beazley

It all started with a hat stand...

Beazley plc | Solvency and Financial Condition Report (SFCR) 2024

Welcome to our 2024 Solvency and Financial Condition Report

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

Contents

Summary

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

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

Business Review

Beazley's Insurance premiums written increased by 10% in 2024 to $6,164.1m (2023: $5,601.4m). The Group participates in the underwriting of syndicate 623 on behalf of the staff underwriting incentive scheme, with the return generated from this participation previously recognised as "other income". From the 2024 year of account onwards, this participation has been fully consolidated into the Group accounts on a line by line basis given the increase in the relative materiality of the return generated. This recognition is effective from the year end 2024 onwards and contributes to the overall 10% growth achieved in insurance premium in 2024. Excluding the impact of this, insurance written premiums grew by 8.5% in 2024. Rates on renewal business on average decreased by 0.5% across the portfolio (2023 increased by 4.3%); however, we remain confident in the level of rate adequacy we are seeing from an overall Group perspective, particularly against a backdrop of extraordinary rate increases within Property Risks and Cyber Risks in recent years.

Our net insurance written premiums increased by 9.7% in 2024 to $5,152.3m (2023: $4,696.2m). Excluding the impact of consolidating the internal Staff Underwriting Scheme, net insurance written premium grew by 8.2%. The alignment in gross and net growth follows an increase in reinsurance spend in the second half of the year, following an opportunity identified to further manage our cyber catastrophe exposure by placing additional cyber catastrophe bonds as well as an Industry Loss Warranty (ILW). We are committed to actively encouraging the development of alternative risk transfer for cyber, which will support the structural growth expected in the cyber insurance market in the coming years.

Our investments also made an important contribution to our overall performance with an income of $574.4m (2023: $480.2m) which represents a return of 5.2% (2023: 4.9%).

Beazley Insurance dac (BIdac) continues to act as an intra-group reinsurer and provides capital to support the underwriting activities of its sister company, Beazley Underwriting Limited (BUL). BUL is a Lloyd's of London corporate member. It participates in the Lloyd's insurance market on a limited liability basis through syndicates 2623, 3622, 3623 and 5623 at Lloyd's. BIdac has a number of aggregate excess of loss reinsurance contracts with BUL. Under the 2024 and 2023 contracts, BUL cedes effectively 65% of the final declared result (less a retention of $2.6m) of its participation in syndicates 2623 and 3623 to BIdac. In the event that the declared result is a loss, the extent of the reinsurance is limited to the loss in excess of $2.6m not exceeding 65% of the Funds at Lloyd's (FAL). For the 2022 year of account BUL ceded 75% of the final declared result (less a retention of $3.0m) of its participation in syndicates 2623 and 3623 to BIdac. In the event that the declared result is a loss, the extent of the reinsurance is limited to the loss in excess of $3.0m not exceeding 75% of the FAL.

Solvency Coverage

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

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

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

Summary continued

Beazley holds a level of capital over and above its regulatory requirements. As at 31 December 2024, total own funds eligible to meet the Group Solvency Capital Requirement (SCR) are $5,356.1m (2023: $4,826.7m), compared to the Group SCR of $1,837.1m (2023: $2,058.2m) giving a solvency ratio of 292% (2023: 244%) net of foreseeable dividends.

On 3 March 2025, the Board of Beazley plc approved a share buyback of its ordinary shares for up to a maximum aggregate consideration of $500m commencing on 5 March 2025. The buyback will reduce the Group's net asset value by approximately $500m. The SCR ratio of 292% will fall by approximately 28% to 264%. Under Solvency II the share buyback will not be included in the calculation of the available own funds until commencement of the share buyback program in 2025.

	2024 $m	Share buyback $m	Group Solvency II ratio reported in Beazley plc Annual report and accounts 2024 $m
Eligible Tier 1 capital	4,791.3	(500.0)	4,291.3
Eligible Tier 2 capital	564.9		564.9
Total Solvency II eligible own funds	5,356.2	(500.0)	4,856.2
Capital requirement	1,837.1		1,837.1
SCR ratio	**292%**		**264%**

In March 2024 Beazley plc announced the commencement of a programme to buyback up to $325.0m of its shares. This concluded on 30 September 2024.

When deciding on the appropriate level of capital, we consider several criteria: firstly, we aim to maintain a solvency ratio in excess of 170% of SCR. We also seek to absorb volatility to ensure financial resilience should a 1-in-250 year event occur as well as assessing the impact of interest rate movements. Finally, we consider the opportunities for growth, which encompass the business plan for the following year as well as the prospects for growth in the medium term, whilst enabling us to take advantage of opportunities as they arise.

We have grown significantly in recent years and to reflect this growth and our confidence in the sustainability of our results we have decided to rebase our ordinary dividend by 76% to 25.0p per share. This foreseeable dividend is included as a deduction to eligible own funds.

Investment Performance

Beazley's investment portfolio generated a return of $574.4m, or 5.2%, in 2024 (2023: a return of $480.2m, or 4.9%). Our financial assets grew to $11.5bn as at 31 December 2024 (2023: $10.5bn). Returns were again driven by strong performance from our equity, credit and hedge fund exposures; and by the level of risk-free yield available in the market, where the interest rate risk on our assets closely matches our liabilities.

Corporate, social and environmental responsibility and charitable donations

The Group's Sustainability report is set out on pages 26 to 31 of the Beazley plc Annual report and accounts 2024 and the Task Force on Climate-related Financial Disclosures (TCFD) statement from pages 32 to 61. During 2024, Beazley donated $845.0k to charities and in December 2024, the Board approved the formation of a non-registered charitable foundation to enhance the long-term impact and governance of the Group's charitable works.

Climate Related Issues

The primary responsibility for climate related issues sits with the Group Board and Committees listed on the table in section B.1 General information on the system of governance (see page 21). Beazley has five key subsidiary entities: BFL, BIdac, BICI, BESI and BAIC, each with their own Board and supporting committees. The responsibilities of these boards mirror those set out at a plc Board level, to ensure it is operating in accordance with both legal and regulatory requirements, as well as relevant Beazley Group policies and procedures. These entities are more insurance risk-focused when compared to the Beazley plc Board. Climate-related matters are considered during their annual risk framework and Own risk and solvency assessment (ORSA) approval process.

A. Business and performance

All financial data in this section is presented on an International Financial Reporting Standards (IFRS) basis, consistent with the financial statements of Beazley plc Annual report and accounts 2024 unless otherwise stated.

A.1 Business

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

The address of the registered office is:

22 Bishopsgate
London
EC2N 4BQ
United Kingdom

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

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

The independent auditor of the Group's SFCR is:

Ernst & Young
Harcourt Centre
Harcourt Street
Dublin 2

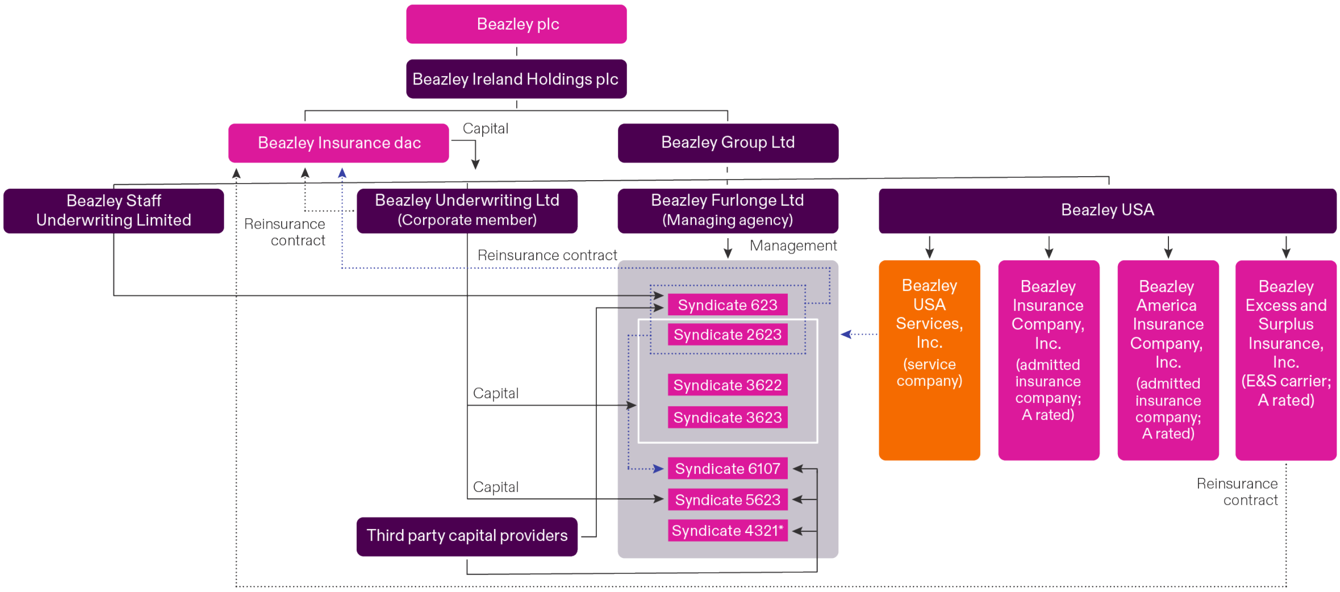
As at 16 May 2025, there are no holders of qualifying holdings in Beazley plc (being a holder of 10% or more of the capital or voting rights). For details of significant shareholders in Beazley plc, see the Directors' report in the Beazley plc Annual report and accounts 2024.

The Group operates across Europe, Asia, Canada and the United States (US) through a variety of legal entities and structures. As at 31 December 2024, the main entities within the legal entity structure are as follows:

- **Beazley plc** – Group holding company, listed on the London Stock Exchange;
- **Beazley Ireland Holdings plc** – intermediate holding company;
- **Beazley Underwriting Limited (BUL)** – corporate member at Lloyd's providing all capital to syndicates 2623, 3622 and 3623, and approximately 20% of capital to 5623 (2023:18%);
- **Beazley Staff Underwriting Limited (BSUL)** - corporate member at Lloyd's providing approximately 9% of the capital to syndicate 623;
- **Beazley Furlonge Limited (BFL)** – managing agency for the seven syndicates managed by the Group (623, 2623, 3622, 3623, 4321, 5623 and 6107);
- **Beazley Insurance dac (BIdac)** – insurance company based in Ireland that acts as an internal group reinsurer, and also writes business directly in Europe;
- **Syndicate 2623** – a Lloyd's syndicate through which the Group underwrites its general insurance business excluding life and portfolio underwriting. Business is written in parallel with syndicate 623;
- **Syndicate 3622** – a Lloyd's syndicate through which the Group underwrites its life insurance and reinsurance business;
- **Syndicate 3623** – a Lloyd's syndicate which underwrote business through our North American coverholders in 2024;
- **Syndicate 5623** – a Lloyd's syndicate through which the Group underwrites across a diverse mix of classes via its portfolio underwriting business;
- **Syndicate 4321** – a Lloyd's syndicate which focused on writing business on a consortium basis led by syndicate 2623/623 based on environmental, social and governance (sustainability) scores of insureds, now in run-off;
- **Syndicate 623** – a Lloyd's syndicate which has its capital supplied by third party names and Beazley Staff Underwriting Limited;
- **Syndicate 6107** – special purpose Lloyd's syndicate writing property reinsurance and cyber business ceded from syndicates 623 and 2623 on behalf of third party names;
- **Beazley Corporate Member (No.3) Limited (BC3L)** – participates in syndicate 4321 on a limited liability basis;
- **Beazley America Insurance Company, Inc (BAIC)** – admitted insurance company regulated in the US;
- **Beazley Insurance Company, Inc. (BICI)** – admitted insurance company regulated in the US. Licensed to write insurance business in all 50 states;
- **Beazley USA Services, Inc. (BUSA)** – service company based in West Hartford, Connecticut. Underwrites business on behalf of syndicate 3623, BICI, BESI and BAIC;
- **Beazley NewCo Captive Company, Inc. (BNCC)** – provides internal reinsurance to BICI on older accident years; and
- **Beazley Excess and Surplus Insurance, Inc. (BESI)** – Insurance company regulated in the US to write surplus lines business.

A. Business and performance continued

A.1 Business continued



A. Business and performance continued

A.1 Business continued

The following is a list of all the subsidiaries in the Group as at 31 December 2024, all of which are wholly owned:

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

Please see page 252 of Beazley plc Annual report and accounts 2024 for registered addresses.

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

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

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

A. Business and performance continued

A.1 Business continued

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

Cyber Risks
This segment underwrites cyber and technology risks.

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

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

Property Risks
This segment underwrites first party property risks and reinsurance business.

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

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

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

Insurance revenue	2024 $m	2023 $m
UK (Lloyd's)	4,412.4	4,539.0
US (Non-Lloyd's)	878.5	603.5
Europe (Non-Lloyd's)	387.2	299.9
	5,678.1	**5,442.4**

2024 saw Beazley deliver our highest ever profit before tax of $1,423.5m (2023: $1,254.4m) for the full year.

This result was delivered in a year with a significant global IT outage, an active hurricane season and ongoing geopolitical volatility, illustrating the resilience of our business. We achieved an undiscounted Combined Ratio (COR) of 79.0% (2023: 74.0%) and, during the year, were able to improve our COR guidance to the market given the positive performance of our business. We saw ongoing demand-led growth for our specialty insurance products, achieving 10.0% Insurance Written Premium (IWP) growth[1] for 2024 (2023: 6.8%), even as the rating environment continued to stabilise.

Rates on renewal business on average decreased by 0.5% across the portfolio (2023: increased by 4.3%); however, we remain confident in the level of rate adequacy we are seeing from an overall Group perspective, particularly against a backdrop of extraordinary rate increases within Property Risks and Cyber Risks in recent years.

Our three platforms in North America and Europe, and global Wholesale are enabling us to be close to our clients and brokers, strengthening relationships and ensuring we are able to understand the risks they face. We are investing for the long term into these entities, expanding our teams, capabilities and local knowledge in each market. Our presence across the three platforms allows us to deliver our specialty proposition, where it is most valuable.

In North America, our Excess & Surplus (E&S) lines carrier saw continued growth in its first full year in business, as brokers sought more expertise and help with increasingly complex risks that this specialist marketplace is ideally suited to deal with.

[1]Beazley Staff Underwriting Limited's participation in syndicate 623 at Lloyd's, is now fully consolidated within the Group accounts on a line-by-line basis due to an increase in materiality. Excluding the impact of this consolidation of premium, growth for the year would have been 8.5% on a gross basis and 8.2% on a net basis.

A. Business and performance continued

A.2 Underwriting performance

The following table presents our underwriting performance by operating segment:

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

A. Business and performance continued

A.2 Underwriting performance continued

	Year ended 31 December 2023					
	Cyber Risks $m	Digital $m	MAP Risks $m	Property Risks $m	Specialty Risks $m	Total $m
Insurance revenue	1,174.9	224.7	1,015.4	1,145.2	1,882.2	5,442.4
Insurance service expenses	(802.1)	(144.0)	(635.5)	(643.9)	(1,367.1)	(3,592.6)
Current year claims	(565.2)	(90.5)	(430.8)	(470.1)	(940.1)	(2,496.7)
Adjustments to prior year claims	(8.9)	33.7	88.6	108.1	39.8	261.3
(Loss on)/reversal of onerous contracts	(2.6)	2.6	1.4	(0.1)	0.5	1.8
Insurance acquisition cash flows amortisation and other directly attributable expenses	(225.4)	(89.8)	(294.7)	(281.8)	(467.3)	(1,359.0)
Allocation of reinsurance premium	(308.5)	(24.3)	(236.1)	(198.5)	(359.9)	(1,127.3)
Amounts recoverable from reinsurers for incurred claims	210.1	7.1	23.9	26.4	261.0	528.5
Current year claims	211.8	13.0	107.6	57.0	294.2	683.6
Adjustments to prior year claims	(1.0)	(5.7)	(83.0)	(30.1)	(31.7)	(151.5)
Share of expenses and other amounts	(0.7)	(0.2)	(0.7)	(0.5)	(1.5)	(3.6)
Insurance service result	**274.4**	**63.5**	**167.7**	**329.2**	**416.2**	**1,251.0**
Net investment income	86.6	14.8	53.5	75.2	250.1	480.2
Net finance expense from insurance contracts issued	(17.5)	(2.9)	(12.6)	(10.9)	(125.4)	(169.3)
Net finance (expense)/income from reinsurance contracts	(1.3)	0.5	2.1	(13.7)	28.3	15.9
Net insurance and financial result	**342.2**	**75.9**	**210.7**	**379.8**	**569.2**	**1,577.8**
Other income	16.9	3.2	14.8	16.5	27.1	78.5
Other operating expenses	(52.7)	(19.9)	(68.1)	(42.5)	(182.6)	(365.8)
Foreign exchange gains	1.0	0.2	0.8	0.9	1.6	4.5
Segment result	**307.4**	**59.4**	**158.2**	**354.7**	**415.3**	**1,295.0**
Finance costs						(40.6)
Profit before tax						**1,254.4**
Tax expense						(227.6)
Profit after tax						**1,026.8**

A. Business and performance continued

A.2 Underwriting performance continued

Divisional performance

Cyber Risks
Our strong COR of 64.4% in a year of moderating pricing demonstrates both our cyber expertise and that the rate environment remains adequate. We experienced competition in the international markets during the year as they entered the next phase of maturity. However, the three major IT outages experienced during 2024 provided a reminder of the scale of risk that cyber threats from malign or non-malicious sources pose to businesses. In the US, this experience resulted in a reduction in the intensity of competitive rating pressures.

Cyber Risks retained its leadership role in the global cyber insurance market in 2024, with the creation of new cyber reinsurance capacity, in the form of additional catastrophe bonds and the launch of the market's largest cyber ILW. These innovations, together with our probabilistic modelling approach for cyber, ensure that Beazley has strong protection across its cyber business.

The most significant achievement of the year was the creation of Full Spectrum Cyber and, as part of it, Beazley Security Limited, our wholly owned cyber security firm. Together they deliver the market's first end-to-end cyber security and insurance protection solution, ensuring clients have effective cyber insurance coupled with pre-emptive and responsive cyber security intelligence.

Beazley also played its part in building a robust modelling framework for cyber catastrophes during 2024, following a year-long collaboration with Munich Re and Gallagher Re on the modelling of cyber accumulation risk from significant malware events. The published white paper is freely available to anyone interested in cyber modelling. Please see our website, www.beazley.com, "Cyber realistic disaster scenario development and modelling" for further information. Looking ahead, we anticipate continuing demand-led growth in our international segment. The mid to small end of the market in the US will see ongoing opportunity as businesses seek to protect themselves from the ever-changing cyber threat.

Digital
Digital trading is accelerating as we continue to invest, and our broker partners are also doing the same, to increase the use of technology across the underwriting and claims process. During 2024, this continued to drive an increase in submissions via our digital trading platforms in all geographies. At the same time, we also saw an increase in competition across all lines of our specialist insurance offering, which serves small businesses.

As digital trading of cyber risks continued to expand, we increased our line size available digitally, focusing on the US and Germany, and resulting in growing submissions. We expect to see the continued roll out of technology across our three platforms and right through our underwriting divisions as digital solutions increasingly become business as usual for Beazley.

MAP Risks
MAP achieved a COR of 80.9%, based on a continued positive rating environment, of which ongoing geopolitical uncertainty is a key driver.

This has been particularly true of the political risk and political violence segment, where demand remains consistently strong and where we remain steadfast in our support of our clients, but always exercise caution given the level of unpredictability.

Ongoing volatility is resulting in businesses identifying gaps in cover and seeking comprehensive solutions. In particular, we are experiencing growing demand for our Deadly Weapons Protection product, which offers risk management and prevention expertise, alongside indemnity and recovery advice, to protect clients from the worst impacts of attacks involving deadly weapons.

During the year, the marine market has had to navigate a number of challenges, including the Baltimore Bridge disaster, the ongoing conflicts in Ukraine and the Middle East, and more specifically the targeting of vessels trading through the Red Sea. The Market's success over the preceding years has encouraged competition to enter, particularly in Hull & Cargo, where we are seeing rates falling away, while the experience of the bridge collapse is generating a somewhat more stable rating environment for marine liability.

Our renewables business took off in 2024, growing its relevance and presence with brokers. This is part of a long-term investment we are making into this growth energy business as part of our commitment to supporting clients in the transition, which includes investigating insurance solutions for the development of nuclear fusion.

During the last 12 months, we have also grown our position within the Lead/Follow underwriting arena in Lloyd's. As the market leader with Smart Tracker syndicate 5623, we act as a lead insurer on facilities and support over 30 consortia arrangements, with both mechanisms bringing much needed efficiencies and additional capacity to the market.

A. Business and performance continued

A.2 Underwriting performance continued

Divisional performance continued

MAP risks continued
There is no indication that geopolitical uncertainty is receding and we have increased our reserves to reflect this. Looking ahead, we believe we will see ongoing demand for our products and services, which we will be building out into the European markets during the year ahead.

Property Risks
Property Risks saw strong momentum during the year, growing IWP by 26.0%. Rate increases persisted but, as anticipated, at a lower level than in the previous year, at 1.3% (2023: 22.4%). Demand for our expertise continued, particularly in North America, where we have worked over recent years to better understand the impact of a changing climate on property risks. As a result of our onshore E&S carrier we have increased proximity to our brokers and clients, leading to an enhanced new business pipeline.

2024 brought yet more experience of extreme weather, notably an active Atlantic hurricane season, reminding the market of the importance of a sustainable approach to underwriting which is focused on risk quality and rate adequacy.

Individual regional markets that saw significant impacts from natural catastrophe activity, such as the Southeastern US, Canada and Europe, are all now experiencing stronger rating increases.

As the climate continues to change we have seen an increase in the frequency and severity of catastrophic events and demand for specialist property insurance.

As we move into 2025, we see further opportunity for organic growth of our specialist products and services that support our clients and brokers to navigate this volatile risk landscape. We will continue our long-term investment in property underwriting including additional capabilities, notably in Europe and Asia.

Specialty Risks
Specialty Risks COR of 79.2% reflects strong underwriting skill and how our highly diversified book, spread over more than 25 lines of business in multiple geographies with varying insured sizes, continues to deliver success. As a result, we achieved 6.1% IWP growth, driven by the maturation of our niche lines of business, which are becoming meaningful contributors to our overall proposition.

Highly specialised lines of insurance, such as Environmental Liability, our Programmes business and Safeguard, contributed positively. In Directors & Officers (D&O), we are now seeing early signs that rates are stabilising and are narrowing to flat, although we maintain a laser-like focus on rate adequacy.

Effectively managing the cycle also means that we are constantly assessing where social inflation is undermining the long-term viability of insurance and, where needed we will take the difficult decision to reduce or pull back altogether.

We are actively watching capital markets activity with signs of a pickup in activity in 2025. More capital markets and mergers & acquisitions (M&A) activity creates demand for insurance products such as D&O and Environmental Liability during the course of transactions and we stand ready to support the market.

Our clients face complex problems that often involve litigation and our focus is on providing them with speciality products, risk management advice and stable capacity so that they can get on with the task of running a successful business and we are optimistic of the opportunities to deliver that in 2025.

A. Business and performance continued

A.2 Underwriting performance continued

Segmental Analysis

The tables below show the 2024 and 2023 net IWP split into Solvency II lines of business, as reported on QRT S.05.01.02.

Net insurance written premiums	2024 $m	2023 $m
Income protection	54.5	63.4
Marine, aviation and transport	466.8	463.0
Fire and other damage to property	1,242.9	998.6
General liability	2,801.2	2,651.6
Credit and suretyship	140.1	141.9
Misc. financial loss	77.5	79.2
Non-proportional health	16.2	18.8
Non-proportional casualty	53.2	51.5
Non-proportional property	267.7	198.9
Other life insurance	25.0	25.7
Life reinsurance	7.2	3.7
Total	**5,152.3**	**4,696.3**

Geographical breakdown

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

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

	2023 $m	2023 %
United Kingdom	2,148.1	38.3 %
United States of America	2,492.7	44.5 %
Belgium	311.1	5.6 %
Canada	104.7	1.9 %
Singapore	72.7	1.4 %
Germany	71.6	1.2 %
Other	400.5	7.1 %
Total	**5,601.4**	**100.0 %**

A. Business and performance continued

A.3 Investment performance

Summary of investment return

	2024 %	2024 $m	2023 %	2023 $m
Investment income derived from financial assets	–	522.7	–	460.0
Investment expenses and charges	–	(9.6)	–	(7.9)
Total[1]	**5.2 %**	**513.1**	**5.2 %**	**452.1**

1 The difference between investment income of $574.4m reported in the Beazley plc Annual report and accounts 2024 and investment income of $513.1m is the return on cash and cash equivalents of $43.5m and and the gain on Lloyd's Overseas deposits of $17.8m.

Income and expenses by asset class ($m)

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

		Capital growth				
2023	Fixed interest	Equity	Hedge funds	Illiquid credit	Total	Total
Income	369.7	47.6	30.7	12.0	90.3	460.0
Expenses[1]	(5.1)	–	(2.3)	(0.5)	(2.8)	(7.9)
Total	**364.6**	**47.6**	**28.4**	**11.5**	**87.5**	**452.1**

1 Expense allocations by asset class are estimates.

Investment return vs benchmark (%)

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

		Capital growth				
2023	Fixed interest	Equity	Hedge funds	Illiquid credit	Total	Total
Investment assets	4.8	26.2	5.1	5.2	8.8	5.2
Benchmark	5.3	22.2	3.1	13.3	11.0	6.1

Beazley's investment portfolio generated a return of $574.4m, or 5.2%, in 2024 (2023: a return of $480.2m, or 4.9%). Our financial assets grew to $11.5bn as at 31 December 2024 (2023: $10.5bn). Returns were again driven by strong performance from our equity, credit and hedge fund exposures; and by the level of risk-free yield available in the market, where the interest rate risk on our assets closely matches our liabilities.

US GDP growth was surprisingly strong, shaking off high short-term interest rates to register approximately 3% for 2024, led by services and consumption. US Government bond yields were volatile, rising early in the year before falling through Q3, and rising again in Q4 as financial market participants began to digest a possible Republican presidential victory and the Federal Reserve indicated a slower than expected pace of future cuts. The shape of the yield curve changed, pivoting around the two-year mark where yields were little changed; yield on shorter maturities fell, whilst longer maturities rose. Despite this volatility, and with most of our exposures at the short end, the portfolio performed well.

A. Business and performance continued

A.3 Investment performance continued

Equity markets again delivered a strong return. Our equity portfolio, which continues to be focused on US markets, and selected to align with our responsible investment commitments, returned in excess of 23%. Performance was strong throughout the year, buoyed in Q4 by the US elections. Our corporate exposures performed strongly as well, with both high yield and investment grade spreads tightening. High-yield spreads came close to the historic low of 240bps, before finishing the year just below 300bps. Our hedge fund portfolio also delivered a solid return, with low volatility and correlation to other asset classes. We continue to build on our impact portfolio, where our commitments have increased to $60m in funds that have measurable social or environmental benefits. We expect to hit our target of $100m in committed capital in 2025.

The yield of our fixed income portfolio at 31 December 2024 was 4.6%, with a duration of 1.6 years. This level of yield is a positive starting point for investment returns in 2025. However, there are plenty of risks: economic growth is diverging; remaining solid in the US, but slowing elsewhere. Geopolitical risks are elevated, and markets will likely have to weather a shift in US foreign and domestic policy under the new administration. Our investment portfolio remains diversified and well positioned for a range of market outcomes.

During the year, the Beazley Group invested into securitised credit, using an external manager to invest in the highest quality tranches (AAA-AA) of collateralised loan obligations (CLOs). The external manager was selected following a robust Request for Proposal (RFP) and due diligence process, which included an assessment of their risk management capabilities. The portfolio itself is subject to prudent investment parameters to manage risk effectively. Allocation began in the second half of the year and is now at target.

A.4 Performance from other activities

Other income

Other income is analysed as follows in the financial statements.

	2024 $m	2023 $m
Commissions received by Beazley service companies	17.0	42.8
Profit commissions from syndicates	68.3	29.9
Agency fees from third party syndicates	11.3	3.6
Other income	9.4	2.2
Total	**106.0**	**78.5**

Commissions received by Beazley service companies

Commissions are received from non-Group syndicates by Group service companies writing business on their behalf. These are recognised as the services are provided, and therefore the performance obligations of the contracts are met. Commission is payable to the Group by syndicate 623 due to Group service companies writing business on behalf of the syndicate. While the commercial purpose of the contract is to pass business to syndicate 623, the remuneration is triggered by incurring expenses, irrespective of volume of business gained. Fees are recognised as the services are provided, and therefore the performance obligations of the contracts are met. In addition, the Group charges syndicates 5623 and 4321 for a portion of the profit-related remuneration paid to its underwriting staff. Payment is therefore triggered by the underlying profitability of the syndicate.

Profit commissions from syndicates

This primarily relates to profit commissions received from syndicates in the year. The underlying agreements are in place between the third-party capital syndicates managed by the Group and their managing agent, Beazley Furlonge Limited. Under these agreements, the transaction price represents a fixed percentage on profit by year of account. As such, the profitability of the syndicates is a performance criterion. No other variable consideration (for example: discounts, rebates, refunds, incentives) is attached. The value of each transaction price is derived at the reporting date from the actual profits made by the syndicates, and therefore represents the most likely amount of consideration at the reporting date.

Lease Arrangements

For disclosures on the lease arrangements please refer to note 26 in the Beazley plc Annual report and accounts 2024, page 224.

A.5 Any other information

California Wildfires

The Group is exposed to the California Wildfires which occurred in January 2025. Our initial estimates expect a net claims impact of around $80m (unaudited).

B. System of governance

B.1 General information on the system of governance

Governance framework

The role of the Board is to foster the long-term sustainable success of the Group, create value for shareholders, and contribute to broader society. This is achieved by overseeing the implementation of the Group's strategy and performance, while ensuring that the Company's culture remains aligned with its stated purpose and values. The Board ensures that the necessary resources are in place to support the business model and for the organisation to meet its objectives and measures performance against these.

To help discharge its responsibilities, the Board has established four key Committees. Those Committees are the Audit, Risk, Nomination, and Remuneration Committees, and details of their main responsibilities and activities in 2024 are set out in the Committee reports on pages 109 to 132 of the Beazley plc Annual report and accounts. The Committees work closely together where appropriate. For example, both the Audit and Risk Committees have responsibilities in regard to the internal controls framework and the Chairs serve on both Committees to ensure an aligned approach. In addition, the Nomination and Remuneration Committees work closely on reviewing executive performance and compensation. They annually hold a joint meeting to ensure the appropriate linkage between performance and remuneration out-turns.

The Board has also established the Disclosure Committee, with responsibility for matters relating to the control and disclosure of inside information. This Committee is led by the Executive Directors and includes the Group Chief Risk Officer and the Company Secretary. The Board evaluates the membership of its individual Board Committees on at least an annual basis, as well as when required during the year. The Board Committees are governed by terms of reference which detail the matters delegated to each Committee and their authority to make decisions. The terms of reference for the Board Committees can be found at www.beazley.com.

The governance framework (in place at 31 December 2024) of the main Board and its Committees is shown in the diagram on the next page.

B. System of governance continued

B.1 General information on the system of governance continued

Shareholders

The Board

The Board's role is to ensure the long-term sustainable success of Beazley plc, for the benefit of its members and with due regard to the interests of other stakeholders. The Board sets our strategy and maintains focus on the overall strategic direction of the Group in addition to assessing and monitoring our culture to ensure that it remains aligned to our purpose, values and strategy. The Board upholds the highest standards of corporate governance and provides rigorous challenge to management. The Board has reserved certain areas of decision-making, which is set out in the matters reserved for the Board. The Board also delegates matters to its Committees. All delegations to Committees (including the Executive Committee) are set out in the terms of reference, which are approved by the Board.

Chief Executive

The Board delegates day to day running of the business and the implementation of strategy to the Group Chief Executive who is supported by the Executive Committee.

Audit Committee

Assisting the Board of Directors in discharging its responsibilities for the integrity of the Company's financial statements, the financial reporting process, the system of internal financial controls and the audit process, including the effectiveness of the internal and external Auditors.

Risk Committee

Providing oversight of the Group's risk management framework, oversight of risk appetite, and monitoring compliance with global laws and regulations.

Nomination Committee

Evaluating the Board of Directors, ensuring an appropriate balance of skills, experience, independence, knowledge and diversity.

Considering and recommending Board and Committee candidates and considering Board succession and ongoing Director training needs.

Remuneration Committee

Determining the Company's policy on the remuneration of Executive Directors.

Ensuring remuneration arrangements support the strategic aims of the business and enable the recruitment and retention of senior executives while complying with the requirements of regulatory bodies, taking into consideration Corporate Governance Code requirements and satisfying the expectations of shareholders and remaining consistent with the expectations of the wider employee population.

Executive Committee

Responsible for supporting the Group Chief Executive with:

- The management of all operational activities of the Group under the powers delegated by the Board.
- The development and implementation of strategy, including business planning, financial controls, and governance.
- Reviewing the risk management framework and management of risk
- Oversight of performance of the underwriting divisions, investment performance and strategy, as well as other key functions and major projects.
- The Board receives updates from the Chief Executive at each meeting.

Disclosure Committee

An Executive Director led Committee, responsible for overseeing the implementation of the governance and procedures associated with the assessment, control and disclosure of inside information in relation to the Company.

Members: Adrian Cox, Barbara Plucnar Jensen, Rob Anarfi, Christine Oldridge

Executive Committee Members

As at 31 December 2024, the members were: Adrian Cox (ED), Barbara Plucnar Jensen (ED), Rob Anarfi, Liz Ashford, Paul Bantick, Troy Dehmann, Beth Diamond, Bethany Greenwood, Fred Kleiterp, Lou Ann Layton, Alessandro Lezzi, Richard Montminy, Tim Turner

For further details on the Executive Committee members and their roles, please see the Company's website.

B. System of governance continued

B.1 General information on the system of governance continued

The Board

As at 31 December 2024, the Board consisted of eleven Directors, including the Chair (who was independent on appointment) and eight Independent Non-Executive Directors. None of the Non-Executive Directors have served on the Board for more than nine years. The Nomination Committee reviews the independence of the Non-Executive Directors and reports any concerns regarding independence to the Board. Based on this assessment, the Board considers all the Non-Executive Directors to be independent and free of any relationship which could materially interfere with the exercise of their independent judgement. In accordance with the Code, the Board has recommended that all Directors should submit themselves for election or re-election on an annual basis and as such all Directors will stand for election or re-election at the forthcoming AGM. Further information regarding these activities is provided in the Nomination Committee report on page 111 of the Beazley plc Annual report and accounts 2024.

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

The Board has appointed a Senior Independent Director who will, if required, deputise for the Chair. It was announced in April 2024 that at the conclusion of the 2024 Annual General Meeting Pierre-Olivier Desaulle would succeed Christine LaSala as Senior Independent Director. Pierre-Olivier's role is, in part, to act as a sounding board for the Chair and as an intermediary for other Directors. He is available to speak to shareholders particularly where they have concerns regarding management or the Board as a whole.

As disclosed last year Sally Lake stepped down as Group Finance Director on 21 May 2024. Barbara Plucnar Jensen joined Beazley as Group Chief Financial Officer on 1 May 2024 and was appointed to the Board from 21 May 2024.

Biographies of the Board members (in place at 31 December 2024) appear in the Board of Directors section on pages 87 to 89 of the Beazley plc Annual report and accounts 2024.

Carolyn Johnson was appointed as an Independent Non-Executive Director on 1 March 2024.

Board Evaluation

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

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

In 2024, in line with the UK Corporate Governance Code 2018, we invited Independent Audit Limited (IAL) to independently assess the performance of our Board. IAL concluded that the Board operates effectively, and that each Director contributes to the Board's overall effectiveness. We report further on the process and outcomes from the Board and Committee performance evaluation in Beazley plc Annual report pages 106 to 108.

B. System of governance continued

B.1 General information on the system of governance continued

Remuneration policy and practices

The Board has delegated responsibility to the Remuneration Committee for oversight of remuneration polices to support our strategy and promote the long-term success of Beazley for our stakeholders. The Committee's role is to ensure that the remuneration policy is designed to retain and incentivise our talented people to deliver our strategy. The Committee ensures that remuneration is fair, culturally aligned with our values, promotes effective risk management and, for senior leadership, is aligned to the long-term success of Beazley and to shareholder interests.

Beazley believes that:

- performance-related remuneration is an essential motivation to management and staff and should be structured to ensure that Executives' interests are aligned with those of shareholders;
- in determining our remuneration framework the Remuneration Committee was mindful of avoiding complexity and making arrangements easy to understand for both participants and our shareholders;
- reward at Beazley is appropriately balanced in light of risk considerations. The Remuneration Committee receives an annual report from the CRO to ensure our wider remuneration policy is consistent with, and promotes, effective risk management;
- individual remuneration reflects Group objectives but is dependent on the profitability of the Group and is appropriately balanced against risk considerations. Potential rewards are market-competitive and the committee is comfortable that the range of potential out-turns are appropriate and reasonable; and
- the structure of remuneration packages supports meritocracy, which is an important part of Beazley's culture. All employees at Beazley are eligible to participate in a defined contribution pension plan and a bonus plan. Bonuses are funded by a pool approach which reflects our commitment to encourage teamwork at every level, which is one of our key cultural strengths.

The table below sets out an illustration of the operation of the remuneration policy for the current Executive Directors in respect of 2024 and includes base salary, pension, benefits, and incentives.

Element		Overview of implementation for 2025
Fixed remuneration	Base salary	Annual base salary for 2024.
	Pension	12.5% of base salary.
	Benefits	Benefits include private medical insurance, lifestyle allowance and company car or monthly car allowance.
Annual Bonus		Discretionary annual bonus determined by reference to both financial and individual performance. The maximum bonus opportunity for Executive Directors is 300% of salary.
Long Term Remuneration Long Term Incentive Plan (LTIP)		Performance is measured after three years. Awards are subject to a further two year holding period taking the total time frame to five years. Vesting is based on growth in the net asset value per share (NAVps) and the delivery of our sustainability priorities.

The fees of Non-Executive Directors, as disclosed within the Beazley plc Annual report and accounts 2024, are determined by the Board and are reviewed annually. When setting fee levels consideration is given to levels in comparable companies for comparable services and also to the time commitment and responsibilities of the individual Non-Executive Director. No Non-Executive Director is involved in the determination of their fees.

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

B. System of governance continued

B.1 General information on the system of governance continued

Remuneration policy and practices continued

Element	Objective	Summary
Profit related pay plan (PRP)	To align underwriters' reward with the profitability of their account.	Profit on the relevant underwriting account as measured at three years and later.
Support bonus plan	To align staff bonuses with individual performance and achievement of objectives.	Participation is limited to staff members not on the Group executive or in receipt of PRP bonus. The support bonus pool may be enhanced by a contribution from the enterprise bonus pool.
Retention shares	To retain key staff.	Used in certain circumstances. Full vesting dependent on continued employment over six years.
Long-term Incentive plan (LTIP)	To award shares to senior employees. Share options which entitle executives and senior management to acquire shares in the Company.	Award of shares with performance conditions. LTIP awards vest over a three-year performance period. Awards will normally be subject to an additional holding periods following the date on which the award vests, up to the fifth year of the award. Vesting is based on growth in net asset value per share (NAVps) and the delivery of our sustainability priorities.

B. System of governance continued

B.1 General information on the system of governance continued

Remuneration policy and practices continued

The Remuneration Committee regularly reviews developing remuneration governance in the context of Solvency II remuneration guidance, other corporate governance developments and institutional shareholders' guidance. The Chief Risk Officer reports annually to the Remuneration Committee on risk and remuneration as part of the regular agenda. The Remuneration Committee believes the Group is adopting an approach which is consistent with, and takes account of, the risk profile of the Group.

The performance criteria on which variable components of remuneration are based are as follows:

Incentive plan	Performance measures	Why performances measures were chosen and target is set
Annual bonus plan	Financial performance (including profit and return on equity (ROE)), corporate/strategic performance (including risk adjustment) and individual performance.	• The approach to the calculation of bonuses is aligned to shareholders' interests and ensures that bonuses are affordable, while the ROE targets increase the performance gearing. • The Remuneration Committee reviews the bonus pool framework each year to ensure that it remains appropriate, taking into account the prevailing environment, interest rates and expected investment returns, headcount and any other relevant factors. • Once the annual pool has been calculated the Remuneration Committee determines individual allocations taking into consideration corporate/strategic achievements and individual achievements. The bonus is discretionary and, rather than adopting a prescriptive formulaic framework, the Remuneration Committee considers wider factors in its deliberations at the end of the year: for example quality of profit and risk considerations.
PRP	To align the interests of the Group and the individual through aligning underwriters to the long-term profitability of their portfolio. Profit related pay is awarded irrespective of the results of the Group. Awards are capped.	• Underwriters who have significant influence over a portfolio may be offered awards under the plan. There is no automatic eligibility. • This bonus is awarded as cash and is based upon a fixed proportion of profit achieved on the relevant underwriting account as measured at three years and later. For long-tail accounts the class is still relatively immature at the three-year stage and therefore payments will be modest. Underwriters may receive further payouts in years four, five and six (and even later) as the account matures. Therefore each year they could be receiving payouts in relation to multiple underwriting years. • The fixed proportion is calculated based upon profit targets which are set through the business planning process and reviewed by a Committee formed of Executive Committee members and functional specialists including the Group actuary. Underwriting risk is taken into account when setting profit targets. • Payments are aligned with the timing of profits achieved on the account. For long tail accounts this may be in excess of six years. If the account deteriorates then payouts are 'clawed back' through adjustments to future PRP bonuses. Since 2012 profit related pay plans may be at risk of forfeiture or reduction if, in the opinion of the Remuneration Committee, there has been a serious regulatory breach by the underwriter concerned, including in relation to the Group's policy on conduct risk.
Deferred share plan	Award of nil cost share awards. Generally awarded as a deferred element of the annual performance bonus.	• This is a discretionary award. • A proportion of the annual performance bonus may be paid in deferred shares, which vest after three years subject to continued employment.
Retention shares	The retention plan may be used for recruitment or retention purposes.	• Any awards vest at 25% per annum over years three to six.

B. System of governance continued

B.1 General information on the system of governance continued

Remuneration policy and practices continued

Incentive plan	Performance measures	Why performances measures were chosen and target is set
LTIP	Award of shares to senior management and selected underwriters subject to the achievement of stretching performance conditions. For awards granted prior to 2023 vesting is based on growth in NAVps, one of Beazley's key performance indicators. NAVps performance is assessed equally over a three year and five year period. In accordance with the UK Corporate Governance Code the first tranche of LTIP awards is subject to a further two year holding period, taking the total time frame for the entire award to five years. From 2023 onwards performance is measured after three years. Awards are subject to a further two year holding period taking the total time frame to five years. Vesting is based on growth in NAVps and the delivery of our sustainability priorities.	• Creates alignment to one of Beazley’s key performance indicators. • The LTIP is an important tool in the remuneration for incentivising participants and aligning their interests with those of our shareholders. As part of the 2024 Remuneration Policy renewal the Group Remuneration Committee made a number of refinements to improve the effectiveness of the LTIP structure and to reflect evolving market practice. • The key features of the plan for awards granted from 2024 are performance is measured after three years, awards are subject to a further two year holding period taking the total time frame to five years and vesting is based on growth in NAVps and the delivery of our sustainability priorities.
Investment in underwriting	Management and underwriters may defer part of their bonuses into Beazley staff underwriting plan, providing alignment with capital providers.	• Selected staff are invited to participate through bonus deferral with an element of their cash incentives 'at risk' as capital commitments. These capital commitments can be lost in full if underwriting performance is poor.
Malus	To include provisions that would enable the Group to recover sums paid or withhold payment of any sum in circumstances when it would be appropriate to do so.	• Recovery provisions (malus and clawback) have been applied to incentives for a number of years.

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

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

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

The members of the Board are deemed to have significant power to influence the direction, planning and activities of the Group. Details of the Board's remuneration can be found on pages 133 to 157 of the Beazley plc Annual report 2024. There are no other material transactions with shareholders or persons who exercise a significant influence on Beazley.

B. System of governance continued

B.1 General information on the system of governance continued

Climate Change

Our climate-related responsibilities are something we take very seriously at Beazley. They are central to our vision – to be "the highest performing sustainable specialty insurer"; align with our values – being bold, striving for better, and doing the right thing; and are embodied in the "sustainable business" pillar of our corporate strategy.

The plc Board and supporting Committees maintain active oversight of climate-related issues, by discussing the topic regularly, factoring it into decisions, and receiving papers, training and awareness.

Board/Committee	Description of how climate-related matters are considered
Beazley plc Board	The Board tracks progress on climate-related goals via papers and reports from across the business, as well as a metrics dashboard, which is aligned to our overall risk appetite and risk management framework, the CEO report and Executive Committee KPI dashboard.
Beazley plc Risk Committee	The plc Board has delegated oversight of the risk management framework. The Risk Committee's responsibilities include overseeing the effectiveness of the risk management strategy at Beazley, of which climate-related risk is a key part.
Beazley plc Audit Committee	The Audit Committee is responsible for TCFD reporting and is involved in signing off and approving all annual TCFD disclosures and metrics. The metrics in this report were proposed and approved by the committee during 2024.
Beazley plc Nomination Committee	The Nomination Committee considers the current and future leadership needs of the business, and recommends the annual board knowledge and training plan, which includes climate-related matters.
Beazley plc Remuneration Committee	The Remuneration Committee is responsible for ensuring that the remuneration policies for the Group as well as Directors and senior management, incentivise performance whilst promoting effective risk management.

In addition to the above, climate-related matters are also considered by the plc Board as part of the annual process to approve:
- the risk appetite statements;
- the Group's corporate business plan, including capital adequacy and the ORSA;
- Beazley's new sustainability strategy and corresponding transition plan objectives;
- the Responsible Investment Policy; and
- the Investment strategy.

The remuneration policy approved at the 2024 Annual General Meeting introduced sustainability metrics into Executive Long Term Incentive Plan (LTIP) awards.

Further details of the Boards's oversight on climate-related risks and opportunities can be found on pages 32 to 61 of the Beazley plc Annual report and accounts 2024.

B. System of governance continued

B.2 Fit and proper requirements

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

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

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

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

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

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

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

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

B. System of governance continued

B.2 Fit and proper requirements continued

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

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

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

B. System of governance continued

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

Risk management philosophy

Beazley's risk management philosophy is to balance the risks the business takes on with the associated cost of controlling them, while staying within the risk appetite set by the Beazley plc Board. Beazley continuously monitors its risk profile to ensure it stays within this appetite and takes advantage of opportunities as they arise.

Risk management oversight and framework

The Beazley plc Board delegates direct oversight of the risk management function and framework to its Risk Committee, and the primary regulated subsidiary boards and their (Audit and) Risk Committees. The Beazley plc Board delegates executive oversight of the risk management function and framework to the Executive Committee, which fulfils this responsibility primarily through its Risk and Regulatory Committee.

The risk management framework establishes the approach to identifying, measuring, mitigating, monitoring and reporting on principal risks. The risk management framework supports the Group strategy and objectives.

Beazley 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 Group identifies and manages risks effectively.

The Beazley plc Board approves the Group risk appetite statements at least annually and receives updates on monitoring against risk appetites throughout the year. This includes an assessment of principal risks.

A suite of reports from the risk management function support senior management and the Beazley plc Board in discharging their oversight and decision-making responsibilities throughout the year. The risk management function's reports include updates on risk appetite, risk profiles, stress and scenario testing, including reverse stress testing (RST), and analysis, emerging and heightened risks, a report to the Remuneration Committee, and the ORSA report.

The business operates a control environment which supports mitigating risks to stay within risk appetite. The risk management function reviews and challenges the control environment through various risk management activities (e.g. risk opinions, risk reviews etc). In addition, the risk management function works with the capital modelling and exposure management teams, particularly in relation to validation of the internal model, preparing parts of the ORSA, monitoring risk appetite and the business planning process.

The risk management plan considers, among other inputs, the inherent and residual risk scores for the risks in the risk registers. The risk management function also incorporates results from internal audits and other assurance activities into its risk assessment process. The internal audit function considers the risk management framework in its audit universe to derive a risk-based audit plan.

The Group'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 Group monitors or undertakes focused work on. Key emerging risks in 2024 included geopolitical and conflict escalation, Artificial Intelligence, a systemic cyber event, political and social unrest, supply chain risk and climate change. The Board carries out a robust assessment of the Group's emerging risks at least annually.

Risk management

Beazley 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.

Beazley operates a risk management framework, within which risk appetite is defined, risks assumed are identified and managed and key controls are implemented and monitored.

B. System of governance continued

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

Principal risks the Group faces

Our principal risks are under continuous review with ongoing risk assessments. Whilst our risk profile has remained broadly stable in 2024, we continue to focus on operational and regulatory risks, to ensure that our control environment keeps pace with business change and growth initiatives.

The table below summarises the principal risks the Group faces, and the control environment, governance and oversight that mitigate these risks. Our approach to managing the risks arising from climate change are set out within the TCFD section of the Beazley plc Annual report and accounts, page 32.

Risk Outlook

△ Increasing ◇ Stable ▽ Decreasing

Principal risks and summary descriptions	Mitigation and monitoring
◇ **Insurance** The risk arising from inherent uncertainties about the occurrence, amount and timing of insurance premium, and claims liabilities. 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 not made to support the business (i.e. mismatch); and • Reserving: reserves may not be sufficiently established to reflect the ultimate paid losses.	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 help 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. Beazley carries out periodic analysis to identify significant areas of concentration risk across our business and monitors solvency regularly to ensure Beazley is adequately capitalised. Beazley 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. The insurance risk outlook continues to be stable as the Group manages the market cycle across all the lines of business.
◇ **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.	Beazley operates a conservative investment strategy, prioritising the limitation of investment losses that could significantly impact our financial results. 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 Investment Committee regularly reviews market risk exposures to ensure that our risk management capabilities remain agile and effective in responding to evolving market dynamics. Despite the global and political economic uncertainties, we maintain a stable market risk outlook, driven by clear political outcomes and steady growth in the US, where most of our asset exposures are concentrated.

B. System of governance continued

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

Principal risks the Group faces continued

Principal risks and summary descriptions	Mitigation and monitoring
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. Exposure to credit risk largely emanates from the use of reinsurers, brokers, coverholders and our investments, of which reinsurance asset is the largest exposure for the Group.	Beazley maintains long-term partnerships with strategic reinsurance partners to support the Company throughout the insurance cycle and during potential catastrophic claim events. The Group uses a range of traditional and alternative reinsurance mechanisms to diversify reinsurance credit risk. All reinsurers must meet stringent internal approval criteria, overseen by the Reinsurance Security Committee. Credit risk from brokers and coverholders remains low. The credit risk outlook therefore remains stable, as Beazley manages reinsurance, broker and coverholder credit risks, maintaining low levels of aged and bad debt.
Group The contagion risk that an action or inaction of one part of the Group adversely affect another part or parts. This also includes a deterioration in culture which leads to inappropriate behaviour, actions and/or decisions including dilution of culture or negative impact on the Group brand.	Beazley's Group risk culture is grounded in principles of transparency, accountability and awareness. An effective risk culture reflects a mature risk management function, encourages prudent risk-taking, and fosters awareness of existing and emerging risks. The Executive Committee and the Beazley plc Board oversee Group risk, with regular monitoring conducted by the risk management function and overseen by the Risk Committee. Our Group risk outlook remains stable, with the Executive Committee continuously managing and improving our risk culture through ongoing monitoring and enhancements.
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, Beazley maximises flexibility in handling its financial assets and investment strategy. This proactive approach ensures that clients and creditors are financially protected. The Group regularly evaluates its liquidity position, under the oversight of the Risk Committee. Our liquidity risk outlook remains stable as we consistently maintain more than adequate levels of liquidity and capital.

B. System of governance continued

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

Principal risks the Group faces continued

Principal risks and summary descriptions	Mitigation and monitoring
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 Group operates. This may lead to financial loss (fines, penalties), sanctions, reputational damage, loss of confidence from regulators, regulatory intervention, inability to underwrite or pay claims.	Beazley maintains active ongoing dialogue with its principal regulators. A suite of compliance controls are in place to support the nature, scale and complexity of the business which are overseen by the Risk and Regulatory Committee. The Group wants to have a trusting and transparent relationship with regulators, ensuring coordinated communication and the following of robust processes, policies and procedures in the business. In addition, key staff, particularly those who hold defined roles with regulatory requirements, are experienced and maintain regular dialogue with regulators. The Group is implementing a horizon scanning service to support in-house activity to identify relevant regulatory and legal matters and emerging policy so the business can consider their potential impacts on the business. Considering the needs of our clients in everything our business does is of utmost importance to Beazley. We deliver good customer outcomes to our clients throughout the product lifecycle. The Conduct Review Group oversees this risk. Beazley has a very low appetite for regulatory and legal risk, therefore maintaining strong and open relationships with our regulators is of paramount importance. The outlook for this risk is increasing as throughout 2024 and into 2025, we have seen increased engagement with our regulators as the regulatory environment becomes more complex and the Group grows.

B. System of governance continued

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

Principal risks the Group faces continued

Principal risks and summary descriptions	Mitigation and monitoring
Operational Failures of people, processes and systems or the impact of an external event on operations (e.g. a cyber-attack having a detrimental impact on operations), including transformation and change related risks.	At Beazley, we attract and nurture talented colleagues who champion diversity of thought, fostering a culture of empowerment, collaboration and innovation. This commitment creates an environment of employee wellbeing, where high-calibre, motivated, loyal and productive individuals are empowered to perform their duties competently. We continue investing in technology and re-engineering processes to support our operations, overseen by the Operations Committee. Our business continuity, disaster recovery and incident response plans ensure the stability of our processes and systems, enabling our team to consistently deliver optimal outcomes for our clients. We expect technology and cyber resilience to continue being key focus areas. We are dedicated to collaborating with external agencies, and maintaining robust controls over information security, data and operational resilience. We regularly review incident response plans and continue to invest in cyber security training for our employees. While maintaining a low appetite for operational risk, we observed an increased frequency of reported risk incidents during 2024, coinciding with an increasingly complex operating environment. The risk management function continues to work with first line teams to ensure that controls and processes in place remain appropriate as the operational landscape evolves.

B. System of governance continued

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

Principal risks the Group faces continued

Principal risks and summary descriptions	Mitigation and monitoring
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. Pervasive risks impacting multiple areas of the Group (e.g. reputation and sustainability) occurring through real or perceived action, or inaction, by a regulatory body, market and/or third-party provider. A negative change to Beazley's reputation would have a detrimental impact to the Group's performance and public perception.	Beazley consistently addresses key strategic opportunities and challenges, striving to be the highest performing and most sustainable specialist insurer. We ensure that we recognise, understand, discuss and develop action plans for significant strategic priorities in a timely manner, while maintaining operational effectiveness and brand reputation. We create an environment that attracts, retains and develops high-performing talent with diverse perspectives, encouraging exploration, creation and innovation. By investing in understanding the complexities of the risks our clients face and deploying our expertise where it adds value, we thrive. The Executive Committee and the Beazley plc Board oversee these risks. We maintain coverage above regulatory capital to meet our business plan and strategic objectives in the short, medium and long term. Beazley achieves efficient capital management by redistributing surplus and liquid capital that exceeds regulatory requirements and risk appetites across the Group. Our 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 TCFD report for more details on climate-related risks and mitigations), contributing to our social environment, and practising good governance. While we consider market developments, we evaluate each on its individual merits, weighing up both potential opportunities and risks. As we consolidate and embed our achievements from 2024, our strategic risk outlook remains stable.

B. System of governance continued

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

Own Risk and Solvency Assessment

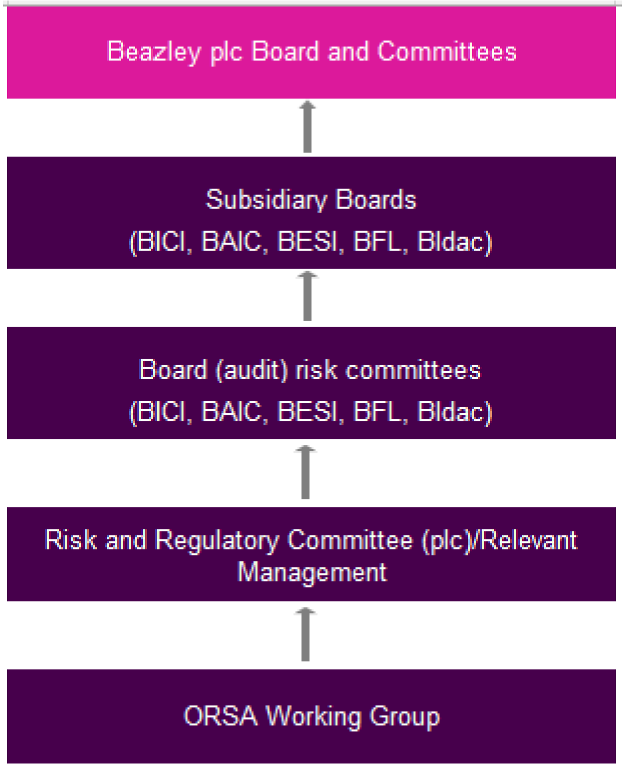
The Solvency II Directive indicates that the ORSA is 'the entirety of the processes and procedures employed to identify, assess, monitor, manage, and report the short and long term risks a company faces or may face and to determine the own funds necessary to ensure that the undertaking's overall solvency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

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

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

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

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



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

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

Ad hoc ORSAs

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

- Major internal model changes as per the model change policy;
- New business plan is created (e.g. following a major CAT event);
- Prior to the completion of a board sponsored acquisition; or
- Any other changes deemed to be significant, as judged by the relevant boards.

B. System of governance continued

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

Own Risk and Solvency Assessment continued

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

Relationship between the internal model and the ORSA

The internal model is an important input into the ORSA. The ORSA uses the same internal model and basis as that used to estimate the SCR and so there is no difference in the recognition and valuation bases. Any limitations of the internal model relevant to the ORSA will be considered in the relevant ORSA report as part of the overall solvency needs assessment.

ORSA process

The underlying processes that make up Beazley's ORSA process are summarised in the table below and these are applicable for all in-scope entities. The table also indicates the process owner.

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

B. System of governance continued

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

ORSA process continued

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

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

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

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

B. System of governance continued

B.4 Internal control system

Beazley's internal control system includes administrative and accounting procedures, an internal control framework, appropriate reporting arrangements at all levels of the business and a compliance function. It is designed to:
- secure compliance with applicable laws, regulations and administrative processes, the effectiveness and efficiency of operations in view of the business objectives and the availability and reliability of financial and non-financial information;
- ensure that adequate and orderly records of the business and internal organisation are maintained; and
- create a strong control environment with control activities that are adequately aligned to the risks of the business and the Group's processes.

The effectiveness of the internal control system is monitored regularly to ensure that it remains relevant, effective and appropriate.

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

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

Compliance function

1. The Group's approach to compliance

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

B. System of governance continued

B.4 Internal control system continued

Compliance function continued

2. Compliance within the corporate governance and risk management frameworks

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

The Group CRO has oversight of the Compliance function and is a member of the BFL board, Group Executive Committee, and Risk & Regulatory Committee. They attend by invitation the BFL Risk and Beazley plc Risk Committees. Compliance provides regular reporting to these forums.

Within the Group's risk management framework, the Compliance function's activities fall within both the first and second "lines of defence" which is detailed on page 76 of the Beazley plc Annual report and accounts 2024.

3. Compliance framework

Independence and authority

To help ensure independence, Compliance has full and free access to the chair of the Group's Audit Committee and Risk Committee and the chair of the boards of all relevant Beazley entities, including Beazley, BIdac, BFL, BICI, BAIC and service companies. Compliance has full, free and unrestricted access to all members of the Group's management, its books and records, physical property, vendors, and other sources of information relevant to the performance of its work.

Compliance monitoring activity

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

Adequacy of resources

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

Risk appetite

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

4. Compliance activities

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

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

Regulatory relationships

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

B. System of governance continued

B.4 Internal control system continued

4. Compliance activities continued

Authorisations, approvals, licenses and permissions

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

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

Group policies

The Compliance function supports certain Group policies as follows:

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

Committee and board reporting

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

Regulatory returns

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

Regulatory breaches

Compliance is responsible for reporting regulatory breaches both within the internal governance framework and externally as required.

Product development

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

Complaints

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

4.1. Compliance monitoring and testing activities

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

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

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

B. System of governance continued

B.5 Internal audit function

Beazley has established an internal audit function, the purpose of which is to provide independent and objective assessments of the design and operating effectiveness of the system of internal controls covering:
- the integrity of financial statements and reports;
- compliance with laws, regulations and corporate policies; and
- the effective management of risks faced by Beazley in executing its strategic and tactical operating plans.

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

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

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

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

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

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

Independence and objectivity
The internal audit function's independence and objectivity are maintained in a number of ways:
- the Group head of internal audit reports to a non-executive director (the chair of the Beazley plc Audit Committee), and for administrative matters to the Beazley CEO;
- the Beazley Audit Committee annually reviews and approves an internal audit charter that sets out the roles and responsibilities of the Group head of internal audit and the internal audit function;
- the internal audit function is not mandated to undertake any form of business activity and its remit is restricted to assurance and consultation work as set out in the internal audit charter;
- the internal audit plan and budget is approved by the Beazley Audit Committee (a non-executive committee);
- the Group head of internal audit rotates staff between audit assignments to ensure objectivity and independence; and
- the Group head of internal audit must provide annual representations to the Beazley Audit Committee on the ongoing independence and objectivity of the internal audit function.

B. System of governance continued

B.6 Actuarial function

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

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

Board and committee interaction

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

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

B. System of governance continued

B.6 Actuarial function

Interaction with other key functions

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

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

B. System of governance continued

B.7 Outsourcing

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

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

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

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

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

Critical or important outsourced functions

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

Contract name	Description of service	Entity	Legal domicile of service provider
Davies (JMD)	Credit control functions for open market, facilities and Treaty business	Beazley Management Limited (BML)	UK
Endava	Near shore IT Professional Services - resources to deliver IT projects and services.	BML	UK
Risk Management Solutions, Inc	Data cleansing of exposure data	BML	USA
Outsource Insurance Professionals Inc.	Underwriting risk clearance and quote capture	BML	USA
Polo Commercial Insurance Services Limited ("Polo Works")	Services for risk capture, quality control and re-keying of data	BML	UK
Xchanging (Claims)	Processing of Lloyds premium, claims and transactions	BML	UK
Xchanging (Ins-sure)	Policy & claims processing	BML	UK
Globe Life and Accident Insurance Company	Administration of covered services until legacy policies run off	BICI	USA
Pro Global US	Underwriting risk clearance and claims administration support	BUSA	USA
CXIS	Underwriting risk clearance and claims administration support	BUSA	USA
Brighton Management Limited Malaysia	Underwriting administration	Beazley Labuan Limited	Malaysia
Microsoft Limited	Cloud hosting services	BML	UK

B. System of governance continued

B.7 Outsourcing continued

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

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

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

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

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

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

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

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

B.8 Any other information

None.

C. Risk profile

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

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

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

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

C.1 Underwriting risk

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

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

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

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

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

C. Risk profile continued

C.1 Underwriting risk continued

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

One of the largest types of event exposure relates to natural catastrophe events such as windstorms or earthquakes, with the increasing risk from climate change impacting the frequency and severity of natural catastrophes. The Group continues to monitor its exposure in this area. Where possible, the Group measures geographic accumulations and uses its knowledge of the business, historical loss behaviour and commercial catastrophe modelling software to assess the expected range of losses at different return periods. Upon application of the reinsurance coverage purchased, the key gross and net exposures are calculated on the basis of extreme events at a range of return periods. The Group's catastrophe risk appetite is set by the risk management function and approved by the Board, and the business plans of each team are determined within these parameters. The Board may adjust these limits over time as conditions change. In 2024, the Group operated to a catastrophe risk appetite for a probabilistic 1-in-250-year US event of † $578.0m (2023: $534.0m) net of reinsurance. This represents an increase of 8% in 2024.

Lloyd's has also defined its own specific set of RDS events for which all syndicates with relevant exposures must report. Of these, the three largest (net of reinsurance) events which could have impacted Beazley in 2023 and 2024 were as follows.

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

1 Probable market loss.

† 2023	Modelled PML[1](before reinsurance)	Modelled PML[1](after reinsurance)
Lloyd's prescribed natural catastrophe event (total incurred losses)	$m	$m
Los Angeles earthquake (2023: $78bn)	827.2	325.1
San Francisco earthquake (2023: $80bn)	854.1	315.0
Gulf of Mexico windstorm (2023: $118bn)	927.5	291.3

1 Probable market loss.

† The tables above show each event independent of each other and considered on their own.
- Net of reinsurance exposures for the Los Angeles quake scenario have increased by $85.3m or 26.2% in 2024, with gross exposures increasing by $125.7m or 15.2%. The increase in gross exposures is being driven by growth in the Property Risks division and specifically direct Property, which is also leading to the increase in the Northeast windstorm and Gulf of Mexico windstorm events. The increase in net exposure is less than the increase in gross as additional Reinsurance was bought during 2024 for the Property Risks division.
- For 2024, the second largest scenario remains as being the San Francisco earthquake scenario, with net of reinsurance exposure increasing by $74.8m or 23.7% in 2024, with gross exposures increasing by $119.9m or 14.0%. Similar to the Los Angeles quake scenario, the increase in net exposure is less than gross as additional reinsurance was bought during 2024.
- Windstorm exposures have increased in the Gulf of Mexico during 2024, which has resulted in the Gulf of Mexico scenario increasing by $83.5m or 28.7% net, with the gross exposure increasing by $147.8m or 15.9%. Similar to the two earthquake scenarios, the net exposure has increased less than gross due to additional Reinsurance being bought for the Property Risks division.
- The net natural catastrophe risk appetite increased by 8.2% in 2024 to $578.0m from $534.0m in 2023, with the increase in appetite being driven by the Property Risks division.

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

C. Risk profile continued

C.1 Underwriting risk continued

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

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

† (in relation to the tables presented on page 42)

The reinsurance programmes that protect the Cyber and Specialty Risks divisions would partially mitigate the cost of most, but not all, cyber catastrophes. The largest cyber net realistic disaster scenario for the Group as at 31 December 2024 was just under $187.0m. Beazley also reports on cyber exposure to Lloyd's using the three largest internal realistic disaster scenarios and three prescribed scenarios, which include a cloud provider scenario and a ransomware scenario.

Exposure by operating division

In 2024, the Group's business consisted of five operating divisions. The following table sets out the Group's insurance revenue by operating division.

	2024 %	2023 %
Cyber Risks	20%	22%
Digital	4%	4%
MAP Risks	16%	19%
Property Risks	27%	20%
Specialty Risks	33%	35%
Total	**100%**	**100%**

Concentration by geography

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

	2024 %	2023 %
UK (Lloyd's)	78%	83%
US (Non-Lloyd's)	15%	11%
Europe (Non-Lloyd's)	7%	6%
Total	**100%**	**100%**

Sensitivity analysis

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

	Profit after tax/IFRS Equity[1]		Profit after tax/IFRS Equity[1]	
	Gross 2024 $m	Net 2024 $m	Gross 2023 $m	Net 2023 $m
Reserves (5% increase)	(299.5)	(215.8)	(289.4)	(179.6)
Reserves (5% decrease)	299.0	215.4	287.7	178.0

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

C. Risk profile continued

C.1 Underwriting risk continued

a) Reinsurance risk
Reinsurance risk arises for the Group where reinsurance contracts put in place to reduce gross insurance risk do not perform as anticipated, resulting in coverage disputes or proving inadequate in terms of the vertical or horizontal limits purchased. Failure of a reinsurer to pay a valid claim is considered a credit risk, which is detailed in the credit risk section on pages 48 to 50.
In some cases, the Group deems it more economic to hold capital than to purchase reinsurance. These decisions are regularly reviewed. The Reinsurance Security Committee examines and approves all reinsurers to ensure that they possess suitable security. The Group's ceded reinsurance team ensures that these guidelines are followed, undertakes the administration of reinsurance contracts, and monitors and instigates our responses to any erosion of the reinsurance programmes.

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

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

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

	Profit after tax/IFRS Equity[1]		Profit after tax /IFRS Equity[1]	
	Gross 2024 $m	Net 2024 $m	Gross 2023 $m	Net 2023 $m
Change in risk adjustment (2.5% increase)	(77.5)	(60.8)	(80.0)	(57.9)
Change in risk adjustment (2.5% decrease)	71.0	55.8	78.5	56.7

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

C.2 Market Risk

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

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

The Group's investment strategy is developed with reference to an investment risk appetite, approved annually by the Board. The asset risk element of our Solvency II internal model is used to monitor actual investment risk against this appetite, which specifies the worst-case return at a 12-month horizon relative to a risk-free portfolio, at 90% confidence. The risk-free portfolio is a blend of government bonds that match Beazley's liability value and term structure, and short-dated government bills, equal to the value of non-matching assets. The investment risk appetite was set at 2.6% of invested assets for 2025.

C. Risk profile continued

C.2 Market Risk continued

b) Foreign exchange risk

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

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

In 2024, the Group managed its foreign exchange risk by periodically assessing its non-dollar exposures and hedging these to a tolerable level while targeting to have net assets that are predominantly denominated in US dollars. As part of this hedging strategy, exchange rate derivatives were used to rebalance currency exposure across the Group. Details of foreign currency derivative contracts entered into with external parties are disclosed in Note 18 of the Beazley plc Annual report and accounts 2024. On a forward-looking basis, an assessment is made of expected future exposure development and appropriate currency trades are put in place to reduce risk. The Group's underwriting capital is matched by currency to the principal underlying currencies of its insurance transactions. This helps to mitigate the risk that the Group's capital required to underwrite business is materially affected by any future movements in exchange rates.

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

Exposure and risk concentrations by currency

The following tables summarise the carrying values of the insurance/reinsurance contract assets and liabilities and overall net assets held by the Group on an IFRS basis, categorised by its main currencies. For a breakdown of financial assets by currency, refer to Note 17(g) of the Annual report and accounts 2024.

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

2023	UK £ $m	CAD $ $m	EUR € $m	Subtotal $m	US $ $m	Total $ $m
Insurance contract assets	2.4	13.6	(3.6)	12.4	89.1	101.5
Reinsurance contract assets	243.1	37.0	166.4	446.5	1,980.2	2,426.7
Other	574.8	257.8	69.2	901.8	10,235.4	11,137.2
Total assets	**820.3**	**308.4**	**232.0**	**1,360.7**	**12,304.7**	**13,665.4**
Insurance contract liabilities	(804.4)	(229.0)	(782.3)	(1,815.7)	(6,176.5)	(7,992.2)
Reinsurance contract liabilities	(31.2)	(0.6)	(7.7)	(39.5)	(294.0)	(333.5)
Other	(69.1)	20.7	441.0	392.6	(1,850.2)	(1,457.6)
Total liabilities	**(904.7)**	**(208.9)**	**(349.0)**	**(1,462.6)**	**(8,320.7)**	**(9,783.3)**
Net assets	**(84.4)**	**99.5**	**(117.0)**	**(101.9)**	**3,984.0**	**3,882.1**

C. Risk profile continued

C.2 Market risk continued

b) Foreign exchange risk continued

Sensitivity analysis

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

	Profit after tax		IFRS Equity	
	2024	2023	2024	2023
Change in exchange rate of sterling, Canadian dollar and euro relative to US dollar	$m	$m	$m	$m
Dollar weakens (30%)	(22.4)	(25.0)	81.1	45.2
Dollar weakens (20%)	(15.0)	(16.7)	54.0	30.1
Dollar weakens (10%)	(7.5)	(8.3)	27.0	15.1
Dollar strengthens (10%)	7.5	8.3	(27.0)	(15.1)
Dollar strengthens (20%)	15.0	16.7	(54.0)	(30.1)
Dollar strengthens (30%)	22.4	25.0	(81.1)	(45.2)

c) Interest rate risk

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

Exposure and risk concentrations by duration

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

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

1 Fair value through profit or loss.

	<1 yr	1-2 yrs	2-3 yrs	3-4 yrs	4-5 yrs	5-10 yrs	Total
2023	$m	$m	$m	$m	$m	$m	$m
Financial assets at FVTPL[1]:							
- Fixed and floating rate debt securities	2,499.9	3,123.8	1,214.6	1,419.5	229.1	49.5	8,536.4
- Syndicate loans	7.6	26.5	—	—	—	—	34.1
Cash and cash equivalents	812.3	—	—	—	—	—	812.3
Subordinated debt	—	—	(249.5)	—	—	(298.8)	(548.3)
Total financial instruments	**3,319.8**	**3,150.3**	**965.1**	**1,419.5**	**229.1**	**(249.3)**	**8,834.5**

1 Fair value through profit or loss.

C. Risk profile continued

C.2 Market risk continued

c) Interest rate risk continued

Sensitivity analysis

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

	Profit after tax/IFRS Equity[1]	
	2024	2023
Insurance and reinsurance contracts	$m	$m
Interest rate increases (150 bps)	123.4	114.3
Interest rate increases (100 bps)	83.2	77.1
Interest rate increases (50 bps)	42.1	39.1
Interest rate decreases (50 bps)	(43.2)	(40.0)
Interest rate decreases (100 bps)	(87.5)	(81.0)
Interest rate decreases (150 bps)	(133.0)	(123.0)

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

	Profit after tax/IFRS Equity[1]	
	2024	2023
Financial assets	$m	$m
Interest rate increases (150 bps)	(181.3)	(190.6)
Interest rate increases (100 bps)	(120.9)	(127.1)
Interest rate increases (50 bps)	(60.4)	(63.5)
Interest rate decreases (50 bps)	60.4	63.5
Interest rate decreases (100 bps)	120.9	127.1
Interest rate decreases (150 bps)	181.3	190.6

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

d) Price risk

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

Price risk applies to financial assets that are susceptible to losses due to adverse changes in prices. At the reporting date, the Group's exposure to price risk was $1,276.1m (2023: $1,085.0m). This comprises hedge funds, equity investments and illiquid assets, with no significant concentrations in one area. Note that the price of debt securities is affected by interest rate risk and credit risk, both of which have been described above. In addition, the Group does not have any insurance or reinsurance contracts which are exposed to price risk.

Sensitivity analysis

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

C. Risk profile continued

C.2 Market risk continued

d) Price risk continued

	Profit after tax/IFRS Equity[1]	
	2024	2023
	$m	$m
Fair value increases (30%)	304.0	266.6
Fair value increases (20%)	202.7	177.7
Fair value increases (10%)	101.3	88.9
Fair value decreases (10%)	(101.3)	(88.9)
Fair value decreases (20%)	(202.7)	(177.7)
Fair value decreases (30%)	(304.0)	(266.6)

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

A 10% decrease in the fair value of the Group's level 3 financial assets would have an impact of ($23.0m) on profit after tax/equity (2023: ($20.8m)).

C.3 Credit Risk

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

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

An approval system exists for brokers with their credit and performance monitored. The Investment Committee has established parameters for investment managers regarding the type, duration and quality of investments, including credit ratings acceptable to the Group. The performance of investment managers is regularly reviewed to confirm adherence to these guidelines.
The Group has developed processes to examine all reinsurers before entering into new business arrangements, and ongoing relationships with Beazley are continually assessed. In addition, reinsurance recoverables are reviewed regularly to assess their collectability.

2024	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

C. Risk profile continued

C.3 Credit risk continued

Maximum exposure

The following tables summarise the Group's maximum exposure to credit risk by reinsurance contract assets and financial assets.

2024	Tier 1 $m	Tier 2 $m	Tier 3 $m	Tier 4 $m	Unrated $m	Total $m
Reinsurance contracts assets	2,584.9	—	—	—	81.7	2,666.6
Financial assets at FVTPL:						
- Fixed and floating rate debt securities	7,354.0	1,691.3	—	—	248.5	9,293.8
- Syndicate loans	29.5	—	—	—	—	29.5
- Equity funds	—	—	—	—	348.7	348.7
- Hedge funds	—	—	—	—	752.0	752.0
- Illiquid assets	—	—	—	—	175.4	175.4
- Derivative financial assets	—	—	—	—	11.2	11.2
Cash and cash equivalents	882.1	—	—	—	—	882.1
Amounts due from managed syndicates and other receivables	—	—	—	—	598.2	598.2
Total	**10,850.5**	**1,691.3**	**—**	**—**	**2,215.7**	**14,757.5**

2023	Tier 1 $m	Tier 2 $m	Tier 3 $m	Tier 4 $m	Unrated $m	Total $m
Reinsurance contracts assets	2,387.5	—	—	—	39.2	2,426.7
Financial assets at FVTPL:						
- Fixed and floating rate debt securities	7,101.7	1,434.7	—	—	—	8,536.4
- Syndicate loans	34.1	—	—	—	—	34.1
- Equity funds	—	—	—	—	282.7	282.7
- Hedge funds	—	—	—	—	582.2	582.2
- Illiquid assets	—	—	—	—	220.1	220.1
- Derivative financial assets	—	—	—	—	10.0	10.0
Cash and cash equivalents	812.3	—	—	—	—	812.3
Amounts due from managed syndicates and other receivables	—	—	—	—	297.5	297.5
Total	**10,335.6**	**1,434.7**	**—**	**—**	**1,431.7**	**13,202.0**

The Group's maximum exposure to credit risk from insurance contract assets is $20.2m (2023: $101.5m). Overall exposure to credit risk is concentrated within Tier 1, with the largest counterparty being $2,910.7m of US treasuries (2023: $3,258.7m).

Financial investments falling within the unrated category are those for which there is no readily available market data to allow classification within the respective tiers.

Credit quality of reinsurance contract assets

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

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

C. Risk profile continued

C.3 Credit risk continued

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

2023	Up to 30 days past due $m	30-60 days past due $m	60-90 days past due $m	Greater than 90 days past due $m	Total $m
Reinsurance recoveries	61.3	57.5	4.1	54.9	177.8

C.4 Liquidity risk

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

The Group's approach is to manage its liquidity position so that it can reasonably survive a significant individual or market loss event (details of the Group's exposure to RDS are provided on pages 41 to 43). This means that the Group maintains sufficient liquid assets, or assets that can be converted into liquid assets at short notice and without any significant capital loss, to meet expected cash flow requirements. These liquid funds are regularly monitored using cash flow forecasting to ensure that surplus funds are invested to achieve a higher rate of return. The Group also makes use of loan facilities and subordinated liabilities, details of which can be found in section E. Capital Management. Further information on the Group's capital resources can also be found in section E. Capital Management.

Maturity analysis – Insurance and reinsurance contracts

Included below is a maturity analysis of the estimated timing of the present value of future cash flows of the Group's net insurance contract liabilities (per Note 27a of the Beazley plc Annual report and accounts 2024). The tables also include the weighted average term to settlement, calculated based on undiscounted future cash flows for total ultimate claims, excluding the risk adjustment and premium-related claims cash flows.

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

2023	<1 year $m	1-2 years $m	2-3 years $m	3-4 years $m	4-5 years $m	>5 years $m	Total $m	Weighted average term to claims settlement Years
Cyber Risks	503.0	372.8	214.5	116.0	56.7	64.8	1,327.8	1.9
Digital	65.6	44.5	21.7	10.8	5.2	6.6	154.4	1.5
MAP Risks	344.5	232.3	130.4	71.0	37.9	50.0	866.1	1.7
Property Risks	510.3	247.5	93.9	39.6	18.8	21.0	931.1	1.2
Specialty Risks	796.9	884.1	677.1	453.2	280.1	399.9	3,491.3	2.6
Net insurance contract liabilities	**2,220.3**	**1,781.2**	**1,137.6**	**690.6**	**398.7**	**542.3**	**6,770.7**	**2.1**

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

C. Risk profile continued

C.3 Liquidity risk continued

Maturity analysis – Insurance and reinsurance contracts continued

Included below is a maturity analysis of the estimated timing of the present value of future cash flows of the Group's net reinsurance contract assets (per Note 27a of the Beazley plc Annual report and accounts 2024). The tables also include the weighted average term to settlement for claims recoveries, calculated based on undiscounted future cash flows for total ultimate claims, excluding the risk adjustment and premium-related cash flows.

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

2023	<1 year $m	1-2 years $m	2-3 years $m	3-4 years $m	4-5 years $m	>5 years $m	Total $m	Weighted average term to settlement of claims recoveries Years
Cyber Risks	(51.4)	169.3	94.6	51.4	24.3	26.5	314.7	1.7
Digital	(11.4)	9.3	4.5	1.9	0.9	0.9	6.1	1.5
MAP Risks	(70.4)	61.7	52.3	30.7	18.2	25.6	118.1	1.5
Property Risks	104.4	59.2	27.0	15.6	3.4	5.3	214.9	1.1
Specialty Risks	75.8	336.5	249.7	167.7	105.9	149.6	1,085.2	2.8
Net reinsurance contract assets	**47.0**	**636.0**	**428.1**	**267.3**	**152.7**	**207.9**	**1,739.0**	**2.0**

Maturity analysis – Total liabilities

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

2024	<1 year $m	1-2 years $m	2-3 years $m	3-4 years $m	4-5 years $m	>5 years $m	Total $m
Net insurance contract liabilities	2,537.6	1,970.1	1,236.9	743.2	425.4	587.6	7,500.8
Reinsurance contract liabilities	—	—	—	—	—	—	—
Financial liabilities:	—	—	—	—	—	—	—
- Derivative financial liabilities	27.3	—	—	—	—	—	27.3
- Subordinated debt	31.20	278.90	16.50	16.50	311.40	—	654.50
Lease liabilities	11.60	10.50	9.30	8.70	7.50	28.60	76.20
Other liabilities	642.80	—	—	—	—	—	642.80
Total liabilities	**3,250.5**	**2,259.5**	**1,262.7**	**768.4**	**744.3**	**616.2**	**8,901.6**

2023	<1 year $m	1-2 years $m	2-3 years $m	3-4 years $m	4-5 years $m	>5 years $m	Total $m
Net insurance contract liabilities	2,220.3	1,781.2	1,137.6	690.6	398.7	542.3	6,770.7
Reinsurance contract liabilities	—	—	—	—	—	—	—
Financial liabilities:	—	—	—	—	—	—	—
- Derivative financial liabilities	6.3	—	—	—	—	—	6.3
- Subordinated debt	31.20	31.20	278.90	16.50	16.50	311.40	685.70
Lease liabilities	13.50	10.30	9.20	8.20	7.70	32.60	81.50
Other liabilities	610.51	—	—	—	—	—	610.51
Total liabilities	**2,881.8**	**1,822.7**	**1,425.7**	**715.3**	**422.9**	**886.3**	**8,154.7**

C. Risk profile continued

C.4 Liquidity risk continued

Maturity analysis – Financial assets

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

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

2023	<1 year $m	1-2 years $m	2-3 years $m	3-4 years $m	4-5 years $m	>5 years $m	Total $m
Financial assets at FVTPL:	—	—	—	—	—	—	—
- Fixed and floating rate debt securities	2,014.6	3,061.5	1,336.2	929.6	1,045.3	149.2	8,536.4
- Syndicate loans	7.6	26.5	—	—	—	—	34.1
- Derivative financial assets	10.0	—	—	—	—	—	10.0
Cash and cash equivalents	812.3	—	—	—	—	—	812.3
Amounts due from managed syndicates	297.5	—	—	—	—	—	297.5
Total financial assets	**3,142.0**	**3,088.0**	**1,336.2**	**929.6**	**1,045.3**	**149.2**	**9,690.3**

Our capital growth assets have no defined maturity dates and have thus been excluded from the above maturity table. However, all $348.7m (2023: $282.7m) of equity funds could be liquidated within two weeks, $593.2m (2023: $440.2m) of hedge fund assets within six months and the remaining $158.8m (2023: $142.0m) of hedge fund assets within 18 months, in normal market conditions. Illiquid assets are not readily realisable and principal will be returned over the life of these assets, which may be up to 12 years. The Group makes regular interest payments for its subordinated debt. Further details are provided in Notes 11 and 25 of the Beazley plc Annual report and accounts 2024.

C. Risk profile continued

C.5 Operational Risk

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

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

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

Operational risks are actively managed and mitigated where appropriate through the implementation of the Group's Risk Management Framework (RMF). Key components of the RMF include:

- Modelling of operational risk exposure and scenario testing;
- Risk and Controls Self-Assessments;
- Management oversight and review of activities;
- Documented policies and procedures;
- Preventive and detective controls within key processes;
- Risk incident tracking and escalation;
- Emerging risk analysis; and
- Contingency planning.

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

C.6 Other material risks

a) Strategic risk

This is the risk of loss resulting from ineffective strategic direction and implementation that leads to inadequate profitability, insufficient capital, financial loss and/or reputational damage.

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

The Group has been evolving its corporate governance framework and arrangements to better align to its business model across its three platforms. This aims to reflect a global underwriting-led business model while ensuring a successful intersection with Beazley's three strategic platforms (North America, Europe and Lloyd's Wholesale) and its principal regulated subsidiaries.

C. Risk profile continued

C.6 Other material risks continued

b) Regulatory and legal risk

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

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

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

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

Beazley is implementing a horizon scanning service to support in-house activity to identify relevant regulatory and legal matters and emerging policy so the business can consider their potential impacts on the business.

Regulatory changes are monitored on a continuous basis, and compliance strategies are updated to reflect evolving legal landscapes.

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

- Central Bank of Ireland;
- Lloyd's of London;
- Financial Conduct Authority;
- Prudential Regulation Authority; and
- Connecticut Insurance Department

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

In addition, key staff, particularly those who hold defined roles with regulatory requirements, maintain regular dialogue with both regulators and non-executive directors and all have experience of contact with regulators from other business relationships.

c) 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 culture.

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

Culture risk: is the risk arising from a deterioration in culture which leads to inappropriate behaviour, actions and/or decisions including dilution of culture or negative impact on the Group brand. Risk culture is a sub-component of culture and Beazley's Group risk culture is grounded in principles of transparency, accountability and awareness. Beazley takes great pride in its culture, placing significant emphasis on its risk culture. This is assessed and monitored through a combination of annual employee surveys and KRIs. Additionally, ongoing efforts are being made to review and refresh Beazley's risk culture framework to ensure it remains up-to-date and aligned with its risk strategy.

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

C. Risk profile continued

C.7 Any other information

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

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

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

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

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

First line of defense
Capital modelling team with controls including:
- formal governance through committees;
- governance through the knowledge requirements of an internal model (KRAM) process; and
- in team testing process.

Second line of defense
Risk management with controls including:
- execution of a robust independent validation process; and
- control monitoring and reporting.

Third line of defense
Internal audit with controls including:
- conducting reviews of the validation framework and process.

Features of Beazley's governance include:
- incorporation into the existing governance structure with clear accountability;
- overlap of members on the various committees;
- training programme for the internal model and the KRAM process i.e. executive and non-executive director;
- transparency of internal model limitations;
- internal model control mechanisms; and
- use of external review.

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

D. Valuation for solvency purposes

Basis of presentation

The Group uses method 1 (as referred to in Article 230 of Directive 2009/138/EC) to calculate Group solvency meaning that the solvency returns are based on consolidated data for the Group.

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

Basis of presentation of Beazley plc's 2024 Group Solvency II Balance Sheet

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

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

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

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

The Group's Lloyd's corporate member BUL retains any profits from the syndicates to which it provides capacity not reinsured to BIdac. The Group provides capacity to syndicates 2623, 3623, 3622, 10% on syndicate 4321 for the 2022 to 2023 years of account, and approximately 18% and 20% on syndicate 5623 for the 2023 and 2024 years of account respectively. In addition, it provides approximately 9% of capacity to 623 for all open years of account via BSUL in order to facilitate a staff participation plan.

BUL, BSUL and BC3L do not meet the definition of an insurance undertaking under Solvency II regulations. The net assets of BUL, BSUL and BC3L on a Solvency II basis have therefore been accounted for using the adjusted equity method in the Group Solvency II balance sheet and are included in the participations line.

Material Intra-Group Reinsurance

BIdac reinsures BUL, providing aggregate excess of loss cover for syndicates 2623 and 3623. BUL effectively cedes 65% of the final declared result of its participation on each year of account in syndicates 2623 and 3623. This is subject to a $2.6m profit retention within BUL and a $2.6m excess of loss. In the event that the declared result is a loss, the extent of the reinsurance is limited so the loss cannot exceed 65% of the FAL, which is posted by BIdac, to support the underwriting of syndicates 2623 and 3623. For the 2022 year of account BUL ceded 75% of the final declared result (less a retention of $3.0m) of its participation in syndicates 2623 and 3623 to BIdac.

The reinsurance contract was renewed for the 2025 underwriting year by BIdac and BUL in December 2024. The change to the main terms of the contract is an adjustment to the profit and overrider commissions.

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

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

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

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

D. Valuation for solvency purposes continued

Basis of presentation continued

Differences between Group statutory and Solvency II Balance Sheets

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

The details of the 2024 presentation and valuation differences between the Group IFRS and Solvency II balance sheets are set out below and further discussed in D.1, D.2 and D.3.

Assets	Statutory value $m	Reclassification adjustment $m	Other presentational $m	Solvency II valuation adjustment $m	Solvency II value $m
Goodwill	62.0	–	–	(62.0)	–
Intangible assets	136.0	(31.4)	–	(104.6)	–
Deferred tax assets	191.8	(12.2)	–	(139.0)	40.6
Pension benefit surplus	4.0	–	–	–	4.0
Property, plant & equipment held for own use	78.7	–	–	(13.7)	65.0
Investments (other than assets held for index-linked and unit-linked contracts):					
Holdings in related undertakings, including participations	27.9	2,417.9	–	(1,482.0)	963.8
Equities - unlisted	29.5	(29.5)	–	–	–
Government Bonds	3,841.4	(2,238.9)	–	–	1,602.5
Corporate Bonds	3,432.1	(1,992.4)	–	–	1,439.7
Collateralised securities	480.0	(355.5)	–	–	124.5
Collective Investment Undertakings	1,859.9	(1,427.0)	–	–	432.9
Derivatives	11.1	(10.3)	–	–	0.8
Deposits other than cash equivalents	68.1	(68.1)	–	–	–
Insurance and reinsurance contract assets[1]	2,686.8	(1,676.5)	(317.3)	(693.0)	–
Reinsurance recoverables non-life excluding health	–	–	–	248.8	248.8
Reinsurance recoverables health similar to non-life	–	–	–	19.1	19.1
Insurance and intermediaries receivables	–	–	–	91.2	91.2
Reinsurance receivables	–	–	–	452.2	452.2
Receivables (trade, not insurance)	264.9	(2,861.0)	–	2,858.7	262.6
Own shares (held directly)[2]	–	61.7	–	33.0	94.7
Cash and cash equivalents	1,743.0	(1,182.8)	–	–	560.2
Any other assets, not elsewhere shown	501.8	2,448.9	–	(2,117.2)	833.5
Total assets	**15,419.0**	**(6,957.1)**	**(317.3)**	**(908.5)**	**7,236.1**
Technical provisions					
Insurance and reinsurance contract liabilities[1]	9,111.4	(6,464.4)	(317.3)	(2,329.7)	–
Best estimate – non-life (excluding health)	–	–	–	104.2	104.2
Risk margin – non-life (excluding health)	–	–	–	165.9	165.9
Best estimate – health (similar to non-life)	–	–	–	17.2	17.2
Risk margin – health (similar to non-life)	–	–	–	–	–
Total technical provisions	**9,111.4**	**(6,464.4)**	**(317.3)**	**(2,042.4)**	**287.3**
Liabilities					
Deferred tax liabilities	387.2	(365.0)	–	133.8	156.0
Derivatives	27.3	(10.4)	–	–	16.9
Subordinated liabilities in basic own funds	548.7	7.6	–	(4.1)	552.2
Insurance payables	–	–	–	195.0	195.0
Payables (trade, not insurance)	496.1	(351.2)	–	(10.1)	134.8
Any other liabilities, not elsewhere shown	241.5	164.6	–	334.3	740.4
Total other liabilities, excluding technical provisions	**1,700.8**	**(554.4)**	**–**	**648.9**	**1,795.3**
Excess assets over liabilities	**4,606.8**	**61.7**	**–**	**485.0**	**5,153.5**

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

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

D. Valuation for solvency purposes continued

D.1 Assets

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

Goodwill and intangible assets

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

Deferred tax assets

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

The Group does not have any unused tax losses (2023: nil) for which a deferred tax asset has not been recognised.

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

Pension benefit surplus

The Group operates a defined benefit pension plan for its employees that is now closed to future service accruals. The net pension surplus is measured at the present value of the estimated future net cash flows and is stated net of plan assets in accordance with IAS 19. The same valuation basis has been applied to both the statutory and Solvency II balance sheet. More information can be found in note 16 to financial statements of the Beazley plc Annual report and accounts 2024.

Property, plant & equipment held for own use

Property, plant and equipment comprise of:
- computer equipment and furniture and fittings for own use, recorded at costs less accumulated depreciation and impaired losses in the statutory balance sheet, which are considered not to be materially different from fair value; and
- right-of-use assets recognised and valued in accordance with IFRS 16 (refer to note 26 of the Beazley plc Annual report and accounts 2024).

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

Investments

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

Level 1 – valuations based on quoted prices in active markets for identical instruments. An active market is a market in which transactions for the instrument occur with sufficient frequency and volume on an ongoing basis such that quoted prices reflect prices at which an orderly transaction would take place between market participants at the measurement date. Included within level 1 are government bonds, corporate bonds and equity funds which are measured based on quoted prices in active markets. Assets are valued using the bid price;
Level 2 – valuations based on quoted prices in markets that are not active, or based on pricing models for which significant inputs can be corroborated by observable market data (e.g. interest rates, exchange rates). Included within level 2 are government bonds, corporate bonds, collateralised loan obligations and hedge funds; and
Level 3 – valuations based on inputs that are unobservable or for which there is limited market activity against which to measure fair value.

The valuations of the investments categorised in the fair value hierarchy above are consistent with information reported in note 17 (financial assets and liabilities) of the Beazley plc Annual report and accounts 2024.

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

D. Valuation for solvency purposes continued

D.1 Assets continued

Holdings in related undertakings, including participations

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

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

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

Reinsurance contract assets/Reinsurance recoverables

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

Insurance contract assets/Insurance and intermediaries receivables

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

Receivables (trade, not insurance)

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

Own shares (held directly)

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

Cash and cash equivalents

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

Any other assets, not elsewhere shown

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

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

D. Valuation for solvency purposes continued

D.2 Technical provisions

All amounts $m Solvency II line of business	Undiscounted Net technical provisions ex risk margin	Risk margin	Net technical provisions inc risk margin	Discounted Net technical provisions ex risk margin	Risk margin	Net technical provisions inc risk margin
Non-proportional casualty reinsurance	(1,563.3)	86.0	(1,477.3)	(1,463.1)	86.0	(1,377.1)
General liability insurance	1,189.3	62.3	1,251.6	1,073.9	54.9	1,128.8
Income protection insurance	(2.2)	–	(2.2)	(2.1)	–	(2.1)
Marine, Aviation & Transport	41.2	2.9	44.1	37.7	2.7	40.4
Non-proportional property reinsurance	27.0	1.0	28.0	26.0	0.9	26.9
Credit & Suretyship	23.0	1.7	24.7	19.4	1.4	20.8
Fire & Other damage to property insurance	170.1	21.7	191.8	156.4	19.7	176.1
Non-proportional health reinsurance	0.2	–	0.2	0.2	–	0.2
Miscellaneous financial loss	5.3	0.2	5.5	5.1	0.2	5.3
Total	**(109.4)**	**175.9**	**66.5**	**(146.5)**	**165.9**	**19.4**

The technical provisions for the Group comprise of:

- The BIdac aggregate excess of loss reinsurance protection of BUL (intra-group reinsurance), which is classified as non-proportional casualty reinsurance;
- The non-life insurance and third-party reinsurance business which BIdac writes. The insurance business written to date includes general liability, fire & other damage to property, marine, aviation & transport, miscellaneous financial loss, as well as credit & suretyship. Some third-party reinsurance has also been written, and classified as non-proportional property reinsurance, non-proportional casualty reinsurance and non-proportional health reinsurance. At year end 2024 the business written includes technical provisions relating to the reinsurance of treaty business from syndicates 623 and 2623;
- The net technical provisions for BICI, which are within all of the insurance Solvency II lines of business in the table above. These include the BICI reserves transferred from BICI to BNCC on older accident years. There are no net technical provisions, at a Group level, for BNCC due to its reinsurance arrangement with BICI;
- The net technical provisions relating to business written by BESI which started issuing quotes for business from 1st January 2024. The insurance business written to date includes general liability, credit and suretyship, and fire & other damage to property; and
- The net technical provisions of BAIC. On the 2022 and prior underwriting years there are no net technical provisions for BAIC due to its 100% reinsurance arrangement with BICI; however, for the 2023 and 2024 underwriting years 20% of the BAIC gross technical provisions are retained within BAIC and contribute to the Group total.

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

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

BUL Intra-group reinsurance

Overview of reinsurance contract

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

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

The Solvency II net technical provisions (including the risk margin) for the intra-group reinsurance business amount to ($1,378.4m).

D. Valuation for solvency purposes continued

D.2 Technical provisions continued

Bases, methods and main assumptions used for valuation for solvency purposes - BUL Intra-group reinsurance
The bases, methods and main assumptions used for valuation for solvency purposes are as follows:
The expected profit/loss of the underlying BUL business reinsured forms the largest component of the technical provisions. The expected profit/loss is the total of the following:

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

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

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

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

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

Unincepted business is defined as policies that have not yet incepted, but to which Beazley's insurance entities are legally obliged at the valuation date. The 2025 reinsurance contract between BIdac and BUL which incepted on 1 January 2025 has been included within the technical provisions as it was signed in December 2024.

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

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

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

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

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

D. Valuation for solvency purposes continued

D.2 Technical provisions continued

Changes in methodology/assumptions since the previous reporting period - BUL Intra-group reinsurance
The methodology underlying the calculations has not changed since the previous period.

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

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

BESI started quoting for new business from 1st January 2024. The business written predominantly comprises of fire & other damage to property and general liability.

The Solvency II net technical provisions (including the risk margin) for direct business, third party reinsurance and internal proportional reinsurance amount to $1,398m.

Bases, methods and main assumptions used for valuation for solvency purposes - Direct business, third party reinsurance & internal proportional reinsurance
The bases, methods and main assumptions used for valuation for solvency purposes are as follows:

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

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

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

At year end 2024, the BIdac BBNI premium provision for reinsurance was negative. This was driven by the assumption that reinsurance premiums will exceed claim recoveries and the fact that for some contracts the outwards premium payables cover the full subsequent period, compared to the expected recoveries only on the unincepted gross business. The 2025 reinsurance contract covering the reinsurance of treaty business from syndicates 623 and 2623 which incepted on 1 January 2025 has been included within the BBNI for BIdac at the valuation date as it was signed in December 2024.

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

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

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

D. Valuation for solvency purposes continued

D.2 Technical provisions continued

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

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

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

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

At a macro level, the key area of downside risk is in the reserving assumptions used to derive the best estimate reserves. Claims experience may be worse than expected because of adverse claim frequency and/or severity or the systemic inadequacy of premium rates. Additionally, for the BIdac business, the lack of actual claims development history means that an approximation of the expected performance of this business has had to be used.

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

There have been no significant methodology/ assumption changes since the year end 2023.

Statutory reserves vs Solvency II technical provisions

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

	Statutory value $m	Reclassification adjustment $m[1]	Other presentational $m	Solvency II valuation adjustment $m	Solvency II value $m	Solvency II Balance Sheet description
Insurance and reinsurance contract liabilities	**9,111.4**	**(6,464.4)**	**(317.3)**	**(2,329.7)**	**–**	Technical provisions[2]
Technical provisions - non-life (excluding health)				**270.1**	**270.1**	
Best estimate				104.2	104.2	
Risk margin				165.9	165.9	
Technical provisions - health (similar to non-life)				**17.2**	**17.2**	
Best estimate				17.2	17.2	
Risk margin				–	–	

	Statutory value $m	Reclassification adjustment $m	Other presentational $m	Solvency II valuation adjustment	Solvency II value $m	Solvency II Balance Sheet description
Insurance and reinsurance contract assets	**2,686.8**	**(1,676.5)**	**(317.3)**	**(693.0)**	**–**	Reinsurance recoverables[2]
Non-life and health similar to non-life				**267.9**	**267.9**	
Non-life excluding health				248.8	248.8	
Health similar to non-life				19.1	19.1	

1 Adjustment for changes in consolidation between IFRS and Solvency II (see section D, ‘Basis of presentation of Beazley plc's 2024 Group Solvency II Balance Sheet’).

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

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

- the statutory reserves holds a contractual service margin as a liability, deferring profit within the unearned risk whereas the Solvency II technical provisions allow for a best estimate on both the earned and unearned portions of the business written;
- within Solvency II technical provisions, there is an explicit allowance for premiums and claims on bound but not incepted contracts which are not recognised within the statutory reserves except for where the business is onerous. As a result, the 2025 reinsurance contract between BIdac and BUL and 2025 reinsurance contract between BIdac and 623 / 2623 on its treaty business, both of which incept on 1 January 2025 have been included within the Solvency II technical provisions as they were signed in December 2024;
- the Solvency II technical provisions and IFRS 17 insurance contract liabilities use different discount rates, with the IFRS 17 discount rate consisting of a risk free rate sourced from Moody's with an illiquidity premium while Solvency II uses the prescribed EIOPA risk free rate;

D. Valuation for solvency purposes continued

D.2 Technical provisions continued

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

Other items

The matching adjustment referred to in Article 77b of Directive 2009/138/EC is not applied.
The volatility adjustment referred to in Article 77d of Directive 2009/138/EC is not used.
The transitional risk-free interest rate-term structure referred to Article 308c of Directive 2009/138/EC is not applied.
The transitional deduction referred to in Article 308d of Directive 2009/138/EC is not applied.

D.3 Other liabilities

Deferred tax liabilities

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

Derivatives

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

Subordinated liabilities

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

Payables (trade, not insurance)

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

Any other liabilities, not elsewhere shown

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

D.4 Alternative methods for valuation

The valuation hierarchy for investments is discussed in section D.1 above. An alternative method of valuation has been adopted for the level 3 financial assets where observable inputs are not available. Refer to note 17 (Financial assets and liabilities) of the Beazley plc Annual report and accounts 2024 for further details.

D.5 Any other information

Lease arrangements

The operating lease arrangements relate to land and buildings. Refer to page 224 of the Beazley plc Annual report and accounts 2024 for further details.

E. Capital management

E.1 Own funds

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

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

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

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

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

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

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

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

	Total $m	Tier 1 $m	Tier 2 $m	Tier 3 $m
Basic own funds				
Ordinary share capital	44.6	44.6	–	–
Reconciliation reserve	4,728.8	4,728.8	–	–
Share premium	17.9	17.9	–	–
Deferred Tax[3]	40.7	–	–	40.7
Subordinated liabilities	552.2	–	552.2	–
The amount equal to the value of net deferred tax assets not available to be deducted at the Group level				(40.7)
Total basic own funds after deductions	**5,343.4**	**4,791.3**	**552.2**	**–**
Ancillary own funds	**12.7**		**12.7**	**–**
Total available own funds to meet the Group SCR	**5,356.1**	**4,791.3**	**564.9**	**–**
Total eligible own funds to meet the consolidated Group SCR[1]	**5,356.1**	**4,791.3**	**564.9**	
Total eligible own funds to meet the consolidated Group MCR[2]	**4,883.1**	**4,791.3**	**91.9**	**–**
Consolidated Group SCR	**1,837.1**	**–**	**–**	**–**
Ratio of Eligible own funds to the consolidated Group SCR[4]	**292 %**	**–**	**–**	**–**

1 Tier 2 eligible own funds to meet the consolidated Group SCR are capped at 50% of the SCR. As 50% of the SCR exceeds the value of tier 2 own funds, no restriction was applied in 2024.
2 Tier 2 eligible own funds to meet the consolidated Group MCR are capped at 20% of the MCR.
3 Reconciliation reserve is exclusive of Deferred Tax as this is treated as Tier 3 capital and disallowed as eligible Own Funds at Group level.
4 On 3 March 2025, the Board of Beazley plc approved a share buyback of its ordinary shares for up to a maximum aggregate consideration of $500m commencing on 5 March 2025. The buyback will reduce the Group's net asset value by approximately $500m. The SCR ratio of 292% would fall by approximately 28% to 264%.

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

E. Capital management continued

E.1 Own funds continued

The table below shows the movement of Own Funds by Tier in comparison to 2023:

	Tier 1 unrestricted $m	Tier 1 restricted $m	Tier 2 $m	Tier 3 $m
2023 Eligible Own Funds	**4,305.9**	**–**	**520.8**	**–**
Movement in Ordinary Share Capital and Share premium account[1]	5.1	–	–	–
Deferred tax				40.7
Non-available own fund items				(40.7)
Movement in Reconciliation Reserve	480.3	–	–	–
Movement in Subordinated Debt Value	–	–	31.4	–
Change in Ancillary Own Funds	–	–	12.7	–
2024 Eligible Own Funds	**4,791.3**	**–**	**564.9**	**–**

Tier 1 basic own funds

	2024 $m	2023 $m
Ordinary share capital	44.6	46.7
Share premium	17.9	10.6
Reconciliation reserve	4,728.8	4,248.5
	4,791.3	**4,305.8**

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

The reconciliation reserve is calculated as follows:

	2024 $m	2023 $m
Reconciliation reserve		
Excess of assets over liabilities	5,153.5	4,592.9
Own shares (held directly and indirectly)	(94.7)	(63.8)
Foreseeable dividends	(200.7)	(118.4)
Ordinary share capital and share premium	(62.5)	(57.3)
Deferred tax asset	(40.7)	–
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	–	(104.9)
Other non–available own funds	(26.1)	–
	4,728.8	**4,248.5**

Following the publication of the PRA policy statement PS2/24 Review of Solvency II: Adapting to the UK, the rules requiring third-country branch undertakings to calculate branch capital requirements have been removed and the Group is no longer required to restrict funds in respect of the UK branch (2023: $104.9m).

The Group is committed to managing capital by investing in future profitable growth and capital distribution. On 6 March 2024, the Board of Beazley plc approved a share buyback programme of its ordinary shares up to a maximum aggregate consideration of $325.0m The buyback completed on 30 September 2024, with 37.3m ordinary shares repurchased for a total consideration of $327.8m.

Following the strong results in 2024 the Board of Beazley approved a share buyback of its ordinary shares for up to a maximum consideration of $500.0m, which commenced on 5 March 2025. Under Solvency II the share buyback will not be included in the calculation of the available own funds until commencement of the share buyback program. Further details can be found in section E.6.

Furthermore, the Board believed the strength of our results supports a one-off rebasing of the ordinary dividend by 76% to 25p. The Directors approved an interim dividend of 25p (approximately $200.7m) on 3 March 2025, payable in May 2025. Foreseeable dividends are deducted from Own Funds but are not reflected in the Group's financial statements for the year ended 31 December 2024.

Own shares (held directly and indirectly) of $94.7m consists of shares held in the Beazley plc Employee Benefit Trust within equity in the statutory balance sheet. The shares are reported as Own shares (held directly) within assets on the Solvency II balance sheet and are deducted from the reconciliation reserves in Own Funds, hence having a nil impact on the Group Solvency ratio.

Other non-available own funds of $26.1m consist of $12.7m restriction to BUL FAL (explained under the Tier 2 basic own funds section below) and $13.4m availability restriction in respect of the local capital requirement of BESI. The BESI availability restriction is calculated as the difference between the solo entity local capital requirement and its contribution to Group SCR.

E. Capital management continued

E.1 Own funds continued

Tier 2 basic own funds

	2024 $m	2023 $m
Tier 2 subordinated debt (2026) – issued in 2016	253.0	244.1
Tier 2 subordinated debt (2029) – issued in 2019	299.2	276.7
	552.2	**520.8**

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

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

Tier 2 ancillary own funds

The Group has a syndicated short-term banking facility which was renewed on 25 May 2023, under which $450.0m may be utilised as Letters of Credit (LOC) placed as FAL to provide capital support for the Group's underwriting at Lloyd's. The cost of the facility is based on a commitment fee of 0.4725% per annum and any amounts drawn are charged at a margin of 1.5% per annum. As at 31 December 2024, $225.0m (2023: $225.0m) has been issued as LOC and is being utilised to support FAL requirements. LOC issued under the facility are uncollateralised. No liability is recognised in the Group's financial statements for the LOC (2023: $nil), as amounts would only become due if called upon to fund liabilities. These borrowings are subject to covenants, with which the Group has complied throughout the year. The Group considers the risk of covenants being breached to be remote.

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

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

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

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

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

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

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

Given that the excess FAL restriction in relation to BUL is $12.7m, it is this amount which we seek to have recognised as AOF in accordance with the approval we have received from the CBI.

	2024 $m	2023 $m
FAL provided by Bldac	1,047.2	914.7
Bldac contribution to Group SCR	(1,119.1)	(1,235.5)
Excess FAL restriction Bldac	–	–
FAL provided by BUL	375.4	338.1
BUL contribution to the Group SCR	(362.7)	(447.6)
Excess FAL restriction BUL	12.7	–
Ancillary own funds recognised	**12.7**	–

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

As at 31 December 2024, there were $564.9m (2023: $520.8m) of basic and ancillary tier 2 own funds available to meet the SCR, of which $552.2m (2023: $520.8m) were eligible to meet the SCR, being 50% of the SCR at that date. $91.9m (2023: $102.9m) was eligible to meet the MCR, being 20% of the MCR as at that date.

E. Capital management continued

E.1 Own funds continued

Letters of credit (US)

During the year, the Group has also placed LOC totalling $47.0m (2023: $47.0m) with the State of Connecticut Insurance Department to collateralise reinsurance arrangements between the Group's US admitted carrier, BICI and Beazley NewCo Captive Company Inc. These amounts are guaranteed by Beazley plc. In addition, BICI and BESI have standby letters of credit of $9.9m (2023: $7.5m) and $6.3m (2023: nil) respectively. These are in place to secure certain reinsurance transactions settled through Lloyd's. No amounts relating to these letters of credit are recognised in the Group's statement of financial position (2023: $nil).

Reconciliation of statutory net assets to Solvency II net assets as at 31 December 2024

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

	$m
Statutory net assets	**4,606.8**
Elimination of goodwill, DAC and intangible assets	(501.0)
Elimination of leasehold improvements	(13.7)
Revaluation of subordinated debt and other financial liabilities to market value	4.1
Elimination of statutory technical provisions (net of reinsurance and deferred acquisition costs)	1,727.9
Elimination of inter–group debtors relating to future technical cash flows	(2,117.1)
Elimination of insurance debtors relating to future technical cashflows	257.2
Replacement of Solvency II technical provisions	(19.4)
Revaluation of participation balances	(1,482.0)
Recognition of profit commission on Solvency II adjustments arising	2,868.8
Recognition of own shares held directly	94.7
Recognition of net deferred tax on Solvency II adjustments arising	(272.8)
Solvency II net assets	**5,153.5**

Restriction to the fungibility and transferability of own funds

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

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

E. Capital management continued

E.2 Solvency Capital Requirement and Minimum Capital Requirement

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

	2024 $m	2023 $m
Solvency Capital Requirement	1,837.1	2,058.2
Minimum Capital Requirement	459.3	514.5

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

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

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

Model	Insurance risk	Market risk	Operational risk	Credit risk
2025 SCR	88 %	6 %	5 %	1 %
2024 SCR	90 %	5 %	4 %	1 %

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

E. Capital management continued

E.2 Solvency Capital Requirement and Minimum Capital Requirement continued

Use of the internal model

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

Regular uses include:

- capital setting: the internal model is used to calculate the capital for each entity quarterly. The calculated capital is split by major risk i.e. insurance, market, credit, liquidity, operational and group risk;
- business planning including capital allocation: the internal model is used in the business planning process to allocate capital between divisions. This, when combined with the plan profit, allows management to compare the performance of the different business lines on a risk adjusted basis;
- business planning: portfolio optimisation;
- business planning: reinsurance and Special Purpose Arrangement review;
- long term plan: the capital projections in the long-term plan are developed using internal model output;
- Solvency II technical provisions: the internal model is used to calculate the ENIDs, risk margin and bad debt provision;
- exposure management - natural catastrophe: the natural catastrophe model component of the internal model is used to monitor catastrophe risk against appetite;
- exposure management - cyber: the cyber catastrophe model component of the internal model is used to monitor cyber risk against appetite
- investment management: the asset risk component of the internal model is used to monitor investment risk;
- ORSA: 1-in-10 output is used to calculate key risk indicators to determine whether the entities are operating within risk appetite;
- IFRS 17 risk adjustment: the model is used to calculate the likelihood of exhaustion of the risk adjustment reported under IFRS 17; and
- Reinsurance return on capital: The return on capital of the current reinsurance programmes is monitored and reported.

Scope of the internal model

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

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

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

Methods used in the internal model

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

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

E. Capital management continued

E.2 Solvency Capital Requirement and Minimum Capital Requirement continued

Data used in the internal model

Model inputs are made up of two key components:

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

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

Diversification

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

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

Loss Absorbing Capacity of Deferred Tax

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

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

Not applicable.

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

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

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

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

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

E. Capital management continued

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

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

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

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

E.6 Any other information

On 3 March 2025, the Board of Beazley plc approved a share buyback of its ordinary shares for up to a maximum aggregate consideration of $500m commencing on 5 March 2025. The buyback will reduce the Group's net asset value by approximately $500m. The SCR ratio of 292%, reported on page 65, would fall by approximately 28% to 264%. The share buyback has not been included in the calculation of the available own funds as at 31 December 2024 as it was not considered foreseeable at the balance sheet date. It is deemed to be foreseeable following approval and commencement of the share buyback programme.

Appendix: Quantitative reporting

The following quantitative reporting templates are appended to this report.

S.02.01.02 – Balance sheet

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

S.05.02.01 – Premiums, claims and expenses by country

S.23.01.22 – Own funds

S.25.05.22 – Solvency Capital Requirement calculated using a full internal model

S.32.01.2 – Undertakings in the scope of the Group

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

Appendix:
Quantitative reporting continued

S.02.01.02 – Balance sheet

		Solvency II value
		C0010
Assets		
Intangible assets	R0030	–
Deferred tax assets	R0040	40,679
Pension benefit surplus	R0050	3,980
Property, plant & equipment held for own use	R0060	64,980
Investments (other than assets held for index-linked and unit-linked contracts)	**R0070**	**4,564,237**
Property (other than for own use)	R0080	–
Holdings in related undertakings, including participations	R0090	963,819
Equities	R0100	–
Equities – listed	R0110	–
Equities – unlisted	R0120	–
Bonds	R0130	3,166,604
Government Bonds	R0140	1,602,466
Corporate Bonds	R0150	1,439,713
Structured notes	R0160	–
Collateralised securities	R0170	124,424
Collective Investments Undertakings	R0180	432,970
Derivatives	R0190	845
Deposits other than cash equivalents	R0200	–
Other investments	R0210	–
Assets held for index-linked and unit-linked contracts	R0220	–
Loans and mortgages	**R0230**	**–**
Loans on policies	R0240	–
Loans and mortgages to individuals	R0250	–
Other loans and mortgages	R0260	–
Reinsurance recoverables from:	**R0270**	**267,840**
Non-life and health similar to non-life	R0280	267,840
Non-life excluding health	R0290	248,757
Health similar to non-life	R0300	19,083
Life and health similar to life, excluding health and index-linked and unit-linked	R0310	–
Health similar to life	R0320	–
Life excluding health and index-linked and unit-linked	R0330	–
Life index-linked and unit-linked	R0340	–
Deposits to cedants	R0350	–
Insurance and intermediaries receivables	R0360	91,154
Reinsurance receivables	R0370	452,179
Receivables (trade, not insurance)	R0380	262,591
Own shares (held directly)	R0390	94,690
Amounts due in respect of own fund items or initial fund called up but not yet paid in	R0400	–
Cash and cash equivalents	R0410	560,152
Any other assets, not elsewhere shown	R0420	833,582
Total assets	**R0500**	**7,236,064**

Appendix: Quantitative reporting continued

S.02.01.02 – Balance sheet continued

		Solvency II value
		C0010
Liabilities		
Technical provisions – non-life	**R0510**	**287,259**
Technical provisions – non-life (excluding health)	**R0520**	**270,055**
TP calculated as a whole	R0530	–
Best estimate	R0540	104,156
Risk margin	R0550	165,899
Technical provisions – health (similar to non-life)	**R0560**	**17,204**
TP calculated as a whole	R0570	–
Best estimate	R0580	17,168
Risk margin	R0590	36
TP – life (excluding index-linked and unit-linked)	R0600	–
Technical provisions – health (similar to life)	R0610	–
TP calculated as a whole	R0620	–
Best estimate	R0630	–
Risk margin	R0640	–
TP – life (excluding health and index-linked and unit-linked)	**R0650**	**–**
TP calculated as a whole	R0660	–
Best estimate	R0670	–
Risk margin	R0680	–
TP – index-linked and unit-linked	**R0690**	**–**
TP calculated as a whole	R0700	–
Best estimate	R0710	–
Risk margin	R0720	–
Contingent liabilities	R0740	–
Provisions other than technical provisions	R0750	–
Pension benefit obligations	R0760	–
Deposits from reinsurers	R0770	–
Deferred tax liabilities	R0780	156,033
Derivatives	R0790	16,873
Debts owed to credit institutions	R0800	–
Debts owed to credit institutions resident domestically	ER0801	–
Debts owed to credit institutions resident in the euro area other than domestic	ER0802	–
Debts owed to credit institutions resident in rest of the world	ER0803	–
Financial liabilities other than debts owed to credit institutions	R0810	–
Debts owed to non-credit institutions	ER0811	–
Debts owed to non-credit institutions resident domestically	ER0812	–
Debts owed to non-credit institutions resident in the euro area other than domestic	ER0813	–
Debts owed to non-credit institutions resident in rest of the world	ER0814	–
Other financial liabilities (debt securities issued)	ER0815	–
Insurance & intermediaries payables	R0820	194,979
Reinsurance payables	R0830	–
Payables (trade, not insurance)	R0840	134,854
Subordinated liabilities	**R0850**	**552,155**
Subordinated liabilities not in BOF	R0860	–
Subordinated liabilities in BOF	R0870	552,155
Any other liabilities, not elsewhere shown	R0880	740,432
Total liabilities	**R0900**	**2,082,584**

Excess of assets over liabilities		**5,153,480**

Appendix:
Quantitative reporting continued

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

		Line of Business for: non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)						Line of Business for: accepted non-proportional reinsurance			
		Income protection insurance	Marine, aviation and transport	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	Miscellaneous financial loss	Health	Casualty	Property	Total
		C0020	C0060	C0070	C0080	C0090	C0120	C0130	C0140	C0160	C0200
Premiums written											
Gross – Direct Business	R0110	69,758	427,507	1,406,425	3,278,310	68,495	75,950	–	–	–	**5,326,445**
Gross – Proportional reinsurance accepted	R0120	12,751	64,725	25,889	197,819	88,402	5,987	–	–	–	**395,573**
Gross – Non-proportional reinsurance accepted	R0130	–	–	–	–	–	–	17,739	53,214	330,631	**401,584**
Reinsurers' share	R0140	28,006	25,413	189,433	674,901	16,816	4,444	1,552	–	62,928	**1,003,494**
Net	R0200	54,503	466,819	1,242,882	2,801,228	140,080	77,493	16,187	53,214	267,702	**5,120,108**
Premiums earned											
Gross – Direct Business	R0210	66,640	421,348	1,256,121	2,980,045	61,094	75,381	–	–	–	**4,860,630**
Gross – Proportional reinsurance accepted	R0220	12,673	74,326	24,975	190,436	96,859	6,273	–	–	–	**405,542**
Gross – Non-proportional reinsurance accepted	R0230	–	–	–	–	–	–	16,997	51,938	304,316	**373,250**
Reinsurers' share	R0240	20,856	26,382	172,421	459,120	15,117	2,547	1,608	(16)	58,900	**756,935**
Net	R0300	58,458	469,291	1,108,675	2,711,361	142,837	79,107	15,389	51,953	245,416	**4,882,487**
Claims incurred											
Gross – Direct Business	R0310	(6,522)	317,570	392,245	1,211,494	(48,955)	50,336	–	–	–	**1,916,168**
Gross – Proportional reinsurance accepted	R0320	6,197	45,194	13,944	84,571	208,473	(5,987)	–	–	–	**352,392**
Gross – Non-proportional reinsurance accepted	R0330	–	–	–	–	–	–	1,790	(2,864)	104,514	**103,440**
Reinsurers' share	R0340	2,933	39,250	(857)	225,905	35,307	(5,112)	471	(462)	(41,304)	**256,131**
Net	R0400	(3,259)	323,513	407,046	1,070,161	124,211	49,461	1,319	(2,402)	145,818	**2,115,868**
Expenses incurred	R0550	43,506	176,377	365,369	1,061,745	70,130	55,326	8,450	13,581	106,719	**1,901,202**
Balance - other technical expenses/income	R1210										**–**
Total technical expenses	R1300										**1,901,202**

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

Appendix:
Quantitative reporting continued

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

		Line of Business for: life insurance obligations	Life reinsurance obligations	Total
		Other life insurance	Life reinsurance	
		C0240	C0280	C0300
Premiums written				
Gross	R1410	33,075	7,386	**40,461**
Reinsurers' share	R1420	8,119	144	**8,263**
Net	**R1500**	**24,956**	**7,241**	**32,198**
Premiums earned				
Gross	R1510	31,524	7,120	**38,644**
Reinsurers' share	R1520	7,862	141	**8,003**
Net	**R1600**	**23,662**	**6,980**	**30,641**
Claims incurred				
Gross	R1610	5,784	1,483	**7,267**
Reinsurers' share	R1620	4,003	(2)	**4,001**
Net	**R1700**	**1,781**	**1,485**	**3,266**
Expenses incurred	**R1900**	**32,028**	**3,066**	**35,094**
Balance - other technical expenses/income	**R2510**			**–**
Total technical expenses	**R2600**			**35,094**

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

Appendix:
Quantitative reporting continued

S.05.02.01 – Premiums, claims and expenses by country

Home country – non-life obligations

		Home country	Top 5 countries (by amount of gross premiums written) - non-life obligations					Total Top 5 and home country
		GB	US	BE	CA	SG	FR	
R0010		C0080	C0090	C0100	C0110	C0120	C0130	C0140
Premium written								
Gross – Direct Business	R0110	2,049,130	2,688,531	–	120,288	98,620	80,563	5,037,132
Gross – Proportional reinsurance accepted	R0120	33,703	89,268	256,325	–	2,849	8,746	390,890
Gross – Non-proportional reinsurance accepted	R0130	368,258	3,031	–	–	12,531	2,187	386,007
Reinsurers' share	R0140	406,352	449,465	43,907	19,400	18,778	14,907	952,809
Net	**R0200**	**2,044,740**	**2,331,364**	**212,418**	**100,889**	**95,221**	**76,588**	**4,861,220**
Premium earned								
Gross – Direct Business	R0210	1,869,365	2,452,673	–	109,736	89,968	73,495	4,595,238
Gross – Proportional reinsurance accepted	R0220	34,552	91,517	262,785	–	2,921	8,966	400,741
Gross – Non-proportional reinsurance accepted	R0230	342,276	2,817	–	–	11,647	2,033	358,773
Reinsurers' share	R0240	306,511	339,032	33,119	14,633	14,165	11,245	718,704
Net	**R0300**	**1,939,683**	**2,207,976**	**229,666**	**95,103**	**90,371**	**73,249**	**4,636,047**
Claims incurred								
Gross – Direct Business	R0310	732,275	969,657	–	43,388	35,201	28,783	1,809,304
Gross – Proportional reinsurance accepted	R0320	29,522	78,205	230,406	–	2,495	7,661	348,289
Gross – Non-proportional reinsurance accepted	R0330	94,856	781	–	–	3,228	563	99,428
Reinsurers' share	R0340	103,025	115,019	11,399	4,967	4,757	3,779	242,945
Net	**R0400**	**753,629**	**933,624**	**219,007**	**38,421**	**36,167**	**33,228**	**2,014,076**
Expenses incurred	**R0550**	**759,017**	**865,413**	**78,851**	**37,450**	**35,346**	**28,430**	**1,804,508**
Other expenses	**R1200**							**–**
Total expenses	**R1300**							**1,804,508**

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

Appendix:
Quantitative reporting continued

S.05.02.01 – Premiums, claims and expenses by country

Life obligations

R1400		Home country GB C0220	Total Top 5 and home country C0280
Premium written			
Gross	R1410	40,400	40,400
Reinsurers' share	R1420	8,251	8,251
Net	**R1500**	**32,149**	**32,149**
Premium earned			
Gross	R1510	38,586	38,586
Reinsurers' share	R1520	7,991	7,991
Net	**R1600**	**30,595**	**30,595**
Claims paid			
Gross	R1610	7,256	7,256
Reinsurers' share	R1620	3,995	3,995
Net	**R1700**	**3,261**	**3,261**
Expenses incurred	**R1900**	**35,094**	**35,094**
Balance - other technical expenses/income	**R2510**	**–**	**–**
Total expenses	**R2600**		**35,094**

Appendix:
Quantitative reporting continued

S.23.01.22 – Own funds

		Total	Tier 1 – unrestricted	Tier 2	Tier 3
		C0010	C0020	C0040	C0050
Basic own funds before deduction for participations in other financial sector					
Ordinary share capital (gross of own shares)	R0010	**44,574**	44,574	–	–
Non-available called but not paid in ordinary share capital at group level	R0020	**–**	–	–	–
Share premium account related to ordinary share capital	R0030	**17,885**	17,885	–	–
Initial funds, members' contributions or the equivalent basic own – fund item for mutual and mutual-type undertakings	R0040	**–**	–	–	–
Subordinated mutual member accounts	R0050	**–**	–	–	–
Non-available subordinated mutual member accounts at group level	R0060	**–**	–	–	–
Surplus funds	R0070	**–**	–		
Non-available surplus funds at group level	R0080	**–**	–	–	–
Preference shares	R0090	**–**	–	–	–
Non-available preference shares at group level	R0100	**–**	–	–	–
Share premium account related to preference shares	R0110	**–**	–	–	–
Non-available share premium account related to preference shares at group level	R0120	**–**	–	–	–
Reconciliation reserve	R0130	**4,728,818**	4,728,818	–	–
Subordinated liabilities	R0140	**552,155**	–	552,155	–
Non-available subordinated liabilities at group level	R0150	**–**	–	–	–
An amount equal to the value of net deferred tax assets	R0160	**40,679**	–	–	40,679
The amount equal to the value of net deferred tax assets not available at the group level	R0170	**40,679**	–	–	40,679
Other items approved by supervisory authority as basic own funds not specified above	R0180	**–**	–	–	–
Non-available own funds related to other own funds items approved by supervisory authority	R0190	**–**	–	–	–
Minority interests (if not reported as part of a specific own fund item)	R0200	**–**	–	–	–
Non-available minority interests at group level	R0210	**–**	–	–	–
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds	R0220	**–**	**–**	**–**	**–**
Deductions					
Deductions for participations in other financial undertakings, including non-regulated undertakings carrying out financial activities	R0230	**–**	–	–	–
whereof deducted according to art 228 of the Directive 2009/138/EC	R0240	**–**	–	–	–
Deductions for participations where there is non-availability of information (Article 229)	R0250	**–**	–	–	–
Deduction for participations included via Deduction and Aggregation method (D&A) when a combination of methods are used	R0260	**–**	–	–	–
Total of non-available own fund items to be deducted	R0270	**40,679**	–	–	40,679
Total deductions	**R0280**	**40,679**	**–**	**–**	40,679
Total basic own funds after deductions	**R0290**	**5,343,431**	**4,791,277**	**552,155**	**–**
Ancillary own funds					
Unpaid and uncalled ordinary share capital callable on demand	R0300	**–**	–	–	–
Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand	R0310	**–**	–	–	–
Unpaid and uncalled preference shares callable on demand	R0320	**–**	–	–	–
A legally binding commitment to subscribe and pay for subordinated liabilities on demand	R0330	**–**	–	–	–
Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	R0340	**–**	–	–	–
Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	R0350	**12,709**	–	12,709	–
Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0360	**–**	–	–	–
Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0370	**–**	–	–	–
Non available ancillary own funds to be deducted at group level	R0380	**–**	–	–	–
Other ancillary own funds	R0390	**–**	–	–	–
Total ancillary own funds	**R0400**	**12,709**		**12,709**	**–**

Appendix: Quantitative reporting continued

S.23.01.22 – Own funds continued

		Total C0010	Tier 1 – unrestricted C0020	Tier 2 C0040	Tier 3 C0050
Own funds of other financial sectors					
Credit Institutions, investment firms, financial institutions, alternative investment fund managers, UCITS management companies	R0410	–	–	–	–
Institutions for occupational retirement provision	R0420	–	–	–	–
Non regulated undertakings carrying out financial activities	R0430	–	–	–	–
Total own funds of other financial sectors	R0440	–	–	–	–
Own funds when using the D&A, exclusively or in combination with method 1					
Own funds aggregated when using the D&A and combination of method	R0450	–	–	–	–
Own funds aggregated when using the D&A and combination of method net of IGT	R0460	–	–	–	–
		–	–	–	–
Total available own funds to meet the consolidated part of the group SCR (excluding own funds from other financial sector and from the undertakings included via D&A)	**R0520**	**5,356,141**	**4,791,277**	**564,864**	–
Total available own funds to meet the minimum consolidated group SCR	**R0530**	**5,343,431**	**4,791,277**	**552,155**	–
Total eligible own funds to meet the consolidated part of the group SCR (excluding own funds from other financial sector and from the undertakings included via D&A)	**R0560**	**5,356,141**	**4,791,277**	**564,864**	–
Total eligible own funds to meet the minimum consolidated group SCR (group)	**R0570**	**4,883,134**	**4,791,277**	**91,857**	–
Minimum consolidated Group SCR	**R0610**	**459,285**			
Ratio of Eligible own funds to Minimum Consolidated Group SCR	**R0650**	**1063.2 %**			
Total eligible own funds to meet the total group SCR (including own funds from other financial sector and from the undertakings included via D&A)	**R0660**	**5,356,141**	**4,791,277**	**564,864**	–
Total Group SCR	**R0680**	**1,837,138**			
Ratio of Total Eligible own funds to Total group SCR - ratio including other financial sectors and the undertakings included via D&A	**R0690**	**291.5 %**			

Reconcilliation reserve		
Excess of assets over liabilities	**R0700**	5,153,480
Own shares (held directly and indirectly)	**R0710**	94,690
Forseeable dividends, distributions and charges	**R0720**	200,700
Other basic own fund items	**R0730**	103,137
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	**R0740**	–
Other non available own funds	**R0750**	26,135
Reconciliation reserve	**R0760**	**4,728,818**
Expected profits		
Expected profits included in future premiums (EPIFP) - Life business	**R0770**	–
Expected profits included in future premiums (EPIFP) - Non- life business	**R0780**	1,558,889
Total expected profits included in future premiums (EPIFP)	**R0790**	1,558,889

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

Appendix:
Quantitative reporting continued

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

		Solvency Capital Requirement	Amount modelled	USP	Simplifications
	Risk type	C0010	C0070	C0090	C0120
R0110	Total diversification	(3,149,043)	–	–	–
R0060	Total diversified risk before tax	2,139,630	–	–	–
R0040	Total diversified risk after tax	1,837,138	–	–	–
R0070	Total market & credit risk	934,497	–	–	–
R0080	Market & Credit risk - diversified	277,500	–	–	–
R0190	Credit event risk not covered in market & credit risk	–	–	–	–
R0200	Credit event risk not covered in market & credit risk - diversified	–	–	–	–
R0270	Total Business risk	–	–	–	–
R0280	Total Business risk - diversified	–	–	–	–
R0310	Total Net Non-life underwriting risk	3,976,227	–	–	–
R0320	Total Net Non-life underwriting risk - diversified	2,303,029	–	–	–
R0400	Total Life & Health underwriting risk	–	–	–	–
R0410	Total Life & Health underwriting risk - diversified	–	–	–	–
R0480	Total Operational risk	377,949	–	–	–
R0490	Total Operational risk - diversified	377,949	–	–	–
R0500	Other risk	–	–	–	–

	Calculation of Solvency Capital Requirement	C0100
R0110	Total undiversified components	5,288,673
R0060	Diversification	(3,149,043)
R0120	Adjustment due to RFF/MAP nSCR aggregation	–
R0160	Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	–
R0200	Solvency capital requirement excluding capital add-on	1,837,138
R0210	Capital add-ons already set	–
R0211	of which, capital add-ons already set - Article 37 (1) Type a	–
R0212	of which, capital add-ons already set - Article 37 (1) Type b	–
R0213	of which, capital add-ons already set - Article 37 (1) Type c	–
R0214	of which, capital add-ons already set - Article 37 (1) Type d	–
R0220	Solvency capital requirement	1,837,138

USP Key

For life underwriting:

1- Increase in the amount of annuity benefits

9- None

For health underwriting risk;

1- Increase in the amount of annuity benefits
2- Standard deviation for NSLT health premium risk
3- Standard deviation for NSLT health gross premium risk
4- Adjustment factor for non-proportional reinsurance
5- Standard deviation for NSLT health reserve risk

9- None

For non-life underwriting risk:
4- Adjustment factor for non-proportional reinsurance

Appendix:
Quantitative reporting continued

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

	Other information on SCR	
R0300	Amount/estimate of the overall loss-absorbing capacity of technical provisions	–
R0310	Amount/estimate of the loss absorbing capacity for deferred taxes	(302,492)
R0400	Capital requirement for duration-based equity risk sub-module	–
R0410	Total amount of Notional Solvency Capital Requirements for remaining part	–
R0420	Total amount of Notional Solvency Capital Requirement for ring-fenced funds	–
R0430	Total amount of Notional Solvency Capital Requirement for matching adjustment portfolios	–
R0440	Diversification effects due to RFF nSCR aggregation for article 304	–
R0470	Minimum consolidated group solvency capital requirement	459,285

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

	Overall SCR	
R0560	SCR for undertakings included via D&A method	–
R0570	Total group solvency capital requirement	1,837,138

Appendix: Quantitative reporting continued

S.32.01.22 – Undertakings in the scope of the Group

Country	Identification code of the undertaking	Type of code of the ID of the undertaking	Legal Name of the undertaking	Type of undertaking	Legal form	Category (mutual/ non mutual)	Supervisory Authority	% capital share	% Used for the establish - ment	% voting rights	Level of influence	Group SCR	Yes/No	Method of calculation
C0010	**C0020**	**C0030**	**C0040**	**C0050**	**C0060**	**C0070**	**C0080**	**C0180**	**C0190**	**C0200**	**C0220**	**C0230**	**C0240**	**C0260**
CA	2138006PPOOELDD88116	LEI	Beazley Canada Limited	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	Company limited by shares	Non-mutual		100.00%	100.00%	100%	Dominant	100.00%	Included in the scope	Method 1: Full consolidation
GB	213800XLBHOUAOEK4C56	LEI	Beazley Corporate Member (No.2) Limited	Other	Company limited by shares	Non-mutual		100.00%	100.00%	100%	Dominant	100.00%	Included in the scope	Method 1: Adjusted equity method
GB	2138008PYM4U3JVY5O29	LEI	Beazley Corporate Member (No.3) Limited	Other	Company limited by shares	Non-mutual		100.00%	100.00%	100%	Dominant	100.00%	Included in the scope	Method 1: Adjusted equity method
GB	213800VE5OALBYXHTL82	LEI	Beazley Corporate Member (No.6) Limited	Other	Company limited by shares	Non-mutual		100.00%	100.00%	100%	Dominant	100.00%	Included in the scope	Method 1: Adjusted equity method
GB	213800LRL5PQQ1BNTJ43	LEI	Beazley Furlonge Holdings Limited	Mixed-activity insurance holding company as defined in Article 212(1) (g) of Directive 2009/138/EC	Company limited by shares	Non-mutual		100.00%	100.00%	100%	Dominant	100.00%	Included in the scope	Method 1: Full consolidation
GB	549300FAQP1YKTIM1S87	LEI	Beazley Furlonge Limited	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	Company limited by shares	Non-mutual		100.00%	100.00%	100%	Dominant	100.00%	Included in the scope	Method 1: Full consolidation
US	2138007DO9SL7TQBVH27	LEI	Beazley Group (USA) General Partnership	Mixed-activity insurance holding company as defined in Article 212(1) (g) of Directive 2009/138/EC	Delaware general partnership	Non-mutual		100.00%	100.00%	100%	Dominant	100.00%	Included in the scope	Method 1: Full consolidation
GB	549300V3F4ZHETMM6P72	LEI	Beazley Group Limited	Mixed-activity insurance holding company as defined in Article 212(1) (g) of Directive 2009/138/EC	Company limited by shares	Non-mutual		100.00%	100.00%	100%	Dominant	100.00%	Included in the scope	Method 1: Full consolidation
US	213800VHYDYMDVQ7PK36	LEI	Beazley Holdings, Inc.	Mixed-activity insurance holding company as defined in Article 212(1) (g) of Directive 2009/138/EC	Company limited by shares	Non-mutual		100.00%	100.00%	100%	Dominant	100.00%	Included in the scope	Method 1: Full consolidation
US	213800OBLNEDLYDMHI69	LEI	Beazley Insurance Company, Inc.	Non life insurance undertaking	Company limited by shares	Non-mutual	Connecticut Insurance Department	100.00%	100.00%	100%	Dominant	100.00%	Included in the scope	Method 1: Full consolidation
IE	549300WWULDAFCPEU084	LEI	Beazley Insurance dac	Non life insurance undertaking	Incorporated company limited by shares	Non-mutual	Central Bank of Ireland	100.00%	100.00%	100%	Dominant	100.00%	Included in the scope	Method 1: Full consolidation
GB	213800ZFFB8FZNACJ862	LEI	Beazley Investments Limited	Other	Company limited by shares	Non-mutual		100.00%	100.00%	100%	Dominant	100.00%	Included in the scope	Method 1: Adjusted equity method
IE	21380052V9LP6NH9W342	LEI	Beazley Ireland Holdings plc	Insurance holding company as defined in Article 212(1) (f) of Directive 2009/138/EC	Public limited company	Non-mutual		100.00%	100.00%	100%	Dominant	100.00%	Included in the scope	Method 1: Full consolidation
GB	213800VTOMUWD41GIT12	LEI	Beazley plc	Insurance holding company as defined in Article 212(1) (f) of Directive 2009/138/EC	Public limited company	Non-mutual		100.00%	100.00%	100%	Dominant	100.00%	Included in the scope	Method 1: Full consolidation
GB	21380022FM3LXUN3HR40	LEI	Beazley Management Limited	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	Company limited by shares	Non-mutual		100.00%	100.00%	100%	Dominant	100.00%	Included in the scope	Method 1: Full consolidation
SG	213800DJFLUB3XE1WM21	LEI	Beazley Pte. Limited	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	Company limited by shares	Non-mutual		100.00%	100.00%	100%	Dominant	100.00%	Included in the scope	Method 1: Full consolidation
GB	213800AQFXRGDD861306	LEI	Beazley Solutions Limited	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	Company limited by shares	Non-mutual		100.00%	100.00%	100%	Dominant	100.00%	Included in the scope	Method 1: Full consolidation
GB	213800AVDAS3WCGM9K47	LEI	Beazley Staff Underwriting Limited	Other	Company limited by shares	Non-mutual		100.00%	100.00%	100%	Dominant	100.00%	Included in the scope	Method 1: Adjusted equity method

Appendix: Quantitative reporting continued

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

Country	Identification code of the undertaking	Type of code of the ID of the undertaking	Legal Name of the undertaking	Type of undertaking	Legal form	Category (mutual/ non mutual)	Supervisory Authority	% capital share	% Used for the establis h- ment	% voting rights	Level of influence	Group SCR	Yes/No	Method of calculation
C0010	**C0020**	**C0030**	**C0040**	**C0050**	**C0060**	**C0070**	**C0080**	**C0180**	**C0190**	**C0200**	**C0220**	**C0230**	**C0240**	**C0260**
GB	213800VBCFZ1LXWVAH47	LEI	Beazley Underwriting Limited	Other	Company limited by shares	Non-mutual		100.00%	100.00%	100.00%	Dominant	100.00%	Included in the scope	Method 1: Adjusted equity method
GB	213800ESHJJFAEPH8T43	LEI	Beazley Underwriting Services Limited	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	Company limited by shares	Non-mutual		100.00%	100.00%	100.00%	Dominant	100.00%	Included in the scope	Method 1: Full consolidation
US	2138003E3J3TT2VVA730	LEI	Beazley USA Services, Inc.	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	Company limited by shares	Non-mutual		100.00%	100.00%	100.00%	Dominant	100.00%	Included in the scope	Method 1: Full consolidation
US	2138002FMQZV2ESD2P39	LEI	Beazley Security LLC	Other	Limited liability company	Non-mutual		100.00%	100.00%	100.00%	Dominant	100.00%	Included in the scope	Method 1: Adjusted equity method
GB	UKLSEC	Specific Code	Beazley Security Limited	Other	Company limited by shares	Non-mutual		100.00%	100.00%	100.00%	Dominant	100.00%	Included in the scope	Method 1: Full consolidation
US	213800CFCH6JNRWK1K74	LEI	Beazley America Insurance Company Inc.	Non life insurance undertaking	Incorporated company limited by shares	Non-mutual	Connecticut Insurance Department	100.00%	100.00%	100.00%	Dominant	100.00%	Included in the scope	Method 1: Full consolidation
IE	213800CHKXKYN5IR5437	LEI	Beazley Solutions International Limited	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	Company limited by shares	Non-mutual		100.00%	100.00%	100.00%	Dominant	100.00%	Included in the scope	Method 1: Full consolidation
MT	213800DWGDOMU52RW804	LEI	Falcon Money Management Holdings Limited	Other	Company limited by shares	Non-mutual		25.00%	25.00%	25.00%	Significant	25.00%	Included in the scope	Method 1: Adjusted equity method
US	BHIDLLC	Specific Code	Beazley Holdings, Inc. Digital LLC	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	Limited liability company	Non-mutual		100.00%	100.00%	100.00%	Dominant	100.00%	Included in the scope	Method 1: Full consolidation
MY	BLL	Specific Code	Beazley Labuan Limited	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	Company limited by shares	Non-mutual		100.00%	100.00%	100.00%	Dominant	100.00%	Included in the scope	Method 1: Full consolidation
US	CAVLLC	Specific Code	CyberAcuView LLC	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	Limited liability company	Non-mutual		14.30%	14.30%	14.30%	Significant	14.30%	Included in the scope	Method 1: Adjusted equity method
US	BNCC	Specific Code	Beazley Newco Captive Company, Inc	Reinsurance undertaking	Company limited by shares	Non-mutual	Connecticut Insurance Department	100.00%	100.00%	100.00%	Dominant	100.00%	Included in the scope	Method 1: Full consolidation
HK	PUL	Specific Code	Pegasus Underwriting Limited	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	Incorporated company limited by shares	Non-mutual		33.30%	33.30%	33.30%	Significant	33.30%	Included in the scope	Method 1: Adjusted equity method
US	21380030J5MPEAM2LF34	LEI	Beazley Excess and Surplus Insurance, Inc.	Non life insurance undertaking	Company limited by shares	Non-mutual	Connecticut Insurance Department	100.00%	100.00%	100.00%	Dominant	100.00%	Included in the scope	Method 1: Full consolidation
US	USBRIM	Specific Code	Beazley RI Manager, Inc.	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	Company limited by shares	Non-mutual		100.00%	100.00%	100.00%	Dominant	100.00%	Included in the scope	Method 1: Full consolidation
GB	BHIDGTL	Specific Code	BHI Digital UK Limited	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	Company limited by shares	Non-mutual		100.00%	100.00%	100.00%	Dominant	100.00%	Included in the scope	Method 1: Full consolidation

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