising from climate change are set out within the TCFD section of the Beazley plc Annual report and accounts, page 60.

## B. System of governance continued

### B.3 Risk management system including the own risk and solvency assessment

Principal risks continued

Key to strategy:





 Client	 Protection	 People	 Sustainability	 Tools
<div style="display: flex; justify-content: space-between; align-items: center;"> <div style="background-color: #4a4a4a; color: white; padding: 5px; border-radius: 5px;"> <h2 style="margin: 0;">Insurance</h2> </div> <div style="text-align: right;"> <p><b>Link to strategy:</b>     </p> </div> </div>				
<b>Risk owner:</b> Group CUO	<b>Risk appetite:</b> High	<b>Risk outlook:</b> Stable		
<p><b>Description of risk</b></p> <p>Risk of loss arising from uncertainties and deviations in the occurrence, frequency, amount and timing of insurance premium and claim liabilities relative to the assumptions at the time of underwriting. This includes key underwriting risk drivers such as market cycle, catastrophe, reinsurance, reserves and climate.</p> <ul style="list-style-type: none"> <li>• <b>Market cycle:</b> potential systematic mispricing of medium- or long-tailed business that does not support revenue to invest and cover future claims.</li> <li>• <b>Catastrophe:</b> one or more large events caused by nature (e.g. hurricane, windstorm, earthquake and/or wildfire) or mankind (e.g. systemic cyber event, global pandemic, losses linked to an economic crisis, an act of terrorism or an act of war and/or a political event) impacting a number of policies, and therefore giving rise to multiple losses.</li> <li>• <b>Reinsurance arrangements:</b> reinsurance may not be available, or purchases do not support the business underwritten (e.g. mismatch).</li> <li>• <b>Reserving:</b> reserves may not be sufficiently established to reflect the ultimate paid losses.</li> <li>• <b>Climate risk:</b> impact of climate change on underwriting and reserving assumptions, including the risk arising from the physical effects of climate change, the transition to a low-carbon economy and associated litigation risks.</li> </ul>				
<p><b>Mitigation and monitoring</b></p> <ul style="list-style-type: none"> <li>• <b>Insurance risk</b> is principally managed through pricing tools, analysis of macro trends and claim frequency/severity, which ensures exposure is well-diversified and not overly concentrated in any one area, or line of business.</li> <li>• Our strategic approach to <b>exposure management</b> and a comprehensive internal and external reinsurance programme help to reduce volatility of profits in addition to managing net exposure through the transfer of risk.</li> </ul>				
<ul style="list-style-type: none"> <li>• Our prudent and comprehensive approach to <b>reserving</b> ensures adequate provisions are made for the payment of all valid claims. High-calibre claims and underwriting professionals deliver expert service and claims handling to insureds, ensuring good customer outcomes.</li> <li>• Beazley carries out <b>periodic analysis</b> to identify significant areas of concentration risk across our business and monitors solvency regularly to ensure adequate capitalisation.</li> <li>• Beazley continuously monitors <b>key trends and incidents</b>, particularly for evolving perils such as cyber, to ensure our view of risk is up-to-date.</li> <li>• Beazley makes extensive use of <b>modelling</b>, including catastrophe modelling, the use of our Solvency II model and stress and scenario testing to ensure insurance risk is within approved risk appetite.</li> <li>• Beazley integrates management of <b>climate risk</b> into its business processes for physical and litigation risk, through climate-adjusted pricing, capital modelling and climate conditioned views of risk for its most sensitive perils and supporting underwriting using targeted tools and dashboards and scenario analysis. The approaches continue to develop, given the evolving nature of climate risk.</li> <li>• <b>Investment</b> in underwriting, reinsurance, and exposure management systems and processes continue to strengthen our risk management capabilities in an increasingly complex landscape shaped by advances in artificial intelligence, rising geopolitical tensions and climate-related natural hazards.</li> </ul>				
<p><b>Outlook</b></p> <ul style="list-style-type: none"> <li>• While we continue to assess the Group's insurance risk outlook as stable, supported by active management of market cycles across all lines of business, we recognise that the cycle of rate increases have likely peaked and in the absence of a market turning event, we anticipate further soft market pressures in the near term, making effective risk management increasingly critical.</li> </ul>				






## B. System of governance continued

### B.3 Risk management system including the own risk and solvency assessment

Principal risks continued

Key to strategy:

 Client
  Protection
  People
  Sustainability
  Tools






Market			Link to strategy:	Credit			Link to strategy:
<b>Risk owner:</b> Group CFO	<b>Risk appetite:</b> High	<b>Risk outlook:</b> Stable	  	<b>Risk owner:</b> Group CUO Group CFO	<b>Risk appetite:</b> Medium	<b>Risk outlook:</b> Stable	 
<b>Description of risk</b>				<b>Description of risk</b>			
<p>The risk of loss resulting from fluctuations in the level and in the volatility of market prices of assets, liabilities and financial instruments. Investment assets may be impacted by adverse movements in financial markets, interest rates, exchange rates or external market forces.</p>				<p>Exposure to credit risk largely emanates from the use of reinsurers, brokers, coverholders and our investments, of which reinsurance asset is the single largest exposure for the Group.</p> <p>Credit risk is also the risk of loss resulting from default in obligations due or changes in the credit standing of either issuers of securities, counterparties or any debtors which Beazley is exposed to.</p>			
<b>Mitigation and monitoring</b>				<b>Mitigation and monitoring</b>			
<ul style="list-style-type: none"> <li>• Beazley operates a conservative investment strategy, to ensure adequate funds available to pay claims.</li> <li>• We employ robust policies and tools to manage market risk, ensuring alignment with regulatory requirements and industry best practices.</li> <li>• Interest rate and foreign exchange risks are managed using natural hedges and financial instruments, minimising potential volatility. The Investment Committee regularly reviews market risk exposures to ensure that our risk management capabilities remain agile and effective in responding to evolving market dynamics.</li> <li>• Beazley continues to develop its understanding of how climate change impacts our investment portfolio to help inform alignment with our sustainability goals and create long-term value.</li> </ul>				<ul style="list-style-type: none"> <li>• Beazley maintains long-term partnerships with strategic reinsurance partners to support the Company throughout the insurance cycle and during potential catastrophic claim events. The Group uses a range of traditional and alternative reinsurance mechanisms to diversify reinsurance credit risk.</li> <li>• All reinsurers must meet stringent internal approval criteria, overseen by the Reinsurance Security Committee.</li> <li>• Beazley operates established broker relationships and mitigates credit risk via the monitoring of broker concentrations, payment performance oversight and broker onboarding review criteria.</li> <li>• Coverholder monitoring and onboarding utilises a risk-based approach, using financial stability information, overseen by the Delegated Authority Oversight Committee.</li> <li>• Investment credit risks are managed with a well-diversified portfolio, with investment parameters by type, duration and credit quality, monitored by the Investment Committee.</li> </ul>			
<b>Outlook</b>				<b>Outlook</b>			
<ul style="list-style-type: none"> <li>• We maintain a stable market risk outlook for 2026, underpinned by active investment portfolio management and a robust internal control framework.</li> </ul>				<ul style="list-style-type: none"> <li>• The credit risk outlook remains stable, as Beazley manages reinsurance, broker and coverholder credit risks, maintaining low levels of aged and bad debt.</li> </ul>			

## B. System of governance continued

### B.3 Risk management system including the own risk and solvency assessment continued

Principal risks continued

Key to strategy:

 Client	 Protection	 People	 Sustainability	 Tools
<h3>Liquidity</h3> <p><b>Risk owner:</b> Group CFO</p> <p><b>Risk appetite:</b> Very Low</p> <p><b>Risk outlook:</b> Stable</p> <p><b>Description of risk</b></p> <p>The risk that investments and/or other assets are not available or adequate in order to settle financial obligations when they fall due.</p> <p><b>Mitigation and monitoring</b></p> <ul style="list-style-type: none"> <li>By actively managing its liquidity needs, Beazley maximises flexibility in handling its financial assets and investment strategy. This proactive approach ensures that clients and creditors are financially protected. The Group regularly evaluates its liquidity position, under the oversight of the Investment Committee and the Executive Committee.</li> <li>Liquidity stress testing is performed to assess the largest cash flow demands from the ten most severe Realistic Disaster Scenarios (RDSs) across a 1-day and 12-month time horizon.</li> <li>Liquidity is monitored quarterly to ensure Beazley maintains an adequate liquidity surplus for all entities such that liquidity exceeds 115% of requirements, even under stressed scenarios.</li> <li>In addition, Beazley plc maintains a minimum liquidity coverage ratio of 125%, at all horizons, including in stressed liquidity scenario.</li> <li>A liquidity and contingency plan is in place to respond to liquidity events where contingent actions are required to address liquidity shortfalls; the plan also outlines</li> </ul> <p><b>Outlook</b></p> <p>The liquidity risk outlook remains stable with sufficient available liquidity to meet expected cash flow requirements, even in stressed scenarios and maintaining more than adequate levels of liquidity and capital buffers.</p>			<h3>Operational</h3> <p><b>Risk owner:</b> Group COO<sup>1</sup>/CPSO<sup>1</sup>/CUO</p> <p><b>Risk appetite:</b> Low</p> <p><b>Risk outlook:</b> Stable</p> <p><b>Description of risk</b></p> <p>The risk of failure of people, processes and systems or the impact of an external event on Group operations. The primary risk drivers include technology, information management, project and change transformation, third-party management, and the process and people-related infrastructure supporting core business activities such as claims and underwriting management.</p> <p><b>Mitigation and monitoring</b></p> <ul style="list-style-type: none"> <li>Our risks and controls are formally monitored and reported through a risk and control self-assessment process and the use of quantifiable Key Risk Indicators (KRIs). Our ongoing control enhancement and underwriting transformation programmes are designed to ensure that Beazley is fully equipped to meet current and future operational challenges, strengthening our resilience and supporting sustainable growth.</li> <li>In 2025, we further advanced our investment in technology and process re-engineering to strengthen our operational capabilities and add resilience to internal processes and associated controls. Our business continuity, disaster recovery and incident response plans ensure the stability of our processes and systems, enabling our team to consistently deliver optimal outcomes for our clients.</li> <li>As the external environment grows more complex, technology and cyber resilience remain top priorities. We have advanced our cyber maturity journey, collaborating with external agencies, and maintaining robust controls over information security, data and operational resilience. Regular reviews of our incident response plans and ongoing investment in cyber security training for all employees ensure we remain vigilant and prepared.</li> <li>While maintaining a low appetite for operational risk, we observed an increase in reported risk incidents during 2025, albeit many of a lower materiality, reflecting both the growing complexity of our operating environment and our enhanced risk awareness and reporting culture. Our Risk function works closely with first line teams to ensure that controls and processes evolve in line with emerging risks and business change.</li> </ul> <p><b>Outlook</b></p> <ul style="list-style-type: none"> <li>This risk has moved from an increased to stable outlook in 2026, supported by the continued benefits of our investment in modernising controls, systems and processes. As our transformation programmes and modernisation initiatives progress, we expect these efforts to further enhance our operational resilience in the years ahead.</li> </ul>	






<sup>1</sup> Chief Operating Officer (COO), Chief People & Sustainability Officer (CPSO),

## B. System of governance continued

### B.3 Risk management system including the own risk and solvency assessment continued

Principal risks continued

Key to strategy:

 Client	 Protection	 People	 Sustainability	 Tools
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<b>Regulatory and Legal</b>			<b>Link to strategy:</b>     	<b>Outlook</b>
<b>Risk owner:</b> Group CRO	<b>Risk appetite:</b> Very Low	<b>Risk outlook:</b> Stable	<b>Outlook</b>	
<b>Description of risk</b>			<b>Outlook</b>	
<p>The risk of non-compliance with regulatory and legal requirements and supervisory expectations or failing to operate in line with the relevant regulatory framework in the territories where the Group operates. This may lead to financial loss (fines and penalties), sanctions, reputational damage, loss of confidence from regulators, regulatory intervention, inability to underwrite or pay claims.</p>				
<b>Mitigation and monitoring</b>			<b>Outlook</b>	
<ul style="list-style-type: none"> <li>• Beazley's compliance framework supports adherence to rules, laws and regulatory expectations including through horizon scanning, advice and training. The work of the Compliance function is overseen by the Risk and Regulatory Committee.</li> <li>• In 2025, we implemented a global horizon scanning tool to support the increasing size and complexity of our multi-jurisdictional business. This tool aids in identifying, assessing and implementing new and emerging legal and regulatory policy in a way that is both accessible and immediate across all areas of our business and locations that we underwrite. Additionally, it helps to increase awareness of the regulatory environment for a wider audience, strengthens our adherence to requirements and provides additional clarity over the expectations of our regulators.</li> <li>• We enhanced our regulatory engagement protocols by developing a new framework, establishing oversight and strengthening our reporting mechanisms for sharing key information with our regulators. To ensure effective embedding of the new protocols and further strengthen our culture of transparency and openness, we provided firm-wide training to ensure that expectations are understood.</li> <li>• Delivering good customer outcomes remains central to our business. The second line functions contribute to the work of the Conduct Review Group, which provides oversight of conduct risk throughout the product lifecycle, ensuring we are able to consistently meet regulatory expectations for the treatment of our policyholders and retail customers.</li> <li>• Beazley maintains a very low appetite for regulatory and legal risk. As we consolidate the regulatory engagement achieved in 2025 and navigate an increasingly complex environment, maintaining strong and open relationships with our regulators remains paramount.</li> </ul>				

## B. System of governance continued

### B.3 Risk management system including the own risk and solvency assessment continued

#### Principal risks continued

#### Key to strategy:

 Client	 Protection	 People	 Sustainability	 Tools
<b>Strategic</b>		<b>Link to strategy:</b>   		
<b>Risk owner:</b> Group CEO	<b>Risk appetite:</b> Medium	<b>Risk outlook:</b> Stable		
<b>Description of risk</b>				
The risk of loss resulting from ineffective strategic direction and implementation that leads to inadequate profitability, insufficient capital, financial loss and/or reputational damage.				
Pervasive risks impacting multiple areas of the Group (e.g. reputation and sustainability) occurring through real or perceived action, or inaction, by a regulatory body, market and/or third-party provider.				
A negative change to Beazley's reputation would have a detrimental impact to the Group's performance and public perception.				
<b>Mitigation and monitoring</b>				
<ul style="list-style-type: none"> <li>Beazley consistently addresses key strategic opportunities and challenges, striving to be the highest performing and most sustainable specialist insurer. We ensure that we recognise, understand, discuss and develop action plans for significant strategic priorities in a timely manner, while maintaining operational effectiveness and brand reputation.</li> <li>We create an environment that attracts, retains and develops high-performing talent with diverse perspectives, encouraging exploration, creation and innovation. By investing in understanding the complexities of the risks our clients face and deploying our expertise where it adds value, we thrive. The Executive Committee and the Beazley plc Board oversee these risks.</li> <li>During 2025, we established our Bermuda entity, to support the Group longer-term strategy. Overseen by project and existing Group governance, work is set to continue into 2026 to embed risk and controls frameworks within this new entity.</li> <li>Also in 2025, we dedicated significant executive management effort on developing our medium-term strategy and enhancing our medium-term planning capability, evidencing a clearer view of the initiatives needed to deliver sustainable performance.</li> <li>More widely, over the past 18 months, Beazley has made enhancements to its corporate governance arrangements to align to a three-platform model. It aims to ensure that the legal entities benefit from increased transparency and clarity around decision-making powers and autonomy, which aims to de-risk the organisation. The three-platform model has been implemented and will continue to be embedded throughout 2026.</li> </ul>				
<ul style="list-style-type: none"> <li>We maintain capital in excess of regulatory requirements to support our business plan and strategic objectives across the short, medium and long term, with consideration of opportunities to deploy capital for both organic and inorganic growth. Share repurchases form a key element of our capital management strategy. By actively redistributing surplus and liquid capital that exceeds regulatory requirements, our internal risk appetite and any growth needs, Beazley ensures efficient capital allocation across the Group and delivers sustainable value to our stakeholders.</li> <li>Our commitment is to create a sustainable business for our people, partners and environment through responsible business goals. This focuses on understanding and reducing our carbon footprint, contributing positively to our social environment, and upholding strong governance practices. Sustainability principles are embedded into business planning, with a documented transition plan and reputational risk mitigated through transparent climate-related decision-making across underwriting, investments and operations. While market developments are considered, each is evaluated individually to balance potential opportunities and risks.</li> </ul>				
<b>Outlook</b>				
<ul style="list-style-type: none"> <li>As we build on our past achievements, our outlook for strategic risk in 2026 remains stable, underpinned by our commitment to disciplined growth, innovation and sustainability.</li> </ul>				






## B. System of governance continued

### B.3 Risk management system including the own risk and solvency assessment continued

Principal risks continued

Key to strategy:

 Client
  Protection
  People
  Sustainability
  Tools

Group			Link to strategy:
<b>Risk owner:</b> Group CEO	<b>Risk appetite:</b> Low	<b>Risk outlook:</b> Stable	    
<b>Description of risk</b> The contagion risk that an action or inaction of one part of the Group adversely affects another part or parts of the Group.			<ul style="list-style-type: none"> <li>The Executive Committee and the Beazley plc Board oversee Group risk, with regular monitoring conducted by the risk management function and overseen by the Risk Committee.</li> </ul>
This also includes a changes in culture which leads to inappropriate behaviour, actions and/or decisions including dilution of culture or negative impact on the Group brand.			<b>Outlook</b> <ul style="list-style-type: none"> <li>The Group risk outlook remains stable, with the Executive Committee continuously evolving our risk culture through regular monitoring and annual assessments, designed to drive enhancement.</li> </ul>
<b>Mitigation and monitoring</b> <ul style="list-style-type: none"> <li>In 2025, Beazley developed its Group Risk Culture Framework further, to align with industry best practice. The framework is underpinned by six guiding principles: Leadership and Tone from the Top; Risk Governance and Accountability; Risk Awareness; Communication and Transparency; Risk and Reward; and Innovation and Adaptiveness.</li> <li>A strong risk culture is the cornerstone of a mature risk management function. It enables informed and responsible decision-making, fosters transparency, and promotes vigilance across both existing and emerging risks, ensuring Beazley remains resilient and forward-looking in an evolving risk and regulatory landscape. In 2025, advancing our risk culture maturity was a key management priority. A series of organisation-wide initiatives were launched to strengthen communication and engagement, with the aim of cultivating a consistent and robust risk culture. These efforts focused on building a shared understanding of risk, encouraging proactive management and reinforcing a supportive "speak up" environment.</li> <li>Beazley operates shared services, systems, processes and controls across different legal entities and jurisdictions. As such, the impact of an issue or incident in one area of the business can have implications across the Group (i.e., contagion risk). To mitigate this risk, we continue to focus on Group-wide strategic initiatives, which include continuous enhancement of our internal control environment and optimisation of key business and IT processes through deployment of technology solutions.</li> </ul>			

## B. System of governance continued

### B.3 Risk management system including the own risk and solvency assessment continued

#### Emerging risks, framework, process and output

Emerging risks are newly developing or evolving exposures, distinct from existing risks and are characterised by a high degree of uncertainty. These risks have the potential to materially impact the Group and therefore require ongoing monitoring and assessment.

Our approach to managing emerging risks combines insights from across the business, lessons learned from past events and external thought leadership. Each risk is assessed for potential materiality and time horizon, enabling prioritisation of those requiring enhanced oversight or action.

Evaluation is supported by external research, engagement with first line stakeholders, and governance through first and second line fora such as the Emerging & Complex Risk Group (ECRG) and the Emerging Risk Working Group (ERWG). Oversight is provided by the Group Risk and Regulatory Committee and the Board throughout the year.

We recognise that emerging risks present both challenges and opportunities. By adapting our business model and leveraging areas of expertise, the Group seeks to mitigate exposures while identifying opportunities to create value.

A selection of the high-priority emerging risks Beazley considers is provided in the adjacent table, together with key mitigation activities.

Risk and Description	Priority	Key Mitigations
<b>Artificial Intelligence (AI)</b> The rapid advancement and proliferation of AI introduces risks across underwriting, operational processes and broader societal impacts.	HIGH	<ul style="list-style-type: none"> <li>• Oversight through AI Steering Committee and AI Governance &amp; Controls Committee;</li> <li>• Responsible AI assessments and policy frameworks;</li> <li>• Third-party controls for ethical deployment; and</li> <li>• Underwriting exposure monitored by AI Exposure Working Group and Emerging &amp; Complex Risk Group.</li> </ul>
<b>Geopolitical and conflict escalation</b> Intensifying geopolitical tensions and conflict escalation between countries, states and/or political actors lead to adverse events such as war, terrorism and international trade disruption.	HIGH	<ul style="list-style-type: none"> <li>• Monitoring by Emerging &amp; Complex Risk Group (ECRG) and Emerging Risk Working Group (ERWG);</li> <li>• Risk appetite oversight and scenario analysis by Exposure Management Groups (Physical Damage Exposure Management Group (PDEMG), Cyber &amp; Catastrophe Management Group (CCMG));</li> <li>• Horizon scanning for emerging threats; and</li> <li>• Cross-functional collaboration to support underwriting and resilience planning.</li> </ul>
<b>Supply chain complexity</b> Interconnected global supply chains present risks from disruption, concentration, inflationary pressures, and rising regulatory and consumer demands. These challenges require strengthened due diligence and operational resilience across operations and underwriting.	HIGH	<ul style="list-style-type: none"> <li>• Active monitoring of supply chain risk to reduce disruption and enhance resilience;</li> <li>• Oversight of cyber contingent business interruption exposures; client support via cyber services facility;</li> <li>• Operational resilience reinforced through robust infrastructure and continuity planning; and</li> <li>• Inflation risk overseen by dedicated Inflation Working Group.</li> </ul>
<b>Political and social unrest/instability</b> Rising inequality, economic imbalances and societal divisions can lead to increased polarisation and reduced social cohesion, resulting in protests, riots and political instability.	HIGH	<ul style="list-style-type: none"> <li>• Political and social unrest monitored via country appetite limits, horizon scanning and scenario analysis; and</li> <li>• Flexible working arrangements and tested continuity measures support operational resilience.</li> </ul>

## B. System of governance continued

### B.3 Risk management system including the own risk and solvency assessment continued

#### Own Risk and Solvency Assessment

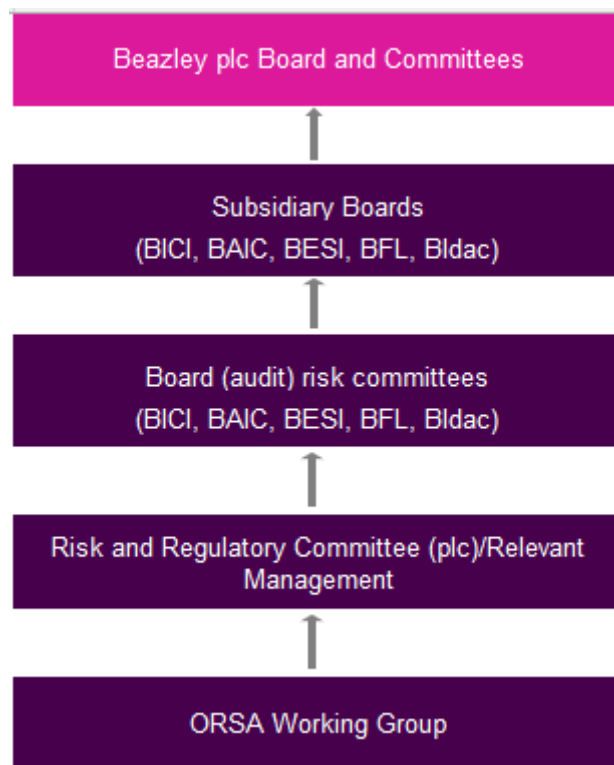
The Solvency II Directive indicates that the ORSA is ‘the entirety of the processes and procedures employed to identify, assess, monitor, manage, and report the short and long term risks a company faces or may face and to determine the own funds necessary to ensure that the undertaking’s overall solvency needs are met at all times’.

In other words, the ORSA is the consolidation of a collection of processes resulting in the production of a report to provide Risk Committees and boards with sufficient information to enable an assessment of the short term and long term risks faced by the entity and the capital required to support these risks.

Beazley’s interpretation is that there are three parts to the ORSA deliverables:

- ORSA governance;
- ORSA processes: coordination of a number of underlying processes; and
- ORSA reports: summary of the findings from these processes.

The overarching governance structure is illustrated below. Within this context, each board has ultimate responsibility for the ORSA for their respective entity.



The Risk Function is responsible for the coordination of the ORSA process and the production of the ORSA report with input from relevant first line risk owners and their respective teams. The Risk Function presents draft reports to the Risk and Regulatory Committee, boards and board sub-committees.

The ORSA report is produced and approved by the respective boards on at least an annual basis.

#### Ad hoc ORSAs

An ad hoc ORSA may be produced when there has been a material change to the risk profile or the environment within which Beazley is operating. Example triggers for an ad hoc ORSA are:

- Major internal model changes as per the Model Change policy;
- New business plan is created or significant changes to existing plans (e.g. following a major catastrophe event, change to reinsurance program);
- Prior to the completion of a Board sponsored acquisition; or
- Any other changes deemed to be significant, as judged by the relevant Boards.

## B. System of governance continued

### B.3 Risk management system including the own risk and solvency assessment continued

#### Own Risk and Solvency Assessment continued

Ad hoc ORSA focus on the immediate matter and will not necessarily cover all aspects that are included in the annual ORSA report. The content should be relevant to the trigger of the ad hoc ORSA report with the purpose of informing management and the Board of relevant risk assessments, changes to the risk profile, and implications for strategy, business plans, and capital.

#### Relationship between the internal model and the ORSA

The internal model is an important input into the ORSA. The ORSA uses the same internal model and basis as that used to estimate the SCR and therefore there is no difference in the recognition and valuation bases. Any limitations of the internal model relevant to the ORSA will be considered in the relevant ORSA report as part of the overall solvency needs assessment. The Internal Model Group (IMG) provides expert review and challenge of the internal model and standard formula (SF) SCRs and strengthens governance and ongoing compliance with the Solvency II Tests and Standards.

#### ORSA process

The table below summarises the underlying processes that form Beazley's ORSA framework. They apply to in-scope entities and the table also indicates the process owner.

ORSA Section	Requirements of the ORSA	ORSA Process Owner
1: Introduction	This section should outline the following with respect to the ORSA: 1. Purpose 2. Scope 3. Basis of analysis 4. Regulatory confirmation statements (e.g. with respect of the technical provisions)	CRO
2: Executive Summary	This section should summarise the key themes and conclusions of the ORSA report.	CRO
3: Risk Management Framework	This section should include an introduction to the Beazley Risk Management Framework, including any developments conducted during the period.	Head of Enterprise Risk Management
4: Business Profile, Strategy and Plan	This section should outline the following: 1. Legal Entity Structure (e.g. syndicate composition with BFL) 2. Group / Legal Entity Strategy 3. Beazley Culture 4. Business Performance 5. Market Conditions 6. Business Plan Strategy 7. Key risks to the Business Plan 8. Forward looking impacts to the Business Plan	1. Company Secretary (or equivalent) 2. Head of Strategy 3. CPSU 4. CFO 5. CUO 6. Head of Capital and Strategic Finance 7. Head of Insurance Risk 8. Head of Insurance Risk
5: Risk Category Profiles	1. Risk category capital comparison 2. Risk category profile summary 3. Insurance risk profile 4. Reserve risk profile 5. Market risk profile 6. Operational risk profile 7. Credit risk profile 8. Liquidity risk profile 9. Group and strategic risk profile 10. Regulatory and legal risk profile	1. Head of Capital and Strategic Finance 2. Head of Enterprise Risk Management 3. Head of Insurance Risk 4. Head of Insurance Risk 5. Head of Insurance Risk 6. Head of Operational Risk 7. Head of Insurance Risk 8. Head of Insurance Risk 9. Head of Enterprise Risk Management 10. Head of Enterprise Risk Management
6: Capital Requirements and Adequacy	1. Year on year changes in solvency position 2. Internal Model comparison to the Standard Formula/ RBC model 3. Capital Projections 4. Analysis of own funds / FAL	1. Head of Capital and Strategic Finance 2. Head of Capital and Strategic Finance 3. Head of Capital and Strategic Finance 4. Head of Capital Management
7: Stress and Scenario Analysis	1. Sensitivity Analysis 2. Stress Testing 3. Scenario Analysis 4. Reverse Stress Tests	1. Head of Insurance Risk 2. Head of Insurance Risk 3. Head of Insurance Risk 4. Head of Insurance Risk
8: Emerging Risk	1. Emerging risk review and identification process 2. Key emerging risks	1. Head of Enterprise Risk Management 2. Head of Enterprise Risk Management

## B. System of governance continued

### B.3 Risk management system including the own risk and solvency assessment continued

#### ORSA process continued

Assumptions are generally set and challenged in the related underlying processes and would be evidenced through papers and minutes in those committees. However, the Risk and Regulatory Committee has oversight of all the underlying processes coming together and so has the remit to review and challenge assumptions being used. Where this occurs the CRO will provide feedback to the executive owner of the underlying process.

The ORSA considers the range of the profit and loss probability distribution forecast, with a focus on the 1:200 (capital requirement) point of the distribution.

A range of stress and scenario tests are undertaken and monitored throughout the year by various governance committees – notably the Property Damage Exposure Management Group and the Cyber & Casualty Management Group and the Operational Resilience Committee. Any stress and scenario tests that are produced for the purpose of the ORSA processes will be overseen and monitored by the Risk and Regulatory Committee before onwards reporting to Risk Committees and the Board. The ORSA report summarises the process and outcome of relevant tests.

Each year, a list of strategic and emerging risks are considered as per the Emerging Risk Framework and the results including any actions, are summarised in the ORSA report.

## B. System of governance continued

### B.4 Internal control system

Beazley's internal control system includes administrative and accounting procedures, an internal control framework, appropriate reporting arrangements at all levels of the business, a compliance function and a 2nd line testing function as part of the broader 2nd line of defence. It is designed to:

- Secure compliance with applicable laws and regulations to enable the business's objectives;
- Ensure that regulatory relationships are open and transparent, that regulatory expectations and requests are communicated timely to the business and that the business responds in an appropriate manner;
- Enable the identification of potential weaknesses in the internal control system through effective monitoring and testing so that they can be strengthened/ maintained as effective and appropriate;
- Enable informed decision-making by the Executive and Boards within all applicable risk appetites.

Beazley operates a 'three lines of defence' framework. The Actuarial function and the three functions of Compliance, Risk Management and Internal Audit are defined as 'required' functions under the Solvency II framework. In addition, Beazley has a separate 2nd Line Assurance team which is responsible for monitoring and testing, and control validation. Each function and team is structured so that it is free from influences which may compromise its ability to undertake its duties in an objective, fair and independent manner and in the case of the internal audit function in a fully independent manner.

The Board receives assurance that the business is operating how it expects from the following functions:

- the actuarial function provides assurance that the reserves held on the balance sheet are appropriate;
- the compliance function provides advisory services, horizon scanning, and training to enable Beazley to operate within the relevant legal and regulatory framework;
- the 2nd Line Assurance team provides monitoring and testing assurance through, ongoing compliance monitoring, regulatory related thematic reviews, and risk register control validation;
- the risk management function provides assurance that the business is operating within risk appetite; and
- the internal audit function provides assurance that the whole internal control framework (including the activities of the other functions set out above) is designed and operating effectively.

#### Compliance function

##### 1. The Group's approach to compliance

The Board has set a residual minimal risk appetite for regulatory breaches. The Boards of the Group entities and the service companies are committed to ensuring that the Group adopts an ethical and compliant culture that is cascaded throughout the organisation. Non-Executive Directors, senior management and staff are all expected to comply with these high standards of ethical and compliant business conduct.

## B. System of governance continued

### B.4 Internal control system continued

#### Compliance function continued

##### 2. Compliance within the corporate governance and risk management frameworks

Ultimately the Boards of the various regulated entities are responsible for ensuring compliance with the relevant regulations. The Group's governance framework includes a number of Boards and committees with delegated authority to consider matters within their remit. The Executive Committee has been delegated a number of activities by Beazley, such as the receipt of reports and updates relating to matters associated with BFL, service companies, Bldac, BICI, and BAIC. To assist with this responsibility, the Executive Committee has set up a Risk and Regulatory Committee to maintain direct oversight of the Compliance function and matters pertaining to regulatory risk. The Risk and Regulatory Committee escalates matters to the Executive Committee, Boards and Board committees as appropriate.

The Group CRO has oversight of the Compliance function. The Group CRO is not a member of the BFL Board or the Group Executive Committee. They attend by invitation the BFL Risk and Beazley plc Risk Committees. Compliance provides regular reporting to the legal entity Risk Committees and on request, their Boards. In addition Compliance reports to the Risk and Regulatory Committee and other Group committees forums on request.

Within the Group's risk management framework, the Compliance function's activities fall within both the first and second "lines of defence" which is detailed on page 24 of the Beazley plc Annual report and accounts 2025.

##### 3. Compliance framework

###### *Independence and authority*

The chair of the Group's Audit Committee, the Group's Risk Committee and the Boards of all relevant Beazley entities, including Beazley plc, Bldac, BFL, BICI, BAIC and service companies have full and free access to Compliance staff to enable open and transparent flow of information safeguarding independent decision-making by the Non- Executive Directors, as do all members of the Group's management. The Compliance function derives its authority from the Group CRO, who is responsible for promoting and safeguarding the Compliance function's access to books, records, physical property, vendor contracts and other sources of information relevant to the performance of its work.

###### *Compliance monitoring activity*

Compliance monitoring and testing activity is performed by the Second Line Assurance team (2LA) which is independent of the first line, and the Compliance function. The 2LA function reports directly to the Group CRO.

###### *Adequacy of resources*

Management continually assesses the adequacy of the resourcing of the Compliance function, including as part of the planning process. In situations where additional resources are needed in the short term (e.g. for projects), management has the option of considering the use of contract staff, and consultants.

###### *Risk appetite*

Beazley has a very low risk appetite for regulatory and legal risk and will avoid all forms of failing to materially comply with legal and regulatory requirements (including regulatory compliance, regulatory reporting, financial crime requirements, conduct risk and effective governance), the failure of which may lead to regulatory investigations, sanctions, financial penalties or fines and / or reputational damage. These risks are mitigated through controls, reporting to the monitoring executive authority, maintaining a trusting and transparent relationship with our regulators, ensuring coordinated communication and ensuring robust process, policies and procedures are followed in the business. This mitigation and control environment is applied in a proportionate manner considering the nature, scale and complexity of the business and the exposure to risk. In addition, key staff, particularly those who hold defined roles with regulatory requirements, are experienced and maintain regular dialogue with regulators.

##### 4. Compliance activities

The Compliance team's primary responsibility is to advise the Group on the proper application of existing and upcoming regulatory requirements. It does this primarily through advisory assistance, horizon scanning, documenting Compliance-owned policies and procedures, and providing training.

The Compliance function's other key activities are summarised below:

###### *Regulatory relationships*

The Group seeks to maintain positive and transparent relationships with each of its regulators. Compliance coordinates the Group's relationships with its regulators.

## B. System of governance continued

### B.4 Internal control system continued

#### 4. Compliance activities continued

##### *Authorisations, approvals, licenses and permissions*

Compliance is responsible for obtaining the necessary authorisations, licenses and permissions for the Group. This is to ensure that syndicates, legal entities, products and employees in the Group have the appropriate authorities throughout each country for their business activities. Below are some examples of the type of licenses and permissions Compliance obtains:

- regulated entity permissions;
- FCA/PRA/CBI approved persons'/SMF applications;
- service company permissions globally – legal entity and individuals;
- Lloyd's trading licenses;
- Lloyd's permissions for branch offices of our services companies;
- admitted products – US;
- producer/surplus lines licenses – corporate and individual – US;
- claims manager licenses – US;
- entity adjuster licenses – US; and
- reinsurance intermediary licenses – US.

##### *Group policies*

The Compliance function supports certain Group policies as follows:

- whistleblowing – Compliance supports the Chair of the Beazley Risk Committee in their overall ownership of the Group's whistleblowing process. Details of the process and Compliance's responsibilities can be found in the whistleblowing policy;
- financial crime – this policy is owned by Compliance, which is responsible for setting and disseminating the policy and its associated control framework which includes sanctions, anti-fraud and anti-bribery and corruption and insider dealing; and
- gifts and hospitality – owned by the Group Head of Compliance and marketing team, this policy explains the Group's approach to giving and receiving gifts and hospitality.

##### *Committee and board reporting*

Compliance provides regular reports to various boards and board committees, including the Executive Committee and other committees in the executive governance framework. The reports are designed to facilitate oversight of the Compliance function's activities, or provide updates on internal and external regulatory matters.

##### *Regulatory returns*

There are numerous regulatory returns that must be submitted to the Group's regulators. For some of those returns Compliance plays a key role in supporting the business to ensure they are filed in a timely fashion. Compliance is also responsible for the content of certain Compliance-owned returns.

##### *Regulatory breaches*

Compliance alongside Risk shares responsibility for reporting regulatory breaches both within the internal governance framework and externally as required.

##### *Product development*

Compliance provides regulatory assistance during the design and launching of new products, including the expansion of existing products. Assistance includes research and advice to ensure products are developed efficiently, consistent with local regulations and in line with the Group's regulatory risk appetite.

##### *Complaints*

The responsibility for ensuring that complaints are handled appropriately and in accordance with the Group's complaints handling policy ultimately rests with the relevant regulated board. The Complaints team which is part of the operations function is responsible for the complaints policy. Compliance assists with complaints activity, for example by reviewing responses to complaints in the US and by monitoring the effectiveness of the complaints handling process.

#### 4.1. Compliance monitoring and testing activities

The 2LA team provides assurance that the Group is adhering to regulatory requirements by undertaking the following activity:

- checking that regulatory risks are being identified;
- assessing and testing the design and operational effectiveness of the controls in place to mitigate those risks; and
- reporting the results of its work to relevant oversight committees and boards.

The scope of compliance monitoring and testing activity is across all Group functions, entities and locations where regulatory risk is present.

## B. System of governance continued

### B.5 Internal audit function

Beazley has established an internal audit function, the purpose of which is to provide independent and objective assessments of the design and operating effectiveness of the system of internal controls covering:

- the integrity of financial statements and reports;
- compliance with laws, regulations and corporate policies; and
- the effective management of risks faced by Beazley in executing its strategic and tactical operating plans.

#### The internal audit team

The internal audit function operates as a global auditing team and has resources that are appropriate, sufficient, and effectively deployed to achieve the approved annual internal audit plan. Internal audit resource and budget requirements (headcount, co-sourcing, travel, etc.) are approved on an annual basis by the Beazley plc Audit Committee.

#### Co-sourcing

In addition to its headcount the internal audit function has a budget which it uses to supplement its team with subject matter expertise through co-sourcing (e.g. IT and reserving audits where necessary).

#### Audit universe and annual internal audit plan

The internal audit function has developed an audit 'universe'. This universe represents the potential range of business areas and topics – known as 'audit entities' – that the internal audit function reviews.

The remit of the internal audit function extends to any business activity undertaken by Beazley. Using a risk-based methodology, audit entities are prioritised with a view to ensuring that the most material or highest-risk audit entities are audited most frequently. The frequency with which audit entities are reviewed is also considered in light of regulatory requirements, emerging risks, change and other factors.

The audit universe – and the resulting annual internal audit plan – is reviewed and approved annually by the Beazley plc Audit Committee. Any significant changes to the annual internal audit plan are agreed with the Beazley plc Audit Committee. Typically the annual internal audit plan consists of between 20-30 audits and covers topics which include, for example: underwriting, claims, IT and information security, risk management, compliance and reserving.

#### Management actions and verification work

An established part of the internal audit process includes undertaking work to verify that management has adequately completed their actions arising from audits. The internal audit function undertakes verification work over management's audit actions on a risk-based approach (i.e. internal audit checks evidence related to all high-risk actions and checks evidence for a risk-based sample of medium-risk and low-risk actions). To date, where verification work has been undertaken it has been rare for the internal audit function to identify issues with the actions management has confirmed that they would implement. Verification work can include, for example: interviewing staff, reviewing documentation and re-performing the control. Open and overdue audit actions are reported to the Beazley plc Audit Committee as part of ongoing committee reporting.

#### Independence and objectivity

The internal audit function's independence and objectivity are maintained in a number of ways:

- the Group Head of Internal Audit reports to a Non-Executive Director (the chair of the Beazley plc Audit Committee), and for administrative matters to the Beazley CEO;
- the Beazley plc Audit Committee annually reviews and approves an internal audit charter that sets out the roles and responsibilities of the Group Head of Internal Audit and the internal audit function;
- the internal audit function is not mandated to undertake any form of business activity and its remit is restricted to assurance and consultation work as set out in the internal audit charter;
- the internal audit plan and budget is approved by the Beazley plc Audit Committee (a Non-Executive Committee);
- the Group Head of Internal Audit rotates staff between audit assignments to ensure objectivity and independence; and
- the Group Head of Internal Audit must provide annual representations to the Beazley plc Audit Committee on the ongoing independence and objectivity of the internal audit function.

## B. System of governance continued

### B.6 Actuarial function

Beazley's actuarial function is led by the Group Chief Actuary ("Group Actuary") who is the Actuarial Function Holder. The actuarial function comprises of teams focused on reserving, pricing, analytics, capital modelling & strategic finance related work. Actuarial advice provided on a formal basis, for example to a Committee or for external publication, is subject to peer review. The actuarial function can express actuarial/professional opinions free from undue influence from the business. The members of the actuarial function are required to be objective and take reasonable steps to ensure they are free from bias or from conflicts of interest that could suggest bias.

The Group Actuary does not perform any other function at Beazley that could give rise to a conflict of interest.

#### Board and committee interaction

The Group Actuary and the actuarial function have a number of interactions with the Board and its various committees. Examples of this include (but are not limited to):

- the Peer Review Committee, delegated from the Underwriting Committee, carries out detailed review of reserves. Here, the members of the actuarial function present details of their reserving output as well as that from the underwriting teams;
- the Group Actuary is a member of the Underwriting Committee and presents to the Committee on a number of areas including pricing, rate change and reserving (including a summary output from the Peer Review Committee);
- the Bldac Head of Actuarial Function is a member of the Bldac Insurance Management Committee and Reinsurance Underwriting Committee and reports into the Group Actuary;
- the Group Actuary (or members of the actuarial function) presents summary output from the Peer Review Committee to the BFL Audit Committee, Bldac Audit Committee and Beazley plc Audit Committee;
- the Group actuary (or qualified actuaries within the reporting function) presents results of the technical provision valuation to the BFL Audit Committee;
- the Group Actuary (or members of the actuarial function) presents the BFL, Bldac and Beazley plc Audit Committees with the actuarial function report;
- the Group Actuary (or members of the actuarial function) has Knowledge Requirements of An internal Model (KRAM) meetings with both Executive and Non-Executive Directors. As well as each Board member receiving one actuarial/technical provisions related KRAM session, delivered in a Group setting, further individual sessions are held with those directors that are required to have a detailed knowledge of the internal model and/or have specific technical provisions related responsibilities. As well as technical provisions matters, these one-to-one meetings are used to discuss various other outputs from the actuarial function. This is in addition to Audit Committee presentations, and enables greater detailing and questioning. These one-to-one meetings occur once or twice a year; and
- the Group Actuary has regular one-to-one catch ups with the Group CEO, Group CFO, Group CUO, chair of the Group Audit Committee, and the chair of the Group Board when required.

## B. System of governance continued

### B.6 Actuarial function

#### Interaction with other key functions

The actuarial function at Beazley interacts with key functions as summarised in the table below:

Function	Relationship
<b>Underwriting teams</b>	The actuarial function provides support and challenge during the business planning process, support on pricing of risks and development of pricing tools and analysis in support of reinsurance purchase and optimisation.
<b>Claims teams</b>	The actuarial function interacts with claims managers throughout the quarterly claims reserving process and particularly during pre-peer reviews where individual assessments are reviewed. The actuarial function liaises with the Bldac claims manager as appropriate.
<b>Risk management</b>	Within the actuarial function, there is review of the initial reserve risk ranges from the internal model and adjustments are made to the range in specific cases where it is not deemed appropriate. The actuarial function provides the Group CRO with reserve surplus and reserve strength metrics for reference in the ORSA and is involved in a number of other areas of the ORSA.
<b>People &amp; Sustainability</b>	Supports the training and development needs of the actuarial function such that a professional staff can be maintained with sufficient skills, experience and professional qualifications to meet the requirements of the actuarial function.
<b>Data management</b>	The actuarial function is a key consumer of data at Beazley and that data is managed by the data management team. The data management team and various business system owners ensure that the actuarial function has the internal data necessary to discharge its responsibilities. The key data inputs for the actuarial function are the gross and net triangles produced on a monthly basis.
<b>Finance</b>	The actuarial function sits within the wider finance function and work closely together with other capabilities in the function, particularly during the valuation of insurance liabilities on an underwriting year, GAAP / IFRS 17 or Solvency II basis. The Group actuary and Bldac Head of Actuarial Function have regular catch-ups with the other finance senior managers. The finance function provides the expense data from which the actuarial function builds up the expense provision to include within the technical provisions.
<b>IT</b>	The actuarial function relies on IT for the maintenance of its hardware and software to agreed service levels, and for the delivery of agreed projects. The Group Actuary is the business system owner for ResQ, the reserving software.
<b>Underwriting and claims operations</b>	Ensures the data in the source systems is of the required quality.
<b>Investments</b>	The capital actuaries provide management information on the annual asset model movements to the Investment Committee and key Executive Directors.

## B. System of governance continued

### B.7 Outsourcing

Although activities may be transferred to an outsourced provider, the responsibility, including regulatory responsibility, may not be outsourced. Each relevant Beazley company remains fully responsible for meeting all of their obligations when they outsource functions or any insurance or reinsurance activities. Outsourcing of critical or important functions or activities shall not be undertaken in such a way as to lead to any of the following:

- materially impairing the quality of the system of governance of the undertaking concerned;
- unduly increasing the operational risk;
- impairing the ability of the supervisory authorities, including Lloyd's, to monitor the compliance of the undertaking with its obligations; and
- undermining continuous and satisfactory service to policyholders.

In 2024 the Group's external third party and intra-group outsourcing policies were merged to form the Group Outsourcing Services Policy, ensuring a consistent approach for the due diligence and management of outsourced services. Beazley's outsourcing strategy was documented and approved by the Board.

The Board of the Company is responsible for ensuring that the outsourcing policy and the outsourcing arrangements themselves comply with the relevant regulations for ensuring that due skill, care and diligence is exercised when entering into, managing or terminating any arrangement for the outsourcing to a service provider of critical, important or material functions or activities.

Beazley requires service providers to cooperate with the relevant supervisory authorities in connection with the outsourced function or activity. The service provider is required to notify and seek Beazley's approval prior to subcontracting any of the outsourced functions and the due diligence undertaken. Any sub-contract is required to contain no lesser terms and conditions as that of the main contract with Beazley. Beazley staff, auditors and the relevant supervisory authorities have effective access to data related to the outsourced functions or activities and, where appropriate, the supervisory authorities have effective access to the business premises of the service provider and must be able to exercise those rights of access.

#### Critical or important outsourced functions

The table below is a list of the critical or important outsourced functions:

Outsourced Service	Entity	Legal domicile of service provider
Claims	BML, BFL, Bldac	UK, US, France
Financial Management	BML	Bulgaria, Egypt, Slovakia, UK, Malaysia, India
Human Resources	BML	UK, US
IT	BML	Columbia, US, UK, Ireland, Netherlands, India, Romania
Underwriting	Bldac	Spain, Germany, UK

## B. System of governance continued

### B.7 Outsourcing continued

Intra-group services are provided by BML, a UK registered company which employs all UK staff and some staff in rest of world offices. BML provides services for the following Beazley companies through two management services agreements:

- BFL and Service Companies – A contract between BML and the majority of Beazley companies, including BFL and the Lloyd's service companies, sets out the services provided and these include business premises and facilities, IT, other operational arrangements, actuarial, finance, internal audit, compliance, risk management. These may be supplemented by locally based staff as well. For ease of reference there is a single management services agreement, however the agreement operates as a series of separate agreements with each party receiving services; and
- Bldac and BSIL – Beazley's Irish authorised insurance company and insurance intermediary has a contract with BML for the provision of services. This a separate arrangement from the one above and ensures that, given the relative size of the entities, the Board of Bldac has sufficient control over the services provided by BML.

Services are also provided by BUSA through an agency agreement to the following US based Beazley companies:

- BESI, BICI and BAIC – There is an agency agreement between BUSA and each of the US admitted insurance carriers – BESI, BICI and BAIC. All staff in the US are employed by BUSA, and therefore all the activities of BESI, BICI and BAIC are outsourced. BUSA, in turn, outsources some of its shared services to BML through the contract with Beazley companies noted above.

BSIL also provides services to Bldac via BML through a side letter. The services include, but are not limited to, compliance, finance, information technology, marketing, operations and risk management.

The Board of BML is responsible for ensuring that the outsourced services are being delivered as agreed under the management services agreements.

Collectively, the Beazley Executive Committee and sub-committees ensure, on behalf of BML, that services are being delivered day-to-day and act as a first point of escalation if service levels are breached – ahead of escalation to the BML Board. The Group Operations Committee is responsible for oversight of the intra-group outsource arrangements on behalf of BML.

The Boards of the Beazley entities outsourcing services within the Group under the management services agreements remain fully accountable for those services. Each Board is responsible for ensuring that intra-group outsource arrangements comply with the relevant regulatory regime(s) and for ensuring that the due skill, care and diligence is exercised when entering into, managing, or terminating any arrangement. Each Board is responsible for ensuring that their outsourced services are being received as agreed under their contract for services.

### B.8 Any other information

None.

## C. Risk profile

Beazley has identified the risks arising from its activities and has established policies and procedures to manage these items in accordance with its risk appetite. The Group categorises its risks into eight areas: underwriting, market, credit, liquidity, operational, strategic, regulatory and legal risk and group risks. The Group manages climate risk within these eight main categories. Further information on climate risk is explained in section C.7 below. The sections below outline how Beazley defines and manages each category of risk. The amount of risk taken, and therefore capital required, by risk category is shown on form S.25.05.22 in the appendix.

The risk management framework described in section B.3 includes the ongoing assessment of these risks and of the continued effectiveness of risk mitigation techniques.

The stress and scenario framework is a element of the risk management framework. The stress and scenario framework is applied to a range of business processes to assist management to form an understanding the vulnerabilities of the business model. This approach encourages management's involvement in risk oversight by using real life scenarios to provide qualitative and quantitative information on what risks might look like under stressed conditions and encourages a forward looking view of risk.

There four elements to the framework:

- Stress testing involves looking at the impact on the business model of changing a single risk factor;
- Sensitivity testing considers the change of single inputs or assumptions, and assesses the impact on the model output;
- Scenario testing involves the impact of a change in the overall operating environment resulting from a factor or shocks; and
- Reverse stress testing (RST) involves considering scenarios and circumstances that would render the business model to become unviable, thereby identifying potential business vulnerabilities.

### C.1 Underwriting risk

The symbol † by a table or numerical information means it has not been audited.

Underwriting risk comprises four elements that apply to all insurance products offered by the Group:

- cycle risk – the risk that business is written without full knowledge as to the (in)adequacy of rates, terms and conditions;
- event risk – the risk that individual risk losses or catastrophes lead to claims that are higher than anticipated in plans and pricing;
- pricing risk – the risk that the level of expected loss is understated in the pricing process; and
- expense risk – the risk that the allowance for expenses and inflation in pricing is inadequate.

The Group's underwriting strategy is to seek a diverse and balanced portfolio of risks in order to limit the variability of outcomes. This is achieved by accepting a spread of business over time, segmented between different products, geographies and sizes. The annual business plans for each underwriting team reflect the Group's underwriting strategy, and set out the classes of business, the territories and the industry sectors in which business is to be written which are approved by the appropriate Boards.

Our underwriters determine premiums for risks written based on a range of criteria tailored specifically to each individual risk. These factors include but are not limited to financial exposure, loss history, risk characteristics, limits, deductibles, terms and conditions, and acquisition expenses depending on the type of risk. A proportion of the Group's insurance risks are transacted by third parties under delegated underwriting and claims authorities. Each third party is thoroughly vetted by our coverholder approval group before it can bind risks, and is subject to monitoring to maintain underwriting quality and confirm ongoing compliance with contractual guidelines. All underwriters also have a right to refuse renewal or change the terms and conditions of insurance contracts upon renewal. Rate monitoring details, including limits, deductibles, exposures, terms and conditions and risk characteristics, are also captured and the results are combined to monitor the rating environment for each class of business.

The Group also recognises that insurance events are, by their nature, random, and the actual number and size of events during any one year may vary from those estimated using established statistical techniques. To address this, the Group sets out the exposure that it is prepared to accept in certain territories to a range of events such as natural catastrophes and specific scenarios which may result in large industry losses. This is monitored through regular calculation of RDSs. The aggregate position is monitored at the time of underwriting a risk, and reports are regularly produced to highlight the key aggregations to which the Group is exposed.

The Group uses a number of modelling tools to monitor its exposures against the agreed risk appetite set and to simulate catastrophe losses in order to measure the effectiveness of its reinsurance programmes. Stress and scenario tests are also run using these models. The range of scenarios considered includes natural catastrophe, cyber, marine, liability, political, terrorism and war events.

## C. Risk profile continued

### C.1 Underwriting risk continued

One of the largest types of event exposure relates to natural catastrophe events such as windstorms or earthquakes, with the increasing risk from climate change impacting the frequency and severity of natural catastrophes. The Group continues to monitor its exposure in this area. Where possible, the Group measures geographic accumulations and uses its knowledge of the business, historical loss behaviour and commercial catastrophe modelling software to assess the expected range of losses at different return periods. Upon application of the reinsurance coverage purchased, the key gross and net exposures are calculated on the basis of extreme events at a range of return periods. The Group's catastrophe risk appetite is set by the risk management function and approved by the Board, and the business plans of each team are determined within these parameters. The Board may adjust these limits over time as conditions change. In 2025, the Group operated to a catastrophe risk appetite for a probabilistic 1-in-250-year US event of † \$636.0m (2024: \$578.0m) net of reinsurance. This represents an increase of 10% in 2025.

Lloyd's has also defined its own specific set of RDS events for which all syndicates with relevant exposures must report. Of these, the three largest (net of reinsurance) events which could have impacted Beazley in 2024 and 2025 were as follows.

†	Modelled PML <sup>1</sup> (before reinsurance)	Modelled PML <sup>1</sup> (after reinsurance)
2025		
<b>Lloyd's prescribed natural catastrophe event (total incurred losses)</b>	\$m	\$m
San Francisco Earthquake (2025: \$80bn)	1,060.5	386.1
Los Angeles earthquake (2025: \$78bn)	996.6	380.5
Gulf of Mexico windstorm (2025: \$118bn)	1,425.2	375.4

1 Probable market loss.

†	Modelled PML <sup>1</sup> (before reinsurance)	Modelled PML <sup>1</sup> (after reinsurance)
2024		
<b>Lloyd's prescribed natural catastrophe event (total incurred losses)</b>	\$m	\$m
San Francisco Earthquake (2024: \$80bn)	974.0	389.8
Los Angeles earthquake (2024: \$78bn)	952.9	410.4
Gulf of Mexico windstorm (2024: \$118bn)	1,075.3	374.8

1 Probable market loss.

- † The tables above show each event independent of each other and considered on their own.
- †Net of reinsurance exposures for the San Francisco quake scenario have reduced by \$3.7m or 0.9% in 2025, with gross exposures increasing by \$86.5m or 8.9%. The increase in gross exposures is being driven by growth in the Property Risks division and specifically direct Property. Net exposures have reduced slightly in 2025 as additional Reinsurance was bought during 2025 for the Property Risks division.
  - †For 2025, the second largest scenario is now the Los Angeles earthquake scenario with net of reinsurance exposure reducing by \$29.9m or 7.3% in 2025, with gross exposures increasing by \$43.7m or 4.6%. Similar to the San Francisco quake scenario, the reduction in net exposure was due to additional Reinsurance being bought during 2025.
  - †Windstorm exposures have increased in the Gulf of Mexico during 2025, which has resulted in the Gulf of Mexico scenario increasing by \$0.6m or 0.2% net, with the gross exposure increasing by \$349.9m or 32.5%. Similar to the two earthquake scenarios, the net exposure has increased less than gross due to additional Reinsurance being bought for the Property Risks division.
  - †The net natural catastrophe risk appetite increased by 10% in 2025 to \$636m from \$578m in 2024, with the increase in appetite being driven by the Property Risks division.

The net exposure of the Group to each of these modelled events at a given point in time is a function of assumptions made about how and where the event occurs, its magnitude, the amount of business written that is exposed to each event and the reinsurance arrangements in place.

The Group also has exposure to man-made claim aggregations, such as those arising from terrorism, liability, and cyber events. Beazley chooses to underwrite cyber insurance within the Cyber Risks and Specialty Risks divisions using our team of specialist underwriters, claims managers and data breach services managers. Other than for affirmative cyber coverage, Beazley's preference is to exclude cyber exposure where possible.

## C. Risk profile continued

### C.1 Underwriting risk continued

To manage the potential exposure, the Board has approved a risk appetite for the aggregation of cyber related claims which is set using a 1-250 net probabilistic appetite. In addition, the Group utilises cyber RDSs that have been developed internally. These scenarios include the failure of a data aggregator, the failure of a shared hardware or software platform, the failure of a cloud provider and physical damage scenarios. Whilst it is not possible to be precise, as there is sparse data on actual aggregated events, these severe scenarios are expected to be very infrequent. To manage underwriting exposures, the Group has developed limits of authority and business plans which are binding upon all staff authorised to underwrite and are specific to underwriters, classes of business and industry.

†

The reinsurance programmes that protect the Cyber and Specialty Risks divisions would partially mitigate the cost of most, but not all, cyber catastrophes. The largest cyber net RDSs for the Group as at 31 December 2025 was approximately \$274m (2024: \$187m). Beazley also reports on cyber exposure to Lloyd's using the three largest internal RDSs and three prescribed scenarios, which include a cloud provider scenario and a ransomware scenario.

#### Exposure by operating division

In 2025, the Group's business consisted of five operating divisions. The following table sets out the Group's insurance revenue by operating division.

	2025 %	2024 %
Cyber Risks	20%	20%
Digital	4%	4%
MAP Risks	16%	16%
Property Risks	28%	27%
Specialty Risks	32%	33%
<b>Total</b>	<b>100%</b>	<b>100%</b>

#### Concentration by geography

Included below is a geographical analysis of the Group's insurance revenue based on placement of risk.

	2025 %	2024 %
UK (Lloyd's)	66%	78%
US (Non-Lloyd's)	26%	15%
Europe (Non-Lloyd's)	8%	7%
<b>Total</b>	<b>100%</b>	<b>100%</b>

#### Sensitivity analysis

The table below analyses the impact on the Group's profit after tax and equity, on a IFRS basis, of changes in underwriting risk variables that were reasonably possible at the reporting date both before (Gross) and after (Net) the impact of reinsurance. This analysis has been performed assuming a uniform percentage change in loss ratios used to determine best estimate cash flows within the liability for remaining coverage, and a uniform percentage change in the best estimate liability within the liability for incurred claims, including any consequential impact on the risk adjustment or Contractual Service Margin. It should be noted that movements in these variables are non-linear.

	Profit after tax / Equity <sup>1</sup>		Profit after tax / Equity <sup>1</sup>	
	Gross 2025 \$m	Net 2025 \$m	Gross 2024 \$m	Net 2024 \$m
Reserves (5% increase)	(347.4)	(270.4)	(299.5)	(215.8)
Reserves (5% decrease)	345.7	268.8	299.0	215.4

1 Impact of changes in risk variables is consistent across profit after tax and IFRS equity.

## C. Risk profile continued

### C.1 Underwriting risk continued

#### a) Reinsurance risk

Reinsurance risk arises for the Group where reinsurance contracts put in place to reduce gross insurance risk do not perform as anticipated, resulting in coverage disputes or proving inadequate in terms of the vertical or horizontal limits purchased. Failure of a reinsurer to pay a valid claim is considered a credit risk, which is detailed in the credit risk section on pages 51 to 53. In some cases, the Group deems it more economic to hold capital than to purchase reinsurance. These decisions are regularly reviewed. The Reinsurance Security Committee examines and approves all reinsurers to ensure that they possess suitable security. The Group's ceded reinsurance team ensures that these guidelines are followed, undertakes the administration of reinsurance contracts, and monitors and instigates our responses to any erosion of the reinsurance programmes.

#### b) Claims management risk

Claims management risk may arise within the Group in the event of inaccurate or incomplete case reserves and claims settlements, poor service quality or excessive claims handling costs. These risks may damage the Group brand and undermine its ability to win and retain business, or incur punitive damages. These risks can occur at any stage of the claims lifecycle. The Group's claims teams are focused on delivering quality, reliability and speed of service to both internal and external clients. Their aim is to adjust and process claims in a fair, efficient and timely manner, in accordance with the policy's terms and conditions, the regulatory environment, and the business's broader interests. Case reserves are set for all known claims liabilities, including provisions for expenses, as soon as a reliable estimate can be made of the claims liability.

#### c) Reserving and ultimate reserves risk

Reserving and ultimate reserves risk occurs within the Group where established insurance liabilities are insufficient due to inaccurate forecasting, or where there is inadequate allowance for expenses and reinsurer non-performance risk in the present value of future cash flows. To manage reserving and ultimate reserve risk, a risk adjustment for non-financial risk is included within the valuation of insurance contract liabilities.

The following sensitivity analysis shows how a change in risk adjustment impacts profit after tax and equity on an IFRS basis. The sensitivity was calculated by selecting the risk adjustment 2.5 points above/below the current confidence level on the distribution by which it is calibrated and flowing the consequential impact through other components of (re)insurance assets/liabilities. This was performed both before and after risk mitigation by reinsurance. It should be noted that movements in these variables are non-linear.

	Profit after tax/IFRS Equity <sup>1</sup>		Profit after tax /IFRS Equity <sup>1</sup>	
	Gross	Net	Gross	Net
	2025	2025	2024	2024
	\$m	\$m	\$m	\$m
Change in risk adjustment (2.5% increase)	(80.1)	(62.1)	(77.5)	(60.8)
Change in risk adjustment (2.5% decrease)	72.8	56.4	71.0	55.8

1 Impact of changes in risk variables is consistent across profit after tax and IFRS equity.

### C.2 Market Risk

Market risk is referred to as "asset risk" in the Group's risk management framework. This risk arises from adverse financial market movements in addition to other external market forces. The four key components of asset risk are investments, foreign exchange, interest rate, and prices of assets and derivatives. Each element is considered in further detail below.

#### a) Investments

Efficient management of market risk is key to the investment of Group assets for matching to future liabilities. Beazley uses an Economic Scenario Generator to create multiple simulations of financial conditions in order to support stochastic analysis of asset risk. Beazley uses these outputs to assess the value at risk of its investments, at different confidence levels, including "1 in 200", which reflects Solvency II modelling requirements, and "1 in 10", reflecting scenarios which are more likely to occur in practice. It is assessed for investments in isolation and also in conjunction with the present value of our liabilities, to assist in the monitoring and management of asset risk for solvency and capital purposes. By its nature, stochastic modelling does not provide a precise measure of risk, and Economic Scenario Generator outputs are regularly validated against actual market conditions. Beazley also uses a number of other qualitative measures to support the monitoring and management of investment risk, including stress testing and scenario analysis.

The Group's investment strategy is developed with reference to an investment risk appetite, approved annually by the Board. The asset risk element of our Solvency II internal model is used to monitor actual investment risk against this appetite, which specifies the worst-case return at a 12-month horizon relative to a risk-free portfolio, at 90% confidence. The risk-free portfolio is a blend of government bonds that match Beazley's liability value and term structure, and short-dated government bills, equal to the value of non-matching assets. The investment risk appetite was set at 2.2% of invested assets for 2025.

## C. Risk profile continued

### C.2 Market Risk continued

#### b) Foreign exchange risk

The functional currency and presentational currency of Beazley plc and its main trading entities is US dollars. As a result, the Group is mainly exposed to fluctuations in exchange rates for non-dollar denominated transactions and to net asset translation risk on non-dollar functional currency entities.

The Group operates in four main currencies: US dollars, sterling, Canadian dollars and euros. Transactions in all currencies are converted to US dollars on initial recognition, with any resulting monetary items being translated to the US dollar spot rate at the reporting date. If any foreign exchange risk arises it is actively managed as described below.

In 2025, the Group managed its foreign exchange risk by periodically assessing its non-dollar exposures and hedging these to a tolerable level while targeting to have net assets that are predominantly denominated in US dollars. As part of this hedging strategy, exchange rate derivatives were used to rebalance currency exposure across the Group. Details of foreign currency derivative contracts entered into with external parties are disclosed in Note 18 of the Beazley plc Annual report and accounts 2025. On a forward-looking basis, an assessment is made of expected future exposure development and appropriate currency trades are put in place to reduce risk. The Group's underwriting capital is matched by currency to the principal underlying currencies of its insurance transactions. This helps to mitigate the risk that the Group's capital required to underwrite business is materially affected by any future movements in exchange rates.

The Group also has foreign operations with functional currencies that are different from the Group's presentational currency. The effect of this on foreign exchange risk is that the Group is exposed to fluctuations in exchange rates for US dollar denominated transactions and net assets arising in those foreign currency operations. It also gives rise to a currency translation exposure for the Group to sterling, euro, Swiss francs, Canadian dollars and Singapore dollars on translation to the Group's presentational currency. These exposures are minimal and are not hedged.

#### Exposure and risk concentrations by currency

The following tables summarise the carrying values of the insurance/reinsurance contract assets and liabilities and overall net assets held by the Group on an IFRS basis, categorised by its main currencies. For a breakdown of financial assets by currency, refer to Note 17(g), page 219, of the Annual report and accounts 2025.

	UK £	CAD \$	EUR €	Subtotal	US \$	Total \$
	\$m	\$m	\$m	\$m	\$m	\$m
2025						
Insurance contract assets	(0.1)	30.1	(7.7)	22.3	(4.5)	17.8
Reinsurance contract assets	213.4	6.2	166.4	386.0	2,637.8	3,023.8
Other	1,205.9	598.9	885.1	2,689.9	10,461.8	13,151.7
<b>Total assets</b>	<b>1,419.2</b>	<b>635.2</b>	<b>1,043.8</b>	<b>3,098.2</b>	<b>13,095.1</b>	<b>16,193.3</b>
Insurance contract liabilities	(833.5)	(265.2)	(734.7)	(1,833.4)	(7,660.8)	(9,494.2)
Reinsurance contract liabilities	(20.0)	(2.2)	9.4	(12.8)	(466.2)	(479.0)
Other	(420.7)	(4.8)	(91.7)	(517.2)	(831.5)	(1,348.7)
<b>Total liabilities</b>	<b>(1,274.2)</b>	<b>(272.2)</b>	<b>(817.0)</b>	<b>(2,363.4)</b>	<b>(8,958.5)</b>	<b>(11,321.9)</b>
<b>Net assets</b>	<b>145.0</b>	<b>363.0</b>	<b>226.8</b>	<b>734.8</b>	<b>4,136.6</b>	<b>4,871.4</b>

	UK £	CAD \$	EUR €	Subtotal	US \$	Total \$
	\$m	\$m	\$m	\$m	\$m	\$m
2024						
Insurance contract assets	1.4	(4.9)	1.6	(1.9)	22.1	20.2
Reinsurance contract assets	212.5	26.1	156.5	395.1	2,271.5	2,666.6
Other	662.0	221.8	577.7	1,461.5	11,270.7	12,732.2
<b>Total assets</b>	<b>875.9</b>	<b>243.0</b>	<b>735.8</b>	<b>1,854.7</b>	<b>13,564.3</b>	<b>15,419.0</b>
Insurance contract liabilities	(823.6)	(220.8)	(815.7)	(1,860.1)	(6,954.2)	(8,814.3)
Reinsurance contract liabilities	(29.7)	(3.6)	(7.6)	(40.9)	(256.2)	(297.1)
Other	(19.6)	(13.9)	(18.7)	(52.2)	(1,648.6)	(1,700.8)
<b>Total liabilities</b>	<b>(872.9)</b>	<b>(238.3)</b>	<b>(842.0)</b>	<b>(1,953.2)</b>	<b>(8,859.0)</b>	<b>(10,812.2)</b>
<b>Net assets</b>	<b>3.0</b>	<b>4.7</b>	<b>(106.2)</b>	<b>(98.5)</b>	<b>4,705.3</b>	<b>4,606.8</b>

## C. Risk profile continued

### C.2 Market risk continued

#### b) Foreign exchange risk continued

##### Sensitivity analysis

Fluctuations in the Group's trading currencies against the US dollar would result in a change in profit after tax and equity on an IFRS basis. The table below gives an indication of this impact for reasonably possible percentage changes in the relative strength of the US dollar against the value of sterling, the Canadian dollar and the euro, simultaneously. The analysis is prepared based on the net assets held by the Group at the balance sheet date.

	Profit after tax		IFRS Equity	
	2025	2024	2025	2024
Change in exchange rate of sterling, Canadian dollar and euro relative to US dollar	\$m	\$m	\$m	\$m
Dollar weakens (30%)	(25.9)	(22.4)	122.2	81.1
Dollar weakens (20%)	(17.2)	(15.0)	81.5	54.0
Dollar weakens (10%)	(8.6)	(7.5)	40.7	27.0
Dollar strengthens (10%)	8.6	7.5	(40.7)	(27.0)
Dollar strengthens (20%)	17.2	15.0	(81.5)	(54.0)
Dollar strengthens (30%)	25.9	22.4	(122.2)	(81.1)

#### c) Interest rate risk

The Group's financial instruments (e.g. cash and cash equivalents, certain financial assets at fair value, and subordinated debt), in addition to its insurance and reinsurance contracts, are exposed to movements in market interest rates. The Group manages interest rate risk by primarily investing in short duration financial assets along with cash and cash equivalents. The Investment Committee monitors the duration of these assets on a regular basis. The Group also entered into bond futures contracts to manage the interest rate risk on bond portfolios.

#### Exposure and risk concentrations by duration

The following table shows the modified duration at the reporting date of the financial instruments that are exposed to movements in market interest rates. Modified duration is a commonly used measure of volatility which represents the percentage change of the price of a security to yield. The Group believes this gives a better indication than maturity of the likely sensitivity of the portfolio to changes in interest rates.

2025	<1 yr	1-2 yrs	2-3 yrs	3-4 yrs	4-5 yrs	5-10 yrs	Total
	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Financial assets at FVTPL1:							
- Fixed and floating rate debt securities	3,697.0	2,662.3	1,084.6	1,117.2	337.2	401.9	9,300.2
- Syndicate loans	—	—	—	—	—	—	—
Cash and cash equivalents	1,368.5	—	—	—	—	—	1,368.5
Subordinated debt	(249.9)	—	—	(299.2)	—	—	(549.1)
<b>Total financial instruments</b>	<b>4,815.6</b>	<b>2,662.3</b>	<b>1,084.6</b>	<b>818.0</b>	<b>337.2</b>	<b>401.9</b>	<b>10,119.6</b>

1 Fair value through profit or loss.

2024	<1 yr	1-2 yrs	2-3 yrs	3-4 yrs	4-5 yrs	5-10 yrs	Total
	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Financial assets at FVTPL1:							
- Fixed and floating rate debt securities	3,122.9	2,980.1	1,702.6	1,317.2	169.8	1.2	9,293.8
- Syndicate loans	29.5	—	—	—	—	—	29.5
Cash and cash equivalents	882.1	—	—	—	—	—	882.1
Subordinated debt	—	(249.7)	—	—	(299.0)	—	(548.7)
<b>Total financial instruments</b>	<b>4,034.5</b>	<b>2,730.4</b>	<b>1,702.6</b>	<b>1,317.2</b>	<b>(129.2)</b>	<b>1.2</b>	<b>9,656.7</b>

1 Fair value through profit or loss.

## C. Risk profile continued

### C.2 Market risk continued

#### c) Interest rate risk continued

##### Sensitivity analysis

The Group's cash and cash equivalents and certain financial assets at fair value are exposed to movements in market interest rates. All elements of the carrying values of the Group's insurance and reinsurance contracts are exposed to interest rate risk. The following analysis is performed for reasonably possible movements in key variables with all other variables held constant, showing the impact on profit after tax and equity. The correlation of variables will have a significant effect in determining the ultimate impact of interest rate risk, but to demonstrate the impact due to changes in variables, variables had to be changed on an individual basis. It should be noted that movements in these variables are non-linear.

	Profit after tax/IFRS Equity <sup>1</sup>	
	2025	2024
	\$m	\$m
Insurance and reinsurance contracts		
Interest rate increases (150 bps)	141.7	123.4
Interest rate increases (100 bps)	95.7	83.2
Interest rate increases (50 bps)	48.4	42.1
Interest rate decreases (50 bps)	(49.7)	(43.2)
Interest rate decreases (100 bps)	(100.7)	(87.5)
Interest rate decreases (150 bps)	(153.0)	(133.0)

1 Impact of changes in risk variables is consistent across profit after tax and IFRS equity.

	Profit after tax/IFRS Equity <sup>1</sup>	
	2025	2024
	\$m	\$m
Financial assets		
Interest rate increases (150 bps)	(192.0)	(181.3)
Interest rate increases (100 bps)	(128.0)	(120.9)
Interest rate increases (50 bps)	(64.0)	(60.4)
Interest rate decreases (50 bps)	64.0	60.4
Interest rate decreases (100 bps)	128.0	120.9
Interest rate decreases (150 bps)	192.0	181.3

1 Impact of changes in risk variables is consistent across profit after tax and IFRS equity.

#### d) Price risk

Listed investments that are quoted in an active market are recognised in the statement of financial position at quoted bid price, which is deemed to be the approximate exit price. If the market for the investment is not considered to be active, then the Group establishes fair value using valuation techniques. This includes comparison of orderly transactions between market participants, reference to the current fair value of other investments that are substantially the same, discounted cash flow models and other valuation techniques that are commonly used by market participants.

Price risk applies to financial assets that are susceptible to losses due to adverse changes in prices. At the reporting date, the Group's exposure to price risk was \$1,307.0m (2024: \$1,276.1m). This comprises hedge funds, equity investments and illiquid assets, with no significant concentrations in one area. Note that the price of debt securities is affected by interest rate risk and credit risk, both of which have been described above. In addition, the Group does not have any insurance or reinsurance contracts which are exposed to price risk.

##### Sensitivity analysis

Included below is a sensitivity analysis of the Group's financial assets against price risk. With all other variables remaining constant, changes in fair values of the Group's hedge funds, equity investments and illiquid assets would affect reported profit after tax and equity as indicated in the following table.

## C. Risk profile continued

### C.2 Market risk continued

#### d) Price risk continued

	Profit after tax/IFRS Equity <sup>1</sup>	
	2025	2024
	\$m	\$m
Fair value increases (30%)	312.5	304.0
Fair value increases (20%)	208.3	202.7
Fair value increases (10%)	104.2	101.3
Fair value decreases (10%)	(104.2)	(101.3)
Fair value decreases (20%)	(208.3)	(202.7)
Fair value decreases (30%)	(312.5)	(304.0)

1 Impact of changes in risk variables is consistent across profit after tax and IFRS equity.

A 10% decrease in the fair value of the Group's level 3 financial assets would have an impact of (\$11.4m) on profit after tax/IFRS equity (2024: (\$23.0m)).

### C.3 Credit Risk

This risk arises due to the failure of another party to perform its financial or contractual obligations to the Group in a timely manner. The Group accepts credit risk overall and recognises credit risk is aligned to its appetite for insurance risk. The primary sources of credit risk for the Group are:

- reinsurers – reinsurers may fail to pay valid claims against a reinsurance contract held by the Group;
- brokers and coverholders – counterparties may fail to pass on premiums or claims collected/paid on behalf of the Group; and
- investments – the issuer may default, resulting in the Group losing all or part of the value of a financial instrument or a derivative financial instrument.

An approval system exists for brokers with their credit and performance monitored. The Investment Committee has established parameters for investment managers regarding the type, duration and quality of investments, including credit ratings acceptable to the Group. The performance of investment managers is regularly reviewed to confirm adherence to these guidelines.

The Group has developed processes to examine all reinsurers before entering into new business arrangements, and ongoing relationships with Beazley are continually assessed. In addition, reinsurance recoverables are reviewed regularly to assess their collectability.

#### Maximum exposure

The tables below show the credit ratings of the Group's financial assets at fair value and cash and cash equivalents. Credit ratings are determined by taking the average of the ratings sourced from three major agencies (A.M. Best, Moody's and Standard & Poor's). Financial investments falling within the unrated category are those for which there is no readily available market data to allow classification within the respective tiers.

	AAA	AA	A	BBB	BB and lower	Unrated <sup>1</sup>	Total
2025	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Reinsurance contracts assets	4.7	2,065.2	879.7	—	—	74.2	3,023.8
Financial assets at FVTPL:	—	—	—	—	—	—	—
- Fixed and floating rate debt	4,140.8	856.4	2,771.0	849.1	682.9	—	9,300.2
- Equity funds	—	—	—	—	—	421.8	421.8
- Hedge funds	—	—	—	—	—	742.1	742.1
- Illiquid assets	—	—	—	—	—	143.0	143.0
- Derivative financial instruments	—	—	—	—	—	0.8	0.8
Cash and cash equivalents	64.3	79.9	1,224.3	—	—	—	1,368.5
Amounts due from managed syndicates and other receivables	—	—	—	—	—	466.9	466.9
<b>Total</b>	<b>4,209.8</b>	<b>3,001.5</b>	<b>4,875.0</b>	<b>849.1</b>	<b>682.9</b>	<b>1,848.8</b>	<b>15,467.1</b>

## C. Risk profile continued

### C.3 Credit risk continued

#### Maximum exposure continued

2024	AAA \$m	AA \$m	A \$m	BBB \$m	BB and lower \$m	Unrated1 \$m	Total \$m
Reinsurance contracts assets	4.1	1,759.6	821.2	—	—	81.7	2,666.6
Financial assets at FVTPL:							
- Fixed and floating rate debt	3,850.6	775.5	2,828.0	1,028.9	662.4	148.4	9,293.8
- Syndicate loans	—	—	29.5	—	—	—	29.5
- Equity funds	—	—	—	—	—	348.7	348.7
- Hedge funds	—	—	—	—	—	752.0	752.0
- Illiquid assets	—	—	—	—	—	175.4	175.4
- Derivative financial instruments	—	—	—	—	—	11.2	11.2
Cash and cash equivalents	97.9	78.8	705.4	—	—	—	882.1
Amounts due from managed syndicates and other receivables	—	—	—	—	—	598.2	598.2
<b>Total</b>	<b>3,952.6</b>	<b>2,613.9</b>	<b>4,384.1</b>	<b>1,028.9</b>	<b>662.4</b>	<b>2,115.6</b>	<b>14,757.5</b>

<sup>1</sup> We have re-presented the above disclosure compared to what was included above and in Note 29 of the 2024 Beazley plc Annual Report and Accounts to give further detail on the credit profile of our investments. As a result of this change, we have restated \$100.1m of fixed and floating rate debt securities that were previously disclosed as unrated. These are now disclosed as AAA-rated Government-issued debt securities.

The Group's maximum exposure to credit risk from insurance contract assets is \$17.8m (2024: \$20.2m). Overall exposure to credit risk is concentrated between ratings AAA-A, driven by the Group's investment in Corporate bonds of \$3,639.6m (2024: \$3,899.8m). The largest counterparty within ratings AAA-A is \$2,963.7m of US treasuries (2024: \$2,910.7m).

#### Credit quality of reinsurance contract assets

Reinsurance recoveries are specifically referenced in IFRS 17 and explicitly de-scoped from IFRS 9. IFRS 17 requires the effect of any risk of non-performance by the reinsurer, including the effects of collateral and losses from disputes, to be considered when determining the estimates of the present value of future cash flows for the group of reinsurance contracts held. The Group has developed an internal policy, which involves calculating and re-evaluating expected credit losses for reinsurance assets and actively following up on disputes with reinsurers for recoveries. Reinsurance recoveries are assessed for Non-Performance Risk Provision using a percentage of the reinsurance programme/underwriting year level under IFRS 17.

The Group has reinsurance recoveries that are past due at the reporting date. An aged analysis of these (on an undiscounted basis) is presented below.

2025	Up to 30 days \$m	30-60 days \$m	60-90 days \$m	Greater than 90 days \$m	Total \$m
Reinsurance recoveries	157.3	36.4	17.6	28.8	240.1

2024	Up to 30 days past due \$m	30-60 days past due \$m	60-90 days past due \$m	Greater than 90 days past due \$m	Total \$m
Reinsurance recoveries	66.1	1.6	18.8	73.5	160.0

### C.4 Liquidity risk

Liquidity risk arises where cash may not be available to pay obligations. The Group is exposed to daily calls on its available cash resources, principally from claims arising from its insurance business, which is an industry norm. In the majority of the cases, these claims are settled from the premiums received held as assets. Beazley avoids the risk of having insufficient liquid assets to meet expected cash flow requirements.

The Group's approach is to manage its liquidity position so that it can reasonably survive a significant individual or market loss event (details of the Group's exposure to RDS are provided on pages 45). This means that the Group maintains sufficient liquid assets, or assets that can be converted into liquid assets at short notice and without any significant capital loss, to meet expected cash flow requirements. These liquid funds are regularly monitored using cash flow forecasting to ensure that surplus funds are invested to achieve a higher rate of return. The Group also makes use of loan facilities and subordinated liabilities, details of which can be found in section E. Capital Management. Further information on the Group's capital resources can also be found in section E. Capital Management.

## C. Risk profile continued

### C.3 Liquidity risk continued

#### Maturity analysis – Insurance and reinsurance contracts

Included below is a maturity analysis of the estimated timing of the present value of future cash flows of the Group's net insurance contract liabilities (per Note 27a of the Beazley plc Annual report and accounts 2025). The tables also include the weighted average term to settlement, calculated based on undiscounted future cash flows for total ultimate claims, excluding the risk adjustment and premium-related claims cash flows.

	<1 year	1-2 years	2-3 years	3-4 years	4-5 years	>5 years	Total	Weighted average term to settlement
2025	\$m	\$m	\$m	\$m	\$m	\$m	\$m	Years
Cyber Risks	659.0	478.9	243.1	114.7	59.7	57.9	1,613.3	1.7
Digital	70.3	47.1	24.6	11.6	5.7	6.1	165.4	1.7
MAP Risks	258.4	220.2	128.5	75.0	39.5	46.4	768.0	1.8
Property Risks	598.4	274.8	110.6	44.7	18.8	19.5	1,066.8	1.2
Specialty Risks	1,067.4	1,074.3	820.6	561.1	351.1	540.3	4,414.8	2.8
<b>Net insurance contract liabilities</b>	<b>2,653.5</b>	<b>2,095.3</b>	<b>1,327.4</b>	<b>807.1</b>	<b>474.8</b>	<b>670.2</b>	<b>8,028.3</b>	<b>2.2</b>

	<1 year	1-2 years	2-3 years	3-4 years	4-5 years	>5 years	Total	Weighted average term to settlement
2024	\$m	\$m	\$m	\$m	\$m	\$m	\$m	Years
Cyber Risks	594.4	441.8	247.3	125.8	56.7	51.7	1,517.7	1.7
Digital	68.8	51.0	25.0	11.3	5.6	8.4	170.1	1.7
MAP Risks	350.5	242.8	127.4	69.6	39.3	49.4	879.0	1.7
Property Risks	584.2	295.7	111.9	45.3	19.8	20.2	1,077.1	1.2
Specialty Risks	939.7	938.8	725.3	491.2	304.0	457.9	3,856.9	2.8
<b>Net insurance contract liabilities</b>	<b>2,537.6</b>	<b>1,970.1</b>	<b>1,236.9</b>	<b>743.2</b>	<b>425.4</b>	<b>587.6</b>	<b>7,500.8</b>	<b>2.2</b>

No insurance contract liabilities held by the Group as at 31 December are payable on demand.

## C. Risk profile continued

### C.3 Liquidity risk continued

#### Maturity analysis – Insurance and reinsurance contracts continued

Included below is a maturity analysis of the estimated timing of the present value of future cash flows of the Group's net reinsurance contract assets (per Note 27a of the Beazley plc Annual report and accounts 2025). The tables also include the weighted average term to settlement for claims recoveries, calculated based on undiscounted future cash flows for total ultimate claims, excluding the risk adjustment and premium-related cash flows.

	<1 year	1-2 years	2-3 years	3-4 years	4-5 years	>5 years	Total	Weighted average term to settlement of claims recoveries
2025	\$m	\$m	\$m	\$m	\$m	\$m	\$m	Years
Cyber Risks	84.4	198.8	99.3	47.0	23.5	20.3	473.3	1.5
Digital	(10.4)	11.7	5.1	2.1	0.9	0.9	10.3	1.4
MAP Risks	(11.4)	105.7	68.2	40.9	24.3	34.7	262.4	2.2
Property Risks	39.3	68.9	34.3	13.1	5.6	8.1	169.3	1.2
Specialty Risks	276.4	305.8	220.5	148.1	92.7	146.6	1,190.1	2.7
<b>Net reinsurance contract assets</b>	<b>378.3</b>	<b>690.9</b>	<b>427.4</b>	<b>251.2</b>	<b>147.0</b>	<b>210.6</b>	<b>2,105.4</b>	<b>2.1</b>

	<1 year	1-2 years	2-3 years	3-4 years	4-5 years	>5 years	Total	Weighted average term to settlement of claims recoveries
2024	\$m	\$m	\$m	\$m	\$m	\$m	\$m	Years
Cyber Risks	59.0	237.0	127.9	62.9	27.9	25.8	540.5	1.6
Digital	(13.8)	11.8	5.1	1.9	0.8	1.0	6.8	1.4
MAP Risks	(120.0)	73.3	48.4	26.9	16.2	24.0	68.8	1.7
Property Risks	44.6	66.7	34.1	11.8	6.9	6.3	170.4	1.2
Specialty Risks	231.9	318.5	231.5	154.9	94.9	141.3	1,173.0	2.7
<b>Net reinsurance contract assets</b>	<b>201.7</b>	<b>707.3</b>	<b>447.0</b>	<b>258.4</b>	<b>146.7</b>	<b>198.4</b>	<b>1,959.5</b>	<b>2.0</b>

#### Maturity analysis – Total liabilities

The following is a maturity analysis of the net contractual cash flows of the Group's liabilities as at 31 December. This excludes current tax and deferred tax liabilities, and reinsurance contracts which are in a net asset position at 31 December.

	<1 year	1-2 years	2-3 years	3-4 years	4-5 years	>5 years	Total
2025	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Net insurance contract liabilities	2,653.5	2,095.3	1,327.4	807.1	474.8	670.2	8,028.3
Reinsurance contract liabilities	—	—	—	—	—	—	—
Financial liabilities	—	—	—	—	—	—	—
- Derivative financial liabilities	10.6	—	—	—	—	—	10.6
- Subordinated debt	278.9	16.5	16.5	311.4	—	—	623.3
Lease liabilities	10.5	9.0	8.7	7.6	7.1	32.1	75.0
Other liabilities	289.3	—	—	—	—	—	289.3
<b>Total liabilities</b>	<b>3,242.8</b>	<b>2,120.8</b>	<b>1,352.6</b>	<b>1,126.1</b>	<b>481.9</b>	<b>702.3</b>	<b>9,026.5</b>

	<1 year	1-2 years	2-3 years	3-4 years	4-5 years	>5 years	Total
2024	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Net insurance contract liabilities	2,537.6	1,970.1	1,236.9	743.2	425.4	587.6	7,500.8
Reinsurance contract liabilities	—	—	—	—	—	—	—
Financial liabilities	—	—	—	—	—	—	—
- Derivative financial liabilities	27.3	—	—	—	—	—	27.3
- Subordinated debt	31.2	278.9	16.5	16.5	311.4	—	654.5
Lease liabilities	11.6	10.5	9.3	8.7	7.5	28.6	76.2
Other liabilities	642.8	—	—	—	—	—	642.8
<b>Total liabilities</b>	<b>3,250.5</b>	<b>2,259.5</b>	<b>1,262.7</b>	<b>768.4</b>	<b>744.3</b>	<b>616.2</b>	<b>8,901.6</b>

## C. Risk profile continued

### C.4 Liquidity risk continued

#### Maturity analysis – Financial assets

Included below is a maturity analysis of the Group's financial assets as at 31 December, based on their carrying values per the balance sheet.

2025	<1 year \$m	1-2 years \$m	2-3 years \$m	3-4 years \$m	4-5 years \$m	>5 years \$m	Total \$m
Financial assets at FVTPL:	—	—	—	—	—	—	—
- Fixed and floating rate debt securities	2,780.7	2,322.1	1,367.1	590.8	1,522.2	717.3	9,300.2
- Derivative financial assets	0.8	—	—	—	—	—	0.8
Cash and cash equivalents	1,368.5	—	—	—	—	—	1,368.5
Amounts due from managed syndicates and other receivables	421.3	89.6	17.2	—	—	—	528.1
<b>Total financial assets</b>	<b>4,571.3</b>	<b>2,411.7</b>	<b>1,384.3</b>	<b>590.8</b>	<b>1,522.2</b>	<b>717.3</b>	<b>11,197.6</b>

2024	<1 year \$m	1-2 years \$m	2-3 years \$m	3-4 years \$m	4-5 years \$m	>5 years \$m	Total \$m
Financial assets at FVTPL:	—	—	—	—	—	—	—
- Fixed and floating rate debt securities	2,497.6	2,660.4	1,843.0	843.7	1,237.5	211.6	9,293.8
- Syndicate loans	29.5	—	—	—	—	—	29.5
- Derivative financial assets	11.2	—	—	—	—	—	11.2
Cash and cash equivalents	882.1	—	—	—	—	—	882.1
Amounts due from managed syndicates	598.2	—	—	—	—	—	598.2
<b>Total financial assets</b>	<b>4,018.6</b>	<b>2,660.4</b>	<b>1,843.0</b>	<b>843.7</b>	<b>1,237.5</b>	<b>211.6</b>	<b>10,814.8</b>

Our capital growth assets have no defined maturity dates and have thus been excluded from the above maturity table. However, all \$421.5m (2024: \$348.7m) of equity funds could be liquidated within two weeks, \$583.2m (2024: \$593.2m) of hedge fund assets within six months and the remaining \$158.6m (2024: \$158.8m) of hedge fund assets within 18 months, in normal market conditions. Illiquid assets are not readily realisable and principal will be returned over the life of these assets, which may be up to 12 years. The Group makes regular interest payments for its subordinated debt. Further details are provided in Notes 11 and 25 of the Beazley plc Annual report and accounts 2025.

## C. Risk profile continued

### C.5 Operational Risk

Operational risk is the risk of potential of losses due to inadequate or failed internal processes, people, systems, service providers, or external events. These risks are identified through regular risk assessments involving both first- and second-line functions, informed by incident data, audit findings, and emerging risk reviews.

The Group recognises the critical importance of having reliable people, systems, and infrastructure to support its operations. Therefore, it has implemented significant measures to mitigate the impact of potential business interruptions, which may arise from events such as the loss of key individuals and facilities. A formal disaster recovery plan is in place which, in the event of an incident, allows the Group to move critical operations to an alternative location within 24 hours.

There are several business activities for which the Group uses the services of third-party companies, such as investment management, IT systems, data entry, and credit control. These providers are selected through a rigorous assessment process and are governed by formal service-level agreements, which are regularly monitored and reviewed. Operational cyber risk remains a key area of focus, with ongoing investment in threat detection and incident response capabilities.

Operational risks are actively managed and mitigated where appropriate through the implementation of the Group's Risk Management Framework (RMF). This includes key processes such as risk and control self-assessments (RCSA), results of control attestations and testing, documented policies and procedures, and risk incident tracking and escalation.

Operational risk oversight is embedded in the Group's governance framework, with regular reporting to the Risk Committee and Board. Controls are reviewed and tested regularly, and Key Risk Indicators (KRIs) are monitored to identify potential control breakdowns before losses occur. Operational risk appetite is low, with controls in place to avoid material erosion of capital and ensure alignment with regulatory and strategic objectives. Scenarios including cyber breaches, data loss and operational disruption are integrated into group-wide stress testing and inform the ORSA.

### C.6 Other material risks

#### a) Strategic risk

Strategic risk refers to the potential for loss arising from ineffective strategic direction or implementation, which may result in inadequate profitability, insufficient capital, financial loss and/or reputational damage.

Beazley has a medium appetite for strategic risk and actively addresses key strategic opportunities and challenges, with the ambition to be the highest performing and most sustainable specialist insurer. We ensure that we recognise, understand, discuss and develop action plans for significant strategic priorities in a timely manner, while maintaining operational effectiveness and brand reputation. Where events supersede the Group's strategic plan, these are escalated promptly through the Group's monitoring tools and governance structure.

The Group continues to evolve its corporate governance framework and arrangements to better align with its business model across its three strategic platforms – North America, Europe and Lloyd's Wholesale. This approach reflects a global underwriting-led business model while ensuring seamless alignment with Beazley's three strategic platforms and its principal regulated subsidiaries.

## C. Risk profile continued

### C.6 Other material risks continued

#### b) Regulatory and legal risk

Regulatory and legal risk arises from not complying with regulatory and legal requirements. Beazley operates across multiple jurisdictions and is subject to a wide range of legal and regulatory requirements – the Group's Compliance function is responsible for ensuring adherence to these requirements.

Beazley has a very low appetite for regulatory and legal risk, which includes regulatory risk, financial crime risk, legal risk and conduct risk. These risks are mitigated through robust controls and overseen by the Group Risk and Regulatory Committee and the Board Risk Committees.

To ensure that Beazley conducts business in accordance with all applicable laws and regulations, it operates under a Group-wide compliance policy supported by an annual Compliance Plan, and a governance framework for decision-making. Beazley's approach to compliance consists of policies, processes and controls, and includes senior management oversight, training, risk assessments, second line assurance and reporting.

There is a top-down commitment from senior management to ensure there is a robust understanding of regulatory compliance principles and requirements across the Group. This is supported by training, controls, policies, periodic risk assessments and second line assurance work.

Beazley has implemented a horizon scanning service to support in-house activity to identify relevant regulatory and legal matters and emerging policy, allowing the business to consider their potential impacts on the business. Regulatory changes are monitored on a continuous basis, and compliance strategies are updated to reflect evolving legal landscapes.

Beazley operates its (re)insurance business across multiple jurisdictions, maintaining active engagement with relevant regulators in each area. The Company's principal regulators include:

- CBI;
- Lloyd's of London;
- FCA;
- PRA; and
- Connecticut Insurance Department.

These regulatory bodies play a crucial role in overseeing Beazley's global operations, ensuring compliance with local laws and regulations, and supporting our commitment to maintaining high standards of governance and risk management.

In addition, key staff, particularly those in defined regulatory roles, maintain regular dialogue with regulators and Non-Executive Directors, leveraging their experience of contact with regulators from other business relationships.

#### c) Group Risk

Group risk occurs when business units fail to consider the impact of their activities on other parts of the Group, as well as the risks arising from these activities. It comprises of two key components: contagion risk and culture risk.

Contagion risk: is the risk arising from actions of one part of the Group which could adversely affect any other part of the Group. The Group has limited appetite for contagion risk and minimises the impact of this occurring through its corporate structure and by operating with clear lines of communication across the Group to ensure all Group entities are well informed and working to common goals.

Culture risk: is the risk arising from a change in culture which leads to inappropriate behaviour, actions and/or decisions including dilution of culture or negative impact on the Group brand. Risk culture is a sub-component of culture and Beazley's Group risk culture is based on the following principles: leadership & tone from the top, risk governance and accountability, risk awareness, communication & transparency, risk & reward and innovation & adaptiveness. Beazley takes great pride in its culture, placing significant emphasis on its risk culture. This is assessed and monitored through a combination of annual employee surveys and KRIs.

The Executive Committee and the Beazley plc Board oversee Group risk, with regular monitoring conducted by the Risk Function and overseen by the Risk Committee.

## C. Risk profile continued

### C.7 Any other information

#### Management of climate risk

Our approach to managing the risks arising from climate change are set out within the TCFD section of the Group's annual report. Please refer to this report for more details on climate-related risks and mitigations.

As climate change continues to affect our planet, it brings with it a variety of risks, including;

- Physical-related risk - physical changes to weather patterns and natural disaster risks; the impact of natural disasters causing damage to the assets we insure;
- Climate Litigation risk - referring to any legal dispute for our insureds, arising from (or exacerbated by) either a party's contribution to climate change; legal disputes arising from the physical consequences of climate change; or laws, regulatory structures, or legal duties related to climate change; and
- Transition risk - socio-economic shifts as economies transition towards greener economies.

As a leading specialty insurer, Beazley is exposed to many of the impacts of climate change, both through the coverage we provide to our insureds, and through our own operations. As such, it's vital for Beazley to be able to identify the risks resulting from climate change, accurately assess which of these are most material to our business, and implement measures to mitigate and manage these risks.

Beazley uses a number of different processes to determine potential climate-related risks and opportunities for business, with each process building on its predecessor in order for the business to determine which risks and opportunities could have a financial impact on the business.

#### Internal model governance

The Group operates a three lines of defence process throughout the business. As with any other process in Beazley this approach is applied to the internal model. An overview of the three lines of defence for the internal model is set out below:

##### First line of defence

Capital modelling team with controls including:

- formal governance through committees;
- governance through the KRAM process; and
- in team testing process.

##### Second line of defence

Risk management with controls including:

- execution of a robust independent validation process; and
- control monitoring and reporting.

##### Third line of defence

Internal audit with controls including:

- conducting reviews of the validation framework and process.

Features of Beazley's governance include:

- incorporation into the existing governance structure with clear accountability;
- overlap of members on the various committees;
- training programme for the internal model and the KRAM process i.e. Executive and Non-Executive Director;
- transparency of internal model limitations;
- internal model control mechanisms; and
- use of external review.

#### Stress and scenario testing

The Group Risk and Regulatory Committee has oversight of the Beazley Stress and Scenario Testing Framework which will be reviewed and signed off by the relevant legal entity risk committees. The framework is a key element of the risk management framework, enabling the senior management team to form an understanding of the vulnerabilities of the business model. At least annually, the results of the stress and scenario tests are included within the ORSA report and reviewed by the relevant legal entity risk committees. It is expected that discussion at these forums will facilitate further management input and challenge and will give rise to management actions.

# D. Valuation for solvency purposes

## Basis of presentation

The Group uses method 1 (as referred to in Article 230 of Directive 2009/138/EC) to calculate Group solvency meaning that the solvency returns are based on consolidated data for the Group. The value of all assets and liabilities is based on the assumption that the Group will pursue its business as a going concern.

There have been no material changes in the valuation method of assets, technical provisions and other liabilities of the Group for Solvency II purposes.

### Basis of presentation of Beazley plc's 2025 Group Solvency II Balance Sheet

Solvency II regulations state that corporate members (as detailed below) are to be accounted for using the adjusted equity method, under Solvency II valuation rules. That is to say, BUL, BSUL and BC3L are not consolidated on a line by line basis, as seen within the Group's IFRS balance sheet, and are included within 'Holdings in related undertakings, including participations'. This adjustment is presentational only and does not impact the Solvency II net asset and Own Funds values.

The following entities in the Group structure retain the profits of the Group's underwriting – Bldac, BESI, BICI, BAIC, BNCC, BUL, BSUL and BC3L.

Bldac meets the definition of an EU domiciled insurance undertaking under the Solvency II regulation which requires full consolidation of its Solvency II balance sheet (see below for the basis of preparation) in the Group Solvency II balance sheet.

BESI, BICI, BNCC and BAIC are non-EEA insurance undertakings and so their Solvency II balance sheets are also consolidated in full in the Group Solvency II balance sheet. More details can be found in section D.2 Technical provisions.

The Group's Lloyd's corporate member BUL retains any profits from the syndicates to which it provides capacity not reinsured to Bldac. The Group provides capacity to syndicates 2623, 3623, 3622, 10% on syndicate 4321 for the 2023 year of account, and approximately 18%, 20% and 25% on syndicate 5623 for the 2023 to 2025 years of account respectively. In addition, it provides capacity to 623 via BSUL in order to facilitate a staff participation plan. Around 9% of capacity was provided for the 2023 and 2024 years of account, with capacity reducing to 5.4% for the 2025 year of account.

BUL, BSUL and BC3L do not meet the definition of an insurance undertaking under Solvency II regulations. BBIL received regulatory approval to write insurance business from the Bermuda Monetary Authority in January 2026. It was thus not regulated as at 31 December 2026 and therefore did not meet the definition of an insurance undertaking at the reporting date. The net assets of BBIL, BUL, BSUL and BC3L on a Solvency II basis have therefore been accounted for using the adjusted equity method in the Group Solvency II balance sheet and are included in the participations line.

### Material Intra-Group RI

Bldac reinsures BUL, providing aggregate excess of loss cover for syndicates 2623 and 3623. BUL effectively cedes 65% of the final declared result of its participation on each year of account in syndicates 2623 and 3623. This is subject to a \$2.6m profit retention within BUL and a \$2.6m excess of loss. In the event that the declared result is a loss, the extent of the reinsurance is limited so the loss cannot exceed 65% of the FAL, which is posted by Bldac, to support the underwriting of syndicates 2623 and 3623.

The reinsurance contract was renewed for the 2026 underwriting year by Bldac and BUL on unchanged terms.

As a result of the consolidation basis mentioned above, the Bldac side of this contract is present on the face of the Group balance sheet, within the Technical Provisions. The BUL side of the contract is present within the participations line.

In addition, the following two intra-group RI contracts are in place:

- Bldac reinsures 65% of the business written in BESI in 2024 and 75% of the business written in BESI in 2025 and 2026. This contract is eliminated when calculating the Group Solvency II balance sheet. Therefore, future mention of BESI is in respect of the business originating in BESI, unless otherwise stated; and
- Bldac reinsures 30% of the Treaty business written in 623/2623. The Bldac Technical Provisions held in relation to this reinsurance are included within the Group technical provisions, with 2623's side of the contract being present within the participations line.

Further details on all contracts can be found in section D2.

## D. Valuation for solvency purposes continued

### Basis of presentation continued

#### Differences between Group statutory and Solvency II Balance Sheets

The table below presents the value of the assets and liabilities on both the statutory and Solvency II consolidated balance sheets of the Group. The adjustments between the statutory and Solvency II value are split between reclassification adjustments (presenting the adjustments made to reflect the difference between the statutory and Solvency II consolidation basis, as detailed above), Solvency II valuation adjustments (presenting adjustments made to reflect the difference between statutory and Solvency II valuation methodology) and other presentational adjustments (where presentation differs between statutory accounts and Solvency II).

The details of the 2025 presentation and valuation differences between the Group IFRS and Solvency II balance sheets are set out below and further discussed in D.1, D.2 and D.3.

	Statutory value \$m	Reclassification adjustment \$m	Other presentational \$m	Solvency II valuation adjustment \$m	Solvency II value \$m
<b>Assets</b>					
Goodwill	62.1	–	–	(62.1)	–
Intangible assets	161.8	(54.1)	–	(107.7)	–
Deferred tax assets	177.9	(15.2)	–	(94.7)	68.0
Pension benefit surplus	4.1	–	–	–	4.1
Property, plant & equipment held for own use	85.0	–	–	(10.1)	74.9
Investments (other than assets held for index-linked and unit-linked contracts):	–	–	–	–	–
Holdings in related undertakings, including participations	0.2	2,020.5	–	(207.8)	1,812.9
Equities - unlisted	–	–	–	–	–
Government Bonds	4,178.9	(1,979.5)	–	–	2,199.4
Corporate Bonds	3,356.6	(1,708.4)	–	–	1,648.2
Collateralised securities	586.2	(373.8)	–	–	212.4
Collective Investment Undertakings	1,959.7	(1,392.6)	–	–	567.1
Derivatives	–	–	–	–	–
Deposits other than cash equivalents	55.9	(55.9)	–	–	–
Other investments	2.1	–	–	–	2.1
Insurance and reinsurance contract assets <sup>1</sup>	3,041.6	(1,958.4)	–	(1,083.2)	–
Reinsurance recoverables non-life excluding health	–	–	–	220.0	220.0
Reinsurance recoverables health similar to non-life	–	–	–	5.9	5.9
Insurance and intermediaries receivables	–	–	–	–	–
Reinsurance receivables	–	–	–	315.4	315.4
Receivables (trade, not insurance)	26.6	(0.1)	–	(12.8)	13.7
Own shares (held directly) <sup>2</sup>	–	82.4	–	35.1	117.5
Cash and cash equivalents	1,837.0	(1,290.9)	–	–	546.1
Any other assets, not elsewhere shown	657.6	(1,260.3)	–	1,154.0	551.3
<b>Total assets</b>	<b>16,193.3</b>	<b>(7,986.3)</b>	<b>–</b>	<b>152.0</b>	<b>8,359.0</b>
<b>Technical provisions</b>					
Insurance and reinsurance contract liabilities <sup>1</sup>	9,973.1	(6,675.9)	–	(3,297.2)	–
Best estimate – non-life (excluding health)	–	–	–	783.0	783.0
Risk margin – non-life (excluding health)	–	–	–	133.1	133.1
Best estimate – health (similar to non-life)	–	–	–	6.8	6.8
Risk margin – health (similar to non-life)	–	–	–	–	–
<b>Total technical provisions</b>	<b>9,973.1</b>	<b>(6,675.9)</b>	<b>–</b>	<b>(2,374.3)</b>	<b>922.9</b>
<b>Liabilities</b>					
Deferred tax liabilities	393.3	(384.8)	–	216.3	224.8
Derivatives	10.6	(9.9)	–	–	0.7
Subordinated liabilities in basic own funds	549.1	–	–	16.2	565.3
Insurance payables	86.9	10.0	–	417.6	514.5
Reinsurance payables	13.6	(862.9)	–	1,075.6	226.3
Payables (trade, not insurance)	28.9	(0.2)	–	1.9	30.6
Any other liabilities, not elsewhere shown	266.4	(144.9)	–	297.0	418.5
<b>Total other liabilities, excluding technical provisions</b>	<b>1,348.8</b>	<b>(1,392.7)</b>	<b>–</b>	<b>2,024.6</b>	<b>1,980.7</b>
<b>Excess assets over liabilities</b>	<b>4,871.4</b>	<b>82.3</b>	<b>–</b>	<b>501.7</b>	<b>5,455.4</b>

1 On a statutory basis, in line with IFRS 17 principles, assets and liabilities from insurance contracts issued and reinsurance contracts held are presented on a gross basis. For the purposes of Solvency II reporting, these have been presented on a net basis in the relevant quantitative reporting templates.

2 Own shares are shown as a component of equity in the IFRS consolidated statement of financial position, but as balance sheet assets in Solvency II. The own shares are recognised on the Solvency II balance sheet at fair value, while IFRS equity includes the shares valued at cost.

## D. Valuation for solvency purposes continued

### D.1 Assets

There have been no material changes to the valuation method of assets of the Group for Solvency II purposes.

#### Goodwill and intangible assets

All goodwill and intangible assets as reported in the statutory balance sheet are valued at nil for Solvency II purposes.

#### Deferred tax assets

Solvency II recognition and valuation with respect to deferred taxes is consistent with the statutory balance sheet (IAS 12). Favourable changes in net assets arising from adjustments applied to the statutory basis to arrive at the Solvency II basis result in a deterioration of deferred tax balances. Where these net asset movements arise in entities that have statutory deferred tax assets, the deferred tax assets are eroded downwards.

The Group has applied the temporary mandatory exemption from accounting for deferred taxes under the Pillar Two rules. Therefore, no deferred taxes have been recognised in relation to these rules as at 31 December 2025.

Deferred tax assets, relating to tax losses, which depend on the availability of future taxable profits, have been recognised. The Group has concluded that it is probable that the deferred tax assets will be recovered using the estimated future taxable profits based on the approved business plans. The losses can be carried forward indefinitely. The valuation principles for deferred tax under Solvency II are consistent with the IFRS approach used to prepare the financial statements.

#### Pension benefit surplus

The Group operates a defined benefit pension plan for its employees that is now closed to future service accruals. The net pension surplus is measured at the present value of the estimated future net cash flows and is stated net of plan assets in accordance with IAS 19. The same valuation basis has been applied to both the statutory and Solvency II balance sheet. More information can be found in note 16 to financial statements of the Beazley plc Annual report and accounts 2025.

#### Property, plant & equipment held for own use

Property, plant and equipment comprise of:

- computer equipment and furniture and fittings for own use, recorded at costs less accumulated depreciation and impaired losses in the statutory balance sheet, which are considered not to be materially different from fair value; and
- right-of-use assets recognised and valued in accordance with IFRS 16 (refer to note 26 of the Beazley plc Annual report and accounts 2025).

The amounts held as leasehold improvements in statutory reporting are written down to nil under Solvency II.

#### Investments

On the statutory balance sheet, financial assets (other than participations) are valued using a valuation hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

**Level 1** – valuations based on quoted prices in active markets for identical instruments. An active market is a market in which transactions for the instrument occur with sufficient frequency and volume on an ongoing basis such that quoted prices reflect prices at which an orderly transaction would take place between market participants at the measurement date. Included within level 1 are government bonds, corporate bonds and equity funds which are measured based on quoted prices in active markets. Assets are valued using the bid price;

**Level 2** – valuations based on quoted prices in markets that are not active, or based on pricing models for which significant inputs can be corroborated by observable market data (e.g. interest rates, exchange rates). Included within level 2 are government bonds and treasury bills, equity funds and corporate bonds which are not actively traded, hedge funds, collateralised loan obligations and senior secured loans; and

**Level 3** – valuations based on inputs that are unobservable or for which there is limited market activity against which to measure fair value.

The valuations of the investments categorised in the fair value hierarchy above are consistent with information reported in note 17 (financial assets and liabilities) of the Beazley plc Annual report and accounts 2025.

The reclassification adjustment reallocates the proportion of the Group statutory consolidated investments relating to the Solvency II equity accounted entities into the participations line.

## D. Valuation for solvency purposes continued

### D.1 Assets continued

#### Holdings in related undertakings, including participations

Whilst under statutory reporting, all Group entities are consolidated, the Solvency II Group balance sheet consolidates only the insurance companies, insurance holding company subsidiaries and ancillary service companies, with other entities presented as equity accounted participations. Holdings in related undertakings are valued using the adjusted equity method. In particular participations are valued based on the Beazley plc share of the excess of assets over liabilities of the participations, calculated using a Solvency II valuation of assets and liabilities.

The intra-group RI contract that BUL holds with Bldac is valued on a contractual cash-flow basis, ensuring consistent valuation with Bldac.

The reclassification adjustment column reallocates the proportion of each balance that relates to the equity accounted entities into the participations line.

#### Reinsurance contract assets/Reinsurance recoverables

The statutory balance sheet presents the reinsurance contract assets which represent recoveries from reinsurers and are comprised of the asset for remaining coverage and the asset for incurred claims. Syndicate reinsurance assets consolidated within the statutory balance sheet are included in the valuation of participations. These are part of the profit cash flows embedded within the Bldac technical provisions. On a Solvency II basis, this balance presents the net of cash inflows with respect to recoveries on business bound at the reporting date and cash outflows with respect to premiums payable on outwards reinsurance arrangements.

#### Insurance contract assets/Insurance and intermediaries receivables

The statutory balance sheet presents insurance contract assets which represent the estimated present value of future cash flows, the risk adjustment for non-financial risk and the contractual service margin, reflecting the expected profit on contracts for remaining coverage. All amounts relating to amounts receivable from policyholders are included within Insurance Contract Assets and Liabilities on a statutory basis. For Solvency II amounts which are not past their due date are reclassified to technical provisions. Amounts which are past their due date are valued at fair value as insurance and intermediaries receivable. Insurance receivables relating to the syndicates are reclassified into the participations line.

#### Receivables (trade, not insurance)

Other receivables comprise mainly of corporation tax and VAT input tax recoverable which has been agreed with the tax authorities, receivables for securities and balances due from syndicate 623 and 5623 to the Group. The balances are expected to be received within the next 12 months and are held at amortised cost on the statutory balance sheet, which is considered to be the equivalent to fair value under Solvency II.

#### Own shares (held directly)

Own shares (held directly) consists of Beazley plc shares held in the Beazley plc Employee Benefit Trust and is held at cost within equity in the statutory balance sheet. The shares are valued at market value in the Solvency II balance sheet using the closing price at the Solvency II balance sheet date.

#### Cash and cash equivalents

On the statutory balance sheet, cash and cash equivalents consist of cash held at bank, cash in hand, deposits held at call with banks, cash held in Lloyd's trust accounts and other short term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. These investments have less than three months' maturity from the date of acquisition. The Solvency II valuation and recognition of cash and cash equivalents is consistent with that used for the statutory balance sheet except for short term highly liquid investments which are classified within investments. However, cash held in the syndicates and other entities not consolidated under Solvency II are included as part of the valuation of participations.

#### Any other assets, not elsewhere shown

The reclassification adjustment is a result of the different scope of consolidation. The change in scope of consolidation largely results from syndicates not being insurance entities under Solvency II. Consequently, syndicate net assets are shown as a participation rather than recognised in each component of the balance sheet. Within the assets reclassification the main impact is a reduction in investments and the recognition of an intercompany balance receivable from the syndicates to Group entities included within other assets relating to the reinsurance arrangement.

The Solvency II valuation adjustment to other assets reflects the inclusion of the Bldac balance due from the syndicates as part of the Solvency II technical provision valuation.

## D. Valuation for solvency purposes continued

### D.2 Technical provisions

All amounts \$m Solvency II line of business	Undiscounted			Discounted		
	Net technical provisions ex risk margin	Risk margin	Net technical provisions inc risk margin	Net technical provisions ex risk margin	Risk margin	Net technical provisions inc risk margin
Non-proportional casualty reinsurance	(1,402.5)	79.1	(1,323.4)	(1,331.7)	79.2	(1,252.5)
General liability insurance	1,669.4	41.6	1,711.0	1,518.1	37.9	1,556.0
Income protection insurance	–	–	–	–	–	–
Marine, Aviation & Transport	38.2	1.2	39.4	35.5	1.1	36.6
Non-proportional property reinsurance	21.4	1.0	22.4	20.4	0.9	21.3
Credit & Suretyship	46.7	1.6	48.3	40.8	1.4	42.2
Fire & Other damage to property insurance	290.1	13.1	303.2	272.7	12.4	285.1
Non-proportional health reinsurance	0.8	–	0.8	0.8	–	0.8
Miscellaneous financial loss	7.6	0.3	7.9	7.3	0.2	7.5
<b>Total</b>	<b>671.7</b>	<b>138.0</b>	<b>809.7</b>	<b>563.9</b>	<b>133.1</b>	<b>697.1</b>

The technical provisions for the Group comprise of:

- The Bldac aggregate excess of loss reinsurance protection of BUL (intra-group RI), which is classified as non-proportional casualty reinsurance;
- The non-life insurance and third-party reinsurance business which Bldac writes. The insurance business written to date includes general liability, fire & other damage to property, marine, aviation & transport, miscellaneous financial loss, as well as credit & suretyship. Some third-party reinsurance has also been written, and classified as non-proportional property reinsurance, non-proportional casualty reinsurance and non-proportional health reinsurance. At year end 2025 the business written includes technical provisions relating to the reinsurance of treaty business from syndicates 623 and 2623;
- The net technical provisions for BICI, which are within all of the Solvency II lines of direct business in the table above. These include the BICI reserves transferred from BICI to BNCC on older accident years. There are no net technical provisions, at a Group level, for BNCC due to its reinsurance arrangement with BICI;
- The net technical provisions relating to business written by BESI. The insurance business written to date on BESI includes general liability, fire & other damage to property, miscellaneous financial loss, credit & suretyship, and marine, aviation & transport; and
- The net technical provisions of BAIC. On the 2022 and prior underwriting years there are no net technical provisions for BAIC due to its 100% reinsurance arrangement with BICI; however, for the 2023 and post underwriting years 20% of the BAIC gross technical provisions are retained within BAIC and contribute to the Group total:

Given the nature of the underlying business, the approach used to estimate the technical provisions for the intra-group RI business differs from that used for the rest of the Group.

The technical provisions for BUL, BSUL and BCL are presented within Holdings in related undertakings, including participations. This will be inclusive of BUL's participation on the syndicates 2623 and 3623, including 2623's side of the Bldac's reinsurance of Treaty, and BUL's side of the intra-group RI contract detailed below. BUL and BSUL's participation in 2623 and 623 respectively have been adjusted to correctly consolidate the treaty reinsurance contract to Bldac.

#### BUL Intra-group RI

##### Overview of reinsurance contract

The approach used to estimate the technical provisions is based on the structure and expected cash flows under the reinsurance contracts. Bldac enters into a reinsurance contract with BUL covering its participation on a year of account for syndicates 2623 and 3623. The cession % varies by year. The potential cash flows in summary are as follows:

- **premium** – ceded % of any profit distributed by the syndicates reinsured (subject to an excess);
- **claim** – ceded % of any loss made by the syndicates reinsured (subject to a maximum % of the FAL);
- **fees** – BUL pays Bldac a fee as Bldac provides a percentage of FAL for the syndicates covered under the reinsurance contract; and
- **profit commission** – payable by Bldac to BUL on any premiums received under the contract.

The Solvency II net technical provisions (including the risk margin) for the intra-group RI business amount to (\$1,254.3m).

## D. Valuation for solvency purposes continued

### D.2 Technical provisions continued

#### *Bases, methods and main assumptions used for valuation for solvency purposes - BUL Intra-group RI*

The bases, methods and main assumptions used for valuation for solvency purposes are as follows:

The expected profit/loss of the underlying BUL business reinsured forms the largest component of the technical provisions.

The expected profit/loss is the total of the following:

- the current view of the profit/loss of each year of account. For the closing year of account the profit/loss is the final syndicate declared result as reported to Lloyd's. For open years of account this is based on held loss ratios applied to the ultimate premium, with allowance for incurred expenses;
- the reserve releases expected between the current view of profitability and when the final syndicate result is declared;
- expected investment income;
- expenses that are expected to be incurred until the year of account closes;
- FAL fees payable from BUL to Bldac;
- profit commissions payable for each contract forecasting profit; and
- profit or losses on foreign exchange hedges in place to mitigate currency risk.

Whilst the initial view of profitability is assessed at the end of the first calendar year for the business that has been reinsured, an assumption is made on expected future reserve releases. Modelling of the expected run off of the reserve margin is carried out for this purpose. Furthermore, the expected future investment income is derived from the assumptions used in the Beazley long term business plan. Assumptions are reviewed quarterly to reflect experience to date. Where the assumptions are not deemed appropriate, alternative assumptions are used.

The provisions for profit commissions and fees have been calculated in line with the terms of the reinsurance contract for each contract forecasting a profit. FAL fees over the term of the contract are calculated. The value of foreign exchange derivatives within the reinsured syndicates is taken from current financial valuations.

Allowance has also been made for Events Not In Data (ENIDs) and a risk margin:

- the ENIDs allowance is based on the load included in the underlying syndicates reinsured and this is calculated using the truncated lognormal distribution, as per Lloyd's guidelines; and
- the risk margin is based on the SCR output from the Bldac internal model – this is projected forward and discounted using yield curves prescribed by European Insurance and Occupational Pensions Authority (EIOPA), with the discounted cost of capital being calculated by multiplying the discounted SCR figures by the prescribed cost of capital rate of 6% and then summing up the resulting discounted cost of capital amounts.

Unincepted business is defined as policies that have not yet incepted, but to which Beazley's insurance entities are legally obliged at the valuation date. The 2026 reinsurance contract between Bldac and BUL which incepted on 1 January 2026 has been included within the technical provisions as it was signed in December 2025.

The technical provisions estimated have been split between the claims and premium provisions based on whether or not the profit/loss for each reinsurance contract is known at the valuation date – the technical provisions arising for those contracts for which the actual profit is as yet unknown have been allocated to the premium provision, with the provisions for those contracts where the profit/loss has been finalised being included within the claims provision.

Future cash flows are projected using payment patterns, as detailed in the contract, and discounted using the latest available EIOPA yield curves for the relevant currencies.

There is no reinsurance on this contract and so no allowance is made for recoverables from reinsurers in respect of this business.

#### *Key uncertainties - BUL Intra-group RI*

At a macro level, the key areas of downside risk in the estimated profit/(loss) figures of the underlying BUL business being reinsured are that:

- claims experience in the Specialty Risks and Cyber Risks divisions could be worse than expected because of adverse claim frequency and/or severity or the systemic inadequacy of premium rates;
- catastrophe claims experience is materially worse than expected (natural and man-made);
- investment returns may be materially different to the returns estimated; and
- the rate at which the cedant releases profit may be slower than expected.

## D. Valuation for solvency purposes continued

### D.2 Technical provisions continued

#### *Changes in methodology/assumptions since the previous reporting period - BUL Intra-group RI*

The methodology underlying the calculations has not changed since the previous period.

#### *Direct business, third party reinsurance & internal proportional reinsurance*

##### *Overview*

Bldac writes non-life insurance and third party business. The business written comprises of eight classes – general liability, fire & other damage to property, marine, aviation & transport, miscellaneous financial loss, credit and suretyship, non-proportional health, non-proportional casualty and non-proportional property. The business written by Bldac also includes technical provisions relating to the reinsurance of treaty business from syndicates 623 and 2623. Bldac as a legal entity also includes technical provisions in relation to the internal reinsurance of BESI, these are removed when calculating the Group technical provisions.

BICI and BAIC predominately write casualty business (including but not limited to D&O, errors & omissions and employment practices liability coverages).

The business written in BESI predominantly comprises of fire & other damage to property and general liability.

The Solvency II net technical provisions (including the risk margin) for direct business, third party reinsurance and internal proportional reinsurance amount to \$1,951.4m.

#### *Bases, methods and main assumptions used for valuation for solvency purposes - Direct business, third party reinsurance & internal proportional reinsurance*

The bases, methods and main assumptions used for valuation for solvency purposes are as follows:

The best estimate reserves form the largest component of the technical provisions. The gross and net reserves for Bldac business (direct insurance, proportional reinsurance and non-proportional reinsurance) have been set at a level which is consistent with similar business written across the Group, except where claims experience suggests otherwise.

Total premiums written are sourced from finance and earnings assumptions are used to allocate between the premium and claims provision. The methodology used to derive earnings patterns assumes that premium is earned uniformly throughout the policy. The only exception to this is in respect of exposure to catastrophes which is assumed to reduce as exposed policies run-off and is approximated using earnings patterns (which may or may not be linear depending on the type of catastrophe).

Bound but not incepted business ("BBNI") is defined as policies that have not yet incepted, but to which Beazley is legally obliged to fulfil at the valuation date. For business which has been written by Bldac, the volume of unaccepted business is calculated as the premiums from the actual contracts bound as at the valuation date, but due to incept after the valuation date. For BICI and BAIC, the volume of unaccepted business is estimated by considering the business written in the month following the valuation date during the previous year. There is no unaccepted business for BNCC as this only reinsures older accident years. As BESI only started writing business from 1st January 2024 and has evolved rapidly over the last 2 years, the volume of unaccepted business is estimated by considering the planned business that is expected to be written in the month following the valuation date.

At year end 2025, the BBNI premium provision for reinsurance was negative. This was driven by the assumption that reinsurance premiums will exceed claim recoveries and the fact that for some contracts the outwards premium payables cover the full subsequent period, compared to the expected recoveries only on the unaccepted gross business. The 2026 reinsurance contract covering the reinsurance of treaty business from syndicates 623 and 2623 which incepted on 1 January 2026 has been included within the BBNI for Bldac at the valuation date as it was signed in 2025.

Provisions for bad debts, future expenses and ENIDs are added to the best estimate technical provisions:

- the bad debt component uses reinsurer default probabilities and loss given default percentages from the internal model. The expected reinsurer bad debt is calculated as probability of default x loss given default x exposure x average duration;
- specific bad debts are considered if necessary;
- the expense provision includes the future expenses required to run off the legally obliged business as at the valuation date. This is calculated using the historical calendar year expenses and budgeted expenses, provided by the finance team; and
- the load for ENIDs is calculated using the truncated lognormal approach, as per Lloyd's guidelines.

Future cash flows are projected using payment patterns, allocated into the required currencies and discounted using the latest available EIOPA yield curves for the relevant currencies.

The reinsurance recoverables have been calculated based on the underlying reinsurance cash flows.

## D. Valuation for solvency purposes continued

### D.2 Technical provisions continued

*Bases, methods and main assumptions used for valuation for solvency purposes - Direct business, third party reinsurance & internal proportional reinsurance continued*

The risk margin is calculated using the internal model output. The run-off of SCR is projected forward and discounted using yield curves prescribed by EIOPA, with the discounted cost of capital being calculated by multiplying the discounted SCR figures by the prescribed cost of capital rate of 6%. The resulting discounted cost of capital amounts are summed to get the risk margin.

A simplified approach is used for BICI, BESI and BAIC. In particular, we take the risk margin estimated for Group and scale this by the ratio of entity net technical provisions to Group net technical provisions.

*Key uncertainties - Direct business, third party reinsurance & internal proportional reinsurance*

At a macro level, the key area of downside risk is in the reserving assumptions used to derive the best estimate reserves. Claims experience may be worse than expected because of adverse claim frequency and/or severity or the systemic inadequacy of premium rates. There is also a risk that specialty or cyber catastrophes are worse than expected.

*Changes in methodology/assumptions since the previous reporting period - Direct business, third party reinsurance & internal proportional reinsurance*

There have been no significant methodology/ assumption changes since the year end 2024.

#### Statutory reserves vs Solvency II technical provisions

The following table provides, by Solvency II group, a reconciliation between IFRS and Solvency II for both gross and ceded technical provisions.

	Statutory value \$m	Reclassification adjustment \$m <sup>1</sup>	Other presentational \$m	Solvency II valuation adjustment \$m	Solvency II value \$m	Solvency II Balance Sheet description
<b>Insurance and reinsurance contract liabilities</b>	<b>9,973.1</b>	<b>(6,675.9)</b>	<b>–</b>	<b>(3,297.2)</b>	<b>–</b>	Technical provisions <sup>2</sup>
<b>Technical provisions - non-life (excluding health)</b>				<b>916.1</b>	<b>916.1</b>	
Best estimate				783.0	783.0	
Risk margin				133.1	133.1	
<b>Technical provisions - health (similar to non-life)</b>				<b>6.8</b>	<b>6.8</b>	
Best estimate				6.8	6.8	
Risk margin				–	–	
	Statutory value \$m	Reclassification adjustment \$m	Other presentational \$m	Solvency II valuation adjustment	Solvency II value \$m	Solvency II Balance Sheet description
<b>Insurance and reinsurance contract assets</b>	<b>3,041.6</b>	<b>(1,958.4)</b>	<b>–</b>	<b>(1,083.2)</b>	<b>–</b>	Reinsurance recoverables <sup>2</sup>
Non-life and health similar to non-life				<b>225.9</b>	<b>225.9</b>	
Non-life excluding health				220.0	220.0	
Health similar to non-life				5.9	5.9	

1 Adjustment for changes in consolidation between IFRS and Solvency II (see section D, 'Basis of presentation of Beazley plc's 2025 Group Solvency II Balance Sheet').

2 On a statutory basis, in line with IFRS 17 principles, assets and liabilities from insurance contracts issued and reinsurance contracts held are presented on a gross basis. For the purposes of Solvency II reporting, these have been presented on a net basis in the relevant quantitative reporting templates.

The main differences between the statutory and Solvency II technical provisions are:

- the statutory reserves hold a contractual service margin as a liability, deferring profit within the unearned risk whereas the Solvency II technical provisions allow for a best estimate on both the earned and unearned portions of the business written;
- within Solvency II technical provisions, there is an explicit allowance for premiums and claims on BBNI contracts which are not recognised within the statutory reserves except for where the business is onerous. As a result, the 2026 reinsurance contract between Bldac and BUL and 2026 reinsurance contract between Bldac and 623 / 2623 on its treaty business, both of which incept on 1 January 2025 have been included within the Solvency II technical provisions as they were signed in December 2025;
- the Solvency II technical provisions and IFRS 17 insurance contract liabilities use different discount rates, with the IFRS 17 discount rate consisting of a risk free rate sourced from Moody's with an illiquidity premium while Solvency II uses the prescribed EIOPA risk free rate;

## D. Valuation for solvency purposes continued

### D.2 Technical provisions continued

- the Solvency II technical provisions include a risk margin which is designed to represent the cost of future capital associated with supporting the business while IFRS 17 includes a risk adjustment which is designed to capture the compensation for non-financial risk that Beazley requires to write the business; and
- on a statutory basis results relating to insurance contracts in the syndicates covered by Beazley's participation are presented as insurance contract liabilities on an IFRS 17 basis while under Solvency II they are presented in the participations line.

#### Other items

The matching adjustment referred to in Article 77b of Directive 2009/138/EC is not applied.

The volatility adjustment referred to in Article 77d of Directive 2009/138/EC is not used.

The transitional risk-free interest rate-term structure referred to Article 308c of Directive 2009/138/EC is not applied.

The transitional deduction referred to in Article 308d of Directive 2009/138/EC is not applied.

### D.3 Other liabilities

#### Deferred tax liabilities

Solvency II recognition and valuation with respect to deferred taxes is consistent with the statutory balance sheet (IAS 12). As a result of the adjustments from the statutory basis to the Solvency II basis, an increase in Solvency II net assets is generated for the Group and hence additional deferred tax liabilities are recognised on a Solvency II basis. These deferred tax liabilities cannot be wholly offset against the original deferred tax asset as some relate to entities subject to different tax jurisdictions within the Group.

#### Derivatives

Derivatives are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at their fair value. Fair values are obtained from quoted market prices in active markets, recent market transactions, and valuation techniques which include discounted cash flow models. All derivatives are carried as assets when fair value is positive and as liabilities when fair value is negative.

#### Subordinated liabilities

The subordinated liabilities, which are listed on the London Stock Exchange, are held at amortised cost using the effective interest rate method within the statutory financial statements. The subordinated liabilities are valued at fair value as at the reporting date based on quoted market prices under Solvency II and include accrued interest which is reclassified from any other liabilities.

#### Payables (trade, not insurance)

Payables mainly comprise amounts payable to related entities and external bodies. The amounts are expected to be paid within the next 12 months and are held at amortised cost in the statutory financial statements, which is considered to be equivalent to fair value under Solvency II.

#### Any other liabilities, not elsewhere shown

Any other liabilities comprise mainly accrued expenses including staff bonuses. The amounts are expected to be paid within the next 12 months and are held at amortised cost on the statutory balance sheet, which is considered to be equivalent to fair value under Solvency II.

### D.4 Alternative methods for valuation

The valuation hierarchy for investments is discussed in section D.1 above. An alternative method of valuation has been adopted for the level 3 financial assets where observable inputs are not available. Refer to note 17 (Financial assets and liabilities) of the Beazley plc Annual report and accounts 2025 for further details.

### D.5 Any other information

#### Lease arrangements

The operating lease arrangements relate predominantly to land and buildings. Refer to page 225 of the Beazley plc Annual report and accounts 2025 for further details.

# E. Capital management

## E.1 Own funds

Beazley has a number of requirements for capital at a Group and subsidiary level. Capital is primarily required to support underwriting at Lloyd's, the US and through our European branches and is subject to prudential regulation by local regulators (PRA, Lloyd's, CBI, and the US state level supervisors). Beazley at a consolidated Group level is subject to the capital adequacy requirements of the European Union Solvency II regime. Beazley has maintained sufficient own funds to meet its solo and Group SCR throughout the year.

Further capital requirements come from rating agencies who provide ratings for BICI, BAIC, BEI and Bldac. Beazley aims to manage its capital levels to obtain the ratings necessary to trade with its preferred client base.

The amount of surplus capital held is considered on an ongoing basis in light of the current regulatory framework and opportunities for organic growth or acquisitive growth and a desire for both prudence and to maximise returns for investors.

Beazley aims to maintain a Solvency II ratio in excess of 170% of SCR.

The Board operates a progressive dividend strategy, intending to grow the dividend each year but recognising that some earnings fluctuations are to be expected. When determining the level of the dividend, The Board considers the Group's capital position, future investment and growth opportunities and our ability to generate cash flows. Dividends are typically paid on an annual basis to align with the Group's capital planning cycle. The Group's capital management strategy is to carry some surplus capital to enable us to take advantage of growth opportunities which may arise. Where surplus capital cannot be profitably deployed it will be returned to shareholders.

The Group follows a risk-based approach to determine the amount of capital required to support its activities. Recognised stochastic modelling techniques are used to measure risk exposures, and capital to support business activities is allocated according to risk profile. Stress and scenario analysis is regularly performed and the results are documented and reconciled to the Board's risk appetite where necessary.

The Group actively seeks to manage its capital structure. The preferred use of capital is to deploy it on opportunities to underwrite profitably. However, there may be times in the cycle when the Group will generate excess capital and not have the opportunity to deploy it. At such points in time the Board will consider returning capital to shareholders.

The following table sets out the Group's sources of funds on a Solvency II basis:

	Total \$m	Tier 1 \$m	Tier 2 \$m	Tier 3 \$m
Basic own funds				
Ordinary share capital	41.9	41.9	–	–
Reconciliation reserve	4,957.1	4,957.1	–	–
Share premium	20.8	20.8	–	–
Deferred Tax <sup>3</sup>	68.0	–	–	68.0
Subordinated liabilities	565.3	–	565.3	–
The amount equal to the value of net deferred tax assets not available to be deducted at the Group level	(68.0)			(68.0)
<b>Total basic own funds after deductions</b>	<b>5,585.1</b>	<b>5,019.8</b>	<b>565.3</b>	<b>–</b>
Ancillary own funds	43.5	–	43.5	–
<b>Total available own funds to meet the Group SCR</b>	<b>5,628.7</b>	<b>5,019.9</b>	<b>608.8</b>	<b>–</b>
<b>Total eligible own funds to meet the consolidated Group SCR<sup>1</sup></b>	<b>5,628.7</b>	<b>5,019.9</b>	<b>608.8</b>	<b>–</b>
<b>Total eligible own funds to meet the consolidated Group MCR<sup>2</sup></b>	<b>5,130.4</b>	<b>5,019.9</b>	<b>110.5</b>	<b>–</b>
<b>Consolidated Group SCR</b>	<b>2,006.1</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Ratio of Eligible own funds to the consolidated Group SCR</b>	<b>281 %</b>	<b>–</b>	<b>–</b>	<b>–</b>

1 Tier 2 eligible own funds to meet the consolidated Group SCR are capped at 50% of the SCR. As 50% of the SCR exceeds the value of tier 2 own funds, no restriction was applied in 2025.

2 Tier 2 eligible own funds to meet the consolidated Group MCR are capped at 20% of the MCR.

3 Reconciliation reserve is exclusive of Deferred Tax as this is treated as Tier 3 capital and disallowed as eligible Own Funds at Group level.

Group own funds have been calculated net of any intra-group transactions.

## E. Capital management continued

### E.1 Own funds continued

The table below shows the movement of Own Funds by Tier in comparison to 2024:

	Tier 1 unrestricted \$m	Tier 1 restricted \$m	Tier 2 \$m	Tier 3 \$m
<b>2024 Eligible Own Funds</b>	<b>4,791.3</b>	<b>-</b>	<b>564.9</b>	<b>-</b>
Movement in Ordinary Share Capital and Share premium account	0.2	-	-	-
Deferred tax	-	-	-	68.0
Non-available own fund items	-	-	-	(68.0)
Movement in Reconciliation Reserve	228.4	-	-	-
Movement in Subordinated Debt Value	-	-	13.2	-
Change in Ancillary Own Funds	-	-	30.7	-
<b>2025 Eligible Own Funds</b>	<b>5,019.9</b>	<b>-</b>	<b>608.8</b>	<b>-</b>

#### Tier 1 basic own funds

	2025 \$m	2024 \$m
Ordinary share capital	41.9	44.6
Share premium	20.8	17.9
Reconciliation reserve	4,957.1	4,728.8
	<b>5,019.8</b>	<b>4,791.3</b>

Tier 1 own funds are eligible in full to meet both the SCR and Minimum Capital Requirement (MCR).

The reconciliation reserve is calculated as follows:

	2025 \$m	2024 \$m
<b>Reconciliation reserve</b>		
Excess of assets over liabilities	5,455.4	5,153.5
Own shares (held directly and indirectly)	(117.5)	(94.7)
Foreseeable dividends	(198.0)	(200.7)
Ordinary share capital and share premium	(62.7)	(62.5)
Deferred tax asset	(68.0)	(40.7)
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	-	-
Other non-available own funds	(52.1)	(26.1)
	<b>4,957.1</b>	<b>4,728.8</b>

On 4 March 2025, Beazley plc announced to the market its intention to return up to \$500m of surplus capital to its shareholders through a share repurchase programme (the buyback). Purchases began on 5 March 2025 and the buyback was completed on 21 October 2025, with 42.7m ordinary shares repurchased for a total consideration of \$500.0m. At 31 December 2025, there were 599.5m ordinary shares in issue.

On 2 March 2026 the Board approved the payment of an interim dividend of 25.0p per share covering the whole of 2025 (2024: 25.0p per share) which will be paid on 1 May 2026 to Beazley plc shareholders registered on 20 March 2026. Foreseeable dividends are deducted from Own Funds but are not reflected in the Group's financial statements for the year ended 31 December 2025.

Own shares (held directly and indirectly) of \$117.5m consists of shares held in the Beazley plc Employee Benefit Trust within equity in the statutory balance sheet. The shares are reported as Own shares (held directly) within assets on the Solvency II balance sheet and are deducted from the reconciliation reserves in Own Funds, hence having a nil impact on the Group Solvency ratio.

Other non-available own funds of \$52.1m consist of \$43.5m restriction to BUL FAL (explained under the Tier 2 basic own funds section below) and \$8.6m availability restriction in respect of the local capital requirements of BAIC. There were no restrictions in respect of BESI and BICI. This restriction is calculated as the difference between the solo entity local capital requirement and its contribution to Group SCR.

## E. Capital management continued

### E.1 Own funds continued

#### Tier 2 basic own funds

	2025 \$m	2024 \$m
Tier 2 subordinated debt (2026)		
– issued in 2016	255.2	253.0
Tier 2 subordinated debt (2029)		
– issued in 2019	310.1	299.1
	<b>565.3</b>	<b>552.1</b>

In November 2016, Bldac issued \$250m of subordinated tier 2 notes due in 2026 and in September 2019, Bldac issued \$300m of additional subordinated tier 2 notes due in 2029.

This debt is listed on the London Stock Exchange and is valued at fair value based on quoted market price. Movements in the fair value reflects yield curve movements and the Pull to Par effect, as the maturity date approaches for the 2016 issuance. The movement in the valuation is due to changes in fair values based on quoted market prices.

#### Tier 2 ancillary own funds

The Group has a syndicated short-term banking facility which was renewed on 30 May 2025, under which \$450.0m may be utilised as Letters of Credit (LOC) placed as FAL to provide capital support for the Group's underwriting at Lloyd's. The cost of the facility is based on a commitment fee of 0.4725% per annum and any amounts drawn are charged at a margin of 1.1% per annum. As at 31 December 2025, \$225.0m (2024: \$225.0m) has been issued as LOC and is being utilised to support FAL requirements. LOC issued under the facility are uncollateralised. No liability is recognised in the Group's financial statements for the LOC (2024: \$nil), as amounts would only become due if called upon to fund liabilities. These borrowings are subject to covenants, with which the Group has complied throughout the year. The Group considers the risk of covenants being breached to be remote.

The credit facility allows LOCs to be issued in favour of the Society of Lloyd's. Such a LOC is permissible as an asset supporting FAL requirements for Lloyd's Corporate Members.

In addition to the FAL provided under the banking facility, FAL to support the Group's underwriting at Lloyd's is provided by BUL and Bldac. These funds are subject to a deed of charge in favour of Lloyd's, restricting the transferability of these assets.

Under Solvency II rules, an own fund item which is subject to legal or regulatory requirements that restrict its fungibility and transferability within 9 months should be considered as not available to cover the Group SCR.

One such item identified by the Group is FAL, provided by Bldac and BUL to Lloyd's. In assessing whether any restriction should be applied, the value of this FAL is compared to the respective entity's contribution to the Group SCR (as seen in the table below).

This highlights any instances where, should a 1-in-200 loss occur, there would be a need for the transfer of capital out of Bldac and/or BUL, but the inability to do so.

However, as discussed earlier, \$225m of the unutilised LOC can be called upon by Bldac and BUL, which would act to reduce the value of FAL required to be deposited at Lloyd's.

In recognition of this management action, the Group has received approval for the recognition of Ancillary Own Funds of up to \$225m, subject to a further limit that LOC outstandings shall not at any time exceed 40% of the value of the FAL provided.

Given that the excess FAL restriction in relation to BUL is \$43.5m, it is this amount which we seek to have recognised as AOF in accordance with the approval we have received from the CBI.

	2025 \$m	2024 \$m
FAL provided by Bldac	920.8	1,047.2
Bldac contribution to Group SCR	(1,247.2)	(1,119.1)
Excess FAL restriction Bldac	–	–
FAL provided by BUL	317.1	375.4
BUL contribution to the Group SCR	(273.6)	(362.7)
Excess FAL restriction BUL	43.5	12.7
<b>Ancillary own funds recognised</b>	<b>43.5</b>	<b>12.7</b>

The credit facility agreement is between Beazley companies and is led by Lloyds Bank plc, involving various banks.

As at 31 December 2025, there were \$608.8m (2024: \$564.9m) of basic and ancillary Tier 2 own funds available, all of which was eligible to meet the SCR as this amount was below the 50% limit of the SCR at that date. This comprised \$565.3m (2024: \$552.2m) of Tier 2 basic own funds and \$43.5m (2024: \$12.7m) of ancillary own funds. Tier 2 own funds are available to meet the MCR, however their eligibility is restricted to 20% of the MCR, resulting in \$108.4m (2024: \$91.9m) being recognised at that date.

## E. Capital management continued

### E.1 Own funds continued

#### Letters of credit (US)

During the year, the Group has also placed LOC totalling \$57.0m (2024: \$47.0m) with the State of Connecticut Insurance Department to collateralise reinsurance arrangements between the Group's US admitted carrier, BICI and BNCC. These amounts are guaranteed by Beazley plc. In addition, BICI, BESI and BUSA have standby letters of credit of \$8.8m (2024: \$9.9m), \$4.8m (2024: \$6.3m) and \$0.1m (2024 \$nil) respectively. These are in place to secure certain reinsurance transactions settled through Lloyd's. No amounts relating to these letters of credit are recognised in the Group's statement of financial position (2024: \$nil).

#### Reconciliation of statutory net assets to Solvency II net assets as at 31 December 2025

The table below presents the changes in net assets from the statutory balance sheet to the Solvency II balance sheet.

	\$m
Statutory net assets	<b>4,871.4</b>
Elimination of goodwill, DAC and intangible assets	(466.7)
Elimination of leasehold improvements	(10.1)
Revaluation of subordinated debt and other financial liabilities to market value	(16.2)
Elimination of statutory technical provisions (net of reinsurance and deferred acquisition costs)	2,213.9
Elimination of inter-group debtors relating to future technical cash flows	1,154.0
Elimination of insurance debtors relating to future technical cashflows	(1,177.8)
Replacement of Solvency II technical provisions	(697.1)
Revaluation of participation balances	(207.8)
Recognition of profit commission on Solvency II adjustments arising	(14.7)
Recognition of own shares held directly	117.5
Recognition of net deferred tax on Solvency II adjustments arising	(311.0)
<b>Solvency II net assets</b>	<b>5,455.4</b>

#### Restriction to the fungibility and transferability of own funds

Bldac contributes between 63% and 67% of FAL in respect of its share of syndicates 2623 and 3623. BUL provides the FAL not covered by the Bldac intra-group RI including 3622 and the BUL share of syndicate 5623. BSUL provides the FAL in respect of its share of 623. The \$225m LOC is included separately and in addition to the FAL provided by Bldac and BUL. The respective restrictions in relation to the FAL capital commitment relative to their contribution to the Group SCR have been described above.

In light of the Lloyd's Economic Capital Requirement, which determines the FAL deposited at Lloyd's, being greater than Bldac's contribution to the Group SCR there is no further restriction applied to the fungibility of the Group own funds. Bldac's capital is available to post as FAL for the purpose of supporting the underwriting activity of the Group.

## E. Capital management continued

### E.2 Solvency Capital Requirement and Minimum Capital Requirement

The SCR and MCR for Beazley are as follows (post diversification):

	2025 \$m	2024 \$m
Solvency Capital Requirement	2,006.1	1,837.1
Minimum Capital Requirement	552.7	459.3

The Group MCR is determined by adding up the Solo MCRs of the (re)insurance entities consolidated for the Group SCR calculation according to Article 230(2) of the Directive 2009/138/EC.

Beazley uses an internal model to calculate its SCR. Beazley's application to use an internal model was approved by the CBI on 10 December 2015 and subsequently on 2 February 2024 in respect of a major model change application. The model is designed to produce output on the required basis, namely the capital required to meet a 1-in-200 adverse loss on the Solvency II balance sheet over a one-year time horizon.

The table below shows the SCR split by risk category (post-diversification):

Model	Insurance risk	Market risk	Operational risk	Credit risk
2026 SCR	85 %	7 %	6 %	2 %
2025 SCR	90 %	5 %	4 %	1 %

It should be noted that the above table presents the post-diversified contribution of the key modelled risks to capital, allowing for mean profit/loss attributable to each category. The categorisation of risk and basis of figures presented in form S.25 in the appendix which are aligned to EIOPA guidance.

# E. Capital management continued

## E.2 Solvency Capital Requirement and Minimum Capital Requirement continued

### Use of the internal model

Beazley's internal model is regularly used in a number of management processes as well as to input into a range of ad-hoc analyses that are presented to the business to support decision-making e.g. reinsurance analysis.

Regular uses include:

- capital setting: the internal model is used to calculate the capital for each entity quarterly. The calculated capital is split by major risk i.e. insurance, market, credit, liquidity, operational and group risk;
- business planning including capital allocation: the internal model is used in the business planning process to allocate capital between divisions. This, when combined with the plan profit, allows management to compare the performance of the different business lines on a risk adjusted basis;
- business planning: portfolio optimisation;
- business planning: reinsurance and Special Purpose Arrangement review;
- long term plan: the capital projections in the long-term plan are developed using internal model output;
- Solvency II technical provisions: the internal model is used to calculate the ENIDs, risk margin and bad debt provision;
- exposure management - natural catastrophe: the natural catastrophe model component of the internal model is used to monitor catastrophe risk against appetite;
- exposure management - cyber: the cyber catastrophe model component of the internal model is used to monitor cyber risk against appetite
- investment management: the asset risk component of the internal model is used to monitor investment risk;
- IFRS 17 risk adjustment: the model is used to calculate the likelihood of exhaustion of the risk adjustment reported under IFRS 17; and
- Reinsurance return on capital: The return on capital of the current reinsurance programmes is monitored and reported.

### Scope of the internal model

The scope of the internal model includes all material risks faced by Beazley. A single internal model is used to calculate the SCR for all entities. No important risks are excluded from the internal model. The material risks currently included in the internal model are:

- premium risk;
- catastrophe risk (both natural and man-made);
- reserving risk;
- market (or asset) risk;
- operational risk (including regulatory and legal risk);
- credit risk;
- group risk; and
- liquidity risk.

The internal model generating the Beazley SCR includes business written and reinsured by Bldac, BICI and BESI, as well as the syndicate exposure supported by BUL and BSUL.

### Methods used in the internal model

The internal model estimates the probability distribution forecast using a structured quantitative process that makes use of methods that are: in line with good actuarial and statistical practice; subject to regular independent challenge; and appropriate to the analysis and risk profile in question. These methods use parameters that are estimated using all relevant internally available data; appropriate externally sourced industry data; data embedded in external models that has been prepared by experts; judgements based on appropriately qualified and challenged experts; and distributions which are statistically consistent with the historic data relating to the frequency and severity of loss.

Beazley uses a full internal model to calculate the SCR. The SCR is calculated by the internal model in accordance with the specifications of Article 101 of Directive 2009/138/EC; specifically that it is taken from the 99.5th percentile VAR over a 1-year time horizon, taken directly from the probability distribution output generated by the calculation kernel and covers insurance (underwriting and reserving), asset (market), credit, and operational and group risk.

## E. Capital management continued

### E.2 Solvency Capital Requirement and Minimum Capital Requirement continued

#### Data used in the internal model

Model inputs are made up of two key components:

- inputs to model stand-alone risk which requires
  - exposure data. For example the number of policies of a given size and type; and
  - risk assumptions. For example setting out the range of claim sizes for a given policy. These assumptions are based on relevant historic experience; and
- input to aggregate the risk:
  - risk is aggregated using a ‘risk drivers’ approach where the assumptions are set based on historic experience for each driver.

On-going appropriateness is ensured through the capital team’s internal model data input testing which includes reconciliation of key data items. The nature and appropriateness of the data used is set out in the documentation and model change reporting.

#### Diversification

Diversification effects are allowed for in the internal model. The dependency and risk driver framework ensures that all possible drivers of risk for inclusion in the internal model are considered during the annual risk driver and dependency review to ensure completeness and which considers:

- the key variables driving dependencies;
- evidence for the existence of diversification effects;
- the relevant assumptions underlying the modelling of dependencies;
- extreme scenarios and tail dependence; and
- the core model produces management information that shows diversification benefits between major risk category (e.g. premium risk, reserve risk, market risk, credit risk etc.) as well as between business units. Due to the proportional nature of Bldac’s economic interest in syndicates 2623 and 3623, there are no material additional sources of diversification at a Group level.

#### Loss Absorbing Capacity of Deferred Tax

The Group makes an adjustment for the loss absorbing capacities of Deferred Tax Liabilities but not Deferred Tax Assets.

### E.3 Use of the duration-based equity risk-submodule in the calculation of the Solvency Capital Requirement

Not applicable.

### E.4 Differences between the standard formula and any internal model

The internal model uses a modular structure comprising a number of free-standing modules each addressing a risk category within scope of the internal model (see section E.2 – scope). A distribution is generated from each module. The modules are aggregated using a ‘risk drivers’ approach in an overall module that calculates model output. Given the risk profile of Beazley (roughly an equal split of medium-tailed and short-tailed exposures) the most important risk driver is the market cycle which impacts all classes of business and all underwriting years. Driver variables for some risk modules are based upon the output results from other modules. For example, in the credit risk module, the probability of default for reinsurers is increased when the size of the modelled catastrophe exceeds a defined level.

The main differences in the methodologies and underlying assumptions used in the standard formula (SF) and in the internal model by risk module are as follows:

- greater premium & reserve risk is assumed for the internal model reflecting the underlying economic risks while the SF assumptions are applied to the premiums and technical provisions;
- catastrophe risk assumptions are lower in the internal model reflecting the detailed modelling of the portfolio;
- internal model market risk is greater than the SF due to greater interest rate and credit spread risk assumptions as well as making allowance for the full economic risk within the underlying asset portfolio;
- greater credit and operational risk is assumed for the internal model than for the SF;
- the internal model includes less dependency between risk categories than that assumed in the SF with the driver of risk assumptions reflecting the risk profile; and
- internal model explicitly includes profit offsetting the risk.

The risks covered in the internal model are in line with those covered in the SF; however some risks, for example court inflation, are explicitly rather than implicitly modelled.

## **E. Capital management continued**

### **E.4 Differences between the standard formula and any internal model continued**

The internal model used to calculate the Beazley SCR is the same as the internal model used to calculate the Bldac SCR. Where balance sheet items are only included in the Beazley balance sheet, null exposure is included in the Bldac SCR. Similarly items on the Bldac balance sheet that consolidate at the Group level are also included in the Beazley internal model with null exposure.

### **E.5 Non-compliance with the MCR and non-compliance with the SCR**

There have been no material changes or instances of non-compliance with the SCR or MCR over the reporting period, nor is there a foreseeable risk of non-compliance which is considered in the ORSA report where a confirmation statement of continued compliance (for regulatory capital requirements and regulatory requirements for technical provisions) is made.

### **E.6 Any other information**

Not applicable.

# Appendix:

## Quantitative reporting

The following quantitative reporting templates are appended to this report.

- S.02.01.02 – Balance sheet
- S.05.01.02 – Premiums, claims and expenses by line of business
- S.05.02.01 – Premiums, claims and expenses by country
- S.23.01.22 – Own funds
- S.25.05.22 – Solvency Capital Requirement calculated using a full internal model
- S.32.01.2 – Undertakings in the scope of the Group

The information in the main body of the SFCR is presented in USD and rounded to the nearest one hundred thousand. The monetary amounts in the quantitative reporting templates (QRTs) within the appendix of this document are rounded to the nearest one thousand USD. Please note that this can give rise to rounding differences of +/- one hundred thousand USD and the totals may differ from the sum of component parts due to rounding. For improved presentation, blank columns in some of the quantitative reporting templates have been omitted. All items disclosed are consistent with the quantitative reporting submitted privately to the Central Bank of Ireland.

# Appendix: Quantitative reporting continued

## S.02.01.02 – Balance sheet

		Solvency II value C0010
<b>Assets</b>		
Intangible assets	R0030	–
Deferred tax assets	R0040	67,980
Pension benefit surplus	R0050	4,111
Property, plant & equipment held for own use	R0060	74,862
<b>Investments (other than assets held for index-linked and unit-linked contracts)</b>	<b>R0070</b>	<b>6,442,233</b>
Property (other than for own use)	R0080	–
Holdings in related undertakings, including participations	R0090	1,812,878
<i>Equities</i>	R0100	–
Equities – listed	R0110	–
Equities – unlisted	R0120	–
<i>Bonds</i>	R0130	4,060,027
Government Bonds	R0140	2,199,407
Corporate Bonds	R0150	1,648,200
Structured notes	R0160	–
Collateralised securities	R0170	212,420
Collective Investments Undertakings	R0180	567,106
Derivatives	R0190	94
Deposits other than cash equivalents	R0200	–
Other investments	R0210	2,128
Assets held for index-linked and unit-linked contracts	R0220	–
<b>Loans and mortgages</b>	<b>R0230</b>	<b>–</b>
Loans on policies	R0240	–
Loans and mortgages to individuals	R0250	–
Other loans and mortgages	R0260	–
<b>Reinsurance recoverables from:</b>	<b>R0270</b>	<b>225,818</b>
Non-life and health similar to non-life	R0280	225,818
Non-life excluding health	R0290	219,958
Health similar to non-life	R0300	5,860
Life and health similar to life, excluding health and index-linked and unit-linked	R0310	–
Health similar to life	R0320	–
Life excluding health and index-linked and unit-linked	R0330	–
Life index-linked and unit-linked	R0340	–
Deposits to cedants	R0350	–
Insurance and intermediaries receivables	R0360	–
Reinsurance receivables	R0370	315,359
Receivables (trade, not insurance)	R0380	13,624
Own shares (held directly)	R0390	117,508
Amounts due in respect of own fund items or initial fund called up but not yet paid in	R0400	–
Cash and cash equivalents	R0410	546,122
Any other assets, not elsewhere shown	R0420	551,328
<b>Total assets</b>	<b>R0500</b>	<b>8,358,946</b>

# Appendix: Quantitative reporting continued

## S.02.01.02 – Balance sheet continued

		Solvency II value C0010
<b>Liabilities</b>		
<b>Technical provisions – non-life</b>	<b>R0510</b>	<b>922,891</b>
<b>Technical provisions – non-life (excluding health)</b>	<b>R0520</b>	<b>916,066</b>
TP calculated as a whole	R0530	–
Best estimate	R0540	782,995
Risk margin	R0550	133,070
<b>Technical provisions – health (similar to non-life)</b>	<b>R0560</b>	<b>6,825</b>
TP calculated as a whole	R0570	–
Best estimate	R0580	6,787
Risk margin	R0590	39
<b>TP – life (excluding index-linked and unit-linked)</b>	<b>R0600</b>	<b>–</b>
<b>Technical provisions – health (similar to life)</b>	<b>R0610</b>	<b>–</b>
TP calculated as a whole	R0620	–
Best estimate	R0630	–
Risk margin	R0640	–
<b>TP – life (excluding health and index-linked and unit-linked)</b>	<b>R0650</b>	<b>–</b>
TP calculated as a whole	R0660	–
Best estimate	R0670	–
Risk margin	R0680	–
<b>TP – index-linked and unit-linked</b>	<b>R0690</b>	<b>–</b>
TP calculated as a whole	R0700	–
Best estimate	R0710	–
Risk margin	R0720	–
Contingent liabilities	R0740	–
Provisions other than technical provisions	R0750	–
Pension benefit obligations	R0760	–
Deposits from reinsurers	R0770	–
Deferred tax liabilities	R0780	224,842
Derivatives	R0790	624
Debts owed to credit institutions	R0800	–
Debts owed to credit institutions resident domestically	ER0801	–
Debts owed to credit institutions resident in the euro area other than domestic	ER0802	–
Debts owed to credit institutions resident in rest of the world	ER0803	–
Financial liabilities other than debts owed to credit institutions	R0810	–
Debts owed to non-credit institutions	ER0811	–
Debts owed to non-credit institutions resident domestically	ER0812	–
Debts owed to non-credit institutions resident in the euro area other than domestic	ER0813	–
Debts owed to non-credit institutions resident in rest of the world	ER0814	–
Other financial liabilities (debt securities issued)	ER0815	–
Insurance & intermediaries payables	R0820	514,459
Reinsurance payables	R0830	226,318
Payables (trade, not insurance)	R0840	30,646
<b>Subordinated liabilities</b>	<b>R0850</b>	<b>565,320</b>
Subordinated liabilities not in BOF	R0860	–
Subordinated liabilities in BOF	R0870	565,320
Any other liabilities, not elsewhere shown	R0880	418,405
<b>Total liabilities</b>	<b>R0900</b>	<b>2,903,504</b>
<b>Excess of assets over liabilities</b>		<b>5,455,441</b>

# Appendix:

## Quantitative reporting continued

### S.05.01.02 – Premiums, claims and expenses by line of business

		Line of Business for: non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)						Line of Business for: accepted non-proportional reinsurance			
		Income protection insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	Miscellaneous financial loss	Health	Casualty	Property	Total
		C0020	C0060	C0070	C0080	C0090	C0120	C0130	C0140	C0160	C0200
<b>Premiums written</b>											
Gross – Direct Business	R0110	62,708	421,831	1,452,977	3,097,103	93,630	72,323	–	–	–	<b>5,200,573</b>
Gross – Proportional reinsurance accepted	R0120	14,259	62,620	30,983	204,500	106,859	9,844	–	–	–	<b>429,065</b>
Gross – Non-proportional reinsurance accepted	R0130	–	–	–	–	–	–	19,418	51,896	364,739	<b>436,053</b>
Reinsurers' share	R0140	18,353	34,430	220,806	479,079	22,490	5,430	1,609	(36)	116,349	<b>898,510</b>
<b>Net</b>	R0200	<b>58,614</b>	<b>450,021</b>	<b>1,263,154</b>	<b>2,822,524</b>	<b>178,000</b>	<b>76,737</b>	<b>17,809</b>	<b>51,932</b>	<b>248,389</b>	<b>5,167,180</b>
<b>Premiums earned</b>											
Gross – Direct Business	R0210	56,769	407,883	1,420,212	3,111,218	85,600	69,313	–	–	–	<b>5,150,996</b>
Gross – Proportional reinsurance accepted	R0220	13,646	61,612	30,042	218,730	120,500	9,846	–	–	–	<b>454,375</b>
Gross – Non-proportional reinsurance accepted	R0230	–	–	–	–	–	–	19,389	50,861	350,976	<b>421,226</b>
Reinsurers' share	R0240	13,948	30,092	214,956	522,088	17,989	4,797	1,649	(45)	95,766	<b>901,240</b>
<b>Net</b>	R0300	<b>56,467</b>	<b>439,404</b>	<b>1,235,298</b>	<b>2,807,860</b>	<b>188,111</b>	<b>74,362</b>	<b>17,740</b>	<b>50,906</b>	<b>255,209</b>	<b>5,125,356</b>
<b>Claims incurred</b>											
Gross – Direct Business	R0310	17,958	287,825	421,064	1,595,960	21,550	32,265	–	–	–	<b>2,376,620</b>
Gross – Proportional reinsurance accepted	R0320	4,881	52,043	10,021	74,486	117,879	2,553	–	–	–	<b>261,863</b>
Gross – Non-proportional reinsurance accepted	R0330	–	–	–	–	–	–	6,964	18,744	66,545	<b>92,252</b>
Reinsurers' share	R0340	4,906	129,381	25,439	245,341	10,182	2,284	(925)	(64)	31,871	<b>448,414</b>
<b>Net</b>	R0400	<b>17,932</b>	<b>210,487</b>	<b>405,646</b>	<b>1,425,105</b>	<b>129,246</b>	<b>32,534</b>	<b>7,889</b>	<b>18,808</b>	<b>34,674</b>	<b>2,282,322</b>
<b>Expenses incurred</b>	R0550	<b>40,821</b>	<b>185,521</b>	<b>536,357</b>	<b>1,129,179</b>	<b>62,205</b>	<b>35,677</b>	<b>6,375</b>	<b>14,992</b>	<b>105,126</b>	<b>2,116,255</b>
<b>Balance - other technical expenses/income</b>	R1210										<b>–</b>
<b>Total technical expenses</b>	R1300										<b>2,116,255</b>

The following columns, which are blank, have been omitted for improved presentation: C0010 Medical expense insurance; C0030 Workers' compensation insurance; C0040 Motor vehicle liability insurance; C0050 Other motor insurance; C0100 Legal expenses insurance; C0110 Assistance; and C0150 Accepted Non-Proportional Marine, aviation, transport.

## Appendix: Quantitative reporting continued

### S.05.01.02 – Premiums, claims and expenses by line of business continued

		Line of Business for: life insurance obligations	Life reinsurance obligations	Total
		Other life insurance C0240	Life reinsurance C0280	C0300
<b>Premiums written</b>				
Gross	R1410	28,118	6,900	<b>35,018</b>
Reinsurers' share	R1420	3,354	194	<b>3,548</b>
<b>Net</b>	<b>R1500</b>	<b>24,765</b>	<b>6,706</b>	<b>31,471</b>
<b>Premiums earned</b>				
Gross	R1510	32,230	5,964	<b>38,193</b>
Reinsurers' share	R1520	4,998	182	<b>5,180</b>
<b>Net</b>	<b>R1600</b>	<b>27,232</b>	<b>5,781</b>	<b>33,013</b>
<b>Claims incurred</b>				
Gross	R1610	15,234	865	<b>16,100</b>
Reinsurers' share	R1620	4,246	50	<b>4,295</b>
<b>Net</b>	<b>R1700</b>	<b>10,989</b>	<b>816</b>	<b>11,804</b>
<b>Expenses incurred</b>	<b>R1900</b>	<b>12,985</b>	<b>1,967</b>	<b>14,952</b>
<b>Balance - other technical expenses/income</b>	<b>R2510</b>			<b>-</b>
<b>Total technical expenses</b>	<b>R2600</b>			<b>14,952</b>

The following columns, which are blank, have been omitted for improved presentation: C0210 Health insurance; C0220 Insurance with profit participation; C0230 Index-linked and unit-linked insurance; C0250 Annuities stemming from non-life insurance contracts and relating to health insurance obligations; C0260 Annuities stemming from non-life insurance contracts and relating to insurance obligations other than health insurance obligations; and C0270 Health reinsurance.

# Appendix: Quantitative reporting continued

## S.05.02.01 – Premiums, claims and expenses by country

### Home country – non-life obligations

		Home country	Top 5 countries (by amount of gross premiums written) - non-life obligations					Total Top 5 and home country
		GB C0080	US C0090	BE C0100	CA C0110	DE C0120	FR C0130	C0140
R0010								
<b>Premium written</b>								
Gross – Direct Business	R0110	2,084,058	2,501,251	–	113,414	83,977	78,429	4,861,128
Gross – Proportional reinsurance accepted	R0120	8,262	88,846	285,337	7,905	131	4,437	394,919
Gross – Non-proportional reinsurance accepted	R0130	26,468	303,506	–	18,482	9,861	7,368	365,685
Reinsurers' share	R0140	313,082	429,554	41,705	20,778	13,954	13,376	832,449
<b>Net</b>	<b>R0200</b>	<b>1,805,706</b>	<b>2,464,049</b>	<b>243,632</b>	<b>119,023</b>	<b>80,015</b>	<b>76,857</b>	<b>4,789,282</b>
<b>Premium earned</b>								
Gross – Direct Business	R0210	2,064,191	2,477,406	–	112,333	83,176	77,681	4,814,787
Gross – Proportional reinsurance accepted	R0220	8,750	94,087	302,169	8,372	139	4,699	418,215
Gross – Non-proportional reinsurance accepted	R0230	25,568	293,186	–	17,853	9,526	7,118	353,251
Reinsurers' share	R0240	314,034	430,859	41,832	20,841	13,996	13,417	834,978
<b>Net</b>	<b>R0300</b>	<b>1,784,475</b>	<b>2,433,820</b>	<b>260,337</b>	<b>117,717</b>	<b>78,844</b>	<b>76,080</b>	<b>4,751,274</b>
Claims incurred								
Gross – Direct Business	R0310	952,398	1,143,052	–	51,829	38,377	35,841	2,221,497
Gross – Proportional reinsurance accepted	R0320	5,043	54,224	174,144	4,825	80	2,708	241,023
Gross – Non-proportional reinsurance accepted	R0330	5,600	64,210	–	3,910	2,086	1,559	77,365
Reinsurers' share	R0340	156,248	214,375	20,813	10,369	6,964	6,676	415,445
<b>Net</b>	<b>R0400</b>	<b>806,792</b>	<b>1,047,111</b>	<b>153,331</b>	<b>50,194</b>	<b>33,579</b>	<b>33,432</b>	<b>2,124,440</b>
<b>Expenses incurred</b>	<b>R0550</b>	<b>1,009,217</b>	<b>739,575</b>	<b>99,786</b>	<b>48,749</b>	<b>32,772</b>	<b>31,479</b>	<b>1,961,579</b>
<b>Other expenses</b>	<b>R1200</b>							<b>–</b>
<b>Total expenses</b>	<b>R1300</b>							<b>1,961,579</b>

\*deleted rows R0410 to R0500-Changes on other technical provisions as nil value

## Appendix: Quantitative reporting continued

### S.05.02.01 – Premiums, claims and expenses by country

#### Life obligations

		Home country GB	Total Top 5 and home country
		C0220	C0280
<b>R1400</b>			
<b>Premium written</b>			
Gross	R1410	34,942	34,942
Reinsurers' share	R1420	3,540	3,540
<b>Net</b>	<b>R1500</b>	<b>31,402</b>	<b>31,402</b>
<b>Premium earned</b>			
Gross	R1510	38,128	38,128
Reinsurers' share	R1520	5,169	5,169
<b>Net</b>	<b>R1600</b>	<b>32,958</b>	<b>32,958</b>
<b>Claims paid</b>			
Gross	R1610	16,090	16,090
Reinsurers' share	R1620	4,286	4,286
<b>Net</b>	<b>R1700</b>	<b>11,804</b>	<b>11,804</b>
<b>Expenses incurred</b>	<b>R1900</b>	<b>14,919</b>	<b>14,919</b>
<b>Balance - other technical expenses/income</b>	<b>R2510</b>	<b>-</b>	<b>-</b>
<b>Total expenses</b>	<b>R2600</b>	<b>14,919</b>	<b>14,919</b>

# Appendix:

## Quantitative reporting continued

### S.23.01.22 – Own funds

		Total C0010	Tier 1 – unrestricted C0020	Tier 2 C0040	Tier 3 C0050
<b>Basic own funds before deduction for participations in other financial sector</b>					
Ordinary share capital (gross of own shares)	R0010	41,935	41,935	–	–
Non-available called but not paid in ordinary share capital at group level	R0020	–	–	–	–
Share premium account related to ordinary share capital	R0030	20,813	20,813	–	–
Initial funds, members' contributions or the equivalent basic own – fund item for mutual and mutual-type undertakings	R0040	–	–	–	–
Subordinated mutual member accounts	R0050	–	–	–	–
Non-available subordinated mutual member accounts at group level	R0060	–	–	–	–
Surplus funds	R0070	–	–	–	–
Non-available surplus funds at group level	R0080	–	–	–	–
Preference shares	R0090	–	–	–	–
Non-available preference shares at group level	R0100	–	–	–	–
Share premium account related to preference shares	R0110	–	–	–	–
Non-available share premium account related to preference shares at group level	R0120	–	–	–	–
Reconciliation reserve	R0130	4,957,106	4,957,106	–	–
Subordinated liabilities	R0140	565,320	–	565,320	–
Non-available subordinated liabilities at group level	R0150	–	–	–	–
An amount equal to the value of net deferred tax assets	R0160	67,980	–	–	67,980
The amount equal to the value of net deferred tax assets not available at the group level	R0170	67,980	–	–	67,980
Other items approved by supervisory authority as basic own funds not specified above	R0180	–	–	–	–
Non-available own funds related to other own funds items approved by supervisory authority	R0190	–	–	–	–
Minority interests (if not reported as part of a specific own fund item)	R0200	–	–	–	–
Non-available minority interests at group level	R0210	–	–	–	–
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds	R0220	–	–	–	–
<b>Deductions</b>					
Deductions for participations in other financial undertakings, including non-regulated undertakings carrying out financial activities	R0230	–	–	–	–
whereof deducted according to art 228 of the Directive 2009/138/EC	R0240	–	–	–	–
Deductions for participations where there is non-availability of information (Article 229)	R0250	–	–	–	–
Deduction for participations included via Deduction and Aggregation method (D&A) when a combination of methods are used	R0260	–	–	–	–
Total of non-available own fund items to be deducted	R0270	67,980	–	–	67,980
<b>Total deductions</b>	<b>R0280</b>	<b>67,980</b>	<b>–</b>	<b>–</b>	<b>67,980</b>
<b>Total basic own funds after deductions</b>	<b>R0290</b>	<b>5,585,173</b>	<b>5,019,854</b>	<b>565,320</b>	<b>–</b>
<b>Ancillary own funds</b>					
Unpaid and uncalled ordinary share capital callable on demand	R0300	–	–	–	–
Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand	R0310	–	–	–	–
Unpaid and uncalled preference shares callable on demand	R0320	–	–	–	–
A legally binding commitment to subscribe and pay for subordinated liabilities on demand	R0330	–	–	–	–
Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	R0340	–	–	–	–
Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	R0350	43,514	–	43,514	–
Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0360	–	–	–	–
Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0370	–	–	–	–
Non available ancillary own funds to be deducted at group level	R0380	–	–	–	–
Other ancillary own funds	R0390	–	–	–	–
<b>Total ancillary own funds</b>	<b>R0400</b>	<b>43,514</b>	<b>–</b>	<b>43,514</b>	<b>–</b>

# Appendix: Quantitative reporting continued

## S.23.01.22 – Own funds continued

		Total C0010	Tier 1 – unrestricted C0020	Tier 2 C0040	Tier 3 C0050
<b>Own funds of other financial sectors</b>					
Credit Institutions, investment firms, financial institutions, alternative investment fund managers, UCITS management companies	R0410	–	–	–	–
Institutions for occupational retirement provision	R0420	–	–	–	–
Non regulated undertakings carrying out financial activities	R0430	–	–	–	–
Total own funds of other financial sectors	R0440	–	–	–	–
<b>Own funds when using the D&amp;A, exclusively or in combination with method 1</b>					
Own funds aggregated when using the D&A and combination of method	R0450	–	–	–	–
Own funds aggregated when using the D&A and combination of method net of IGT	R0460	–	–	–	–
		–	–	–	–
<b>Total available own funds to meet the consolidated part of the group SCR (excluding own funds from other financial sector and from the undertakings included via D&amp;A)</b>	<b>R0520</b>	<b>5,628,687</b>	<b>5,019,854</b>	<b>608,833</b>	<b>–</b>
<b>Total available own funds to meet the minimum consolidated group SCR</b>	<b>R0530</b>	<b>5,585,173</b>	<b>5,019,854</b>	<b>565,320</b>	<b>–</b>
<b>Total eligible own funds to meet the consolidated part of the group SCR (excluding own funds from other financial sector and from the undertakings included via D&amp;A)</b>	<b>R0560</b>	<b>5,628,687</b>	<b>5,019,854</b>	<b>608,833</b>	<b>–</b>
<b>Total eligible own funds to meet the minimum consolidated group SCR (group)</b>	<b>R0570</b>	<b>5,130,384</b>	<b>5,019,854</b>	<b>110,530</b>	<b>–</b>
<b>Minimum consolidated Group SCR</b>	<b>R0610</b>	<b>552,652</b>			
<b>Ratio of Eligible own funds to Minimum Consolidated group SCR</b>	<b>R0650</b>	<b>928.3 %</b>			
<b>Total eligible own funds to meet the total group SCR (including own funds from other financial sector and from the undertakings included via D&amp;A)</b>	<b>R0660</b>	<b>5,628,687</b>	<b>5,019,854</b>	<b>608,833</b>	<b>–</b>
<b>Total Group SCR</b>	<b>R0680</b>	<b>2,006,114</b>			
<b>Ratio of Total Eligible own funds to Total group SCR - ratio including other financial sectors and the undertakings included via D&amp;A</b>	<b>R0690</b>	<b>280.6 %</b>			
<b>Reconciliation reserve</b>					
Excess of assets over liabilities	<b>R0700</b>	5,455,441			
Own shares (held directly and indirectly)	<b>R0710</b>	117,508			
Foreseeable dividends, distributions and charges	<b>R0720</b>	198,037			
Other basic own fund items	<b>R0730</b>	130,728			
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	<b>R0740</b>	–			
Other non available own funds	<b>R0750</b>	52,062			
<b>Reconciliation reserve</b>	<b>R0760</b>	<b>4,957,106</b>			
<b>Expected profits</b>					
Expected profits included in future premiums (EPIFP) - Life business	<b>R0770</b>	–			
Expected profits included in future premiums (EPIFP) - Non- life business	<b>R0780</b>	1,534,670			
<b>Total expected profits included in future premiums (EPIFP)</b>	<b>R0790</b>	<b>1,534,670</b>			

The following column, which is blank, has been omitted for improved presentation: C0030 Tier 1 restricted.

## Appendix: Quantitative reporting continued

### S.25.05.22 - Solvency Capital Requirement - for undertakings using an internal model (partial or full)

Risk type	Solvency Capital Requirement	Amount modelled	USP	Simplifications
	C0010	C0070	C0090	C0120
R0110	Total diversification	(2,983,440)	-	-
R0060	Total diversified risk before tax	2,256,504	-	-
R0040	Total diversified risk after tax	2,006,114	-	-
R0070	Total market & credit risk	950,751	-	-
R0080	Market & Credit risk - diversified	379,696	-	-
R0190	Credit event risk not covered in market & credit risk	-	-	-
R0200	Credit event risk not covered in market & credit risk - diversified	-	-	-
R0270	Total Business risk	-	-	-
R0280	Total Business risk - diversified	-	-	-
R0310	Total Net Non-life underwriting risk	3,918,663	-	-
R0320	Total Net Non-life underwriting risk - diversified	2,275,166	-	-
R0400	Total Life & Health underwriting risk	-	-	-
R0410	Total Life & Health underwriting risk - diversified	-	-	-
R0480	Total Operational risk	370,530	-	-
R0490	Total Operational risk - diversified	370,530	-	-
R0500	Other risk	-	-	-

Calculation of Solvency Capital Requirement		C0100
R0110	Total undiversified components	5,239,944
R0060	Diversification	(2,983,440)
R0120	Adjustment due to RFF/MAP nSCR aggregation	-
R0160	Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	-
R0200	Solvency capital requirement excluding capital add-on	2,006,114
R0210	Capital add-ons already set	-
R0211	of which, capital add-ons already set - Article 37 (1) Type a	-
R0212	of which, capital add-ons already set - Article 37 (1) Type b	-
R0213	of which, capital add-ons already set - Article 37 (1) Type c	-
R0214	of which, capital add-ons already set - Article 37 (1) Type d	-
R0220	Solvency capital requirement	2,006,114

USP Key
For life underwriting:
1- Increase in the amount of annuity benefits
9- None
For health underwriting risk;
1- Increase in the amount of annuity benefits
2- Standard deviation for NSLT health premium risk
3- Standard deviation for NSLT health gross premium risk
4- Adjustment factor for non-proportional reinsurance
5- Standard deviation for NSLT health reserve risk
9- None
For non-life underwriting risk:
4- Adjustment factor for non-proportional reinsurance

## Appendix: Quantitative reporting continued

### S.25.05.22 - Solvency Capital Requirement - for undertakings using an internal model (partial of full) continued

<b>Other information on SCR</b>		
R0300	Amount/estimate of the overall loss-absorbing capacity of technical provisions	-
R0310	Amount/estimate of the loss absorbing capacity for deferred taxes	(250,390)
R0400	Capital requirement for duration-based equity risk sub-module	-
R0410	Total amount of Notional Solvency Capital Requirements for remaining part	-
R0420	Total amount of Notional Solvency Capital Requirement for ring-fenced funds	-
R0430	Total amount of Notional Solvency Capital Requirement for matching adjustment portfolios	-
R0440	Diversification effects due to RFF nSCR aggregation for article 304	-
R0470	Minimum consolidated group solvency capital requirement	552,652

<b>Information on other entities</b>		
R0500	Capital requirement for other financial sectors (Non-insurance capital requirements)	-
R0510	Credit institutions, investment firms and financial institutions, alternative investment funds managers, UCITS management companies	-
R0520	Institutions for occupational retirement provisions	-
R0530	Capital requirement for non-regulated entities carrying out financial activities	-
R0540	Capital requirement for non-controlled participations	-
R0550	Capital requirement for residual undertakings	-
R0555	Capital requirement for collective investment undertakings or investments packaged as funds	-

<b>Overall SCR</b>		
R0560	SCR for undertakings included via D&A method	-
R0570	Total group solvency capital requirement	2,006,114

# Appendix: Quantitative reporting continued

## S.32.01.22 – Undertakings in the scope of the Group

Country	Identification code of the undertaking	Type of code of the ID of the undertaking	Legal Name of the undertaking	Type of undertaking	Legal form	Category (mutual/non mutual)	Supervisory Authority	% capital share	% Used for the establishment	% voting rights	Level of influence	Group SCR	Yes/No	Method of calculation
C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0180	C0190	C0200	C0220	C0230	C0240	C0260
CA	2138006PPO0ELDD88116	LEI	Beazley Canada Limited	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	Company limited by shares	Non-mutual		100.00%	100.00%	100%	Dominant	100.00%	Included in the scope	Method 1: Full consolidation
GB	213800XLBH0UA0EK4C56	LEI	Beazley Corporate Member (No.2) Limited	Other	Company limited by shares	Non-mutual		100.00%	100.00%	100%	Dominant	100.00%	Included in the scope	Method 1: Adjusted equity method
GB	2138008PYM4U3JY5029	LEI	Beazley Corporate Member (No.3) Limited	Other	Company limited by shares	Non-mutual		100.00%	100.00%	100%	Dominant	100.00%	Included in the scope	Method 1: Adjusted equity method
GB	213800VE50ALBYXHTL82	LEI	Beazley Corporate Member (No.6) Limited	Other	Company limited by shares	Non-mutual		100.00%	100.00%	100%	Dominant	100.00%	Included in the scope	Method 1: Adjusted equity method
GB	213800LRL5PQQ1BNTJ43	LEI	Beazley Furlonge Holdings Limited	Mixed-activity insurance holding company as defined in Article 212(1) (g) of Directive 2009/138/EC	Company limited by shares	Non-mutual		100.00%	100.00%	100%	Dominant	100.00%	Included in the scope	Method 1: Full consolidation
GB	549300FAQP1YKTIM1S87	LEI	Beazley Furlonge Limited	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	Company limited by shares	Non-mutual		100.00%	100.00%	100%	Dominant	100.00%	Included in the scope	Method 1: Full consolidation
US	2138007D09SL77QBVH27	LEI	Beazley Group (USA) General Partnership	Mixed-activity insurance holding company as defined in Article 212(1) (g) of Directive 2009/138/EC	Delaware general partnership	Non-mutual		100.00%	100.00%	100%	Dominant	100.00%	Included in the scope	Method 1: Full consolidation
GB	549300V3F4ZHETMM6P72	LEI	Beazley Group Limited	Mixed-activity insurance holding company as defined in Article 212(1) (g) of Directive 2009/138/EC	Company limited by shares	Non-mutual		100.00%	100.00%	100%	Dominant	100.00%	Included in the scope	Method 1: Full consolidation
US	213800VHYDYMVQ7PK36	LEI	Beazley Holdings, Inc.	Mixed-activity insurance holding company as defined in Article 212(1) (g) of Directive 2009/138/EC	Company limited by shares	Non-mutual		100.00%	100.00%	100%	Dominant	100.00%	Included in the scope	Method 1: Full consolidation
US	2138000BLNEDLYDMHI69	LEI	Beazley Insurance Company, Inc.	Non life insurance undertaking	Company limited by shares	Non-mutual	Connecticut Insurance Department	100.00%	100.00%	100%	Dominant	100.00%	Included in the scope	Method 1: Full consolidation
IE	549300WWULDACPEU084	LEI	Beazley Insurance dac	Non life insurance undertaking	Incorporated company limited by shares	Non-mutual	Central Bank of Ireland	100.00%	100.00%	100%	Dominant	100.00%	Included in the scope	Method 1: Full consolidation
GB	2138002FFB8FZNACJ862	LEI	Beazley Investments Limited	Other	Company limited by shares	Non-mutual		100.00%	100.00%	100%	Dominant	100.00%	Included in the scope	Method 1: Adjusted equity method
IE	21380052V9LP6NH9W342	LEI	Beazley Ireland Holdings plc	Insurance holding company as defined in Article 212(1) (f) of Directive 2009/138/EC	Public limited company	Non-mutual		100.00%	100.00%	100%	Dominant	100.00%	Included in the scope	Method 1: Full consolidation
GB	213800VTOMUWD41GIT12	LEI	Beazley plc	Insurance holding company as defined in Article 212(1) (f) of Directive 2009/138/EC	Public limited company	Non-mutual		100.00%	100.00%	100%	Dominant	100.00%	Included in the scope	Method 1: Full consolidation
GB	21380022FM3LXUN3HR40	LEI	Beazley Management Limited	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	Company limited by shares	Non-mutual		100.00%	100.00%	100%	Dominant	100.00%	Included in the scope	Method 1: Full consolidation
SG	213800DJFLUB3XE1WM21	LEI	Beazley Pte. Limited	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	Company limited by shares	Non-mutual		100.00%	100.00%	100%	Dominant	100.00%	Included in the scope	Method 1: Full consolidation
GB	213800AQFRGDD861306	LEI	Beazley Solutions Limited	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	Company limited by shares	Non-mutual		100.00%	100.00%	100%	Dominant	100.00%	Included in the scope	Method 1: Full consolidation
GB	213800AVDAS3WCGM9K47	LEI	Beazley Staff Underwriting Limited	Other	Company limited by shares	Non-mutual		100.00%	100.00%	100%	Dominant	100.00%	Included in the scope	Method 1: Adjusted equity method

# Appendix: Quantitative reporting continued

## S.32.01.22 – Undertakings in the scope of the Group continued

Country	Identification code of the undertaking	Type of code of the ID of the undertaking	Legal Name of the undertaking	Type of undertaking	Legal form	Category (mutual/non mutual)	Supervisory Authority	% capital share	% Used for the establishment	% voting rights	Level of influence	Group SCR	Yes/No	Method of calculation
C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0180	C0190	C0200	C0220	C0230	C0240	C0260
GB	213800VBFCZ1LXWVAH47	LEI	Beazley Underwriting Limited	Other	Company limited by shares	Non-mutual		100.00%	100.00%	100.00%	Dominant	100.00%	Included in the scope	Method 1: Adjusted equity method
GB	213800ESHJJAEPH8T43	LEI	Beazley Underwriting Services Limited	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	Company limited by shares	Non-mutual		100.00%	100.00%	100.00%	Dominant	100.00%	Included in the scope	Method 1: Full consolidation
US	2138003EJ3TT2VVA730	LEI	Beazley USA Services, Inc.	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	Company limited by shares	Non-mutual		100.00%	100.00%	100.00%	Dominant	100.00%	Included in the scope	Method 1: Full consolidation
US	2138002FMQZV2ESD2P39	LEI	Beazley Security LLC	Other	Limited liability company	Non-mutual		100.00%	100.00%	100.00%	Dominant	100.00%	Included in the scope	Method 1: Adjusted equity method
GB	UKLSEC	Specific Code	Beazley Security Limited	Other	Company limited by shares	Non-mutual		100.00%	100.00%	100.00%	Dominant	100.00%	Included in the scope	Method 1: Full consolidation
US	213800CFCH6JNRWK1K74	LEI	Beazley America Insurance Company Inc.	Non life insurance undertaking	Incorporated company limited by shares	Non-mutual	Connecticut Insurance Department	100.00%	100.00%	100.00%	Dominant	100.00%	Included in the scope	Method 1: Full consolidation
IE	213800CHKXKYN5IR5437	LEI	Beazley Solutions International Limited	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	Company limited by shares	Non-mutual		100.00%	100.00%	100.00%	Dominant	100.00%	Included in the scope	Method 1: Full consolidation
MT	213800DWGDOMU52RW804	LEI	Falcon Money Management Holdings Limited	Other	Company limited by shares	Non-mutual		25.00%	25.00%	25.00%	Significant	25.00%	Included in the scope	Method 1: Adjusted equity method
US	BHDLLC	Specific Code	Beazley Holdings, Inc. Digital LLC	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	Limited liability company	Non-mutual		100.00%	100.00%	100.00%	Dominant	100.00%	Included in the scope	Method 1: Full consolidation
MY	BLL	Specific Code	Beazley Labuan Limited	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	Company limited by shares	Non-mutual		100.00%	100.00%	100.00%	Dominant	100.00%	Included in the scope	Method 1: Full consolidation
US	CAVLLC	Specific Code	CyberAcuView LLC	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	Limited liability company	Non-mutual		14.30%	14.30%	14.30%	Significant	14.30%	Included in the scope	Method 1: Adjusted equity method
US	BNCC	Specific Code	Beazley Newco Captive Company, Inc	Reinsurance undertaking	Company limited by shares	Non-mutual	Connecticut Insurance Department	100.00%	100.00%	100.00%	Dominant	100.00%	Included in the scope	Method 1: Full consolidation
HK	PUL	Specific Code	Pegasus Underwriting Limited	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	Incorporated company limited by shares	Non-mutual		33.30%	33.30%	33.30%	Significant	33.30%	Included in the scope	Method 1: Adjusted equity method
US	2138003OJ5MPEAM2LF34	LEI	Beazley Excess and Surplus Insurance, Inc.	Non life insurance undertaking	Company limited by shares	Non-mutual	Connecticut Insurance Department	100.00%	100.00%	100.00%	Dominant	100.00%	Included in the scope	Method 1: Full consolidation
US	USBRIM	Specific Code	Beazley RI Manager, Inc.	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	Company limited by shares	Non-mutual		100.00%	100.00%	100.00%	Dominant	100.00%	Included in the scope	Method 1: Full consolidation
GB	BHDIGTL	Specific Code	BHI Digital UK Limited	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	Company limited by shares	Non-mutual		100.00%	100.00%	100.00%	Dominant	100.00%	Included in the scope	Method 1: Full consolidation
BM	2138004MZSN96XRHRQ17	LEI	Beazley Bermuda Insurance Limited	Other	Company limited by shares	Non-mutual		100.00%	100.00%	100.00%	Dominant	100.00%	Included in the scope	Method 1: Full consolidation
GB	213800XRD30P1DLPJCO9	LEI	Beazley Bermuda Holdings Limited	Other	Company limited by shares	Non-mutual		100.00%	100.00%	100.00%	Dominant	100.00%	Included in the scope	Method 1: Full consolidation
BM	BBSL	Specific Code	Beazley Bermuda Services Limited	Other	Company limited by shares	Non-mutual		100.00%	100.00%	100.00%	Dominant	100.00%	Included in the scope	Method 1: Full consolidation

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