

Analyst Seminar

Wednesday, 30 May 2018



Agenda

Introduction – Andrew Horton (Chief Executive Officer)

Year to date trading update – Neil Maidment (Chief Underwriting Officer)

Progress on Specialty Lines International – Gerard Bloom (Head of International Financial Lines)

Outlook and management changes – Andrew Horton (Chief Executive Officer)

Q&A

Year To Date Trading Update

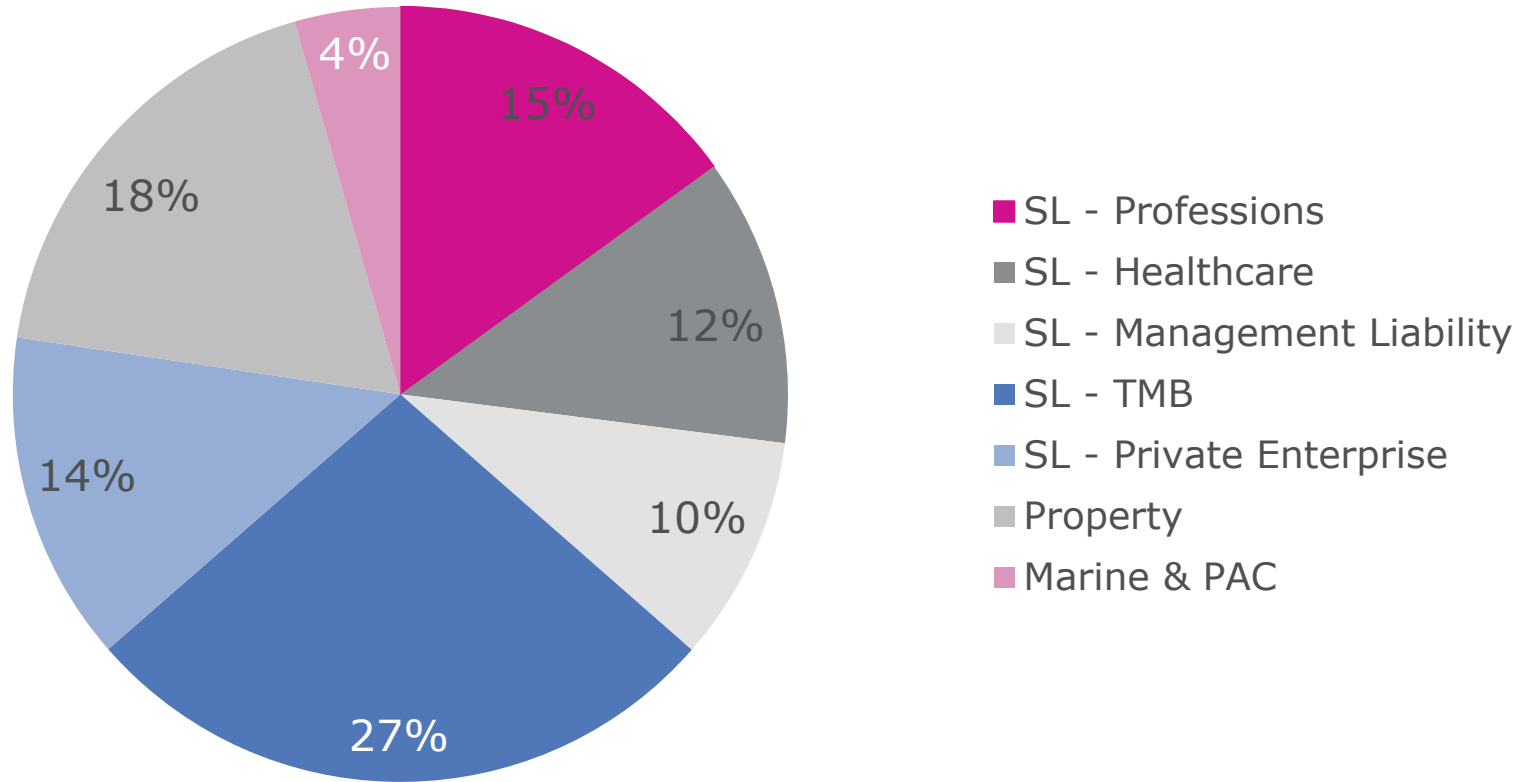
Neil Maidment

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Progress against our 2018 plan

- We have seen more positive conditions in a number of lines
- We are growing in 2018
 - Locally underwritten US premium across SL, property and marine
 - Cyber demand continues to increase and GDPR comes to Europe
 - SL international business
- Rates have increased in short tail catastrophe exposed lines

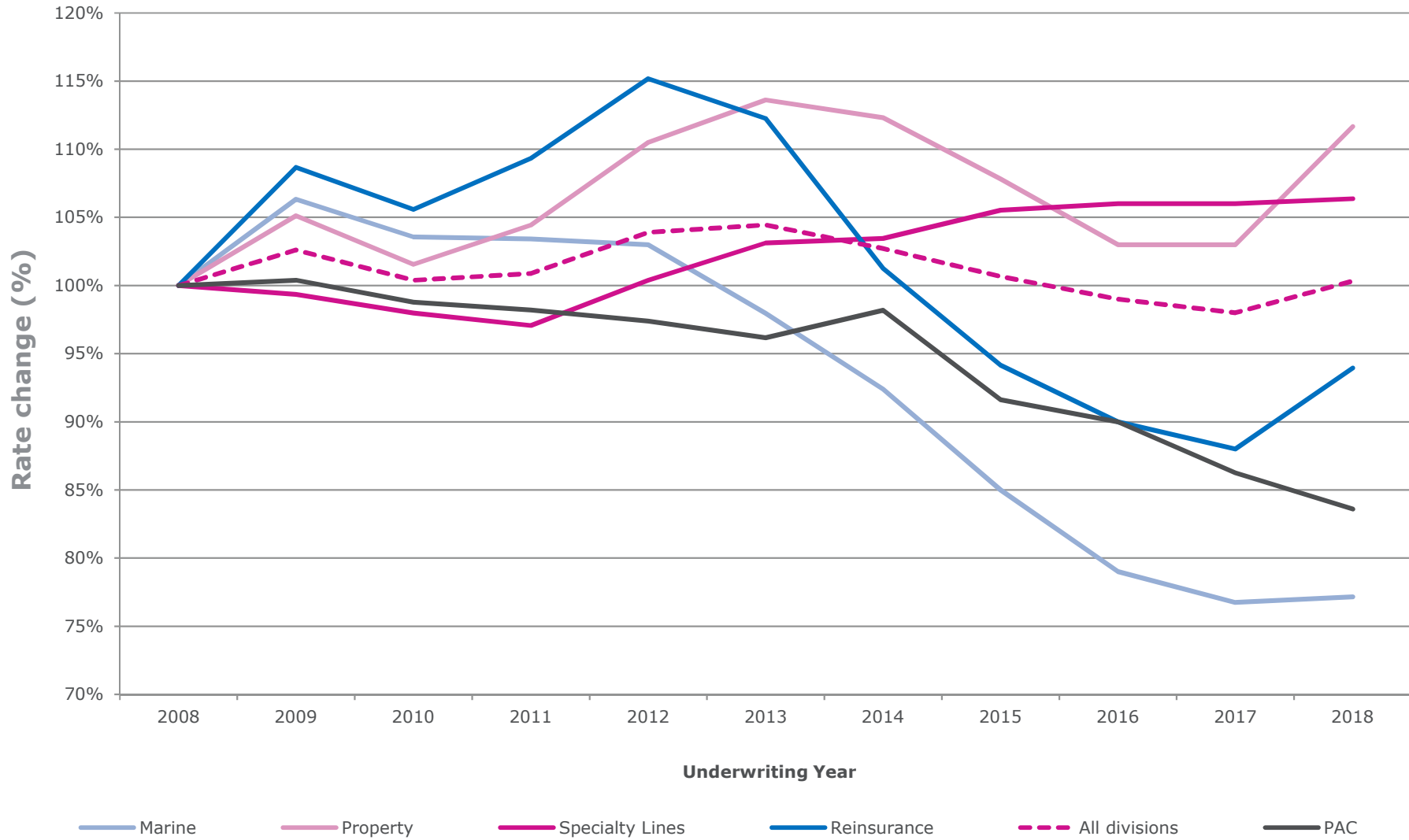
US premium by product area



Progress against our 2018 plan: Cyber

- US: demand for Beazley Breach response continues
- Large risk: continuing to develop Vector, our joint venture with Munich Re
- International: awareness is growing and we are providing information services as well as insurance solutions

Cumulative rate changes since 2008 - short tail catastrophe rates rising



Progress on Specialty Lines International

Gerard Bloom

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Vision

To become and be recognised as the highest performing international specialty lines insurer

We are deploying Beazley's standard model of empowered and highly expert teams, and in addition we will seek:

- To be regarded as **an innovative and expert insurer for complex specialist risks** providing underwriting expertise at point of sale
- To be regarded as a **technology-driven specialist insurer** utilising technology to automate processes, including e-trading which will allow us to access markets and distribute our Specialty Lines products with the most efficient operating margin our of any of our competitors

We believe this is a
\$500m+ business
opportunity for Beazley

2017 FY Actual NPW: USD170m

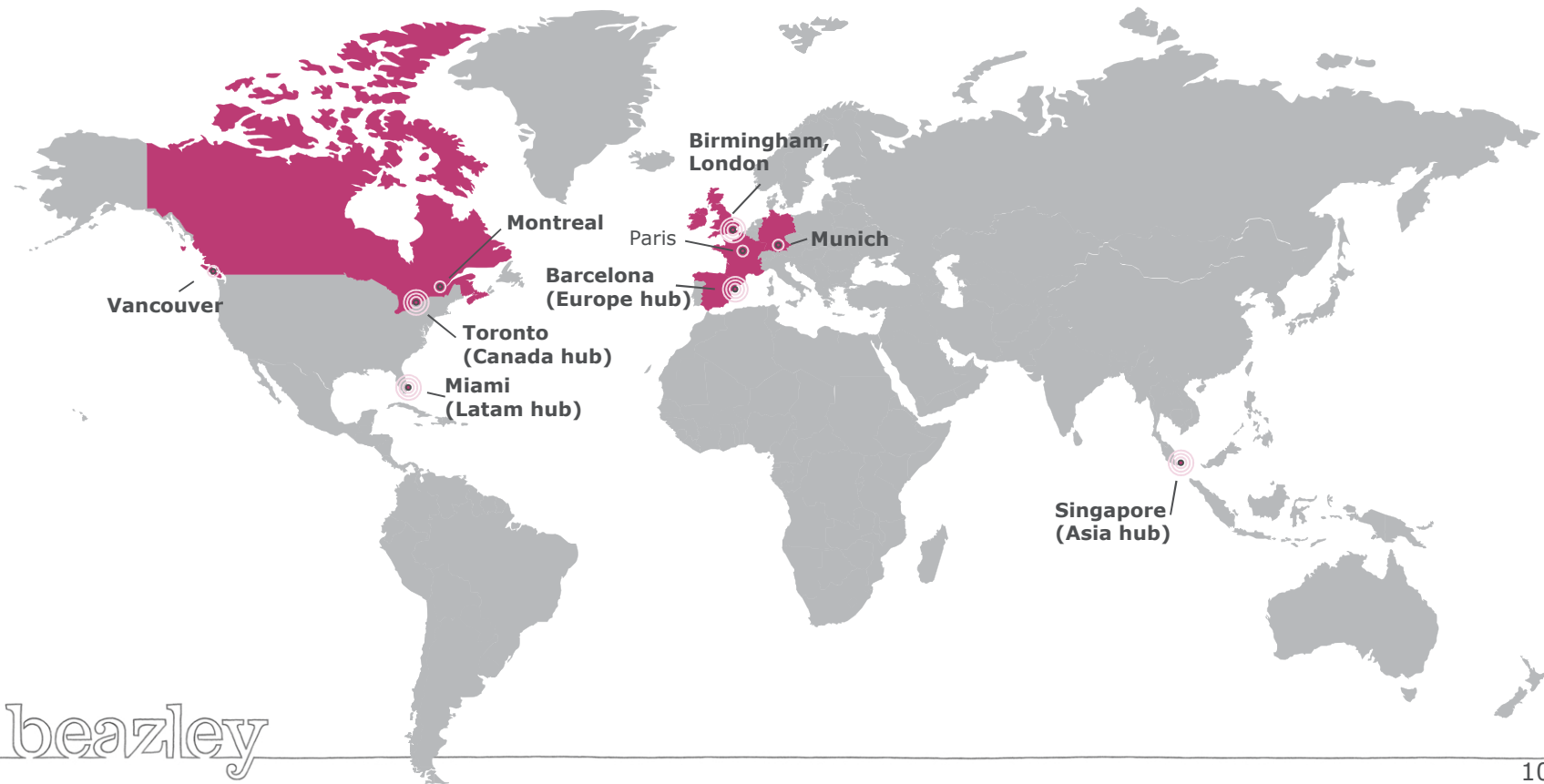
2018 Q1 Actual NPW: USD70m

**76 Specialist Lines Underwriters in
10 international offices and claims
support on 5 continents**

**Successful acquisition of Creechurch
Underwriters to create Beazley
Canada in Q1 2017**

Specialty lines international presence

- London
- Birmingham
- Paris
- Munich
- Barcelona
- Singapore
- Miami
- Toronto
- Montreal
- Vancouver



Specialty lines international

- **Product Focus:**

- Cyber
- Management Liability
- Financial Institutions
- Healthcare
- Miscellaneous & specialist professional liability
- Transaction Liability
- Environmental Liability

- **Platforms:**

- Lloyd's of London: UK, Continental Europe, Canada, Latam, Asia
- Beazley Insurance dac: UK, Continental Europe

- **E-trading:**

- MyBeazley
- Broker portals

Our path

Speciality Lines International Beazley Approach, Specialist Products, Expert Underwriting

- Providing the specialist products demanded by clients operating in a changing world
- Leveraging our specialist knowledge aligned with expert underwriting and claims handling
- Expanding our distribution with strong support from our brokers and partners
- Utilising technology to enhance our distribution and manage operating costs
- Growing our international brand
- Creating greater geographical diversity of the Beazley specialty lines portfolio
- Generating a sustainable premium base and profit stream

Outlook and Management Changes

Andrew Horton

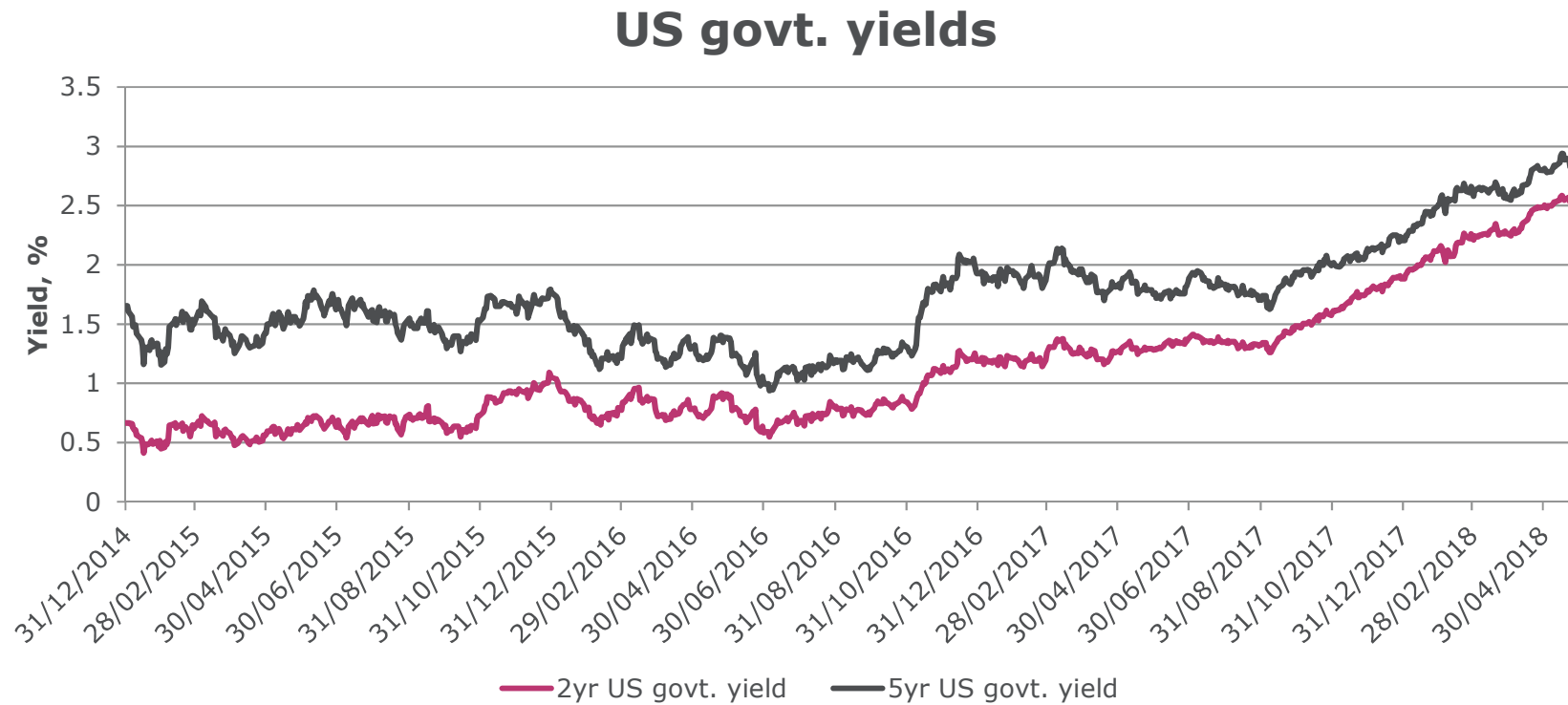
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Management changes

- Neil Maidment retiring after 10 years as CUO, Adrian Cox appointed as CUO from 01.01.2019
 - Adrian Cox has led Specialty Lines since 2008, he also chaired our US Management Committee between 2014 and 2016 from Chicago
- Specialty Lines growing into two divisions
 - Specialty led by James Eaton (previously Head of Private Enterprise)
 - TMB & Management Liability led by Mike Donovan (previously Head of TMB)
- Mike Donovan has handed the Chair of the US Management Committee to Mark Bernacki, Head of Property Group
- Head of Talent Management, Penny Malik, is retiring; Pippa Vowles (previously Head of Internal Communications) has been appointed
- It is pleasing that we have the skills and experience to appoint internally. Continuity and culture of management are important to the Board

Investment income

- Year to date investment return is minimal. Though with interest rates likely to continue to increase across the year the prospect is good for the future



Outlook for 2018

- Premium rate increases likely to be sustained in short tail catastrophe exposed lines
- Continue to find opportunities for double digit growth led by our specialty lines and catastrophe related businesses
- SL International to grow significantly on both Lloyd's and company paper
- Continue to invest in and leverage technology
- If there are no major catastrophe events in 2018 then our previous guidance, of a full year combined ratio in the low nineties with below average reserve releases following the natural catastrophes of 2017, is unchanged

Any Questions?

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