Beazley Insurance dac
Annual Report and Accounts 2025

Many hats. One company.

Welcome to our Annual report 2025

Beazley Insurance dac is a non-life insurance company that underwrites through its European branch network and acts as an internal reinsurer within the Beazley Group. It also provides capital to support the underwriting activities of Beazley Underwriting Limited in the Lloyd's market.

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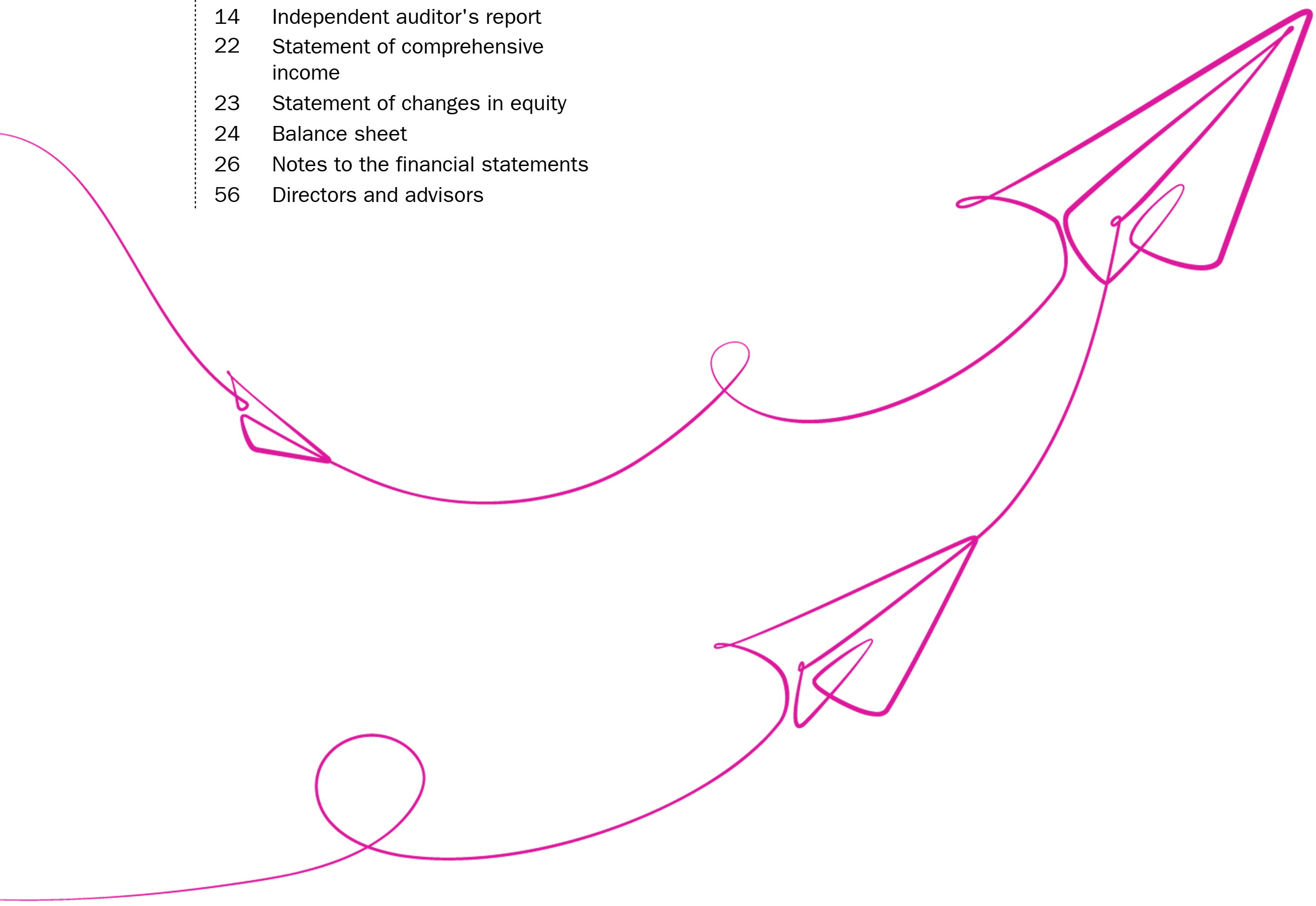


Highlights

Gross premiums written

$2,119.4m

(2024: $1,494.3m)

Net investment return

$134.7m

(2024: $139.7m)

Net earned premiums

$1,419.2m

(2024: $1,070.3m)

Cash and investments

$2,403.0m

(2024: $2,269.1m)

Profit before tax for the financial year

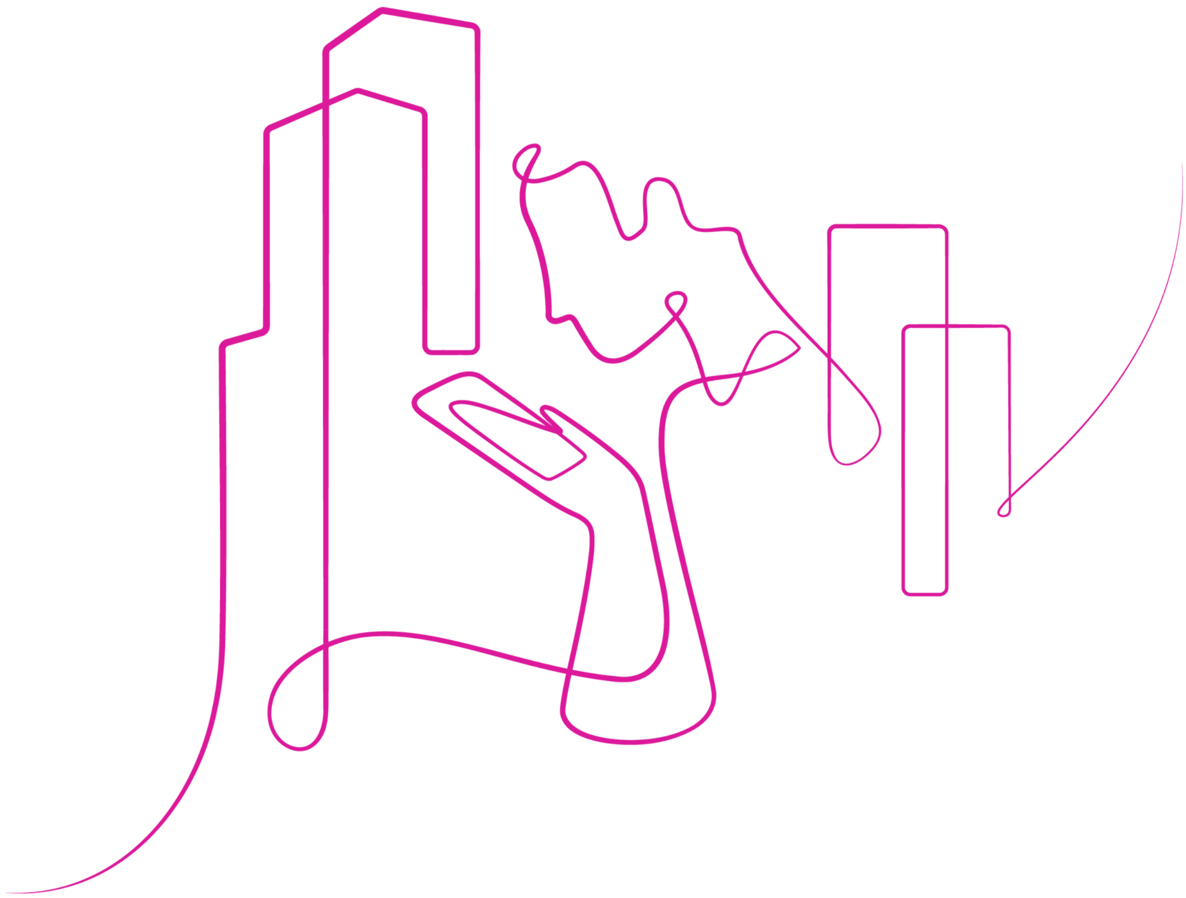
$677.7m

(2024: $712.9m)

Solvency coverage ratio

192%

(2024: 237%)



Directors' report

The Directors submit their report, together with the financial statements of Beazley Insurance dac (the Company) for the year ended 31 December 2025.

Company purpose and vision

The Company, as part of the Beazley Group (the Group), has the culture and values of being bold, striving for better and doing the right thing. We aim to be a sustainable, specialty insurer balancing opportunity and risk across market cycles through diversification, portfolio optimisation and disciplined underwriting. Our aim is underpinned by the five key pillars of our business: clients, protection, people, tools and sustainability. Together they support our purpose of enabling our stakeholders to explore, create and build.

Principal activities and business review

The Company is authorised by the Central Bank of Ireland to underwrite non-life insurance and reinsurance business. The Company operates its direct insurance business through a branch network in the United Kingdom, France, Germany, Spain and Switzerland and operates across the European Union on a freedom of services basis.

Throughout 2025, the Company continued to invest in and develop its business across Europe. Despite rates on renewal business decreasing, premiums from the Company's non-life insurance and reinsurance business carried out through its branches grew from $401.0m in 2024 to $454.5m in 2025. The insurance market is in the soft part of the cycle and the company continues to exercise robust underwriting discipline, ensuring it delivers consistent performance through 2026 and beyond.

The Company also acts as an intra-group reinsurer and provides capital to support the underwriting activities of its related company, Beazley Underwriting Limited. In addition, the Company has two intra-group quota-share reinsurance contracts, reinsuring business from two syndicates at Lloyd's (2623 and 623), which are managed by the Group's managing agent, Beazley Furlonge Limited and a second reinsurance contract with the Group's North American surplus lines carrier, Beazley Excess and Surplus Insurance Inc. (BESI).

During the period, the Company entered into a loan agreement with a fellow Beazley Group entity, Beazley Bermuda Holdings Limited ("BBHL"). $430.0m has been provided to BBHL on a 5 year term, attracting a market rate of interest. For more details see Note 10 of the financial statements on page 52.

The Company is reporting a profit before tax of $677.7m in 2025 (2024: $712.9m). The Company's performance in 2025 was driven by positive underwriting in the direct insurance and intra-group reinsurance divisions, with a focus on cycle management and underwriting discipline, in addition to a strong investment return.

Climate-related issues

While primary responsibility for climate-related issues sits with the Group Boards and Committees, the Company's Board has regular interactions and updates with the responsible persons to ensure that the Company's Board is appropriately consulted, engaged and informed. The Board is responsible for ensuring that the Company is operating in accordance with legal and regulatory requirements and with relevant Beazley Group policies and procedures. The Company also considers climate-related matters as part of the annual process to approve the risk framework and own risk and solvency assessment (ORSA). With regards to sustainability issues, reference should be made to the Group Annual Report and Accounts. The Task Force on Climate Related Financial Disclosures (TCFD) on page 60 of the Group's 2025 Annual Report details recommendations and recommended disclosures at the consolidated Group level. The 2025 Beazley plc Annual Report and Accounts can be found at www.beazley.com.

Directors' report continued

Board/Committee	Description of how climate-related matters are considered
Beazley Insurance dac Board	The Board considers climate and sustainability matters as part of the annual process to approve the risk management framework, risk appetite statements and the ORSA. The Board also considers sustainability in relation to Company strategy and business plans.
Beazley Insurance dac Risk and Compliance Committee	The Board delegates oversight of the risk management framework, risk appetite statements and the ORSA to the Company's Risk & Compliance Committee. The Committee considers climate and sustainability matters as part of its oversight of these items
Beazley Insurance dac Audit Committee	The Audit Committee is responsible for developments in Sustainability reporting, including reporting relating to climate. The most relevant upcoming reporting requirements relevant to the Company relate to CSRD and the Committee receives regular reporting in relation to these requirements.
Beazley Insurance dac Nomination and Remuneration Committee	The Company's Nomination and Remuneration Committee reviews climate related matters as part of its approval of policies prepared at a group level which are relevant to the Company.

Future developments in the business

The intra-group reinsurance contracts for 2026 with Beazley Underwriting Limited (BUL), Beazley managed syndicates 2623/623 and Beazley Excess and Surplus Insurance, Inc (BESI) were renewed by the Company in December 2025, all with effective dates of 1 January 2026.

The Company plans to continue to grow and expand its non-life insurance/reinsurance business across Europe through additional underwriting capability and products through its branch network.

Risk management oversight and framework

The Company's Board delegates oversight of the risk management function and framework to its Risk and Compliance Committee. Beazley takes an enterprise-wide approach to managing risk. The risk management framework establishes the approach to identifying, measuring, mitigating, monitoring, and reporting on principal risks. The risk management framework supports the Company's strategy and objectives.

The Company has adopted a 'three lines of defence' model, in which the risk management function is part of the second line of defence. Ongoing communication and collaboration across the three lines of defence ensures that the Company identifies and manages risks effectively.

The Company's Board approves the risk appetite statement at least annually and receives regular updates throughout the year on monitoring against these appetites, including impact on the risk profile of the business.

A suite of reports from the risk management function support senior management and the Board in discharging their oversight and decision-making 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 report.

Directors' report continued

Risk management oversight and framework continued

The annual risk management plan is developed with reference to the business strategy, external market and regulatory developments, as well as the inherent and residual risk profile captured within the risk register. The Risk function also incorporates results from internal audits and other assurance activities into its risk assessment and planning processes to ensure a comprehensive and forward-looking approach.

The Company's approach to identifying, managing and mitigating emerging risks includes inputs from across the business, analysis of lessons learned following incidents and industry thought leadership. The approach considers the potential materiality and likelihood of impacts, which helps prioritise emerging risks which the Company monitors or undertakes focused work on.

Risk management

The Company prides itself on understanding the drivers of risk. The risk management function both supports and challenges management in effectively managing these risks.

Throughout the year, we have continued to enhance, roll out, and embed elements of our risk management framework. We have worked closely with colleagues across the first and second lines of defence to support the Company's strategy.

The Company operates a risk management framework, within which risk appetite is defined, risks assumed are identified and managed and key controls are implemented and monitored. Additional information in relation to the Company's risk management objectives and policies is included in note 2 of the financial statements.

Principal risks

The Company 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 Company's financial strength and delivering sustainable value to stakeholders.

Our principal risks are subject to regular review through the Company'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 follow summarise the principal risks faced by the Company, together with the governance, oversight and control measures in place to mitigate these exposures. It also sets out the Company'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).

Directors' report continued

Principle risks continued

Risk outlook

△ Increasing ◇ Stable ▽ Decreasing

Principal risks and summary descriptions	Mitigation and monitoring
◇ **Insurance** Risk of loss arising from uncertainties and deviations of the occurrence, frequency, amount and timing of insurance premium and claim liabilities relative to the assumptions at the time of underwriting. This includes risk from underwriting such as market cycle, catastrophe, reinsurance and reserves. • Market cycle: potential systematic mispricing of medium or long-tailed business that does not support revenue to invest and cover future claims; • Catastrophe: one or more large events caused by nature (e.g. hurricane, windstorm, earthquake and/or wildfire) or mankind (e.g. coordinated cyber-attack, 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; • Reinsurance arrangements: reinsurance may not be available or purchases do not support the business underwritten (e.g. mismatch); • Reserving: reserves may not be sufficiently established to reflect the ultimate paid losses; and • Climate risk: 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.	Insurance risk is principally managed through pricing tools, analysis of macro trends and claim frequency/severity and ensures exposure is well diversified and not overly concentrated in any one area, or line of business. Our strategic approach to exposure management and a comprehensive internal and external reinsurance programme helps to reduce volatility of profits in addition to managing net exposure through the transfer of risk. Our prudent and comprehensive approach to reserving 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. The Company carries out periodic analysis to identify significant areas of concentration risk across its business and monitors solvency regularly to ensure the Company is adequately capitalised. Beazley continuously monitors key trends and incidents, particularly for evolving perils such as cyber, to ensure our view of risk is up-to-date. The Company makes extensive use of modelling, including catastrophe modelling, the use of our Solvency II model and stress and scenario testing to ensure insurance risk is within our risk appetite. Beazley integrates management of climate risk 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. Investment 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. Outlook: While we continue to assess the Company'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.

Risk	Mitigation
Market 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.	The Company operates a conservative investment strategy, to ensure adequate funds are available to pay claims. We employ robust policies and tools to manage market risk, ensuring alignment with regulatory requirements and industry best practices. Interest rate and foreign exchange risks are managed using natural hedges and financial instruments, minimising potential volatility. The Group Investment Committee regularly reviews market risk exposures to ensure that our risk management capabilities remain agile and effective in responding to evolving market dynamics, with regular reporting by the Company's Head of Finance to the Company Board. The Company 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. Outlook: We maintain a stable market risk outlook for 2026, underpinned by active investment portfolio management and a robust internal control framework.
Credit 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 including intragroup counterparties. Exposure to credit risk arises from reinsurance arrangements, brokers & coverholders, investments, and intragroup lending.	The Company maintains long-term partnerships with strategic reinsurance partners to support the Company throughout the insurance cycle and during potential catastrophic claim events. The Company uses a range of internal and external reinsurance mechanisms to diversify reinsurance credit risk, including new reinsurance contracts with syndicates 5623 and 6107 in 2025. The Company has credit risk arising from relationships with external reinsurers, both directly within the European business and indirectly through the Company's intra-group reinsurance contracts. Credit risk relating to external reinsurers is monitored by the Group Reinsurance Security Committee, and the Group reinsurance team report regularly to the Company's Leadership Committee (formerly Management Committee), with at least annual reporting to the Company Board. Intra-group agreements represent a significant source of credit risk for the Company. These include both intra-group reinsurance and intra-group lending arrangements. The credit risk arising from these arrangements are monitored closely and risk mitigation features limit the Company's exposure to credit risk. Credit risk arising from brokers (non payment of premiums or claims) is monitored through robust due diligence processes, credit monitoring and ongoing monitoring of aged debts. Investment credit risks are managed with a well-diversified portfolio, with investment parameters by type, duration, and credit quality, monitored by the Group Investment Committee. Outlook: Credit risk outlook remains stable, as the Company manages reinsurance (intra-group counterparty risk and external), intra-group lending, broker, coverholder and investment credit risks within agreed limits.

Directors’ report continued

Principle risks continued

Risk outlook

△ Increasing ◇ Stable ▽ Decreasing

	Principal risks and summary descriptions	Mitigation and monitoring
◇	**Group** The risk that an action or inaction of one part of the Group adversely affect another part or parts of the Company. This also includes changes in culture which leads to inappropriate behaviour, actions and/or decisions including dilution of culture or negative impact on the brand.	In 2025, Beazley developed its 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. 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 the Company remains resilient and forward-looking in an evolving risk and regulatory landscape. 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, the Group continue to focus on strategic initiatives, which include continuous enhancement of our internal control environment and optimisation of key business and IT processes through deployment of technology solutions. The Board oversees this risk, with regular monitoring conducted by the Risk function and overseen by the Risk and Compliance Committee. Outlook: The Group risk outlook remains stable, with the executive management continuously evolving our risk culture through regular monitoring and annual assessments, designed to drive enhancement. The Company continues to monitor this risk in light of the Offer for Beazley plc and its subsidiaries. Refer to page 13 for further details.
◇	**Liquidity** Investments and/or other assets are not available or adequate in order to settle financial obligations when they fall due.	By actively managing its liquidity needs, the Company maximises flexibility in handling its financial assets and investment strategy. This proactive approach ensures that clients and creditors are financially protected. The Company regularly assesses its liquidity position, which is reported at least quarterly to the Board by the Company's Head of Finance. Our liquidity risk outlook remains stable as the Company consistently maintains more than adequate levels of liquidity and capital.

	Regulatory and legal Non-compliance with regulatory and legal requirements, failing to operate in line with the relevant regulatory framework in the territories where the Company operates. This may lead to financial loss (fines, penalties), sanctions, reputational damage, loss of confidence from the regulator, regulatory intervention, inability to underwrite or pay claims.	The Company'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 Compliance Committee. In 2025, the Group 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. 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 company-wide training to ensure that expectations are understood. Delivering good customer outcomes remains central to our business. The Group's Conduct Review Group oversees this risk, with regular reporting to the Company Leadership Committee and the Company Risk and Compliance Committee. The Company maintains a very low appetite for regulatory and legal risk. As we navigate an increasingly complex environment, maintaining strong and open relationships with our regulators remains paramount. Outlook: The outlook for this risk is stable. We continue to enhance our key systems and internal control frameworks as well as adapting our compliance framework to adhere to our regulatory and compliance landscape.

Directors' report continued

Principle risks continued

Risk outlook

△ Increasing ◇ Stable ▽ Decreasing

Principal risks and summary descriptions		Mitigation and monitoring
◇	**Operational** The risk of failure of people, processes and systems or the impact of an external event on company 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.	Our risks and controls are formally monitored and reported through a risk and control self-assessment process and the use of quantifiable KRIs. Beazley's ongoing control enhancement and underwriting transformation programmes are designed to ensure that the Company is fully equipped to meet current and future operational challenges, strengthening our resilience and supporting sustainable growth. Our business continuity, disaster recovery and incident response plans ensure the stability of our processes and systems, enabling our teams to consistently deliver optimal outcomes for our clients. As the external environment grows more complex, technology and cyber resilience remain top priorities. Beazley has advanced our cyber maturity, 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. Outlook: We anticipate a stable outlook for this risk 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.
◇	**Strategic** The risk of loss resulting from ineffective strategic direction and implementation that leads to inadequate profitability, insufficient capital, financial loss and/or reputational damage for the Company. Pervasive risks impacting multiple areas of the Company (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 could have a detrimental impact to the Company's performance and public perception.	The Company consistently addresses key strategic opportunities and challenges, striving to be the highest performing and most sustainable specialist insurer. We ensure that we recognize, understand, discuss, and develop action plans for significant strategic priorities in a timely manner, while maintaining operational effectiveness and brand reputation. The Company creates 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 Company Board oversees these risks. The Company maintains coverage above regulatory capital to meet its business plan and strategic objectives in the short, medium, and long term. The Company's commitment is to create a sustainable business for our people, partners, and planet through responsible business goals. We embed sustainability principles and ambitions, focusing on reducing our carbon footprint (refer to the Group's TCFD report for more details on climate-related risks and mitigations), contributing to our social environment, and practicing good governance. While we consider market developments, we evaluate each on its individual merits, weighing both potential opportunities and risks. As we consolidate and embed our achievements from 2025, our strategic risk outlook remains stable.

Directors' report continued

Emerging risks

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 Company 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 Group fora such as the Emerging & Complex Risk Group (ECRG) and the Emerging Risk Working Group (ERWG). Oversight is provided by the Company's Risk and Compliance 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 Company seeks to mitigate exposures while identifying opportunities to create value.

A selection of the high priority emerging risks monitored by the Company is provided in the table below, together with key mitigation activities.

Risk and Description	Priority	Key Mitigations
Artificial Intelligence (AI) The rapid advancement and proliferation of AI introduces risks across underwriting, operational processes and broader societal impacts.	HIGH	• Oversight through Group level AI Steering Committee and AI Governance & Controls Committee; • Responsible AI assessments and policy frameworks; • Third-party controls for ethical deployment; and • Underwriting exposure across the group monitored by AI Exposure Working Group and Emerging & Complex Risk Group.
Geopolitical and conflict escalation 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	• Monitoring by Beazley Emerging & Complex Risk Group (ECRG) and Emerging Risk Working Group (ERWG); • Risk appetite oversight and scenario analysis; • Horizon scanning for emerging threats; and • Cross-functional collaboration to support underwriting and resilience planning.
Supply chain complexity 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	• Active monitoring of supply chain risk to reduce disruption and enhance resilience; • Oversight of cyber contingent business interruption exposures; and • Operational resilience reinforced through robust infrastructure and continuity planning.
Political and social unrest/instability Rising inequality, economic imbalances and societal divisions can lead to increased polarisation and reduced social cohesion, resulting in protests, riots and political instability.	HIGH	• Political and social unrest monitored via horizon scanning and scenario analysis; and • Flexible working arrangements and tested continuity measures support operational resilience.

Key performance indicators (KPIs)

The Company generated a profit before tax of $677.7m in 2025 (2024: $712.9m). The Company's performance in 2025 was driven by the positive underwriting performance of the direct insurance/reinsurance and intra-group reinsurance divisions, as well as strong profits from the Company's investment portfolio. Return on equity* for the year was 31% (2024: 32%).

Despite rates on renewal business decreasing, the Company has premiums from its non-life insurance and reinsurance business carried out through its branches grow from $401.0m in 2024 to $454.5m in 2025 and we anticipate further growth in 2026. During 2025, while focusing on cycle management and maintaining underwriting discipline, the Company further increased its product offering and underwriting capability through its branch network. The Company claims ratio on its direct business was 26% (2024: 26%).

The two intra-group reinsurance contracts with Lloyds syndicates 2623/623 and BESI also contributed to the increase in premium written in the current period. Further information on the breakdown of our performance between direct insurance/ reinsurance and intra-group reinsurance can be found in note 3 to the financial statements.

The Company maintained a strong capital position throughout 2025, with a solvency capital requirement coverage ratio of 192% as at 31 December 2025 (2024: 237%).

**Return on equity ("ROE") is calculated by dividing the profit after tax by the average equity for the period (using average of the opening and closing equity positions).*

Results and dividends

The result for the year is shown on the statement of comprehensive income on page 22. On 5 December 2024, the Board approved an interim dividend of $400.0m which was paid on 16 January 2025 to its sole shareholder Beazley Ireland Holdings plc. On 25 February 2025, the Board approved an interim dividend of $100.0m which was paid on 27 February 2025. On 11 December 2025, the Board approved a further interim dividend of $500.0m which was paid on 17 December 2025. Dividends paid in 2024 amounted to $300m.

Directors

The names of the persons who were Directors at any time during the year ended 31 December 2025 and to the date of this report are set out below:

Directors	
E McGivney	
F Kleiterp	
J Dunne	
K Murphy	(Independent non-executive)
M Moore	(Independent non-executive)
P O Desaulle	(Independent non-executive chair)
P Ruane	(Independent non-executive)
R Anarfi (resigned 28 February 2025)	(Non-executive)
J Kath (appointed 21 May 2025)	(Independent non-executive)

Secretary

The Company Secretary for the duration of the year ended 31 December 2025 was:

J Wright

Directors and secretary and their interests

The Directors and secretary who held office at 31 December 2025 had no interests greater than 1% in the shares of, or debentures or loan stock of, the Company or Group companies at the beginning (or date of appointment, if later) or end of the year (2024: nil).

Directors' report continued

Statement of Directors' responsibilities

The Directors are responsible for preparing the report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland and FRS 103 Insurance contracts. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the assets, liabilities and financial position of the Company and of its profit or loss for that year.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

In assessing the Company's ability to continue as a going concern, the Directors have considered the Company's capital position, business plans, cash flow and liquidity, and broader external and internal business factors including the ongoing uncertainty in financial markets. The Directors are satisfied that the assessment of the Company as a going concern is reasonable.

The Directors are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the assets, liabilities, financial position and profit or loss of the Company and enable them to ensure that the financial statements comply with the Companies Act 2014 and the European Union (Insurance Undertakings: Financial Statements) Regulations 2015.

The Directors are responsible for such internal controls as they determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities. The Directors are also responsible for preparing a Directors' report that complies with the requirements of the Companies Act 2014. As required by Section 1551 of the Companies Act 2014 (2014 Act), the Company confirms that it has established an Audit Committee, which assists the Board in carrying out its oversight and control obligations.

Relevant audit information

We confirm that to the best of our knowledge:

- so far as the Directors are aware, there is no relevant audit information of which the Company's statutory auditors are unaware; and
- the Directors have taken all the steps that he or she ought to have taken as a Director in order to make himself/herself aware of any relevant audit information and to establish that the Company's statutory auditors are aware of that information.

Statement of Directors' compliance

The Directors of the Company acknowledge that they are responsible for securing the Company's compliance with its relevant obligations (as defined in the 2014 Act) and, as required by Section 225 of the 2014 Act.

The Directors confirm that:

- a compliance policy statement setting out the Company's policies with regard to complying with the relevant obligations under the 2014 Act has been prepared;
- arrangements and structures have been put in place that they consider sufficient to secure material compliance with the Company's relevant obligations; and
- a review of the arrangements and structures has been conducted during the financial year to which this Directors' report relates.

Directors' report continued

Accounting records

The Directors believe that they have complied with the requirements of sections 281 to 285 of the Companies Act, 2014 with regard to accounting records by employing accounting personnel with appropriate expertise and by providing adequate resources to the financial function. The books of account of the Company are maintained at 2 Northwood Avenue, Santry, Dublin D09 X5N9.

Political donations

The Company made no political donations during the financial year ended 31 December 2025 (2024: nil).

Central Bank of Ireland Corporate Governance Code

The Company is subject to the Corporate Governance Requirements for Insurance Undertakings issued by the Central Bank of Ireland. The Company is not required to comply with the additional requirements for major institutions.

Post balance sheet events

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 Offer'). Details of the Offer are set out in the announcement dated 2 March 2026 which can be found on the Group's website.

On 2 April 2026, the Board approved a further interim dividend of $200.0m. As a non-adjusting post balance sheet event, the dividend has not been reflected in the Company's financial statement for the year ended 31 December 2025.

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.

There are no other events that are material to the operations of the Company that have occurred since the reporting date.

Auditor

The auditors, Ernst and Young, Chartered Accountants, were appointed as the Company's auditor on 25 June 2019 in accordance with section 383(2) of the Companies Act 2014. This followed a selection procedure in accordance with Article 16(3) of Regulation (EU) No 537/2014 in respect of the appointment of the audit firm.

On behalf of the Board

John Dunne
Director

Pierre-Olivier DeSaulle
Director

2 April 2026

Shape the future
with confidence

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BEAZLEY INSURANCE DAC

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Beazley Insurance DAC ('the Company') for the year ended 31 December 2025, which comprise the Statement of Comprehensive Income, Statement of Changes in Equity, Balance Sheet and notes to the financial statements, including the summary of significant accounting policies set out in note 1. The financial reporting framework that has been applied in their preparation is Irish Law and FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland and FRS 103 'Insurance Contracts' (Generally Accepted Accounting Practice in Ireland) issued in the United Kingdom by the Financial Reporting Council.

In our opinion the financial statements:

- give a true and fair view of the assets, liabilities and financial position of the company as at 31 December 2025 and of its profit for the year then ended;
- have been properly prepared in accordance with FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland and FRS 103 'Insurance Contracts' (Generally Accepted Accounting Practice in Ireland) and
- have been properly prepared in accordance with the requirements of the Companies Act 2014.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) and applicable law. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with ethical requirements that are relevant to our audit of financial statements in Ireland, including the Ethical Standard as applied to public interest entities issued by the Irish Auditing and Accounting Supervisory Authority (IAASA), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the Company's ability to continue to adopt the going concern basis of accounting included:

- We have obtained management's going concern assessment, which covers the period of at least 12 months from the date of the audit opinion and incorporates the Company's business plans and solvency capital requirements, including scenario modelling.
- We have reviewed the key factors and assumptions within the scenarios and the business plan. We considered the appropriateness of the methods used by the Company in the assessment.
- We have reviewed the Company's going concern disclosures in the annual report to assess whether they are appropriate and in compliance with the relevant financial reporting requirements.

Conclusion

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Company's ability to continue as a going concern.

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BEAZLEY INSURANCE DAC

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Risk	Our response to the risk	Key observations communicated to the Audit Committee
Accounting for reinsurance result in line with treaty arrangements with Beazley Underwriting Limited (BUL) **Net earned premium:** **2025: \$402m** **2024: \$555m** **Net insurance claims:** **2025: \$nil** **2024: \$nil** Refer to the accounting policies in Note 1 and Note 3 of the Financial Statements. Due to the complex structure of the reinsurance treaties with Beazley Underwriting Limited (BUL) and the associated accounting treatments, we have identified a potential risk regarding the accuracy of reporting the reinsurance amounts. Specifically, there is a possibility that these amounts may be incorrectly reported as either a single premium (plus commission) or a single claim amount. Such inaccuracies could significantly affect the reported financial position of BIDAC for the fiscal year. Unlike standard reinsurance contracts, the agreements with BUL are based on the overall results of the syndicates.	To obtain sufficient audit evidence to conclude on the account for the reinsurance treaty we: - Obtained an understanding of the key elements of syndicate results, with a particular focus on areas of judgement applied by Management including those estimates made within premiums, claims estimates and Incurred But Not Reported (IBNR) and calculation of the declared result on each reinsurance contract written - Updated our understanding of the terms of the reinsurance treaty with the cedant, BUL; - Tested the calculation of the premiums and claims recorded on the reinsurance business with reference to the reinsurance treaty and the key data inputs from BUL such as the declared results of the syndicates; - Performed a recalculation of the profit commission payable in line with the terms of the reinsurance contracts; and - Reviewed the reinsurance agreements and assess the impact of the changes in the BUL reinsurance contract for the current year.	We completed our planned procedures and have no material matters to report.

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Risk	Our response to the risk	Key observations communicated to the Audit Committee
Valuation of claims outstanding, including the risk of management override of controls **Gross claims outstanding:** **2025: $912.7m** **2024: $568.9m** **Net claims outstanding:** **2025: $692m** **2024: $430.7m** Refer to the accounting policies in Note 1 and to Note 4 of the Financial Statements. Gross and net claims outstanding are inherently uncertain and subjective in nature, and therefore subject to a greater degree of risk of material misstatement than other balances. The assumptions deriving IBNR involve a significant degree of expert judgement in setting Management's estimates. In addition, loss reserve estimates for certain classes of business can be based on limited data.	To address the risk within the valuation of claims outstanding, we: - Obtained an understanding and tested the design of key controls over management's process in respect of the valuation of claims outstanding including the setting and updating of actuarial assumptions; - Performed independent re-projections of claims outstanding applying our own assumptions, on a sample basis; - Assessed the reserving methodology on both a gross and net of reinsurance basis including comparing the reserving methodology with industry practice; - Evaluated and assessed whether the key assumptions applied to key areas of uncertainties were appropriate based on our knowledge of the Company, industry practice and regulatory and financial reporting requirements; - Tested the completeness and accuracy of the claims, reinsurance and premium data used within the reserving process by reconciling the data used in the actuarial projections to the underlying policy administration and finance systems; - For outstanding claims, we corroborated to underlying supporting evidence.	We completed our planned procedures and have no material matters to report.

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BEAZLEY INSURANCE DAC

Our application of materiality

We apply the concept of materiality in planning and performing the audit, in evaluating the effect of identified misstatements on the audit and in forming our audit opinion.

Materiality

Materiality is the magnitude of an omission or misstatement that, individually or in the aggregate, could reasonably be expected to influence the economic decisions of the users of the financial statements. Materiality provides a basis for determining the nature and extent of our audit procedures.

We determined materiality for the Company to be $15.5 million (2024: $19.8 million), which is 1% (2024: 1%) of Equity. We believe that Equity provides us with a stable basis of materiality and as the primary stakeholders are mainly concerned about solvency and capital position of the Company.

Performance materiality

Performance materiality is the application of materiality at the individual account or balance level. It is set at an amount to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality.

On the basis of our risk assessments, together with our assessment of the Company's overall control environment, our judgement was that performance materiality was 75% (2024: 75%) of our planning materiality, namely $11.7million (2024: $14.8million). We have set performance materiality at this percentage due to our assessment that the risk of undetected material misstatement is low, considering the nature of the industry in which the Company operates and our prior experience with the Company.

Reporting threshold

Reporting threshold is an amount below which identified misstatements are considered as being clearly trivial.

We agreed with the Audit Committee that we would report to them all uncorrected audit differences in excess of $0.8million (2024: $1.0million), which is set at 5% of planning materiality, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds

We evaluate any uncorrected misstatements against both the quantitative measures of materiality discussed above and in light of other relevant qualitative considerations in forming our opinion.

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BEAZLEY INSURANCE DAC

An overview of the scope of our audit report

Tailoring the scope

Our assessment of audit risk, our evaluation of materiality and our allocation of performance materiality determine our audit scope for the company. This enables us to form an opinion on the financial statements. We take into account size, risk profile, the organisation of the company and effectiveness of controls, including controls and changes in the business environment when assessing the level of work to be performed. All audit work was performed directly by the audit engagement team.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Directors' Report and the Statement of Directors' Responsibilities other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2014

In our opinion, based solely on the work undertaken in the course of the audit, we report that:

- the information given in the directors' report for the financial year ended for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report, other than those parts relating to sustainability reporting where required by Part 28 of the Companies Act 2014, has been prepared in accordance with applicable legal requirements.

We have obtained all the information and explanations which, to the best of our knowledge and belief, are necessary for the purposes of our audit.

In our opinion the accounting records of the Company were sufficient to permit the financial statements to be readily and properly audited and the financial statements are in agreement with the accounting records.

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INDEPENDENT AUDITOR’S REPORT TO THE MEMBERS OF BEAZLEY INSURANCE DAC

Matters on which we are required to report by exception

Based on the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

The Companies Act 2014 requires us to report to you if, in our opinion, the disclosures required by sections 305 to 312 of the Act, which relate to disclosures of directors’ remuneration and transactions are not complied with by the Company. We have nothing to report in this regard.

Respective responsibilities

Responsibilities of directors for the financial statements

As explained more fully in the directors’ responsibilities statement set out on page 12, the directors are responsible for the preparation of the financial statements in accordance with the applicable financial reporting framework that give a true and fair view, and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company’s ability to continue as going concerns, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor’s responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (Ireland) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BEAZLEY INSURANCE DAC

Explanation to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud, that could reasonably be expected to have a material effect on the financial statements. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. In addition, the further removed any non-compliance is from the events and transactions reflected in the financial statements, the less likely it is that our procedure will identify such non-compliance. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the company and management.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are Generally Accepted Accounting Practice in Ireland including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and FRS 103 'Insurance Contracts', the Companies Act 2014 and the EU (Insurance and Reinsurance) Regulations 2015 (the Solvency II Directive).

- We understood how Beazley Insurance DAC is complying with those frameworks by making enquiries of Management, internal audit, and those responsible for legal and compliance procedures. We corroborated our enquiries through our examination of board minutes, papers provided to the Audit Committees and correspondence with regulatory bodies.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur by including through enquiries of Management to determine whether they have knowledge of any actual, suspected or alleged fraud affecting the entity. Where the risk was considered to be higher, we performed audit procedures to address each identified fraud risk. These procedures included testing manual journals and were designed to provide reasonable assurance that the financial statements were free from fraud or error.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved an examination of board minutes to identify any non-compliance with laws and regulations, an examination of the reporting to the Audit Committee on compliance with regulations and enquiries of Management.
- The Company operates in the insurance industry which is a highly regulated environment. As such, the Audit Engagement Partner considered the experience and expertise of the engagement team to ensure that the team had the appropriate competence and capabilities, which included the use of experts where appropriate.

A further description of our responsibilities for the audit of the financial statements is located on the IAASA's website at: https://iaasa.ie/wp-content/uploads/docs/media/IAASA/Documents/audit-standards/Description_of_auditors_responsibilities_for_audit.pdf. This description forms part of our auditor's report.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BEAZLEY INSURANCE DAC

Other matters which we are required to address

We were appointed by board of directors in August 2019 to audit the financial statements for the year ending 31 December 2019 and subsequent financial periods. The period of total uninterrupted engagement including previous renewals and reappointments of the firm is 7 years.

The non-audit services prohibited by IAASA's Ethical Standard were not provided to the company and we remain independent of the company in conducting our audit.

Our audit opinion is consistent with the additional report to the audit committee.

The purpose of our audit work and to whom we owe our responsibilities

Our report is made solely to the Company's members, as a body, in accordance with section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinion we have formed.

Niamh O'Shaughnessy
for and on behalf of
Ernst & Young Chartered Accountants and Statutory Audit Firm

Office: Dublin

Date: 02 April 2026

Statement of comprehensive income

for the year ended 31 December 2025

Technical account	Notes	2025 $m	2024 $m
Gross premiums written	3	2,119.4	1,494.3
Outward reinsurance premiums		(381.4)	(182.3)
Net premiums written		**1,738.0**	**1,312.0**
Change in the gross provision for unearned premiums	4	(428.3)	(301.9)
Change in the provision for unearned premium, reinsurers' share	4	109.5	60.2
Change in net provision for unearned premiums		**(318.8)**	**(241.7)**
Earned premiums, net of reinsurance	3	**1,419.2**	**1,070.3**
Allocated investment return transferred from the non-technical account	6	137.1	141.2
Total revenue		**1,556.3**	**1,211.5**
Gross claims paid	4	(174.8)	(77.9)
Reinsurers' share of claims paid	4	25.2	10.5
Claims paid, net of reinsurance		**(149.6)**	**(67.4)**
Change in gross provision for claims	4	(297.2)	(164.1)
Change in the provision for claims, reinsurers' share	4	72.4	29.8
Change in the net provision for claims		**(224.8)**	**(134.3)**
Claims incurred, net of reinsurance		**(374.4)**	**(201.7)**
Net operating expenses	5	(449.4)	(259.2)
Allocated investment charges transferred from the non-life technical account	6	(2.4)	(1.5)
Balance on the technical account for non-life insurance business		**730.1**	**749.1**

Non-technical account	Notes	2025 $m	2024 $m
Investment income	6	137.1	141.2
Investment management expenses, including interest	6	(2.4)	(1.5)
Total investment return		**134.7**	**139.7**
Allocated investment income transferred to the non-life technical account	6	(137.1)	(141.2)
Investment expenses and charges transferred to the non-life technical account	6	2.4	1.5
Interest payable and similar charges	17	(31.6)	(31.6)
Loss on foreign exchange		(20.8)	(4.6)
Profit on ordinary activities before taxation		**677.7**	**712.9**
Tax expense on profit on ordinary activities	7	(131.2)	(128.9)
Profit on ordinary activities after taxation		**546.5**	**584.0**
Profit/(loss) on foreign exchange through other comprehensive income		26.7	(2.1)
Total comprehensive income for the financial year		**573.2**	**581.9**

The Company's operating activities all relate to continuing operations.

Statement of changes in equity

for the year ended 31 December 2025

		Capital contribution	Foreign currency translation reserve	Profit or loss account	Total equity
		$m	$m	$m	$m
Balance as at 1 January 2024		536.3	(45.8)	1,208.5	1,699.0
Total comprehensive income for the financial year		—	(2.1)	584.0	581.9
Dividend paid	8	—	—	(300.0)	(300.0)
Balance as at 31 December 2024		**536.3**	**(47.9)**	**1,492.5**	**1,980.9**
Total comprehensive income for the financial year		—	26.7	546.5	573.2
Dividends paid	8	—	—	(1,000.0)	(1,000.0)
Balance as at 31 December 2025		**536.3**	**(21.2)**	**1,039.0**	**1,554.1**

There is one share with a nominal value of €1 in issue as per note 15 Share capital and other reserves.

Balance sheet
as at 31 December 2025

	Notes	2025 $m	2024 $m
Assets			
Investments			
Financial assets	9	1,878.9	2,134.2
Investments in group undertakings and participating interests	10	430.0	—
		2,308.9	**2,134.2**
Reinsurers' share of technical provisions			
Provision for unearned premiums	4	211.4	99.2
Claims outstanding	4	220.7	138.2
		432.1	**237.4**
Debtors			
Debtors arising from direct insurance operations		127.0	133.9
Debtors arising from reinsurance operations	11	979.7	1,009.3
Other debtors	12	85.1	102.0
		1,191.8	**1,245.2**
Other assets			
Current tax asset		7.8	30.0
Deferred tax asset	7	2.3	—
		10.1	**30.0**
Cash and cash equivalents	13	**94.1**	**134.9**
Prepayments and accrued income			
Deferred acquisition costs	14	266.6	119.4
Other prepayments and accrued interest		30.0	22.0
		296.6	**141.4**
Total assets		**4,333.6**	**3,923.1**

Balance sheet
as at 31 December 2025

	Notes	2025 $m	2024 $m
Equity			
Capital and reserves			
Called up share capital	15	–	–
Capital contribution	15	536.3	536.3
Foreign currency translation reserve	15	(21.2)	(47.9)
Profit or loss account	15	1,039.0	1,492.5
Shareholders' funds attributable to equity interests		**1,554.1**	**1,980.9**
Liabilities			
Technical provisions			
Provision for unearned premiums	4	912.4	467.2
Claims outstanding	4	912.7	568.9
		1,825.1	**1,036.1**
Creditors			
Creditors arising from direct insurance operations		39.5	98.7
Creditors arising from reinsurance operations		166.0	–
Other creditors	16	129.2	198.0
		334.7	**296.7**
Other liabilities			
Accruals and deferred income		21.3	15.0
Deferred tax liability	7	20.9	4.8
Tax payable		27.8	24.0
		70.0	**43.8**
Financial liabilities	17	549.7	565.6
Total liabilities		**2,779.5**	**1,942.2**
Total equity and liabilities		**4,333.6**	**3,923.1**

The notes on pages 26 to 55 form part of these financial statements.

Approved on behalf of the Board of Directors:

John Dunne
Director

Pierre-Olivier DeSaulle
Director

2 April 2026

Notes to the financial statements

for the year ended 31 December 2025

1 Accounting policies

(a) Basis of preparation

The financial statements have been prepared in accordance with Financial Reporting Standard 102, (the Financial Reporting Standard applicable in the UK and Republic of Ireland) (FRS 102) and Financial Reporting Standard 103 (Insurance Contracts) (FRS 103). The financial statements comply with the European Union (Insurance Undertakings: Financial Statements) Regulations 2015, and the Companies Act 2014. The financial statements are prepared using the historical cost convention except for certain financial assets and liabilities which are measured at fair value.

The policies have been consistently applied to all periods presented, unless otherwise stated. All amounts disclosed in the financial statements are presented in US dollars and millions, unless otherwise stated.

FRS 102 allows a qualifying entity certain disclosure exemptions, subject to certain conditions. As these conditions have been complied with the Company has taken advantage of the following exemptions:

i) from preparing a statement of cash flows, on the basis that it is a qualifying entity and the consolidated statement of cash flows, included in the group's consolidated financial statements, includes the Company's cash flows;
ii) from disclosing key management personnel compensation;
iii) from disclosing transactions entered into between related parties within a group, provided that any subsidiary which is a party to the transaction is wholly owned by another group entity; and
iv) from disclosing share-based payment arrangements, as the share based payment arrangements concerns equity instruments of Beazley plc and the equivalent disclosures are presented within the Beazley plc consolidated financial statements in which the Company is consolidated.

The Financial Reporting Council issued amendments to FRS 102 and FRS 103 in March 2024. These changes are effective for the periods beginning on or after 01 January 2026. The Company has assessed the impact of these changes and does not expect these to be material.

Going concern

The financial statements have been prepared on a going concern basis. In adopting the going concern basis, the Board has reviewed the Company's current and forecast solvency and liquidity positions for the next 12 months from the date that the financial statements are authorised for issue. The Company's business activities, together with the factors likely to affect its future development, performance and position, are set out in the Directors' report contained in the financial statements. In addition, the risk review section of the financial statements includes the Company's risk management objectives and the Company's objectives, policies and processes for managing its capital.

In assessing the Company's going concern position as at 31 December 2025, the Directors have considered a number of factors, including the current statement of financial position and the Company's strategic and financial plan, taking account of possible changes in trading performance and funding retention. The assessment concluded that the Company has sufficient capital and liquidity for the twelve months following the date of signing of the Directors' report and financial statements.

As per its most recent regulatory submission, the Company's capital ratios and its total capital resources are comfortably in excess of regulatory solvency requirements and internal stress testing indicates the Company can withstand severe economic and competitive stresses.

As a result of the assessment, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for at least the next 12 months from the date of approval of the financial statements and therefore believe that the Company is well placed to manage its business risks successfully. Accordingly, they continue to adopt the going concern basis in preparing the Company's financial statements.

Notes to the financial statements continued
for the year ended 31 December 2025

1 Accounting policies continued

(b) Use of estimates and judgements

The preparation of financial statements requires the use of certain critical accounting estimates and judgements that affect the reported amounts of assets, liabilities, income and expenses. Actual results may differ from those on which management's estimates are based.

Inputs and assumptions are evaluated on an ongoing basis by considering historical experience, expectations of reasonably possible future events, and other factors. For example, estimates which are sensitive to economic, regulatory and geopolitical conditions could be impacted by significant changes in the external environment such as the volatile macroeconomic environment, climate change, international conflicts, and significant changes in legislation. Any revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Specific to climate change, the estimate for which there is the highest potential exposure to climate risk is the estimation of technical provisions. Management currently include allowances in the determination of technical provisions for the potential impact of changes arising from climate risks (which could include but is not limited to an increased frequency of natural catastrophes, liability claims for green-washing and changes in legislation related to climate). Management are of the view that for all other estimates, climate risk would not have a material impact on the valuation of the assets and liabilities held by the Company at the year end date.

The most critical estimate included within the Company's financial statements is the estimate of the provision for claims. Information on claims provisions can be found at note 4.

(c) Basis of accounting for insurance/reinsurance activities

The Company undertakes both insurance and reinsurance activities. The Company writes direct insurance through a network of European branches and has intra-group reinsurance agreements with BUL, Beazley managed syndicates 2623/623 and BESI.

The Company reinsures BUL for 65% of losses for the 2023, 2024 and 2025 underwriting years (subject to an excess). In the event that the declared result is a loss, the extent of the reinsurance is limited to the loss in excess of the aforementioned amount, not exceeding 65% of the Funds at Lloyds provided by the Company to support the underwriting activity of BUL. The underwriting results relating to this reinsurance contract are determined on an annual basis. Results under this contract reported on an annual basis recognise profits or losses as they are earned instead of at the closure of a particular Lloyd's year of account, normally after three years.

The excess of loss cede from BUL is reflected in the SOCI in accordance with the definition of premium and the limits of liability contained in the excess of loss agreement. This treatment results in each contract being accounted for as either a single premium or outstanding claim balance depending on whether the declared result of the syndicates is a profit or a loss. In this regard, the Company will recognise a premium receivable when an underlying reinsurance contract is in a profitable position at the reporting date, and will show an outstanding claim reserve when an underlying contract is in a loss making position at the reporting date. Movements in premium receivables and outstanding claims reserves will be shown through the SOCI and outlined in further detail through the notes to the financial statements.

As the premium/claim balance presented in the profit or loss account represents the Company's share of the profit or loss before tax of the syndicates, premium earnings adjustments and expense deferrals in respect of the underlying syndicate business have already been recognised through the premium or claims recognised under the contract. In this regard, the Company's balance sheet does not contain technical balances such as deferred acquisition costs and the provision for unearned premium relating to these reinsurance contracts. Profit commissions and financing fees, included in the terms of the reinsurance agreements, are accounted for separately and are included in operating expenses and investment income in the SOCI.

Under the intra-group quota-share reinsurance agreements, the Company reinsures syndicates 2623/623 for a share of losses in two specific property treaty lines. The Company reinsures BESI for a share of all losses. Commissions, included in the terms of the reinsurance agreements, are accounted for separately and are included in operating expenses in the SOCI.

Notes to the financial statements continued

for the year ended 31 December 2025

1 Accounting policies continued

(c) Basis of accounting for insurance/reinsurance activities continued

Premiums

Gross premiums written comprise premiums on contracts incepted during the financial year together with adjustments to premiums written in previous accounting periods and estimates for premiums from contracts entered into during the course of the year. Gross written premiums are stated before the deduction of brokerage, taxes, duties levied on premiums and other deductions.

Unearned premiums

A provision for unearned premiums (gross of reinsurance) represents that part of the gross premiums written that it is estimated will be earned in the following financial periods. It is calculated using the daily pro-rata method, under which the premium is apportioned over the period of risk.

Acquisition costs

Acquisition costs incurred comprise brokerage, premium levies and staff-related costs of underwriters acquiring new business and renewing existing contracts. The proportion of acquisition costs in respect of unearned premiums is deferred at the balance sheet date and recognised in later periods when the related premiums are earned.

Claims

Claims incurred represent the cost of claims and claims handling expenses paid during the financial year, together with the movement in provisions for outstanding claims, claims incurred but not reported (IBNR) and future claims handling provisions. The provision for claims comprises amounts set aside for claims advised and IBNR.

A provision is made at the year-end for the estimated cost of claims incurred but not settled at the balance sheet date, including the cost of claims incurred but not yet reported to the Company. The Company takes all reasonable steps to ensure that it has appropriate information regarding its claims exposures. However, given the uncertainty in establishing claims provisions, it is likely that the final outcome will prove to be different from the original liability established.

The IBNR amount is based on estimates calculated using widely accepted actuarial techniques which are reviewed quarterly. The techniques generally use projections, based on past experience of the development of claims over time, to form a view on the likely ultimate claims to be experienced. For more recent underwriting, regard is given to the variations in the business portfolio accepted and the underlying terms and conditions. Thus, the critical assumptions used when estimating claims provisions are that the past experience is a reasonable predictor of likely future claims development and that the rating and other models used to analyse current business are a fair reflection of the likely level of ultimate claims to be incurred.

The estimation of IBNR is generally subject to a greater degree of uncertainty than the estimation of the cost of settling claims already notified to the Company, where more information about the claim event is generally available. Claims IBNR may not be apparent to the insured until many years after the event which gives rise to the claims has happened. Classes of business where the IBNR proportion of the total reserve is high will typically display greater variations between initial estimates and final outcomes because of the greater degree of difficulty of estimating these reserves. Classes of business where claims are typically reported relatively quickly after the claim event tend to display lower levels of volatility.

Ceded reinsurance

These are contracts entered into by the Company with reinsurers under which the Company is compensated for losses on contracts issued by the Company and that meet the definition of an insurance contract. Insurance contracts entered into by the Company under which the contract holder is another insurer (inwards reinsurance) are included within gross premiums.

Any benefits to which the Company is entitled to under its reinsurance contracts held are recognised as reinsurance assets. These assets also include unearned premium. These consist of balances due from reinsurers and includes provision for unearned premiums, reinsurers' share. These balances are based on calculated amounts of outstanding claims and projections for IBNR, net of estimated irrecoverable amounts having regard to the reinsurance programme in place for the class of business, the claims experience for the period and the current security rating of the reinsurer involved. Reinsurance liabilities are primarily premiums payable for reinsurance contracts and are recognised as an expense when due.

Reinsurance assets are assessed for impairment at each reporting date. If there is objective evidence of impairment, then the carrying amount is reduced to its recoverable amount and the impairment loss is recognised in the statement of comprehensive income.

1 Accounting policies continued

(d) Financial instruments

Recognition and derecognition

In recognising and measuring financial instruments, the Company has adopted the recognition and measurement provisions of IAS 39 Financial Instruments: Recognition and Measurement as adopted within the European Union (as permitted by the provisions in place when the Company adopted FRS 102).

Financial instruments are recognised on the balance sheet at such time that the Company becomes a party to the contractual provisions of the financial instrument. A financial asset is derecognised when:
- the contractual rights to receive cash flows from the financial assets expire;
- the financial assets have been transferred, together with substantially all the risks and rewards of ownership; or
- despite having retained some, but not substantially all, risks and rewards of ownership, control of the asset is transferred to another party and the other party has the practical ability to sell the asset in its entirety to an unrelated third party.

Financial liabilities are derecognised if the Company's obligations specified in the contract expire, are discharged or cancelled.

Financial assets and liabilities measurement

On acquisition of a financial asset or liability, the Company will measure the asset or liability at transaction price, except for those financial assets and liabilities at fair value through profit or loss (FVTPL), which are initially measured at fair value.

Except for derivative financial investments, debt securities issued by group undertakings and borrowings, all financial investments are designated as FVTPL upon initial recognition because they are managed and their performance is evaluated on a fair value basis. Information about derivative financial instruments is provided internally on a fair value basis to key management. The Company's investment strategy is to invest and evaluate performance with reference to fair values, aside from debt securities issued by group undertakings.

Fair value measurement

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction on the measurement date. Fair value is a market-based measure and in the absence of observable market prices in an active market, it is measured using the assumptions that market participants would use when pricing the asset or liability.

The best evidence of the fair value of a financial instrument at initial recognition is the transaction price, i.e., the fair value of the consideration given or received, unless the fair value of that instrument is evidenced by comparison with other observable current market transactions in the same instrument (i.e., without modification or repackaging) or based on a valuation technique whose variables include only data from observable markets.

When transaction price provides the best evidence of fair value at initial recognition, the financial instrument is initially measured at the transaction price and any difference between this price and the value initially obtained from a valuation model is subsequently recognised in the SOCI depending on the individual facts and circumstances of the transaction but not later than when the valuation is supported wholly by observable market data or the transaction is closed out.

Upon initial recognition, attributable transaction costs relating to financial instruments at fair value are recognised in the SOCI when incurred. Financial instruments at FVTPL are continuously measured at fair value, and changes therein are recognised in the SOCI. Net changes in the fair value of financial instruments at FVTPL exclude interest and dividend income, as these items are accounted for separately.

Notes to the financial statements continued
for the year ended 31 December 2025

1 Accounting policies continued
(d) Financial instruments continued
Investment income
Investment income consists of dividends, interest, realised and unrealised gains and losses and foreign exchange gains and losses on financial assets or liabilities at FVTPL. Interest is recognised on an accrual basis. The realised gains or losses on disposal of an investment are the difference between the proceeds and the original cost of the investment. Unrealised investment gains and losses represent the difference between the carrying value at the balance sheet date, and the carrying value at the previous year end or purchase value during the year.

Derivative financial instruments and collateralised loan obligations
Derivatives are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured 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. The best evidence of fair value of a derivative at initial recognition is the transaction price.

Derivative assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to set off the recognised amounts and the parties intend to settle on a net basis, or realise the assets and settle the liability simultaneously.

The Company also invests in a number of collateralised loan obligations ('CLOs'). The valuation of these CLOs is based on fair value techniques (as described above).

Impairment of financial assets
Assessment is made at each reporting date whether there is objective evidence that a financial asset or group of financial assets measured at amortised cost is impaired. A financial asset or group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that have occurred after the initial recognition of the assets and that event has an impact on the estimated cash flows of the financial asset or group of financial assets that can be reliably estimated.

If there is objective evidence that impairment exists, the amount of the loss is measured as the difference between the assets carrying amount and the value of the estimated future cash flows discounted at the financial asset’s original effective interest rate. Where a loss is incurred this is recognised in the statement of comprehensive income.

Investment in Group Undertaking and Participating Interest
This comprises a loan to another Group undertaking, as set out in note 10. The loan was classified as a “loans and receivable” per IAS 39 and was recognised initially at the transaction price which is the fair value (including transaction costs incurred). It is subsequently measured at amortised cost using the effective interest rate method.

Financial Liabilities
Borrowings are initially recorded at fair value less transaction costs incurred. Subsequently, borrowings are stated at amortised cost and interest is recognised in the profit or loss account over the period of the borrowings using the effective interest method.

(e) Cash and cash equivalents
This consists of cash at bank and in hand and deposits held at call with banks and other short-term, highly liquid investments with maturities of three months or less from the date of acquisition.

(f) Other debtors
Other debtors consists of amounts due from Group companies and other amounts receivable. These are stated at amortised cost less any impairment losses.

(g) Other creditors
Other creditors principally consist of amounts due to Group companies. These are stated at amortised cost using the effective interest rate method.

1 Accounting policies continued

(h) Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Current tax is provided on the Company's taxable profits at amounts expected to be paid using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is provided, using the liability method, on timing differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets are recognised on the balance sheet to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised.

The Company has applied the amendment to FRS 102 in relation to International Tax Reform – Pillar Two Model Rules from 01 January 2023, as issued by the FRC. It introduced a mandatory temporary exemption from recognising and disclosing deferred taxes arising from the Pillar Two rules and requires targeted disclosure. The Company is in the scope of Pillar Two, but in line with the requirements of the amendment has not taken into account the effects of Pillar Two when measuring deferred tax assets and liabilities or recognised any deferred tax relating to it. For more detail see note 7.

(i) Foreign currency translation

Transactions in foreign currencies are translated to the Company's functional currency at the foreign exchange rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined. Foreign exchange differences arising on translation are recognised in the profit or loss account. For the purpose of foreign currency translation, unearned premiums and deferred acquisition costs are treated as if they are monetary items.

The results and financial position of the Company's European branches which have a functional currency different from the Company's presentation currency are translated into the presentation currency as follows:
- assets and liabilities are translated at the closing rate ruling at the balance sheet date;
- income and expenses for each profit or loss account are translated at average exchange rates for the reporting period where this is determined to be a reasonable approximation of the actual transaction rates; and
- all resulting exchange differences are recognised as a separate component of equity.

(j) Dividends

Interim dividends unpaid at the balance sheet date are only recognised as a liability at that date to the extent that they are appropriately authorised and are no longer at the discretion of the Company. Unpaid dividends that do not meet these criteria are not recognised in the financial statements but are disclosed in the notes to the financial statements.

2 Risk Management

The Company 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 sections below outline how the Company defines and manages each category of risk.

Risk management framework

Corporate governance

The Board gives high priority to risk management and risk control. Procedures are in place within the Company to ensure that risks are being measured, monitored and reported adequately and effectively to the Risk and Compliance Committee. The Company is subject to regular internal audit reviews which are carried out by the Group internal audit function.

Capital management

The Company is required to maintain minimum capital requirements as set out in the European Union (Insurance and Reinsurance) Regulations 2015 (S.I. 485/2015). Regulations stipulate that the Company should maintain capital, allowable for solvency purposes, of at least the calculated threshold amount. At no time during the year has the Company failed to meet this requirement. The Company uses an approved internal model to calculate its regulatory solvency capital requirement.

The internal model is used by management to aid decision making, in particular in terms of business planning, reinsurance purchasing, setting risk appetites, long term planning, exposure management and reserving. The Company monitors capital against internal metrics and sets an internal risk appetite in relation to solvency coverage. At no time during the year has the Company failed to meet these target capital levels. The Company's capital strategy is to:

- invest its capital to generate an appropriate level of return;
- maintain sufficient solvency cover;
- support the Beazley Group strategy;
- adhere to local branch capital requirements; and
- pay dividends to its shareholder.

Since inception the Company has always been well capitalised and the capital base has grown with earnings. The capital structure of the Company consists of subordinated loans as disclosed in note 17, and shareholder funds attributable to equity interests, comprising capital contributions and the profit or loss account as disclosed in the statement of changes in equity and note 15, respectively.

In 2016, the Company issued $250m of subordinated tier 2 notes due in 2026. In 2019, the Company issued $300m additional subordinated tier 2 notes due in 2029.

The amount of any dividend paid is determined by the solvency of the Company and the requirements of the Group. The Company holds a level of capital over and above its regulatory requirements. The amount of surplus capital held is considered on an ongoing basis in light of the current regulatory framework, opportunities for growth and a desire to maximise returns. Available capital and capital requirements are projected as part of the Company's five year business plan, which in turn is considered as part of the ORSA process.

More detailed information about the Company's capital strategy, capital management and capital position can be found in the Company's Solvency and Financial Condition Report (available at www.beazley.com).

2.1 Insurance risk

The Company issues insurance contracts under which it accepts significant insurance risk from persons or organisations that are directly exposed to an underlying loss from an insured event. Insurance risk arises from this risk transfer due to inherent uncertainties about the occurrence, amount and timing of insurance liabilities. The four key components of insurance risk are underwriting, reinsurance, claims management and reserving. Each element is considered below.

a) Underwriting risk

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

- 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 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.

2 Risk Management continued

a) *Underwriting risk continued*

The Board reviews detailed underwriting information relating to the syndicate business reinsured by the Company through its excess of loss arrangements with BUL and its quota share contracts with syndicates 2623/623 and BESI. The below section provides an overview of the underwriting risk associated with the underlying syndicate and BESI business as well as the insurance/reinsurance business underwritten directly by the Company through its European branches. This reflects how the Board monitors and manages the business and the associated risks.

The Company'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, geography and size. The annual business plans for each underwriting team reflect the Company's underwriting strategy, and set out the classes of business, the territories and the industry sectors in which business is to be written.

The Company's underwriters calculate premiums for risks written based on a range of criteria tailored specifically to each individual risk. These factors include but are not limited to the financial exposure, loss history, risk characteristics, limits, deductibles, terms and conditions and acquisition expenses.

The Company 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 Company 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 realistic disaster scenarios (RDS). 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 Company is exposed.

The Company 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 include natural catastrophes, cyber, marine, liability, political, terrorism and war events.

One of the largest types of event exposure relates to natural catastrophe events such as windstorm or earthquake. With the increasing risk from climate change impacts and the frequency and severity of natural catastrophes, the Company continues to monitor its exposure. Where possible the Company 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 Company also has exposure to man-made claim aggregations, such as those arising from terrorism, liability, and cyber events.

The Company chooses to underwrite cyber insurance within the Cyber Risks division and indirectly through the reinsurance contracts with BUL and BESI using its team of specialist underwriters, claims managers and data breach services managers. Other than for affirmative cyber coverage, the Company's preference is to exclude cyber exposure where possible.

To manage the potential exposure, the Board has approved a risk appetite for the aggregation of cyber-related claims based on a probabilistic model. Internally developed RDS are also used to inform the Group's understanding of cyber risk. 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 purchased by Beazley, whether directly by the Company or indirectly by syndicates 2623 and 3623, would partially mitigate the cost of most, but not all, cyber catastrophes.

b) *Reinsurance risk*

Reinsurance risk for the Company arises where reinsurance contracts put in place to reduce gross insurance risk do not perform as anticipated, result in coverage disputes or prove 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 separately below.

2 Risk Management continued

b) Reinsurance risk continued

The Company's reinsurance programmes complement the underwriting team business plans and seek to protect Company capital from an adverse volume or volatility of claims on both a per risk and per event basis. In some cases the Company deems it more economic to hold capital than purchase reinsurance. These decisions are regularly reviewed as an integral part of the business planning and performance monitoring process.

The Group's 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, monitors and instigates our responses to any erosion of the reinsurance programmes.

c) Claims management risk

Similar to section 2.1(a) above, the following section provides an overview of the claims management processes carried out by the Company in respect of its direct insurance/reinsurance business, as well as the processes carried out at a syndicate and BESI level in respect of the business covered by the Company's intra-group reinsurance contracts.

Claims management risk may arise within the Company 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 Beazley brand and undermine its ability to win and retain business or incur punitive damages. These risks can occur at any stage of the claims life-cycle.

Beazley'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.

d) Reserving and ultimate reserves risk

Reserving and ultimate reserves risk occurs where established insurance liabilities are insufficient through inaccurate forecasting.

To manage reserving and ultimate reserves risk, our actuarial team uses a range of recognised techniques to project gross premiums written, monitor claims development patterns and stress test ultimate insurance liability balances. An external independent actuary also performs an annual review to produce a statement of actuarial opinion for the syndicates (a significant element of this business being ultimately reinsured to the Company).

The reserving process is controlled and governed by the reserving policy which is approved by the Company Board. The objective of the Company's reserving policy is to produce accurate and reliable estimates that are consistent over time and across classes of business. The estimates of gross premiums written and claims prepared by the actuarial department are compared to those produced by the claims and underwriting teams through a formal quarterly peer review process, in order to ensure the integrity of the estimates produced for each class of business. These meetings are attended by senior management, senior underwriters, actuarial, claims, and finance representatives. The company's reserve committee specifically reviews the reserve estimates relating to all Company business, before recommending them to the Leadership Committee and Board.

Loss reserves are booked in relation to direct business and intra-group reinsurance contracts. In accordance with the terms of the aggregate excess of loss reinsurance contract with BUL, the Company records an outstanding claim reserve in respect of any open year reinsurance contract with BUL which, at the reporting date, is in a loss making position for the Company. The Company receives detailed information on BUL underwriting and claims activity, and all other intra-group reinsurance contracts. Recoveries are booked against the loss reserves in line with reinsurance and retrocession contract terms. Further information in relation to the claims recorded under these contracts is provided in note 1 and note 4 to the financial statements.

2 Risk Management continued

d) Reserving and ultimate reserves risk continued

A five percent increase or decrease in total gross claims liabilities would have the following effect on profit or loss and equity:

	5% increase in claims reserves		5% decrease in claims reserves	
	2025	2024	2025	2024
Sensitivity to insurance risk (claims reserves)	$m	$m	$m	$m
Impact on profit after tax	(38.8)	(24.2)	38.8	24.2

The Company also monitors its exposure to insurance risk by location. 46% (2024: 71%) of risks underwritten by the Company are located in Europe with 54% located in the USA (2024: 29%).

2.2 Strategic risk

This is the risk that the Company's strategy is inappropriate or that the Company is unable to implement its strategy. Where events supersede the Company's strategic plan this is escalated at the earliest opportunity through the Company's monitoring tools and governance structure.

2.3 Market risk

Market risk arises from adverse financial market movements in addition to other external market forces. The four key components of market risk are investments, foreign exchange, interest rate, and prices of assets and derivatives. Each element is considered in further detail below.

Foreign exchange risk

The functional and reporting currency of the Company is US dollar. As a result, the Company is mainly exposed to fluctuations in exchange rates for any non-dollar denominated transactions and net assets. The Company deals in five main currencies, US dollars, UK sterling, Canadian dollars, Swiss francs and Euro. Transactions in all non-US dollar 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. The Company holds the majority of its net assets in US dollars. The following table summarises the carrying value of net assets categorised by currency:

Total	UK £	CAD $	EUR €	CHF	Subtotal	US $	Total
Net assets/(liabilities) by currency	$m	$m	$m	$m	$m	$m	$m
31 December 2025	(172.2)	5.9	(44.8)	(11.3)	(222.4)	1,776.5	1,554.1
31 December 2024	(12.3)	(19.9)	(44.6)	2.0	(74.8)	2,055.7	1,980.9

The above table does not reflect exposure to net assets as the company's EU, UK and Swiss branches are converted to US dollars through the foreign exchange reserve on the balance sheet. The Company's assets are predominantly matched by currency to the principal underlying currencies of its insurance liabilities. The Company monitors its currency risk position on a regular basis. While the Company does carry currency risk (as outlined in the above table), this is not material to the Company's ability to meet its claims and other obligations as they fall due. Fluctuations in the Company's trading currencies against the US dollar would result in a change in profit after tax and net asset value.

Notes to the financial statements continued

for the year ended 31 December 2025

2 Risk Management continued

The table below gives an indication of the impact on net assets of a % change in relative strength of US dollar against the value of UK sterling, Canadian dollar, Euro, and Swiss franc simultaneously. The analysis is based on the current information available.

Change in exchange rate of UK sterling, Canadian dollar, Swiss franc and Euro relative to US dollar	Impact on profit after tax for the year ended 2025 $m	2024 $m	Impact on net assets 2025 $m	2024 $m
Dollar weakens 30% against other currencies	(56.7)	(19.1)	1.8	31.5
Dollar weakens 20% against other currencies	(37.8)	(12.7)	1.2	21.0
Dollar weakens 10% against other currencies	(18.9)	(6.4)	0.6	10.5
Dollar strengthens 10% against other currencies	18.9	6.4	(0.6)	(10.5)
Dollar strengthens 20% against other currencies	37.8	12.7	(1.2)	(21.0)
Dollar strengthens 30% against other currencies	56.7	19.1	(1.8)	(31.5)

Interest rate risk

Some of the Company's financial instruments, including financial investments, in addition to its insurance and reinsurance contracts are exposed to movements in market interest rates. The Company manages interest rate risk by primarily investing in short to medium duration financial assets along with cash and cash equivalents. The Company's Board monitors the duration of these assets on a regular basis.

The following table shows the average duration at the reporting date of the financial instruments. Duration is a commonly used measure of volatility which gives a better indication than maturity of the likely sensitivity of the portfolio to changes in interest rates.

Duration 31 December 2025	<1 yr $m	1-2 yrs $m	2-3 yrs $m	3-4 yrs $m	4-5 yrs $m	5-10 yrs $m	Total $m
Fixed and floating rate securities	708.4	427.4	153.5	232.4	53.2	122.2	1,697.1
Cash and cash equivalents	94.1	–	–	–	–	–	94.1
Loan to Group undertaking	430.0	–	–	–	–	–	430.0
Borrowings	(249.9)	–	–	(299.2)	–	–	(549.1)
Total	**982.6**	**427.4**	**153.5**	**(66.8)**	**53.2**	**122.2**	**1,672.1**

Duration 31 December 2024	<1 yr $m	1-2 yrs $m	2-3 yrs $m	3-4 yrs $m	4-5 yrs $m	5-10 yrs $m	Total $m
Fixed and floating rate securities	578.6	609.4	474.6	251.8	7.2	–	1,921.6
Cash and cash equivalents	134.9	–	–	–	–	–	134.9
Borrowings	–	(249.7)	–	–	(299.0)	–	(548.7)
Total	**713.5**	**359.7**	**474.6**	**251.8**	**(291.8)**	**–**	**1,507.8**

2 Risk Management continued

Sensitivity analysis

The Company holds financial assets and liabilities that are exposed to interest rate risk. Changes in interest yields, with all other variables constant, would result in changes in the capital value of debt securities and a change in value of borrowings and derivative financial instruments. This will affect reported profits and net assets as indicated in the table below.

	Impact on profit after tax for the year ended		Impact on net assets	
	2025	2024	2025	2024
Shift in yield (basis points)	$m	$m	$m	$m
150 basis point increase	(38.1)	(40.0)	(38.1)	(40.0)
100 basis point increase	(25.4)	(26.7)	(25.4)	(26.7)
50 basis point increase	(12.7)	(13.3)	(12.7)	(13.3)
50 basis point decrease	12.7	13.3	12.7	13.3
100 basis point decrease	25.4	26.7	25.4	26.7
150 basis point decrease	38.1	40.0	38.1	40.0

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 approximate exit price. If the market for the investment is not considered to be active, then the Company establishes fair value using valuation techniques. This includes using recent arm's length market transactions, reference to 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. Investments are made in debt securities and equities depending on the Company's appetite for risk. These investments are well diversified with high quality, liquid securities. The Board has established comprehensive guidelines with investment managers setting out maximum investment limits, diversification across industries and concentrations in any one industry or company.

	Impact on profit after tax for the year ended		Impact on net assets	
	2025	2024	2025	2024
Change in fair value of capital growth portfolio	$m	$m	$m	$m
30% increase in fair value	46.3	54.0	46.3	54.0
20% increase in fair value	30.9	36.0	30.9	36.0
10% increase in fair value	15.4	18.0	15.4	18.0
10% decrease in fair value	(15.4)	(18.0)	(15.4)	(18.0)
20% decrease in fair value	(30.9)	(36.0)	(30.9)	(36.0)
30% decrease in fair value	(46.3)	(54.0)	(46.3)	(54.0)

2.4 Operational risk

Operational risk arises from the risk of losses due to inadequate or failed internal processes, people, systems, service providers or external events. The Company actively manages operational risks and minimises them where appropriate. This is achieved by implementing and communicating guidelines to staff and other third parties. The Company also regularly monitors the performance of its controls and adherence to these guidelines through the risk management reporting process.

Key components of the Company's operational control environment include:
- modelling of operational risk exposure and scenario testing;
- management review of activities;
- documentation of policies and procedures;
- preventative and detective controls within key processes;
- contingency planning; and
- other systems controls.

2 Risk Management continued

2.5 Regulatory and legal risk

Regulatory and legal risk is the risk arising from not complying with regulatory and legal requirements. The operations of the Company are subject to legal and regulatory requirements within the jurisdictions in which it operates and the Company's compliance function is responsible for ensuring that these requirements are adhered to.

2.6 Group risk

Group risk occurs where 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. The two main components of Group risk are contagion and reputation. 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 Company has limited appetite for contagion risk and minimises the impact of this occurring by operating with clear lines of communication across the Group to ensure all Group entities are well informed and working to common goals. Reputation risk is the risk of negative publicity as a result of the Group's contractual arrangements, customers, products, services and other activities. The Group's preference is to minimise reputation risks but where it is not possible or beneficial to avoid them, we seek to minimise their frequency and severity by management through public relations and communication channels.

2.7 Liquidity risk

Liquidity risk arises where cash may not be available to pay obligations. The Company 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. The Company avoids the risk of having insufficient liquid assets to meet expected cash flow requirements. The Company's approach is to manage its liquidity position so that it can reasonably survive a significant individual or market loss event. This means that the Company maintains sufficient liquid assets, or assets that can be translated 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 following is an analysis by business segment of the estimated timing of the net cash flows based on the net claims liabilities balance held at 31 December 2025 and 31 December 2024:

31 December 2025	Within 1 year $m	1-3 years $m	3-5 years $m	Greater than 5 years $m	Total $m	Weighted average term to settlement (years)
Direct insurance/reinsurance	101.9	145.0	75.9	70.0	392.8	3.0
Intra-group reinsurance	98.9	127.5	47.8	25.0	299.2	2.2
Net insurance claims	**200.8**	**272.5**	**123.7**	**95.0**	**692.0**	**2.6**

31 December 2024	Within 1 year $m	1-3 years $m	3-5 years $m	Greater than 5 years $m	Total $m	Weighted average term to settlement (years)
Direct insurance/reinsurance	83.2	121.9	62.3	53.7	321.1	2.9
Intra-group reinsurance	50.0	40.3	11.3	8.0	109.6	1.9
Net insurance claims	**133.2**	**162.2**	**73.6**	**61.7**	**430.7**	**2.6**

2 Risk Management continued

Maturity

The next two tables summarise the carrying amount and future interest at reporting date of financial instruments analysed by maturity date. Financial assets are included based on their carrying values as per the Balance Sheet. The net contractual cashflows are included for liabilities.

Assets 31 December 2025	<1 yr $m	1-2 yrs $m	2-3 yrs $m	3-4 yrs $m	4-5 yrs $m	5-10 yrs $m	10 yrs> $m	Total $m
Fixed and floating rate securities	388.9	475.8	165.8	116.3	324.4	225.5	0.4	1,697.1
Derivative financial assets	0.1	–	–	–	–	–	–	0.1
Loan to Group undertaking	–	–	–	–	430.0	–	–	430.0
Cash and cash equivalents	94.1	–	–	–	–	–	–	94.1
Total	**483.1**	**475.8**	**165.8**	**116.3**	**754.4**	**225.5**	**0.4**	**2,221.3**

Liabilities 31 December 2025	<1 yr $m	1-2 yrs $m	2-3 yrs $m	3-4 yrs $m	4-5 yrs $m	5-10 yrs $m	10 yrs> $m	Total $m
Borrowings	278.9	16.5	16.5	311.4	–	–	–	623.3
Derivative financial liabilities	0.6	–	–	–	–	–	–	0.6
Other creditors	84.1	45.1	–	–	–	–	–	129.2
Total	**363.6**	**61.6**	**16.5**	**311.4**	**–**	**–**	**–**	**753.1**

Assets 31 December 2024	<1 yr $m	1-2 yrs $m	2-3 yrs $m	3-4 yrs $m	4-5 yrs $m	5-10 yrs $m	10 yrs> $m	Total $m
Fixed and floating rate securities	352.9	558.0	581.2	154.5	245.0	30.0	–	1,921.6
Derivative financial assets	0.8	–	–	–	–	–	–	0.8
Cash and cash equivalents	134.9	–	–	–	–	–	–	134.9
Total	**488.6**	**558.0**	**581.2**	**154.5**	**245.0**	**30.0**	**–**	**2,057.3**

Liabilities 31 December 2024	<1 yr $m	1-2 yrs $m	2-3 yrs $m	3-4 yrs $m	4-5 yrs $m	5-10 yrs $m	10 yrs> $m	Total $m
Borrowings	31.2	278.9	16.5	16.5	311.4	–	–	654.5
Derivative financial liabilities	16.9	–	–	–	–	–	–	16.9
Other creditors	154.8	43.2	–	–	–	–	–	198.0
Total	**202.9**	**322.1**	**16.5**	**16.5**	**311.4**	**–**	**–**	**869.4**

2.8 Credit risk

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

- Investments/loans – issuer may default resulting in the Company losing all or part of the value of a financial instrument;
- Amounts receivable under intra-group reinsurance contracts – The main credit risk exposure facing the Company arises by virtue of premiums due under the reinsurance contracts in place with BUL, BESI and syndicates 2623/623;
- Amounts receivable from third party reinsurers - External reinsurance counterparties fail to meet their obligations in relation to reinsurance receivables recognised by the Company; and
- Brokers and insureds – counterparties may fail to pass on premiums or claims collected or paid on behalf of the Company.

The Company's core business is to accept significant insurance risk and the appetite for other risks is low. This protects the Company's capital from erosion so that it can meet its insurance liabilities. Aside from intra-group exposure, the Company limits exposure to a single counterparty or a group of counterparties and analyses the geographical locations of exposures when assessing credit risk. The investment committee has established comprehensive parameters for the Company's investment managers regarding the type, duration and quality of investments acceptable to the Company. The performance of investment managers is regularly reviewed to confirm adherence to these guidelines. The Company has developed processes to formally examine all reinsurers before entering into new business arrangements, and ongoing relationships with Beazley are continually assessed. New reinsurers are approved by the Reinsurance Security Committee, which also reviews arrangements with all existing reinsurers at least annually. Vulnerable or slow-paying reinsurers are examined more frequently. To assist in the understanding of credit risks, A.M.Best, Moody's and Standard and Poor's (S&P) ratings are used.

Notes to the financial statements continued
for the year ended 31 December 2025

2 Risk Management continued
2.8 Credit risk continued

	A.M Best	Moody's	S&P
Tier 1	A++ to A-	Aaa to A3	AAA to A-
Tier 2	B++ to B-	Baa1 to Ba3	BBB+ to BB-
Tier 3	C++ to C-	B1 to Caa	B+ to CCC
Tier 4	D,E,F,S	Ca to C	R,(U,S) 3

The following tables summarise the Company's concentrations of credit risk:

31 December 2025	Tier 1 $m	Tier 2 $m	Tier 3 $m	Tier 4 $m	Unrated $m	Total $m
Financial assets at fair value						
– Fixed and floating rate debt securities	1,369.0	328.1	–	–	–	1,697.1
– Equity linked funds	–	–	–	–	114.2	114.2
– Hedge funds	–	–	–	–	67.6	67.6
– Derivative financial assets	–	–	–	–	0.1	0.1
Cash and cash equivalents	94.1	–	–	–	–	94.1
Accrued interest	30.0	–	–	–	–	30.0
Loan to Group undertaking	–	–	–	–	430.0	430.0
Claims outstanding, reinsurers' share	193.5	–	–	–	27.2	220.7
Debtors arising from reinsurance operations	142.5	–	–	–	837.2	979.7
Debtors arising from direct insurance operations	–	–	–	–	127.0	127.0
Total	**1,829.1**	**328.1**	**–**	**–**	**1,603.3**	**3,760.5**

31 December 2024	Tier 1 $m	Tier 2 $m	Tier 3 $m	Tier 4 $m	Unrated $m	Total $m
Financial assets at fair value						
– Fixed and floating rate debt securities	1,518.2	361.4	–	–	42.0	1,921.6
– Equity linked funds	–	–	–	–	148.7	148.7
– Hedge funds	–	–	–	–	63.1	63.1
– Derivative financial assets	–	–	–	–	0.8	0.8
Cash and cash equivalents	134.9	–	–	–	–	134.9
Accrued interest	22.0	–	–	–	–	22.0
Claims outstanding, reinsurers' share	130.5	–	–	–	7.7	138.2
Debtors arising from reinsurance operations	77.1	–	–	–	932.2	1,009.3
Debtors arising from direct insurance operations	–	–	–	–	133.9	133.9
Total	**1,882.7**	**361.4**	**–**	**–**	**1,328.4**	**3,572.5**

The carrying amount of financial assets at the reporting date represents the maximum credit exposure. At 31 December 2025, the Company held no financial assets that were past due or impaired, either for the current year under review or on a cumulative basis based on all available evidence (2024: nil). Financial investments falling within the unrated category comprise hedge funds and equity funds for which there is no readily available market data to allow classification within the respective tiers.

2 Risk Management continued

2.9 Summary of our climate-related risk

As a leading specialty insurer, the Company is exposed to many of the impacts of climate change, both through the coverage the Company provides to the insureds, and through the Company's own operations. As such, it's vital for the Company to be able to identify the risks resulting from climate change, accurately assess which of these are most material to the Company's business, and implement measures to mitigate and manage these risks. The Company 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. The Company prioritises the assessment and management of climate-related risk based on their materiality to our business.

Our detailed approach to managing climate-related risk is stated within the TCFD and risk management section of the Group's annual report. Please refer to this report for more details on climate-related risk and opportunity identification, assessment, and mitigation.

An outline of our descriptions of physical, litigation and transition risk as they pertain to how climate-related risk is managed throughout the group, and through which the company will have exposures through its direct business and intra-group reinsurance contracts, is provided below:

	Description	Priority	Impact	Time Horizon
Risks	**Physical Risk:** Based on the 2025 physical risk materiality assessment for our underwriting, the US was determined as the most material geographical location in which the Group operates and underwrites. North Atlantic hurricane was identified as our most material climate-impacted peril, followed by US Inland Flood, US Wildfire and US Severe Convective Storm.	High	High	Short-term
	Climate Litigation Risk: Our findings revealed that the US and Netherlands stand out as the countries with the highest underlying levels of climate litigation risk for our underwriting, driven by an active not-for-profit litigation environment and significant numbers of relevant and material test cases and greenwashing claims in these jurisdictions. In addition, the scale of regulatory attention on climate in the Netherlands sets the country aside as a key source of regulatory exposure. In the US, there is a lack of a "loser-pays" system for litigation costs which may encourage private claimants to bring litigation to court. In terms of sector variations in litigation risk, financial institutions/services are most exposed to climate risk litigation on average across the countries we have reviewed, driven by robust regulatory bodies for the sector and increasing attention towards financed emissions. Our understanding of how litigation risk impacts our investment portfolio continues to evolve.	High	Medium	Medium-term
	Transitional Risk: Transition risks are the risks associated with (the speed of) transitioning to a lower-carbon economy, which may entail extensive policy, legal, technology, and market changes. Our understanding of this risk has increased this year. Our transition risk analysis indicates that regions with stronger decarbonisation initiatives and that are more progressed toward net zero face lower transition risks, as they require less additional decarbonisation to achieve their goals. In contrast, extractive and high-emitting sectors, and the regions that depend on them, are more vulnerable to transition risk than service sectors, as they require a higher degree of decarbonisation.	Medium	Medium	Medium-term

3 Segmental analysis

a) Reporting segments

Segment information is presented in respect of reportable segments, which are determined by applying IFRS 8 as prescribed by FRS 102. These are based on the Company's management and internal reporting structures and represent the level at which financial information is reported to management, being the chief operating decision-maker. The Company has two segments, which are as follows:

Direct Insurance/Reinsurance ("Direct")

This segment includes policies written on behalf of the Company by its underwriters across Europe. Included within this segment are the following underwriting divisions:

- *Cyber Risks* - This division underwrites cyber and technology risks.
- *Digital* - This division underwrites a variety of marine, contingency, and small & medium sized enterprise liability risks through digital channels such as e-trading platforms and broker portals.
- *MAP Risks* - This division underwrites marine, political and contingency business.
- *Property Risks* - This division underwrites first party property risks and reinsurance business.
- *Specialty Risks* - This division underwrites a wide range of liability classes, including employment practices risks and directors and officers, as well as healthcare, lawyers and international financial institutions.

Intra-group Reinsurance

This segment includes reinsurance contracts entered into with other entities within or managed by the wider Beazley Group.

3 Segmental analysis continued

b) Segment information

The segmental results include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Those items that are allocated on a reasonable basis are split based on each segment's capital requirement which is taken from the Group's most up-to-date business plan. The reporting segments do not cross-sell business to each other. Finance costs and taxation have not been allocated to operating segments as these items are determined at a consolidated level and do not relate to operating performance.

Year to 31 December 2025	Cyber Risks $m	Digital $m	MAP Risks $m	Property Risks $m	Specialty Risks $m	**Total Direct $m**	Intra-group Reinsurance $m	**Total $m**
Segment results								
Gross premiums written	169.8	64.2	35.5	34.0	151.0	**454.5**	1,664.9	**2,119.4**
Net earned premiums	114.3	59.7	26.8	24.7	119.5	**345.0**	1,074.2	**1,419.2**
Net investment income	8.2	2.6	1.3	13.1	5.5	**30.7**	104.0	**134.7**
Revenue	**122.5**	**62.3**	**28.1**	**37.8**	**125.0**	**375.7**	**1,178.2**	**1,553.9**
Net insurance claims	(2.7)	(12.9)	(15.3)	(2.1)	(55.7)	**(88.7)**	(285.7)	**(374.4)**
Net operating expenses	(52.6)	(23.7)	(16.1)	(12.2)	(57.3)	**(161.9)**	(287.5)	**(449.4)**
Expenses	**(55.3)**	**(36.6)**	**(31.4)**	**(14.3)**	**(113.0)**	**(250.6)**	**(573.2)**	**(823.8)**
Segment result	**67.2**	**25.7**	**(3.3)**	**23.5**	**12.0**	**125.1**	**605.0**	**730.1**
Foreign exchange loss								**(20.8)**
Finance costs								**(31.6)**
Profit on ordinary activities before tax								**677.7**

31 December 2025	Cyber Risks %	Digital %	MAP Risks %	Property Risks %	Specialty Risks %	Total Direct %
Claims ratio	2 %	22 %	57 %	9 %	47 %	26 %
Expense ratio	46 %	40 %	60 %	49 %	48 %	47 %
Combined ratio	48 %	62 %	117 %	58 %	95 %	73 %

The above ratios represent the direct insurance/reinsurance business written through the Company's European branch network. The claims ratio is the ratio of net claims to net earned premium. The expense ratio is the ratio of the sum of expenses for acquisition of insurance contracts and administrative expenses to net earned premiums. The combined ratio is the ratio of the sum of net insurance claims, expenses for acquisition of insurance contracts and administrative expenses to net earned premiums. This is also the sum of the expense ratio and the claims ratio. All above three ratios are calculated excluding the impact of foreign exchange.

Notes to the financial statements continued
for the year ended 31 December 2025

3 Segmental analysis continued
b) Segment information continued

Year to 31 December 2024	Cyber Risks $m	Digital $m	MAP Risks $m	Property Risks $m	Specialty Risks $m	**Total Direct $m**	Intra-group Reinsurance $m	**Total $m**
Segment results								
Gross premiums written	174.3	62.1	26.7	26.6	111.3	**401.0**	1,093.3	**1,494.3**
Net earned premiums	120.1	52.5	20.3	24.2	95.0	**312.1**	758.2	**1,070.3**
Net investment income	13.4	5.1	2.4	3.9	10.9	**35.7**	104.0	**139.7**
Revenue	**133.5**	**57.6**	**22.7**	**28.1**	**105.9**	**347.8**	**862.2**	**1,210.0**
Net insurance claims	(11.6)	(24.1)	(6.2)	(12.4)	(27.8)	**(82.1)**	(119.6)	**(201.7)**
Net operating expenses	(37.0)	(17.3)	(9.4)	(10.1)	(35.8)	**(109.6)**	(149.6)	**(259.2)**
Expenses	**(48.6)**	**(41.4)**	**(15.6)**	**(22.5)**	**(63.6)**	**(191.7)**	**(269.2)**	**(460.9)**
Segment result	**84.9**	**16.2**	**7.1**	**5.6**	**42.3**	**156.1**	**593.0**	**749.1**
Foreign exchange loss								**(4.6)**
Finance costs								**(31.6)**
Profit on ordinary activities before tax								**712.9**

31 December 2024	Cyber Risks %	Digital %	MAP Risks %	Property Risks %	Specialty Risks %	Total %
Claims ratio	10 %	46 %	31 %	51 %	29 %	26 %
Expense ratio	31 %	33 %	46 %	42 %	38 %	35 %
Combined ratio	41 %	79 %	77 %	93 %	67 %	61 %

An analysis of gross premiums written by reference to the location of the risk insured by the Company is provided below.

	2025 $m	2024 $m
Risks located in Ireland	6.5	16.2
Risks located in other EEA states	316.3	291.8
Risks located in other countries	1,796.6	1,186.3
	2,119.4	**1,494.3**

3 Segmental analysis continued

c) Particulars of business

Year to 31 December 2025

	Third-party liability $m	Fire and other damage to property $m	Credit and suretyship $m	Reinsurance accepted $m	Other $m	Total $m
Gross premiums written	341.7	11.6	11.5	1,738.0	16.6	2,119.4
Gross premium earned	346.5	9.4	8.6	1,312.0	14.6	1,691.1
Gross claims incurred	(72.9)	(2.6)	(3.5)	(378.3)	(14.7)	(472.0)
Gross operating expenses and investment return	(50.7)	(1.7)	(1.7)	(258.1)	(2.5)	(314.7)
Gross result	222.9	5.1	3.4	675.6	(2.6)	904.4
Reinsurance balance	(131.1)	(4.4)	(4.4)	(28.0)	(6.4)	(174.3)
Net result	**91.8**	**0.7**	**(1.0)**	**647.6**	**(9.0)**	**730.1**

Year to 31 December 2024

	Third-party liability $m	Fire and other damage to property $m	Credit and suretyship $m	Reinsurance accepted $m	Other $m	Total $m
Gross premiums written	346.1	8.7	6.4	1,118.7	14.4	1,494.3
Gross premium earned	314.0	8.1	6.0	853.5	10.8	1,192.4
Gross claims incurred	(69.0)	(1.7)	(1.1)	(165.6)	(4.6)	(242.0)
Gross operating expenses and investment return	(27.6)	(0.7)	(0.5)	(89.5)	(1.2)	(119.5)
Gross result	217.4	5.7	4.4	598.4	5.0	830.9
Reinsurance balance	(70.4)	(1.8)	(1.3)	(5.4)	(2.9)	(81.8)
Net result	**147.0**	**3.9**	**3.1**	**593.0**	**2.1**	**749.1**

4 Technical provisions

4.1 Technical provisions breakdown

As shown in note 1 above, outstanding claims include claims reserves in respect of the Company's insurance activities, as well as claims reserves held in respect of the Company's intra-group reinsurance contracts. The current year technical provisions are split as follows:

	Gross $m	Reinsurance $m	Net $m
Intra-group reinsurance	1,072.2	(235.6)	836.6
Direct insurance / reinsurance	752.9	(196.5)	556.4
At 31 December 2025	**1,825.1**	**(432.1)**	**1,393.0**

	Gross $m	Reinsurance $m	Net $m
Intra-group reinsurance	408.6	(68.6)	340.0
Direct insurance / reinsurance	627.5	(168.8)	458.7
At 31 December 2024	**1,036.1**	**(237.4)**	**798.7**

4.2 Technical provisions reconciliation

a) Claims and loss adjustment expenses

The below sets out the movements in the gross and reinsurance claims provisions for the year.

	2025			2024		
	Gross $m	Reinsurance $m	Net $m	Gross $m	Reinsurance $m	Net $m
Claims reported and loss adjustment expenses	90.3	(10.9)	79.4	47.9	(10.4)	37.5
Claims incurred but not reported	478.6	(127.3)	351.3	366.6	(101.8)	264.8
Balance at 1 January	**568.9**	**(138.2)**	**430.7**	**414.5**	**(112.2)**	**302.3**
Claims paid	(174.8)	25.2	(149.6)	(77.9)	10.5	(67.4)
Increase in claims						
Arising from current year claims	575.2	(118.3)	456.9	340.9	(57.7)	283.2
Arising from prior year claims	(103.2)	20.7	(82.5)	(98.9)	17.4	(81.5)
Change in provision for claims	**297.2**	**(72.4)**	**224.8**	**164.1**	**(29.8)**	**134.3**
Net exchange differences	46.6	(10.1)	36.5	(9.7)	3.8	(5.9)
Balance at 31 December	**912.7**	**(220.7)**	**692.0**	**568.9**	**(138.2)**	**430.7**
Claims reported and loss adjustment expenses	163.7	(25.6)	138.1	90.3	(10.9)	79.4
Claims incurred but not reported	749.0	(195.1)	553.9	478.6	(127.3)	351.3
Balance at 31 December	**912.7**	**(220.7)**	**692.0**	**568.9**	**(138.2)**	**430.7**

4 Technical provisions continued

4.2 Technical provisions reconciliation continued

b) Provision for unearned premiums

	2025			2024		
	Gross $m	Reinsurance $m	Net $m	Gross $m	Reinsurance $m	Net $m
Balance at 1 January	467.2	(99.2)	368.0	168.0	(39.5)	128.5
Premiums written	1,695.5	(388.1)	1,307.4	939.5	(182.3)	757.2
Change in premiums earned	(1,267.2)	278.6	(988.6)	(637.6)	122.1	(515.5)
Net exchange differences	16.9	(2.7)	14.2	(2.7)	0.5	(2.2)
Balance at 31 December	**912.4**	**(211.4)**	**701.0**	**467.2**	**(99.2)**	**368.0**

4.3 Loss development tables

The following tables illustrate the development of the estimates of earned cumulative claims incurred, including claims notified and IBNR, for each successive underwriting year, illustrating how amounts estimated have changed from the first estimates made.

The first two tables below reflect the gross and net claims development of direct insurance/reinsurance business written through the Company's European branch network. Each table is split by underwriting year.

Gross:

Pure underwriting year	2018 $m	2019 $m	2020 $m	2021 $m	2022 $m	2023 $m	2024 $m	2025 $m	**Total** $m
Estimate of gross claims at end of underwriting year	1.9	17.0	34.1	105.8	108.5	147.2	151.6	152.9	
one year later	4.5	28.4	71.8	173.4	148.7	182.8	177.1		
two years later	5.0	22.5	66.0	137.6	101.6	137.6			
three years later	4.7	21.2	70.6	119.0	82.1				
four year later	8.1	19.6	60.1	113.8					
five years later	6.2	15.0	66.3						
six years later	5.7	14.3							
seven years later	5.3								
Estimate of gross claims reserve	5.3	14.3	66.3	113.8	82.1	137.6	177.1	152.9	**749.4**
Provision in respect of prior years									**0.1**
Less gross claims paid	(1.5)	(4.8)	(35.9)	(72.1)	(34.5)	(41.5)	(23.9)	(6.0)	**(220.2)**
Gross claims reserve	3.8	9.5	30.4	41.7	47.6	96.1	153.2	146.9	**529.3**

Provision in respect of prior years refers to the 2017 underwriting year.

4 Technical provisions continued

4.3 Loss development tables continued

Net:

Pure underwriting year	2018 $m	2019 $m	2020 $m	2021 $m	2022 $m	2023 $m	2024 $m	2025 $m	**Total $m**
Estimate of net claims at end of underwriting year	2.2	14.4	28.3	73.2	68.8	116.3	132.2	115.8	
one year later	3.6	20.9	53.4	127.2	97.7	139.9	152.9		
two years later	3.8	15.9	45.4	100.2	64.1	106.1			
three years later	5.2	15.7	54.2	83.6	52.9				
four year later	5.8	16.1	44.4	81.5					
five years later	4.3	10.4	45.1						
six years later	3.4	10.4							
seven years later	3.2								
Estimate of net claims reserve	3.2	10.4	45.1	81.5	52.9	106.1	152.9	115.8	**567.9**
Provision in respect of prior years									—
Less net claims paid	(1.3)	(4.1)	(23.1)	(56.8)	(25.8)	(37.4)	(21.7)	(4.9)	**(175.1)**
Net claims reserves	1.9	6.3	22.0	24.7	27.1	68.7	131.2	110.9	**392.8**

The claims development tables below show claims development for the Intra-group reinsurance segment, both gross and net of external reinsurance. Estimates of claims are shown on an earned basis. Until prior year they were shown on an ultimate basis. The aggregate excess of loss reinsurance contract with BUL is reported on an earned basis, in line with previous years. Prior to 2024, only amounts relating to this contract are included in the below tables, whereas from 2024 these also include the intra-group contracts with BESI and Syndicates 623/2623 on an earned basis. Disclosure has only been made for the past three years as management consider there to be no significant uncertainty as to the amount and timing of claims payments relating to policies written before 2023 as these are brought into the 2023 contract by virtue of the reinsurance to close process in the underlying syndicates on which BUL participates.

Gross claims development Intra-group reinsurance ($m)	2023	2024	2025	**Total**
12 months	–	133.0	249.8	
24 months	–	133.6		
36 months	–			
Gross claims liabilities - Intra-group RI		133.6	249.8	**383.4**

Net claims development Intra-group reinsurance ($m)	2023	2024	2025	**Total**
12 months	–	110.1	193.0	
24 months	–	106.2		
36 months	–			
Net claims liabilities - Intra-group RI	–	106.2	193.0	**299.2**

5 Net operating expenses

	2025 $m	2024* $m
Acquisition costs	560.9	304.8
Change in deferred acquisition costs	(151.7)	(45.0)
Administrative expenses	56.5	35.9
Reinsurance commissions and profit participation	(16.3)	(36.5)
	449.4	**259.2**

*Certain balances which were previously classified within Intercompany profit and ORC payable have now been classified within Acquisition costs. The prior period comparative has been restated accordingly.

Acquisition expenses represents the brokerage and commissions on all business written. Commissions payable on direct insurance business were $67.0m (2024: $44.5m).

Net operating expenses include: Auditor's remuneration:	2025 $m	2024 $m
Fees payable for the audit of these annual accounts	0.3	0.3
Fees payable in respect of other assurance services	0.1	0.1
	0.4	**0.4**

Fees payable in respect of other assurance services primarily relate to the audit of regulatory returns.

5.1 Staff costs

The aggregate payroll costs of these persons were as follows:

	2025 $m	2024 $m
Wages and salaries	3.9	3.1
Social security costs	0.3	0.3
Pension costs	0.3	0.2
Charged to profit or loss account	**4.5**	**3.6**

	2025 $m	2024 $m
Directors' emoluments	2.1	1.5
	2.1	**1.5**

Of the amount disclosed in the table above, $0.8m (2024: $0.7m) was paid by the Company to the two Directors employed directly by the Company. The aggregate amount of any contributions paid, treated as paid, or payable during the financial year to a defined contribution pension scheme in respect of qualifying services for these Directors was $45.0k (2024: $43.0k). The remaining amount represents an estimated allocation of the emoluments paid or payable by other Group entities. The estimated allocation is based on an estimate of the qualifying services, including management of the affairs of the Company, they provided to the Company during the year.

The average number of persons employed by the Company (including executive Directors) during the year, analysed by category, was as follows:

Number of employees	2025	2024
Management	2	2
Finance, operations and administration	9	10
Underwriting	2	–
Compliance and risk	4	4
Actuarial	4	4
	21	**20**

6 Net investment return

	2025 $m	2024 $m
Interest and dividends on financial investments at fair value through profit or loss	78.1	63.9
Net realised gains on financial investments at fair value through profit or loss	27.5	5.4
Net unrealised fair value gains on financial investments at fair value through profit or loss	8.0	47.7
Income from intercompany financing arrangements	23.0	24.2
Interest income from loan to Group undertaking	0.5	—
Investment income	**137.1**	**141.2**
Investment expenses and charges	(2.4)	(1.5)
Net investment return	**134.7**	**139.7**

7 Tax expense

	2025 $m	2024 $m
Current tax expense:		
Current tax expense	104.6	105.4
Pillar Two top-up-tax	9.8	13.1
Prior year adjustment	3.0	(1.7)
Deferred tax expense:		
Origination and reversal of timing differences	9.8	10.1
Prior year adjustment	4.0	2.0
Tax charge on profit on ordinary activities	**131.2**	**128.9**

Factors affecting the tax charge for the current period

The tax charge of $131.2m (2024: $128.9m) for the year is higher at 19.4% (2024: 18.1%) than the standard rate of corporation tax in Ireland, 12.5% due to the differences explained below.

	2025 $m	2024 $m
Profit on ordinary activities before tax	677.7	712.9
Corporation tax at 12.5%	84.7	89.1
Effect of:		
Tax rates in foreign jurisdictions	30.1	26.8
Permanent differences	(0.4)	(0.4)
Pillar Two top-up-tax	9.8	13.1
Prior year over provision	7.0	0.3
Tax on profit on ordinary activities	**131.2**	**128.9**

A deferred tax liability of $20.9m (2024: $4.8m), has been recognised relating to timing differences with regard to the recognition of profits in the US, Germany and Ireland, with a deferred tax asset of $2.3m (2024: $nil) in France.

Pillar Two Taxes

The Organisation for Economic Co-Operation and Development Pillar Two framework seeks to ensure that large multinational enterprises pay a minimum corporate income tax rate of 15% in the countries in which they operate. The Company is part of a multinational group that falls within this legislation. In 2023, the Irish government enacted a Qualified Domestic Minimum Top-Up Tax which applies a 15% minimum tax rate to in-scope companies. The Company therefore expects to pay additional tax in Ireland as set out in the above disclosure.

8 Dividends

On 5 December 2024, the Board approved an interim dividend of $400.0m which was paid on 16 January 2025 to its sole shareholder Beazley Ireland Holdings plc. On 25 February 2025, the Board approved a further interim dividend of $100.0m which was paid on 27 February 2025. On 11 December 2025, the Board approved an interim dividend of $500.0m which was paid on 17 December 2025.

9 Financial instruments

Carrying values of financial assets and liabilities

The table below analyses financial instruments measured at fair value at the 31 December 2025, by the level in the fair value hierarchy into which the fair value measurements is categorised:

31 December 2025	Level 1 $m	Level 2 $m	Level 3 $m	Total $m
Financial assets carried at fair value				
Fixed and floating rate debt securities				
1) Government issued	534.7	137.0	–	671.7
2) Corporate bonds – Investment grade	438.0	377.5	–	815.5
3) Collateralised loan obligations	–	209.9	–	209.9
Equity linked funds	114.1	–	–	114.1
Hedge funds	–	67.6	–	67.6
Derivative financial assets	0.1	–	–	0.1
Total financial assets at fair value	**1,086.9**	**792.0**	**–**	**1,878.9**
Financial liabilities carried at fair value				
Derivative financial liabilities	0.6	–	–	0.6
Total financial liabilities carried at fair value	**0.6**	**–**	**–**	**0.6**

The table below analyses financial instruments measured at fair value at the 31 December 2024, by the level in the fair value hierarchy into which the fair value measurements is categorised:

31 December 2024	Level 1 $m	Level 2 $m	Level 3 $m	Total $m
Financial assets carried at fair value				
Fixed and floating rate debt securities				
1) Government issued	1,000.3	–	–	1,000.3
2) Corporate bonds – Investment grade	439.4	358.2	–	797.6
3) Collateralised loan obligations	–	87.0	36.7	123.7
Equity linked funds	148.7	–	–	148.7
Hedge funds	–	63.1	–	63.1
Derivative financial assets	0.8	–	–	0.8
Total financial assets at fair value	**1,589.2**	**508.3**	**36.7**	**2,134.2**
Financial liabilities carried at fair value				
Derivative financial liabilities	16.9	–	–	16.9
Total financial liabilities carried at fair value	**16.9**	**–**	**–**	**16.9**

9 Financial instruments continued

Carrying values of financial assets and liabilities continued

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 bonds and treasury bills of government and government agencies which are measured based on quoted prices in active markets.

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 corporate bonds which are not actively traded, hedge funds and collateralised loan obligations.

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

The availability of financial data can vary for different financial assets and is affected by a wide variety of factors, including the type of financial instrument, whether it is new and not yet established in the marketplace, and other characteristics specific to each transaction.

The Company holds derivative financial instruments, both assets and liabilities. The Company entered into over-the-counter foreign exchange forward agreements in order to economically hedge the foreign currency exposure resulting from transactions and balances held in currencies that are different to the functional currency of the Company. The Company had the right and intention to settle each contract on a net basis.

Valuation approach
The valuation approach for fair value assets and liabilities classified as Level 2 is as follows:

(a) For the Company's level 2 collateralised loan obligations, our fund administrator provides daily pricing derived from a market-accepted theoretical model using data sourced from Bloomberg/Reuters as inputs. On a monthly basis, prices from our administrator are validated against those provided by our custodians. These are also checked internally for consistency.

(b) For the Level 2 debt securities and securitised instruments, the Company's fund administrator obtains the prices used in the valuation from independent pricing vendors. The independent pricing vendors derive an evaluated price from observable market inputs. These inputs are verified in their pricing assumptions such as weighted average life, discount margins, default rates, and recovery and prepayments assumptions for mortgage securities.

(c) For hedge funds, the pricing and valuation of each fund is undertaken by administrators in accordance with each underlying fund's valuation policy. Individual fund prices are communicated by the administrators to all investors via the monthly investor statements. The fair value of the hedge fund portfolios are calculated by reference to the underlying net asset values of each of the individual funds.

10 Loan to Group undertakings

On 17 December 2025, the Company made a loan of $430.0m at par to Beazley Bermuda Holdings Limited, a fellow Beazley group subsidiary. The loan carries a variable interest rate of the Secured Overnight Financing Rate plus a margin. Interest is calculated on a daily basis in arrears, with the first payment due in July 2027 and quarterly thereafter. The loan is callable on demand by the Company, and is due to be repaid on 17 December 2030, with early repayment permitted. The loan is guaranteed by Beazley plc.

The carrying amount of the loan as at 31 December 2025 is $430.0m. The fair value of the loan excluding accrued interest is $430.2m.

The fair value of the loan was determined internally and falls within Level 3 of the fair value hierarchy.

10 Loan to Group undertakings continued

There was interest income on the loan of $0.5m during the year which is included within Other prepayments and accrued interest on the balance sheet and presented within Investment income within the Non-technical account on the statement of comprehensive income.

11 Debtors arising from reinsurance activities

The following table displays the amounts due from Group entities and syndicate 623 under the intra-group reinsurance agreements.

	2025 $m	2024 $m
Amounts due from Group companies	976.9	1,005.9
Amount due from syndicate 623	2.8	3.4
Balance at 31 December	**979.7**	**1,009.3**

Of the above amounts $677.7m (2024: $574.0m) is due within one year and the balance is due after one year.

12 Other debtors

	2025 $m	2024 $m
Amounts due from ultimate and intermediate parent undertaking	14.4	7.6
Amounts due from Group companies	44.4	18.1
Other amounts receivable	26.3	76.3
Total other debtors	**85.1**	**102.0**

All of the above amounts are due within one year (2024: all due within one year).

13 Cash and cash equivalents

	2025 $m	2024 $m
Cash at bank and in hand	46.2	94.1
Short term deposits	47.9	40.8
	94.1	**134.9**

Included within cash and cash equivalents are $47.9m (2024: $40.8m) of Swiss Tied Assets, which are only available to be used by the Company to support loss reserves in its Swiss Branch.

14 Deferred acquisition costs

	2025 $m	2024 $m
Balance at 1 January	119.4	41.8
Incurred deferred acquisition costs	276.4	131.7
Amortised deferred acquisition costs	(134.6)	(53.2)
Foreign exchange movements	5.4	(0.9)
Balance at 31 December	**266.6**	**119.4**

Notes to the financial statements continued

for the year ended 31 December 2025

15 Share capital and other reserves

	2025 $m	2024 $m
Authorised: 100,000,000 ordinary shares of (€1) each	128.4	128.4
Allotted, issued and fully paid	–	–

There is one share with a nominal value of €1 in issue. A capital contribution of $536.3m was received from Beazley plc on 29 June 2009. The Company also holds a negative foreign exchange translation reserve of $21.2m (2024: $47.9m). This primarily arose on the change of functional currency to US Dollar in 2010. Movements in the reserve occur due to exchange differences from translating foreign operations to US dollar. This resulted in a profit of $26.7m in 2025 (2024: loss of $2.1m).

The profit or loss account of $1,039.0m was comprised of profits carried forward from previous years of $1,492.5m (2024: $1,208.5m), a profit after tax for the financial year of $546.5m (2024: $584.0m) and a dividend paid of $1,000.0m (2024: $300.0m).

16 Other creditors

	2025 $m	2024 $m
Amounts due to ultimate parent undertaking	—	3.9
Amounts due to Group companies	108.3	127.6
Other amounts payable	20.9	66.5
Total other creditors	**129.2**	**198.0**

Included in the amounts due to Group companies, is $80.7m (2024: $89.0m) in respect of profit commissions net of FAL fees. Of this amount $45.1m (2024: $43.2m) is due after more than one year. All other creditors are due within one year.

17 Financial liabilities

	2025 $m	2024 $m
Carrying value		
Tier 2 subordinated debt – issued in 2016	249.9	249.7
Tier 2 subordinated debt – issued in 2019	299.2	299.0
Derivative financial liabilities	0.6	16.9
Total financial liabilities	**549.7**	**565.6**
Fair value		
Tier 2 subordinated debt – issued in 2016	252.7	250.6
Tier 2 subordinated debt – issued in 2019	304.9	294.0
Derivative financial liabilities	0.6	16.9
Total financial liabilities	**558.2**	**561.5**

The fair value of the tier 2 subordinated debt is based on quoted market prices.

In November 2016, the Company issued $250m of subordinated tier 2 notes due in 2026. Annual interest, at a fixed rate of 5.875% is payable each year. In September 2019, the Company issued $300m additional subordinated tier 2 notes due in 2029. Annual interest, at a fixed rate of 5.5% is payable each year. All subordinated debt is listed on the London Stock Exchange. Interest paid on this debt during 2025 was $31.6m (2024: $31.6m).

Notes to the financial statements continued

for the year ended 31 December 2025

18 Funds at Lloyd's

The Funds at Lloyd's (FAL) to support the underwriting of BUL on syndicates 2623 and 3623 have been provided by the Company by way of deposits of $920.8m (2024: $1,047.2m). The FAL included in financial assets on the Company's balance sheet, may consist of certain approved assets only and are subject to a deed of charge in favour of Lloyd's. In return for providing the FAL, BUL pays the Company an annual fee.

In addition, the Company acts as a guarantor in respect of the Group's banking facility of $450.0m (2024: $450.0m). As at 31 December 2025, $225.0m (2024: $225.0m) of the facility has been drawn down by the Group and placed as a letter of credit at Lloyd's to support the FAL of BUL.

19 Related party transactions

Syndicate 623

The Company has an existing intra-group quota-share reinsurance contract, which reinsures business from syndicate 623, which is managed by the Group's managing agent, Beazley Furlonge Limited but where capital is provided predominantly by third parties to the Group. The total amount due from syndicate 623 at 2025 year end was $2.8m (2024: $3.4m). Gross written premium of $34.3m (2024: $30.5m) and claims paid of $10.2m (2024: $1.6m) were recognised in the year.

Syndicate 5623

During the year, the Company entered into agreements with syndicate 5623 which is managed by the Group's managing agent, Beazley Furlonge Limited but where capital is provided partially by third parties to the Group. The contract reinsures business from the Company to syndicate 5623. The total amount due to syndicate 5623 at 2025 year end was $2.8m (2024: Nil). Ceded premium of $2.9m (2024: nil) and reinsurance recoveries of $0.1m (2024: nil) were recognised in the year.

Syndicate 6107

During the year, the Company entered into an agreement with syndicate 6107 which is managed by the Group's managing agent, Beazley Furlonge Limited but where capital is provided by third parties to the Group. The contract reinsures business from the Company to syndicate 6107. The total amount due to syndicate 6107 at 2025 year end was $10.3m (2024: Nil). Ceded premium of $12.8m (2024: nil) was recognised in the year.

For amounts due to and from Group companies, please refer to notes 10, 12 and 16. Details of transactions that have occurred between the Company and other wholly owned entities within the Beazley Group are not required to be disclosed.

20 Ultimate parent undertaking

The ultimate parent undertaking is Beazley plc, incorporated and resident in the United Kingdom. The largest and the smallest Group in which the results of the Company are consolidated is that headed by Beazley plc. The accounts of Beazley plc are available to the public at www.beazley.com and at 22 Bishopsgate, London EC2N 4BQ, United Kingdom.

21 Post balance sheet events

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 Offer'). Details of the Offer are set out in the announcement dated 2 March 2026 which can be found on the Group's website.

On 2 April 2026, the Board approved an interim dividend of $200.0m. As a non-adjusting post balance sheet event, the dividend has not been reflected in the Company's financial statements for the year ended 31 December 2025.

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.

There are no other events that are material to the operations of the Company that have occurred since the reporting date.

22 Company information

Beazley Insurance designated activity company is a designated activity company incorporated in Ireland with registered number 464758. The Company was granted a Certificate of Authorisation from the Central Bank of Ireland on 7 July 2017 to underwrite non-life insurance business. The registered office is 2 Northwood Avenue, Santry, Dublin, D09 X5N9.

Directors and advisors

Directors

E McGivney
F Kleiterp
J Dunne
K Murphy (Independent non-executive)
M Moore (Independent non-executive)
P O Desaulle (Independent non-executive chair)
P Ruane (Independent non-executive)
R Anarfi (resigned 28 February 2025) (Non-executive)
J Kath (appointed 21 May 2025) (Independent non- executive)

Secretary

J Wright

Registered office

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Registered number

464758

Auditor

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Banker

Bank of America Europe Designated Activity Company

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