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Beazley PLC
29 April 2025

Beazley reiterates outlook for 2025

London, 29 April 2025

Beazley plc trading statement for the three months ended 31 March 2025

Overview

- **Insurance written premiums increased by 2% to 1,511m (Q1 2024: 1,483m)**
- **Net insurance written premiums increased by 1% 1,249m (Q1 2024: 1,239m)**
- **Premium rates on renewal business decreased by 4% (Q1 2024: 1% increase)**
- **Investment income of 136m or 1.2% year-to-date (Q1 2024: investment income of 126m or 1.2%)**
- **Gross IWP growth guidance for the year remains at mid-single digits**
- **Combined ratio guidance for the year remains at mid-80s on an undiscounted basis**

Adrian Cox, Chief Executive Officer, said:

	31 March 2025	31 March 2024	% increase
Insurance written premiums (m)	1,511	1,483	2%
Net insurance written premiums (m)	1,249	1,239	1%
Investments and cash (m)	11,757	10,827	9%
Year to date investment return	1.2%	1.2%	
Rate (decrease)/increase	(4)%	1%	

"I am proud of the performance during the quarter. As expected, markets softened in the first three months of the year and we maintained our focus on strong underwriting discipline whilst navigating those conditions.

Our guidance for the year of mid-single digits growth and an undiscounted combined ratio of mid-80s is unchanged. The strength of our diversified product set and platform strategy means we are well positioned to take advantage of any opportunities which may arise, as pricing dynamics evolve in this active claims environment."

Premiums

Our performance to the end of March 2025 by business division is as follows:

	Insurance written premiums 31 March 2025 m	Insurance written premiums 31 March 2024 m	% increase/ (decrease) %	Year to date rate change %
Cyber Risks	247	253	(2)%	(8)%

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Digital	63	63	0%	(4)%
MAP Risks	258	261	(1)%	(2)%
Property Risks	482	451	7%	(6)%
Specialty Risks	461	455	1%	0%
OVERALL	**1,511**	**1,483**	**2%**	**(4)%**

The performance in Q1 is impacted by prior year premium estimate updates across a number of our lines. The growth in the quarter is not reflective of our year-end expectations, and we maintain our growth guidance of mid-single digits for the year.

In **Cyber Risks**, the market remains competitive. We continue to focus on our strong value proposition and underwriting discipline and deploying capital where we see the best risk-reward dynamics. Rate adequacy is strongest outside of North America and we are seeing good growth in Europe. Our view of the long-term opportunities available within Cyber Risks is unchanged.

Geopolitical uncertainty is expected to drive demand within **MAP Risks**. The Q1 result for MAP is particularly impacted by premium estimate updates and we anticipate strong growth within the division by year-end.

Property Risks continues to deliver growth with rates remaining adequate despite the 6% rate reduction in the first quarter.

Capital markets activity has remained subdued at the start of the year, which impacts growth on certain products within **Specialty Risks**. We continue to expect growth to be flat to moderate within this division.

Claims

Exposure to California wildfire losses remains around 80m as reported during the 2024 year-end results.

There is no direct claims exposure as a result of the trade tariffs imposed in our political risk, trade credit or specialty book. Increases in tariffs are not insured perils under our policies and we do not cover business interruption losses following these events.

Potential inflationary impacts are embedded within our underwriting and claims processes and are reviewed on an ongoing basis. We currently do not anticipate a significant direct impact on our business.

Insurance finance income and expense (IFIE)

In the first quarter, the change in financial assumptions on the IFIE produced an income. This has been more than offset by both an expense resulting from decreasing yield curves as well as the unwind of discounting credit, resulting in an insurance finance expense of 68m.

Investments

Our portfolio allocation was as follows:

	31 March 2025		31 March 2024	
	Assets m	Allocation %	Assets m	Allocation %
Cash and cash equivalents	947	8.1	1,016	9.4
Fixed and floating rate debt securities				
- Government issued	4,418	37.6	4,289	39.6
- Corporate bonds				
- Investment grade	3,800	32.3	3,683	34.0
- High yield	685	5.8	625	5.8
- Securitised				
- Collateralised loan obligations	519	4.4	-	-
Syndicate loans	30	0.3	36	0.3
Derivative financial assets	26	0.2	5	-
Core portfolio	**10,425**	**88.7**	**9,654**	**89.1**
Equity funds	375	3.2	393	3.6

Hedge funds	779	6.6	580	5.4
Illiquid credit assets	178	1.5	200	1.9
Capital growth assets	**1,332**	**11.3**	**1,173**	**10.9**
Total	**11,757**	**100.0**	**10,827**	**100.0**

Our investment portfolio returned 1.2%, or 136m in the first quarter. Elevated uncertainty driven largely by the trade policy announcements from the US administration in February and March has led to increased volatility and declines in equities, and to a lesser extent, corporate bonds.

Short-dated US risk free yields fell, supporting asset values. Looking ahead, it is likely that financial market volatility will remain for some time. Our investment portfolio is well diversified and allocated relatively conservatively, hence able to withstand the current market environment.

As at 31 March, the average yield of our fixed income investments is 4.4% with an average duration of 1.6 years.

A conference call for analysts and investors will be held at 8am GMT on Tuesday 29 April

Dial in details for analysts:

UK-Wide: +44 (0) 33 0551 0200

Webcast Link for all other participants:

https://brrmedia.news/BEZ_Q125

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Note to editors:

Beazley plc (BEZ.L), is the parent company of specialist insurance businesses with operations in Europe, North America, Latin America, and Asia. Beazley manages seven Lloyd's syndicates and, in 2024, underwrote gross premiums worldwide of 6,164.1million. All Lloyd's syndicates are rated A by A.M Best.

Beazley's underwriters in the United States focus on writing a range of specialist insurance products. In the admitted market, coverage is provided by Beazley Insurance Company, Inc., an A.M Best A rated carrier licensed in all 50 states and its subsidiary, Beazley America Insurance Company, Inc. In the surplus lines market, coverage is provided by the Beazley syndicates at Lloyd's and Beazley Excess and Surplus Insurance, Inc.

Beazley's European insurance company, Beazley Insurance dac, is regulated by the Central Bank of Ireland and is A rated by A.M Best and A+ by Fitch.

Beazley is a market leader in many of its chosen lines, which include Professional Indemnity, Cyber Liability, Property, Marine, Reinsurance, Accident and Life, and Political Risks and Contingency business.

For more information please go to: www.beazley.com

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