beazley

It all started with a hat stand...

Strategic report

Governance

Financial statements

Highlights

Financial

Insurance written premiums*

$6,164.1m

(2023: $5,601.4m)

Net insurance written premiums*

$5,152.3m

(2023: $4,696.2m)

Insurance service result

$1,236.0m

(2023: $1,251.0m)

Net investment income

$574.4m

(2023: $480.2m)

Cash and investments

$11,492.7m

(2023: $10,477.8m)

Investment return*

5.2%

(2023: 4.9%)

Rate (decrease)/increase on renewals

(0.5%)

(2023: 4.3%)

Profit before tax for the financial year

$1,423.5m

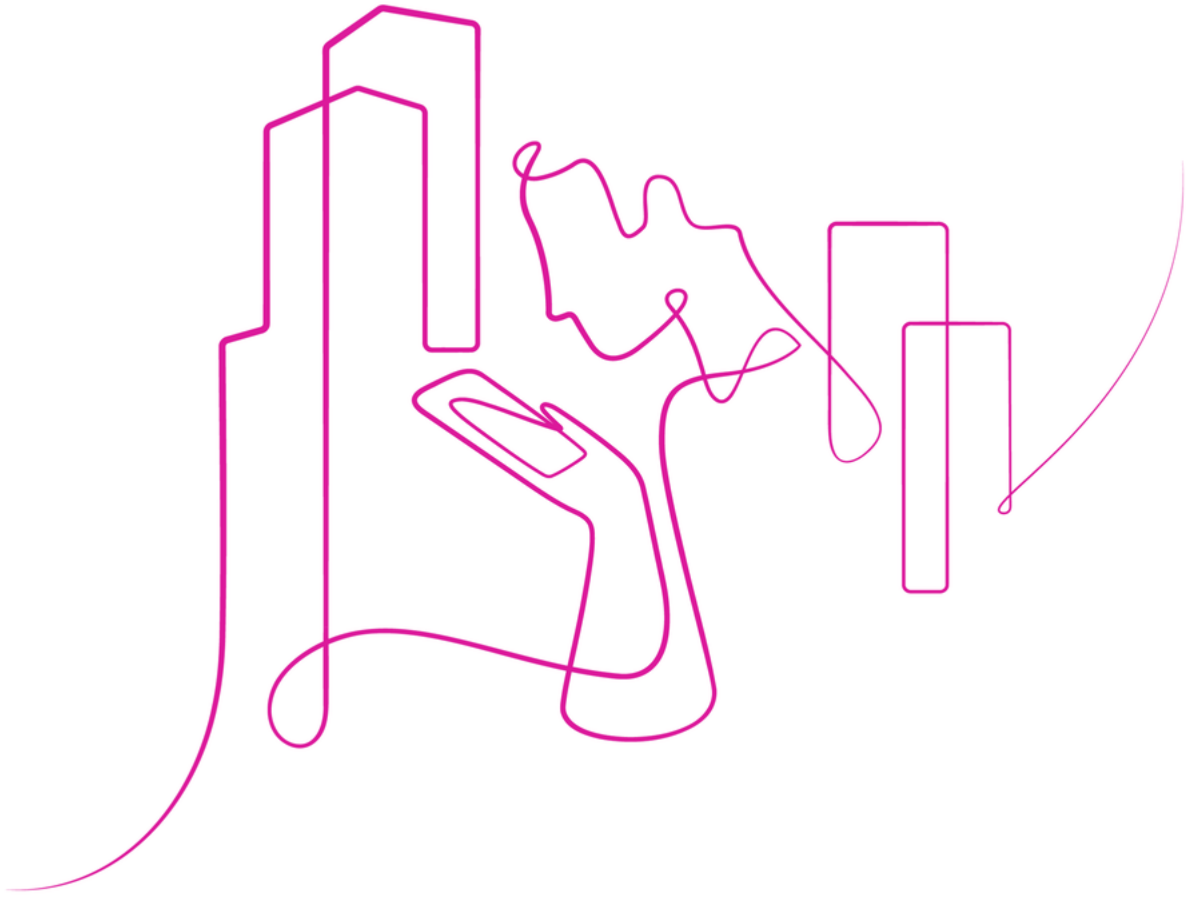
(2023: $1,254.4m)

Undiscounted combined ratio*

79.0%

(2023: 74.0%)

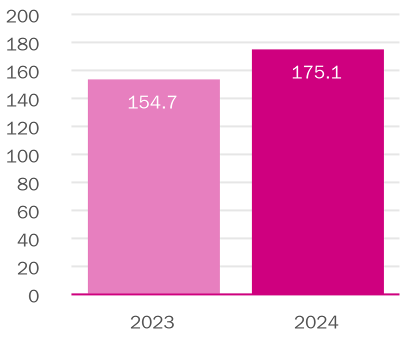
The Group is of the view that some of the above metrics constitute alternative performance measures (APMs). These are indicated using an asterisk (*), with further information included in the APMs section on pages 262-264.



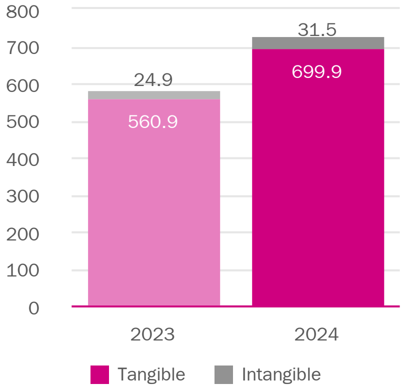
Key performance indicators

Financial

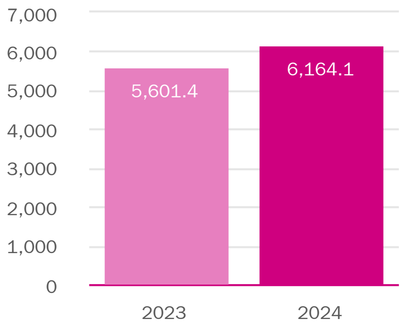
Earnings per share (c)



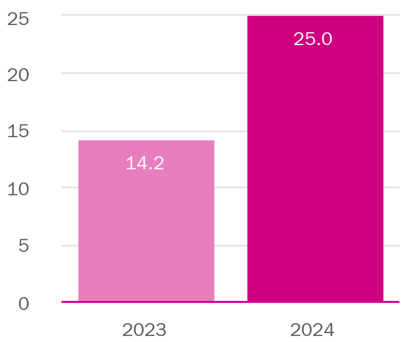
Net assets per share (c)*



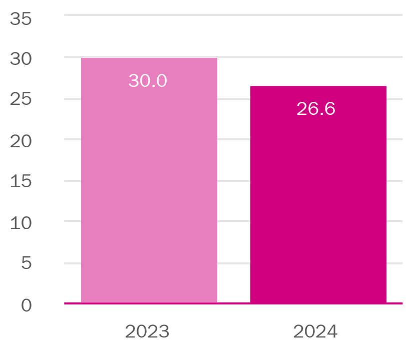
Insurance written premiums ($m)*



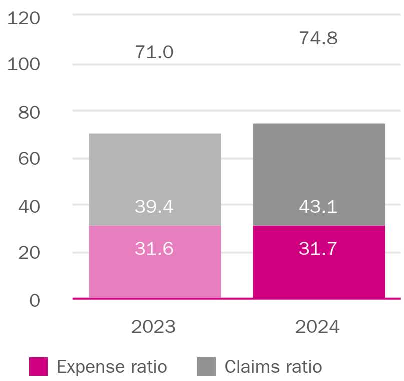
Dividends per share (p)



Return on equity (%)*



Combined ratio (%)*



The Group is of the view that some of its Key Performance Indicators (KPIs) constitute APMs, as indicated by an asterisk (*). Further information is included in the Financial review on page 17 and the APMs section on pages 262-264.

Non-financial

Senior leadership roles held by women

45%

(2023: 45%)

People of Colour representation in the workforce

28%

(2023: 27%)

Overall carbon emissions

6,708.4 tCO_2e

(2023: 6,998.8 tCO_2e)

Employee engagement

85%

(2023: 86%)

Employee favourability

78%

(2023: 80%)

Our strategy

The foundations of our business are our culture and values of being bold, striving for better and doing the right thing, these underpin the five key pillars of our business: clients, protection, people, tools and responsible business. Together they support our vision to be the highest performing specialty insurer and, in that role, we can fulfil our purpose of enabling our stakeholders to explore, create and build.

Explore. Create. Build.

Our vision is to be the highest performing sustainable specialty insurer

Client

Creating products and services our clients need and brokers want and delivering them through multiple distribution channels

Protection

Managing volatility and market cycles to protect our business and that of our insureds

People

We attract and nurture talented colleagues who champion diversity of thought and live our values

Tools

Deploying tools and technology plus leveraging innovations that improve efficiencies and expense management

Sustainability

Managing our business responsibly, whilst supporting our clients to transition

Being bold | **Striving for better** | **Doing the right thing**

Our business model

Insurance. Just different.

Our vision

Our vision is to be the highest performing sustainable specialty insurer.

To deliver this, we have built a business that operates around the globe and across multiple platforms. We are a diversified insurer, underwriting multiple lines of specialty insurance products from aviation to cyber and directors & officers liability to property risks.

Ambitious for our business, we are focused on long-term sustainable growth that delivers real value to all our stakeholders, fulfilling our purpose of helping them to explore, create and build.

Bringing different to life

Our people, values and culture underpin our success. They shape the way we show up, how we approach our business and – how we treat each other. It's by working with us that you'll experience the Beazley difference, bringing to life what sets us apart.

Being bold

across all our activities

We enjoy the freedom and encouragement to confidently question the status quo and push the edges. We dare to be different and explore bold possibilities to create more innovative, fair and satisfying outcomes for our people, our clients, partners and investors.

Striving for better

by always going above and beyond

Good is a start, but we go all out for better. We actively champion and support each other to be the best we can – a community of driven individuals relentlessly pushing the needle and creating value.

Doing the right thing

for our people, partners and planet

Acting with integrity in a straightforward, decent way is instinctive. Open and honest with each other, we show respect and empathy however challenging the situation. Doing the right thing makes for a fair-minded, rewarding environment and makes work and life better for all.

How we deliver different

Platform diversification

Our strategy is to achieve a successful intersection of platforms and products that offers our brokers and clients access to our expertise and specialist underwriting capacity where and when they do business. We believe that a mix of international, wholesale and domestic business is the most effective way to deliver this.

Product specialisation

We complement our platform strength with a product set focused on markets where issues can be complex, changing or emerging and terms and conditions and pricing are sustainable. We commit to these markets for the long term as we see demand grow for specialist insurance capacity.

Financial strength

Enabling us to support both long-term strategies for navigating change whilst positioning us to take advantage of market opportunities and focus on innovating.

Brand positioning

Our distinctive brand, and the perceptions it generates, help us to grow our business, sustain relationships and attract and retain talented people.

Deep stakeholder partnerships

We build strong, long-term relationships with like-minded stakeholders of which clients and brokers are key – whose principles align with ours and through which each partner benefits.

How different drives value

Investors

Underwriting discipline to ensure price adequacy and agility in deploying capital across our diversified portfolio allows us to reduce volatility and deliver a cross-cycle ROE of 15%.

Average ROE over 5 years

17.7%*

Average ROE over 10 years

15.5%*

Overall NAVps growth over 5 years

136%*

*The Group is of the view that these metrics constitute alternative performance measures (APMs). Further information is included in the APMs section on pages 262-264.

Colleagues

Enabling our people to learn, develop and progress. We employ talented people and invest in expanding their skills and helping them build rewarding careers.

Strong employee engagement:

85%

Brokers and clients

To ensure the best possible experiences and outcomes, we continue to monitor broker and client perceptions of our service in a variety of ways, including through detailed surveys.

Outstanding Service Quality Marque - for the 9th year in a row, our claims service has been awarded the Outstanding Service Quality Marque which is based on broker responses by independent Gracechurch survey.

World's Fifth Best Company for Sustainable Growth

Based on strong revenue growth and profit margins relative to peers and our commitment to sustainability, we are ranked fifth globally and the UK's best company for sustainable growth.

TIME WORLD'S BEST COMPANIES SUSTAINABLE GROWTH 2025 statista

Statement of the Chair

"I am proud that Beazley has played its part as a leading, specialty insurer to add real value to businesses around the world."

Clive Bannister
Chair

An era of accelerating risk

2024 produced more evidence that we are living in a period of change, where risk is rapidly increasing and businesses look to specialist insurers for support, as they manage an often challenging environment.

The global IT outage in July 2024 reminded us of the potential for interconnected technology to cause mass disruption. We also have more experience as to how climate risk is changing in the face of extreme weather events. This was seen in the extension of the geographic locations impacted by North Atlantic hurricanes or the intensity of the flooding experienced in the Valencia region of Spain during 2024. The year also saw more than 4 billion people take part in elections, in which digital media dominated much of the debate, bringing increased risk and more uncertain outcomes.

In this environment, I am proud that Beazley has played its part as a leading, global specialty insurer to add real value to businesses around the world. We provided them with effective risk transfer and management to reduce and mitigate threats or, in the worst case scenario, provided them with financial support to get back on their feet.

Businesses need global, specialty insurance expertise

In our Risk & Resilience research with 3,500 senior managers of risk across the world, they tell us that in recent years their businesses have consistently felt risk is rising while their resilience is diminishing.

Beazley's purpose is to help all our stakeholders explore, create and build. It is clear that, as a specialty insurer, we are an increasingly vital asset to businesses. This goes beyond simply transferring risk to our balance sheet, to supporting economic progress by delivering risk management advice and protection. The result is growing demand for our insurance and reinsurance products. This offers an opportunity for us to leverage demand-led growth to extend our brand of specialty insurance to an expanding global pool of insured risks.

We aim to offer continuity of cover for our clients, create innovative products and services for our broker partners, and ensure we deliver strong profitability for our shareholders.

Our approach to underwriting combines active management of the insurance cycle with providing a diverse set of insurance products. Focused selection of risks means we were able to deliver our strongest ever full-year result for 2024, achieving a profit before tax of $1,423.5m (2023: $1,254.4m) despite an active external loss environment.

We are committed to managing our capital by investing in future profitable growth and capital distribution. Following the 2023 results, we announced a $325m share buyback, which was concluded in September 2024. I am delighted to say that the strong result in 2024 allows us to launch a share buyback of $500m. Furthermore, we believe the strength of our results supports a one-off rebasing of the ordinary dividend by 76% to 25p.

Board evolution, strengthening expertise

During 2024, we saw further maturation of the Board. First, we have a strong group of Non-Executive Directors from whom we are able to draw on their market and corporate experience to guide our decision-making. During 2024, specific mention goes to Pierre-Olivier Desaulle who became our new Senior Independent Non-Executive Director, following Christine LaSala's retirement.

Second, we were pleased that Carolyn Johnson, who brings a wealth of experience in the North American market, joined the plc Board and became Chair of our North American business.

Third, we are actively "future proofing" our Group structure by invigorating our three platforms as they become increasingly important to our ability to access risk globally. We have strengthened our leadership and governance in North America, Europe and in London Wholesale, ensuring ongoing access to business across these platforms, enabling continued strong relationships with our brokers and insureds. Just as important is effective engagement with our regulators in each geography as we continue to strengthen our risk management infrastructure to ensure it is effective now and in the future.

Confidence in the future

I am proud of the entire team at Beazley. A pride that is rightly demonstrated by our ranking as the 5th best business globally for sustainable growth by TIME magazine. This ranking includes the measurement of growth, profits and sustainability, a combination which clearly reflects our value and historic, long-term success, and allows us to anticipate the opportunities ahead for your Company.

Achieving this excellent result for 2024 was due to the hard work by Beazley's talented team, guided by our experienced Board of Directors. I would like to thank them all for their continued efforts, which demonstrate our values of "Being Bold, Doing the Right Thing and Striving for Better".

As we look ahead, we remain focused on delivering on our promises to you, our investors, and to all our stakeholders, which includes our broker partners and clients, together with our outstanding team at Beazley. I am grateful for the ongoing support of all of you and I am confident in our shared future.

Group Chief Executive Officer's statement

"The robustness of our business model ensures we continue to achieve strong results as market conditions change."

Adrian Cox
Group Chief Executive Officer

The power of expertise

Resilient business model delivers in 2024

2024 saw Beazley deliver our highest ever profit before tax of $1,423.5m (2023: $1,254.4m) for the full year and I am proud of the work of our team across the Company in achieving this strong outcome.

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* for 2024 (2023: 6.8%), even as the rating environment continued to stabilise.

Our comprehensive understanding of our underwriting landscape means we were able to give early information and reassurance to our investors about our exposure to the global IT outage and hurricanes Helene and Milton. These events, whilst causing significant market losses and devastating for those in the front line, remained within our risk appetite and are testimony to the strength of our underwriting capabilities and the quality of our risk selection. The January 2025 California Wildfires were another significant market event and one which further demonstrates the increasingly volatile, complex and changing risk environment we are operating in. Our initial estimate of exposure to this event is around $80m.

*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.

Product-led approach underpinned by platform strength

The robustness of our business model ensures we continue to achieve strong results as market conditions change. This is built on a strategic framework which champions underwriting agility through product, sector and geographic diversification to actively manage the cycle. We have a product suite designed to access pools of risk that are growing, driven by increasing demand from our clients and broker partners, particularly where the risks they face are complex, volatile or changing.

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 October, Bethany Greenwood, Group Head of Specialty Risks, took over as Chair of our Wholesale Committee. We have executive management oversight on all three of our platforms, with Fred Kleiterp heading up Europe and Lou Ann Layton overseeing our business in North America. Today the premium written on our three platforms is split: Wholesale (Lloyd's) 49%, North America 43% and Europe 8%.

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. This is further proof of our commitment to the North American marketplace, with our team of more than 1,000 colleagues, based in 15 offices across the continental US and Canada, writing IWP of more than $2bn.

Our European business made great strides forward in 2024 and we now have a team of 200 colleagues across four country clusters, with country managers appointed in France, Germany, Spain and the UK. The continued investment we are making is driving growing awareness of our capabilities and subsequent demand for the specialist lines of business in which we concentrate, such as cyber and management liability.

The Wholesale platform remains a leader at Lloyd's. In this subscription market, where multiple insurers participate in risk sharing, we believe automatic-follow solutions, where a market leader's underwriting is automatically followed, bring welcome efficiency. Beazley was an early mover in the follow market for facilities and consortia via Smart Tracker syndicate 5623. During 2024, we took an additional step into the follow market in a new partnership with Ki, where we are learning more about follow-only algorithmic underwriting for open market business. Lloyd's is traditionally a subscription marketplace where risk is syndicated between lead and follow underwriters, providing capacity for complex and large risks. In recent years, we have seen the emergence of "Follow" underwriting models, providing automatic dedicated follow capacity for facilitised, digital or algorithmically traded portfolios.

Leadership and innovation

Developing an effective market for cyber catastrophe reinsurance is vital if we are to create a cyber insurance market capable of meeting demand from business. Having launched the market's first cyber catastrophe bond in 2023, we followed this with a further bond at the start of this year. With three tranches issued during the course of 2024, cyber catastrophe bonds now provide $510m of cover. In October 2024, we issued the market's largest and first cyber industry loss warranty (ILW), providing $290m of cover should industry losses exceed $9bn. Together with traditional reinsurance, we have $1bn of cyber catastrophe reinsurance in place, providing powerful protection for our business and demonstrating the innovation needed to drive this market forward.

In June, Beazley Security was launched, bringing together our in-house Cyber Services team and our wholly owned cyber security company Lodestone. Beazley Security is a key component in our Full Spectrum Cyber offering, which incorporates integrated risk management services and cyber insurance. Our experience shows that not only are our clients better able to pre-empt, respond and adapt to cyber threats, but by keeping them one step ahead we are also effectively managing our own underwriting outcome, as demonstrated by our Cyber Risks combined ratio of 64.4% (2023: 68.3%).

Talent and expertise

During 2024, we continued to strengthen our senior team, with the appointment of Liz Ashford as our Chief People and Sustainability Officer and Barbara Plucnar Jensen as our Group Chief Financial Officer.

I was also delighted that Paul Bantick stepped up to become Group Chief Underwriting Officer, following Bob Quane's retirement. Paul is an outstanding insurance leader, who has driven the growth of our Cyber Risks business and the ongoing development and maturation of the global cyber insurance market. Alessandro Lezzi succeeded Paul as Group Head of Cyber Risks from the start of 2025, and joins the Executive Committee. Alessandro has a strong track record at Beazley, having built out our International Cyber business.

I am pleased to note that our in-house talent, together with our ability to attract outstanding new colleagues to Beazley, means we are able to appoint high-calibre people to positions throughout the business.

We work hard to retain and develop our people, and our incentive schemes, including profit-related pay for all of our underwriters and long-term incentive and Save-As-You-Earn schemes, allow everyone to share in the Company's success.

Expertise is at the heart of handling complex claims that arise from specialty underwriting, and this is demonstrated by our multi-award winning claims team, which in January 2025 was awarded the Outstanding Service Quality mark by Gracechurch for the 9th year in a row.

Sustainability

Our sustainability strategy reflects the range of work we are engaged in across the sustainability landscape. Our three point framework - responsibly managing our business, supporting our clients in the transition and delivering success by doing the right thing - ensures that sustainability is an integral part of what we do every day in a way that is right for our business and meets the needs of all stakeholders.

Whilst we are actively tracking our progress ourselves, it is pleasing to be recognised for the success of our efforts. This year, we were ranked the 5th best business globally, and the highest in the UK, for sustainable growth by TIME magazine, a measure which assesses growth compared with peers, profitability and commitment to sustainability.

Outlook

I am excited to once again deliver a record profit. This level of success, even as 2024 offered a challenging risk landscape and a moderating rating environment, is testament to the talent and hard work of the entire Beazley team as well as the support of our broker partners and the ongoing commitment of our investors. I am grateful to all of you and look forward to what we will achieve together in 2025.

There is significant long-term opportunity for our business in this era of accelerating risk, which means our clients need our expertise and strong underwriting capabilities. And, as we demonstrated again in 2024, Beazley is a market leader that can deliver against that opportunity as we move forward.

We do operate in a cyclical market and one where conditions can change quickly. The industry continues to navigate an active claims environment, including recent natural catastrophe activity which could result in the pricing outlook evolving. However our central expectation at this time is that prices will continue to soften this year, and we are forecasting mid-single digit growth for 2025. Accounting for the provision already made in respect of the January 2025 Wildfires, we expect to deliver a mid-80s undiscounted combined ratio.

Group Chief Underwriting Officer's report

"We deliver what I believe is the best end to end underwriting and claims experience in the Specialty market."

Paul Bantick
Group Chief Underwriting Officer

Long-term outperformance

I am proud to have taken the role of Group Chief Underwriting Officer and to be leading such an outstanding underwriting team, which I have had the privilege of working with for the past two decades.

In 2024, the team once again delivered an excellent insurance service result of $1,236.0m (2023: $1,251.0m) and IWP growth of 10.0%. Against a backdrop of significant loss events and a moderating rating environment, the result speaks to the active cycle management and focus on risk selection that we have embedded at Beazley.

Our underwriting is focused on delivering long-term outperformance, which we achieve by actively managing the insurance market cycle, building diversification across a broad suite of products and geographies, and effective, careful risk selection. This is combined with a passion for innovation and a focus on commerciality that puts the needs of our broker partners and clients at its heart. Combined with our award winning claims team, we deliver what I believe is the best end to end underwriting and claims experience in the Specialty market.

I am delighted that this talented team has built a strong succession pipeline, which sees Alessandro Lezzi step up to succeed me as Group Head of Cyber Risks. We have worked together for nearly two decades at the forefront of developing and growing the global cyber insurance market and I am excited to see how Alessandro will take the team even further. James Wright has been appointed Head of Digital Underwriting and, under his experienced leadership, his team will be extending digital technology and distribution across our underwriting operations.

Insurance written premiums

	2024 $m	2023 $m
Cyber Risks	1,275.9	1,184.3
Digital	246.6	227.5
MAP Risks	950.3	964.3
Property Risks	1,703.2	1,351.9
Specialty Risks	1,988.1	1,873.4
Total	**6,164.1**	**5,601.4**

Net insurance written premiums

	2024 $m	2023 $m
Cyber Risks	860.5	912.9
Digital	207.0	202.4
MAP Risks	859.3	851.6
Property Risks	1,454.9	1,157.3
Specialty Risks	1,770.6	1,572.0
Total	**5,152.3**	**4,696.2**

Active cycle management

We continually assess the evolving geopolitical, environmental and technological landscape, and evaluate economic and insurance market conditions to determine opportunities and risks.

During 2024, this approach saw us continue to lean into the Property market, which saw strong growth of 26.0%. The teams' expertise and market insights have enabled the division to achieve these growth levels despite a reduction in rate increases to 1.3%, down from the very notable increase of 22.4% seen in 2023.

Our assessment of market conditions continued to make us cautious in classes impacted by social inflation, where we maintain our robust approach to managing the cycle.

Our ability to move with agility as market conditions evolve ensures we are able to remain relevant to our clients and brokers over the long-term whilst ensuring the profitability of our business.

Underwriting innovation

Product diversity is further enhanced by innovation, which sees us identify new and emerging categories of risk and create solutions for them. For example, our Safeguard product, which helps organisations protect their people from or mitigates the impacts of sexual abuse incidents, reached its 10-year milestone in 2024. It is designed to help organisations take preventative action and avoid incidents and, having identified the need more than a decade ago, we have pioneered and led this relatively new class of insurance which helps protect institutions and society from harm.

In addition to traditional insurance indemnification, clients increasingly want help in managing the full spectrum of risks they face to avoid any gaps in cover. At the same time, our broker partners are telling us they are seeking higher capacity limits for their clients as the risk landscape becomes increasingly complex. To meet these needs, we use our leading market position to lead consortium arrangements, and two notable examples in 2024 were Beazley FLEX and Beazley Quantum.

Beazley FLEX addresses the full range of crime, professional and cyber risks that financial institutions face and brings together our financial institutions and cyber experts to lead the consortium.

Beazley Quantum provides comprehensive cover for large corporates with up to a $100m limit, bringing much needed additional capacity to large businesses which are in the front line of the cyber threat.

In both instances, the consortium offers access to our market, leading Full Spectrum Cyber capabilities, which combine all of Beazley's cyber risk management and underwriting capabilities into the market’s only end-to-end cyber solution that brings together cyber insurance and security.

During the year, we looked closely at the new business opportunities and efficiency gains that follow underwriting can deliver, through ongoing success with Smart Tracker syndicate 5623 and with the start of a new partnership with Ki algorithmic underwriting.

As we moved through the year, we began to see the real benefits that AI will bring to our underwriting and claims teams, and we also continued to look closely to identify new risks, including the threat of AI-washing or the risk that companies overstate the benefits the technology will bring to their operations. We expect to see improved understanding of the risks and the opportunities of AI continue to come through in 2025.

Despite a challenging and volatile claims environment, our success in 2024 is based on our fundamental values, focus on underwriting excellence and effective risk management of our business, which is driving real value for our brokers and clients.

Group Chief Underwriting Officer's report continued

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, 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 "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.

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.

Performance by division

Strong underwriting performance across all of our divisions

Cyber Risks

Alessandro Lezzi
Head of Cyber Risks

Our market-leading Cyber offering protects businesses against cyber threats by building resilience and minimising risk. Beazley is a pioneer in cyber insurance and has led the development of the cyber Insurance Linked Securities (ILS) market. Our Full Spectrum Cyber ecosystem protects clients before, during and after a cyber incident and also includes our wholly owned cyber security company, Beazley Security.

Portfolio mix

	2024	2023
Cyber	83 %	81 %
Technology Errors & Omissions	17 %	19 %

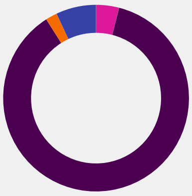
	2024 $m	2023 $m
Insurance written premiums	1,275.9	1,184.3
Net insurance written premiums	860.5	912.9
Segment result	355.4	307.4
Claims ratio	39.4 %	42.2 %
Expense ratio	25.0 %	26.1 %
Combined ratio	64.4 %	68.3 %
Undiscounted combined ratio	68.1%	72.3%
Rate change	(5.5)%	(5.1)%

Digital

James Wright
Head of Digital Underwriting

Digital offers cross-class specialist digital underwriting capabilities to the small business market. It gives brokers one Beazley point of contact, supported by a cross-functional team, to access multiple product lines and digital services via their preferred platform or channel.

Portfolio mix



	2024	2023
Cyber	87 %	75 %
Specialty	7 %	17 %
Marine	4 %	4 %
Contingency	2 %	4 %

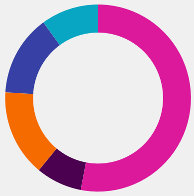
	2024 $m	2023 $m
Insurance written premiums	246.6	227.5
Net insurance written premiums	207.0	202.4
Segment result	57.1	59.4
Claims ratio	28.7 %	23.4 %
Expense ratio	45.6 %	44.9 %
Combined ratio	74.3 %	68.3 %
Undiscounted combined ratio	77.3%	69.7%
Rate change	(3.2)%	0.5 %

MAP Risks

Tim Turner
Head of MAP Risks

Beazley's Marine, Aviation, Political, Accident, Contingency and Portfolio underwriting come together in MAP risks.
These highly specialist classes are mainly underwritten on a wholesale basis and our expert underwriters are predominantly the market leader.

Portfolio mix



	2024	2023
Marine	53 %	47 %
Political	15 %	12 %
Accident	14 %	15 %
Contingency	10 %	8 %
Portfolio Underwriting	8 %	18 %

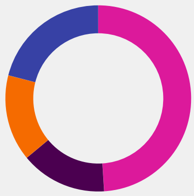
	2024 $m	2023 $m
Insurance written premiums	950.3	964.3
Net insurance written premiums	859.3	851.6
Segment result	182.6	158.2
Claims ratio	44.2 %	40.6 %
Expense ratio	36.7 %	37.9 %
Combined ratio	80.9 %	78.5 %
Undiscounted combined ratio	83.2%	79.3%
Rate change	1.3 %	5.6 %

Property Risks

Richard Montminy
Head of Property Risks

Bringing together our direct and reinsurance Property underwriting, the division gives strategic insight at both site and high-level trends, delivering a bird's eye view of property market dynamics. Business is underwritten around the globe, with an emphasis on North American-based property risks.

Portfolio mix



	2024	2023
Commercial Property	49 %	57 %
Treaty	21 %	22 %
Jewellers & Homeowners	15 %	8 %
Small Property Business	15 %	13 %

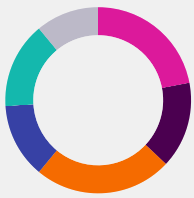
	2024 $m	2023 $m
Insurance written premiums	1,703.2	1,351.9
Net insurance written premiums	1,454.9	1,157.3
Segment result	391.2	354.7
Claims ratio	41.9 %	35.4 %
Expense ratio	31.0 %	29.8 %
Combined ratio	72.9 %	65.2 %
Undiscounted combined ratio	74.6%	66.7%
Rate change	1.3%	22.4 %

Specialty Risks

Bethany Greenwood
Head of Specialty Risks

Specialty Risks supports clients to deal with the consequences of incidents and issues that can lead to litigation and/or regulatory action. It offers scale and diversification across more than 25 different product lines, including D&O, M&A, Environmental Liability and specialist insurance for the life sciences industries.

Portfolio mix



	2024	2023
Executive Risks	24 %	26 %
Professions*	22 %	20 %
International Specialties	15 %	19 %
Healthcare	15 %	15 %
Global Treaty	13 %	11 %
Specialties and US programmes	11 %	9 %

	2024 $m	2023 $m
Insurance written premiums	1,988.1	1,873.4
Net insurance written premiums	1,770.6	1,572.0
Segment result	476.5	415.3
Claims ratio	47.5 %	41.9 %
Expense ratio	31.7 %	30.8 %
Combined ratio	79.2 %	72.7 %
Undiscounted combined ratio	87.1%	78.4%
Rate change	1.4 %	(0.9)%

* this includes Environmental and M&A

Group Chief Financial Officer's statement

"We aim to deliver a consistent financial performance by exercising underwriting discipline to ensure rate adequacy as well as deploying capital across our diversified portfolio in areas which allow us to deliver a strong return"

Barbara Plucnar Jensen
Group Chief Financial Officer

The value of a specialty insurer

I am very pleased to have joined Beazley as Group Chief Financial Officer in what has been an incredibly successful year for our Company, marked by such strong financial results.

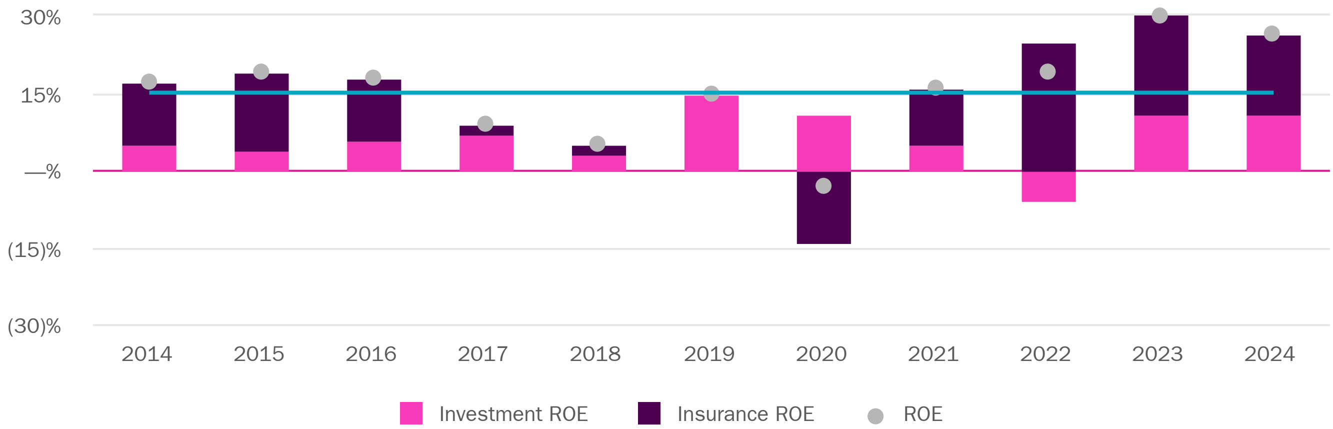
Our record pre-tax profit of $1,423.5m (2023: $1,254.4m) was delivered, despite an active claims environment and experiencing moderating rates. However, given the significant rate increases across many areas of our book in recent years, we remain confident on pricing adequacy at an overall Group level. The delivery of an undiscounted combined ratio (COR) of 79.0% (2023: 74.0% undiscounted) is demonstrative of our ability to effectively manage the cyclical nature of our business whilst maintaining strong results. 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%).

Consistent financial performance through the cycle

The return on equity for the year was 26.6% (2023: 30.0%). As a specialty insurer, the risks we underwrite are volatile, complex and changing. However, we aim to deliver a consistent financial performance by exercising underwriting discipline to ensure rate adequacy as well as deploying capital across our diversified portfolio in areas which allow us to deliver a strong return.

Whilst the nature of our business is cyclical, predictability of our results is important to us and we target a cross-cycle return on equity (ROE) of 15%. Our average return on equity across the last 10 years is 15.5%, with a five-year average of 17.7%. This has been achieved despite COVID losses in 2020, an extraordinary year in terms of losses and the only year in the Company's history which did not generate a profit. This demonstrates the very strong underwriting discipline which ensures sustainability of our financial performance through the cycle.

Cross-Cycle ROE[1, 2]



1 2014 - 2021 - calculated on IFRS 4 basis, 2022 - 2024 calculated on IFRS 17 basis.
2 Investment and Insurance (including other income) ROE has been calculated based on the contribution which each provided to profit before tax in the year.

Financial review
Capital structure

Effective capital utilisation
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 solvency capital requirement (SCR). We also seek to absorb volatility to ensure financial resilience should a 1-in-250 event occur as well as assessing the impact of interest rate movements. Finally, we consider the opportunities for growth, which encompass the business plan for the following year as well as the opportunities for growth in the medium term (subsequent 1-2 years) whilst ensuring we can swiftly take advantage of rising unforeseen opportunities.

In the past, our primary focus has been on organic growth, particularly in recent years given the extraordinary market conditions across many lines of our business. However, we are open to opportunities for organic and/or acquisitive growth where it aligns with our strategy and competence. The growth in our company in recent years combined with the current market conditions may foster more relevant prospects in this space, allowing us to explore suitable acquisition opportunities like those we have executed in the past, continuously demonstrating a desire to balance prudence and maximise returns for investors.

We deploy capital where we can generate most value, and are committed to return any surplus capital to our shareholders. 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 to be paid on 2 May 2025. We will also commence a share buyback of $500m.

Our aim is to continue to deliver value to our shareholders while navigating the dynamic market landscape. Looking ahead, we remain committed to maintaining a strong capital discipline. We make decisions to support value creation. Whilst ensuring consistency and predictability in our results, we intend to continue to leverage our strong financial foundation to drive sustainable growth.

Capital structure
Given the global business and structure of Beazley, the Group and subsidiaries need to adhere to several regulatory requirements. Capital is required to support underwriting at Lloyd's, in the US and through our European branches, and is subject to prudential regulation by local regulators (the Prudential Regulation Authority, Lloyd's, the Central Bank of Ireland (CBI), and the US state level supervisors). Beazley is subject to the capital adequacy requirements of the European Union (EU) Solvency II regime.

The capitalisation ensures we achieve adequate ratings from A.M. Best and Fitch for Beazley Insurance Company, Inc. (BICI), Beazley America Insurance Company Inc. (BAIC), Beazley Excess and Surplus Insurance Company, Inc (BESI), and Beazley Insurance dac (BIDAC) in order to be able to conduct business freely with our preferred client base.

As of 31 December 2024, our Solvency II coverage is estimated at 264% (31 December 2023: 219%, net of announced share buybacks and dividends). The capital requirement (SCR) is established using our Solvency II approved internal model approved by the CBI and reflects the business we expect to write through to the end of 2025 as per our business plan, which is targeting gross growth of mid single digits.

The projected year-end Group Solvency II ratio of 264% takes into account the ordinary dividend of 25.0p and share buyback of $500m.

	2024 Estimate* $m	2023 $m
Eligible Tier 1 capital	4,291.3	3,980.9
Eligible Tier 2 capital	564.9	520.8
Total Solvency II eligible own funds	4,856.2	**4,501.7**
Capital requirement	1,837.1	**2,058.2**
Group Solvency II ratio	264%	**219%**

*The final 2024 ratio is subject to review and audit and will be published in the Group 2024 Solvency and Financial Condition Report (SFCR).

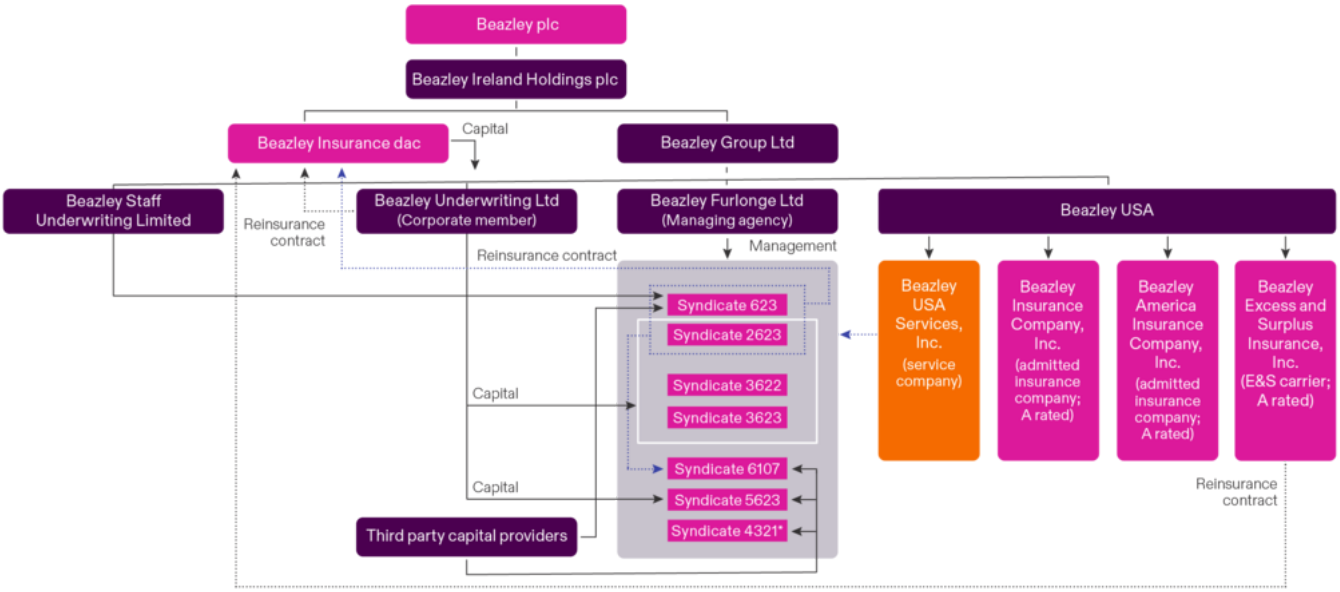
Our funding comes from a mixture of Tier 1 basic own funds and $564.9m of Tier 2 own funds. This is predominantly $552.2m of Tier 2 subordinated debt ($550.0m after capitalised borrowing costs and fair value adjustments).

Both Tier 2 subordinated debt issuances in 2016 and 2019 are issued by BIDAC, which maintains an Insurer Financial Strength (IFS) rating of "A+" by Fitch.

Scenario sensitivity analysis
The table below shows the impact on the Group's estimated Solvency II ratio as of 31 December 2024 in the event of the scenarios shown. The impact on the Group's Solvency II ratio could arise from movements in both the Group's SCR and own funds.

Scenario	Impact on Solvency II ratio
Cyber 1-in-250 Cyber scenario*	(29)%
Nat Cat 1-in-250 Combined scenario	(31)%
50 bps decrease in interest rates**	(12)%

• Based on Cyber Probabilistic Model.
** This considers the impact on the SCR in isolation to the impact on eligible own funds.



Group structure

The Group operates across Europe, Asia, Canada and the 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 – corporate member at Lloyd's providing all capital to syndicates 2623, 3622 and 3623, and 20% of capital to 5623 (2023:18%);
- Beazley Staff Underwriting Limited – corporate member at Lloyd's providing approximately 9% of the capital to syndicate 623;
- Beazley Furlonge Limited – managing agency for the seven syndicates managed by the Group 623, 2623, 3622, 3623, 4321, 5623 and 6107;
- 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 cyber reinsurance ceded from syndicates 623 and 2623 on behalf of third-party names;
- BAIC – admitted insurance company regulated in the US.
- 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. – provides internal reinsurance to BICI on older accident years; and
- BESI – insurance company regulated in the US to write surplus lines business.

Group performance

Result

We are proud to have delivered an outstanding profit before tax of $1,423.5m (2023: $1,254.4m). This was achieved through a combination of strong performance on both the insurance and investment results. An insurance service result of $1,236.0m (2023: $1,251.0m), driven by an undiscounted combined ratio of 79.0% (2023: 74.0%), together with net investment income of $574.4m (2023: $480.2m), which represents an investment return of 5.2% (2023: 4.9%), delivering record profits for a second year in a row.

Premiums

Insurance written premiums increased by 10.0% 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 on insurance premium written 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 ILW. We are committed to actively encouraging the development of the alternative risk transfer market for cyber, which will support the structural growth expected in the cyber insurance market in the coming years.

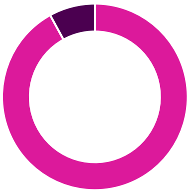
Statement of profit or loss

	2024 $m	2023 $m
Insurance service result	1,236.0	1,251.0
Net investment income	574.4	480.2
Net insurance finance expense	(55.9)	(153.4)
Net insurance and financial result	**1,754.5**	**1,577.8**
Other income	106.0	78.5
Operating expenses	(388.6)	(365.8)
Foreign exchange (losses)/gains	(9.1)	4.5
Finance costs	(39.3)	(40.6)
Profit before tax	**1,423.5**	**1,254.4**
Income tax expense	(293.2)	(227.6)
Profit after tax	**1,130.3**	**1,026.8**
Claims ratio	43.1 %	39.4 %
Expense ratio	31.7 %	31.6 %
Combined ratio	74.8 %	71.0 %
Rate (decrease)/increase	(0.5)%	4.3 %
Investment return	5.2 %	4.9 %

Financial review continued
Group performance continued

Statement of profit or loss

Insurance type



	2024	2023
Insurance	91 %	92 %
Reinsurance	9 %	8 %

Premiums by division[1]

	2024	2023
Cyber Risks	21 %	21 %
Digital Risks	4 %	4 %
MAP Risks	15 %	17 %
Property Risks	28 %	24 %
Specialty Risks	32 %	34 %

1 Based on IWP.

Premium written by claim settlement term

	2024	2023
Short tail	59 %	55 %
Long tail	41 %	45 %

Geographical distribution of premiums[2]

	2024	2023
Europe	16 %	16 %
Worldwide	23 %	22 %
US	61 %	62 %

2 The graph shows the location in which the insured resides.

Insurance service result

The Group achieved an insurance service result of $1,236.0m (2023: $1,251.0m). Insurance revenue of $5,678.1m (2023: $5,442.4m), a 4.3% increase, reflecting the continued growth of the business during 2024.

During the second half of 2024, a number of natural catastrophes occurred, including Hurricanes Helene and Milton, following a reasonably benign hurricane season in 2023. The claims environment remains elevated overall and in the second half of the year we saw more normalised claims experience compared with the better than expected experience in 2023. This resulted in a claims ratio of 43.1% (2023: 39.4%). The expense ratio remained consistent with prior year at 31.7% (2023: 31.6%) as we continued to focus on managing our expenses during the year, whilst continuing to invest with our technology modernisation programme.

The allocation of reinsurance premium decreased by 32.1% to $764.9m (2023: $1,127.3m) following a period of actively purchasing less proportional reinsurance within our Cyber Risks and Specialty Risks divisions year on year. Amounts recoverable from reinsurers for incurred claims decreased to $255.8m (2023: $528.5m). As prior year gross claims estimates have decreased, together with the reduction in reinsurance coverage purchased, the amounts recoverable from reinsurers has also reduced. Reinsurers' share of directly attributable expenses has increased to $4.4m (2023: $3.6m).

Combined ratio

The combined ratio of an insurance company is a measure of its performance from transacting (re)insurance contracts. Under IFRS 17, this represents the ratio of its insurance service expense less directly attributable expenses and amounts recoverable from reinsurers for incurred claims, to the total insurance revenue less allocation of reinsurance premium. This is all on a discounted basis and excludes operating expenses which are non-directly attributable and excluded from the insurance service result.

A combined ratio under 100% indicates a profit on the insurance service result. Beazley has continued to deliver underwriting profitability with a combined ratio of 74.8% in 2024 (2023: 71.0%). For further information, please see the APMs section on pages 262-264.

Other income

Other income increased by 35% to $106.0m (2023: $78.5m), primarily driven by increased income received from third-party syndicates from a one-off adjustment to realign the recognition of the operation of an internal Staff Underwriting Scheme for the 2023 year of account and prior.

Reserve confidence level

Beazley has a consistent reserving philosophy, with initial reserves being set to include a risk adjustment that may be released over time as and when any uncertainty reduces.

We maintain a preferred confidence level of between 80th and 90th percentile. This percentile indicates the strength of reserves held across both the best estimate and risk adjustment for non-financial risk. IFRS 17 outlines the key principles in order to calculate the risk adjustment for non-financial risk. There are two principles that are particularly important, and thus worth highlighting. First, the level needs to be consistent with how Beazley considers the risk at the point of underwriting. The second principle states that the risk adjustment level should make the firm neutral to running off the obligations or selling them.

At the end of 2024, our confidence level was at the 84th percentile (2023: 85th percentile).

Past service development

Net past service development saw a net release of $(144.5)m in 2024 (2023: net release of $(109.8)m), which represented (2.9)% (2023: (2.5)%) of insurance revenue less allocation of reinsurance premiums. The largest releases were from:

- Property Risks $68.4m (2023: $78.0m); and
- Cyber Risks $63.0m (2023: strengthening $9.9m).

Property and Cyber Risks both experienced favourable attritional claims experience throughout the year, supplemented by the release of Cyber catastrophe loads and benign movements on existing Property catastrophes. Property has benefited from particularly benign attritional experience in the US market, and Cyber releases reflect ongoing positive experience on international risks.

Specialty Risks released $37.7m (2023: $8.1m), due to sustained favourable attritional claims experience on books where underwriter action has been taken in previous years. This is partially offset by strengthening on specific events on several older underwriting years together with deteriorations in US health and medical covers partially attributed to ongoing social inflation.

Digital released $31.1m (2023: $28.0m), driven by favourable attritional claims experience on the cyber business.

In MAP risks, reserves have been strengthened due to ongoing geopolitical uncertainty. Despite this, MAP has still delivered an undiscounted COR of 83.2% and remains a highly profitable part of our business.

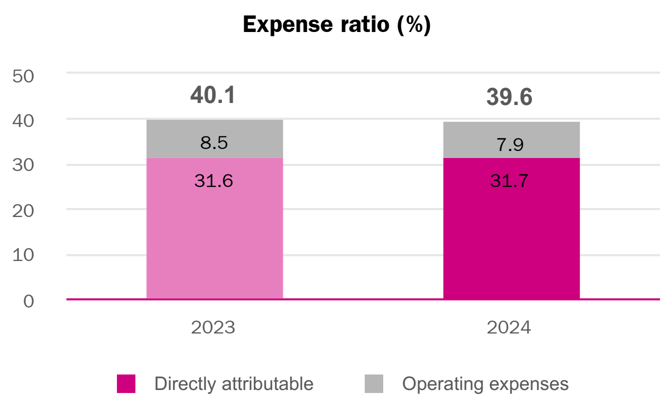
Prior year claims adjustment

Net	2024 $m	2023 $m
Cyber Risks	(63.0)	9.9
Digital	(31.1)	(28.0)
MAP Risks	55.7	(5.6)
Property Risks	(68.4)	(78.0)
Specialty Risks	(37.7)	(8.1)
Total	**(144.5)**	**(109.8)**
Release as a percentage of insurance revenue less allocation of reinsurance premiums	(2.9)%	(2.5)%

Financial review continued
Group performance continued

Total expenditure
The expense ratio, which under IFRS 17 only includes expenses directly attributed to insurance activities, increased marginally to 31.7% for 2024 (2023: 31.6%). For 2024, non-directly attributable expenses of $388.6m (2023: $365.8m) fall outside the insurance result. Taking these items together, total expenses for 2024 totalled $1,946.7m (2023: $1,728.4m).

We continue to focus on our total expense base, allowing for additional expenses where aligned to underlying business growth or to enhancement to our business model. Together with the focus on our expense base, the reduction in the total expense ratio to 39.6% (2023: 40.1%) reflects the costs incurred in the prior year as a result of the modernisation of our underwriting and finance platforms as well as enhancing our digital trading capabilities.



Foreign exchange
The majority of Beazley's business is transacted in US dollars (80.9%), which is the currency we have reported in since 2010 and the currency in which we aim to hold the Company's net assets. Changes in the US dollar exchange rate with sterling, the Canadian dollar and the euro do have an impact as we receive premiums in those currencies and a material number of our staff receive their salary in sterling. Beazley's foreign exchange movement, taken through the statement of profit or loss in 2024, was a $9.1m loss (2023: $4.5m gain).

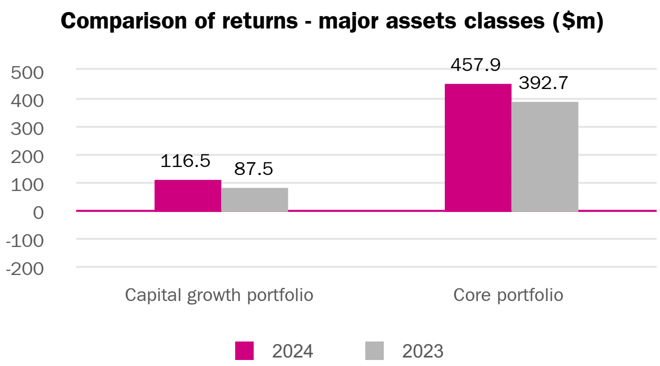
Investment performance
Beazley's investment portfolio generated a return of $574.4m, or 5.2%, in 2024 (2023: a return of $480.2m, or 4.9%). Our financial assets grew to $11.5bn as at 31 December 2024 (2023: $10.5bn). Returns were again driven by strong performance from our equity, credit and hedge fund 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.

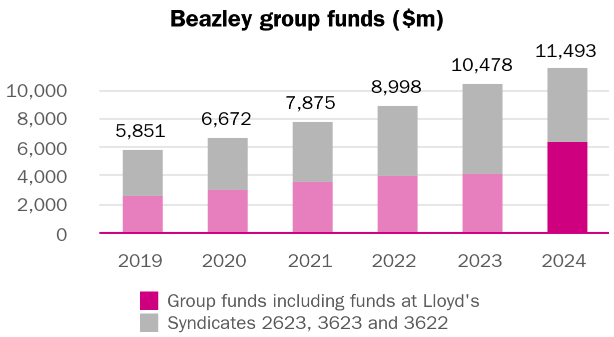
US GDP growth was surprisingly strong, shaking off high short-term interest rates to register approximately 3% for 2024, led by services and consumption. US Government bond yields were volatile, rising early in the year before falling through Q3, and rising again in Q4 as financial market participants 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.

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.

We made an allocation to securitised credit for the first time in many years in 2024, selecting an external manager to invest in the highest quality tranches (AAA-AA) of collateralised loan obligations (CLOs). The portfolio was initiated in the second half of the year, and has been ramped to its target.

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.





The table below details the breakdown of our portfolio by asset class:

	31 Dec 2024		31 Dec 2023	
	$m	%	$m	%
Cash and cash equivalents	882.1	7.7	812.3	7.8
Fixed and floating rate debt securities				
– Government issued	4,289.1	37.3	4,469.1	42.6
– Corporate bonds				
– Investment grade	3,862.3	33.6	3,578.3	34.1
– High yield	662.4	5.8	489.0	4.7
– Securitised				
– Collateralised loan obligations	480.0	4.2	—	—
Syndicate loans	29.5	0.3	34.1	0.3
Derivative financial assets	11.2	0.1	10.0	0.1
Core portfolio	10,216.6	89.0	9,392.8	89.6
Equity funds	348.7	3.0	282.7	2.7
Hedge funds	752.0	6.5	582.2	5.6
Illiquid credit assets	175.4	1.5	220.1	2.1
Total capital growth assets	1,276.1	11.0	1,085.0	10.4
Total	**11,492.7**	**100.0**	**10,477.8**	**100.0**

Comparison of return by major asset class:

	31 Dec 2024		31 Dec 2023	
	$m	%	$m	%
Core portfolio	457.9	4.7	392.7	4.5
Capital growth assets	116.5	9.9	87.5	8.8
Overall return	**574.4**	**5.2**	**480.2**	**4.9**

Tax

Beazley is liable to corporation tax in a number of jurisdictions, notably the UK, the US and Ireland. Beazley's effective tax rate is thus a composite tax rate mainly driven by the Irish, UK and US tax rates. The weighted average of 18.6% (2023: 17.6%) is higher than last year due to this year's composition of profit and losses across the Group, including the impact of the Pillar 2 minimum tax on profits arising in Ireland.

The effective tax rate has increased in 2024 to 20.6% (2023: 18.1%).

Financial review continued
Balance sheet management

Summary statement of financial position

	2024 $m	2023 $m	Movement %
Intangible assets	198.0	165.3	20
Insurance contract assets	20.2	101.5	(80)
Reinsurance contract assets	2,666.6	2,426.7	10
Other assets	1,041.5	494.1	111
Financial assets at fair value and cash and cash equivalents	11,492.7	10,477.8	10
Total assets	**15,419.0**	**13,665.4**	**13**
Insurance contract liabilities	8,814.3	7,992.2	10
Reinsurance contract liabilities	297.1	333.5	(11)
Financial liabilities	576.0	554.6	4
Other liabilities	1,124.8	903.0	25
Total liabilities	**10,812.2**	**9,783.3**	**11**
Net assets	**4,606.8**	**3,882.1**	**19**
Net assets per share (cents)	**731.4c**	**585.8c**	**25**
Net tangible assets per share (cents)	**699.9c**	**560.9c**	**25**
Net assets per share (pence)	**570.5p**	**468.6p**	**22**
Net tangible assets per share (pence)	**545.9p**	**448.7p**	**22**
Number of shares[1]	**629.9m**	**662.7m**	**(5)**

1 Excludes shares held in the employee share trust and treasury shares.

Intangible assets

Intangible assets consist of goodwill on acquisitions of $62.0m (2023: $62.0m), purchased syndicate capacity of $31.3m (2023: $31.3m), US admitted licences of $9.3m (2023: $9.3m) and capitalised expenditure on IT projects of $95.4m (2023: $62.7m).

Net reinsurance contract assets

Net reinsurance contract assets represent recoveries from reinsurers, and comprise of the asset for remaining coverage (ARC) and the asset for incurred claims (AIC). At 31 December 2024, the ARC was in a net asset position of $139.7m (2023: $321.9m net liability) as the future premium payable to the reinsurers was lower than the expected claim recoveries. The AIC was in a net asset position of $2,229.8m at 31 December 2024 (2023: $2,415.1m net asset).

The Group's exposure to reinsurers is managed through:

- minimising risk through selection of reinsurers who meet strict financial criteria e.g. minimum net assets, minimum 'A' rating by S&P (these criteria vary by type of business, eg short vs medium tail);
- timely calculation and issuance of reinsurance collection notes from our ceded reinsurance team; and
- regular monitoring of the outstanding debtor position by our Reinsurance Security Committee and Credit Control Committee.

Net insurance contract liabilities

Net insurance contract liabilities of $8,794.1m (2023: $7,890.7m) consist of two main elements, being the liability for remaining coverage (LRC) and the liability for incurred claims (LIC).

The LIC and LRC balance is made up of a reserve for expected claims and a risk adjustment. In addition, the LRC contains a contractual service margin, provision for onerous contracts and premium debtors. At 31 December 2024, the LRC balance was $1,194.4m (2023: $755.4m). Our LIC has increased by 6.5% to $7,599.7m (2023: $7,135.3m).

CSM Sustainability

The Contractual Service Margin (CSM) reflects the expected profit of contracts within the liability/asset for remaining coverage. We have calculated the CSM sustainability as the closing CSM divided by the opening CSM, and thus a value of 1 and above shows that the expected profit within the LRC/ARC is higher than the previous valuation. For more information on CSM Sustainability, including the calculation, please refer to the APM section on pages 262 to 264.

As at 31 December 2024, the gross CSM sustainability score was 1.40 (2023: 1.01) while the net CSM sustainability score was 1.15 (2023: 1.17). This is a pleasing result and shows the strength of the expected profit contained on the balance sheet has increased on a gross basis, with a marginal decrease on a net basis following an increase in the purchase of cyber reinsurance during 2024. This puts us in good stead as we move in to 2025.

Discounting impacts

During 2024, the net finance expense was $55.9m (2023: $153.4m), which was broken down into a $292.1m (2023: $294.7m) unwind of discounting recognised on existing business, partially offset by $236.2m (2023: $141.3m) of income from changes in financial assumptions.

Financial liabilities

Financial liabilities comprise borrowings and derivative financial liabilities. The Group utilises two long-term debt facilities:

- In November 2016, Beazley Insurance dac issued $250.0m of 5.875% subordinated Tier 2 notes due in 2026.
- In September 2019, Beazley Insurance dac issued $300.0m of 5.5% subordinated Tier 2 notes due in 2029.

The Group has a syndicated short-term banking facility led by Lloyds Banking Group plc. This provides potential borrowings of up to $450.0m which may be advanced as cash. Of this, $225.0m has been drawn as letters of credit to support underwriting at Lloyd's at 31 December 2024 (2023: $225.0m). 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 above this fee.

The cash element of the facility will expire on 25 May 2026, whilst letters of credit issued under the facility can be used to provide support for the 2023, 2024 and 2025 underwriting years. In 2024, $225.0m has been placed as a letter of credit as Funds at Lloyd's (FAL).

Other assets

Other assets are analysed separately in the notes to the financial statements. The items included comprise:

- amounts due from syndicates 5623, 623 and 4321;
- prepayments and accrued income; and
- other receivables.

Sustainability

Our vision is to be the highest performing sustainable specialty insurer.

Sustainability is at the core of how we operate. Responsibly managing our business, supporting our clients and delivering success are the fundamental components of our sustainability framework.

By operating in this interconnected way, which engages our colleagues and gives back to our communities, we can be confident that we are on the right path towards a sustainable future.

To ensure we make progress, we set ourselves a series of goals that aim to build better resilience for our clients, motivate our staff and deliver for our communities and stakeholders. In 2024 we published our Net Zero Transition plan and refreshed our Sustainability strategy with three key areas of focus.

We continue to set metrics against which we can measure our performance. These are regularly reviewed by our Executive Committee and Board. Beazley's Responsible Business Steering Group, led by our CEO, challenges the progress and development of the strategy and provides support to the business as it addresses sustainability issues and climate related risk in a way that delivers success to our Company. A summary of key metrics for Sustainability are summarised on pages 29-31.

We manage our business responsibly

Managing our business responsibly is embedded in our thinking. It supports our deep understanding of specialist risk and is at the core of our culture and values.

It means we strive for better and seek to do the right thing, for our people, planet and our investment and supply chain partners. It also means we set bold goals to ensure we are able to deliver on our commitment to sustainability.

Supply chain

Ensuring that our supply chain is responsible is vital for us to deliver a seamless service to clients. With much of our supply chain focused mainly on services, products are only a significant part of the mix when associated with an office fit out, the procurement of office supplies, or the delivery of events. During 2024, we continued to use our environmental management system and leveraged sustainability data to appraise and inform our procurement decisions. Our focus now is on embedding this approach beyond our operations and into our claims supply chain.

Human rights and commitments under the Modern Slavery Act

We continue to be committed to supporting and respecting internationally proclaimed human rights and seek to avoid complicity in human rights abuses. To achieve this, we adhere to the principles as defined by the United Nations (UN) Guiding Principles on Business and Human Rights, the UN International Bill of Human Rights and the International Labour Organization's (ILO) Declaration on Fundamental Principles and Rights at Work. We are a signatory to the UN Global Compact.

We recognise that our approach to identifying, remedying and preventing human rights abuses and modern slavery risks within our business and our supply chain will continue to evolve as our business and our partnerships evolve.

Given our progress so far, our main priorities for 2024 included:

- publishing our supplier code of conduct, which sets out our minimum expectations on our suppliers to manage human rights and modern slavery risks;
- establishing KPIs in order to measure the effectiveness of our actions and progress in tackling modern slavery and human trafficking; and
- continuing to reinforce the Company values, encouraging a "speak up" culture, examples include dignity and respect training and executive coffee sessions which are hosted each month in order to encourage two-way conversation.

Inclusion and diversity

We believe that building a talented and diverse team that reflects the communities and geographies in which we operate will deliver outstanding results for our business.

In 2024, 45% of our senior leadership roles were held by women which aligns with our aim to maintain gender balance across the Company. In 2024, 28% of the Company were People of Colour. The census data in the places we do business, show we have work to do to fully reflect these communities and as such our aim is to increase the People of Colour in our workforce to 33% by March 2028, also aiming for 8% of our employee base to identify as Black by the same date.

We remain focused on increasing the representation of People of Colour in our senior leadership team, aiming for at least 17% by March 2028. At the end of 2024 this stood at 12%.

Decisions relating to performance, hiring and promotion at Beazley continue to be based on individual merit and performance.

We are focused on inclusion for all our staff and actively encourage them to engage with our employee networks. Each of our networks is run for our employees, by our employees and have a senior sponsor. You can find more details about our networks in our Sustainability Report 2024 on our website.

We support our clients to transition

Our clients are grappling with the dramatic effects of climate change. By understanding this complex risk landscape, we support our clients to transition towards a greener, equitable future. In an era of accelerating risk, stable long-term insurance capacity builds better business resilience. As a specialty insurer, we will use the power of our expertise to help our clients by:

- developing new products and adjusting existing ones to support clients to understand and mitigate the expected impacts of climate risk;
- providing supporting services to help clients manage their own energy transitions; and
- working with our industry peers to create and share good quality data and common assessment frameworks to support change.

Climate change

As a specialty insurer, we underwrite in areas that are vulnerable to the impact of climate change, with Property Risks particularly exposed. Our response to climate change needs to reflect both effective management of the risk; and our responsibility to play our part in mitigation. On pages 32 to 33 you can read our disclosures made as part of Task Force on Climate-related Financial Disclosures (TCFD), which will give you an in depth overview of how Beazley is addressing the challenges of climate change.

We deliver success by doing the right thing

Doing the right thing makes good business sense. As our financial results, community outcomes and staff engagement show we are delivering success alongside our sustainable approach to doing business.

Put simply, our values inspire the way we work, how we engage with stakeholders and colleagues, the design of our workspaces, and form the basis of our service to customers, ensuring our behaviour is that of a sustainable business.

Sustainability continued

Investments

Beazley adopts a responsible approach to the management of our asset portfolio, reflecting our belief that companies committed to a sustainable business strategy gain long-term competitive advantages, enabling them to generate stronger and more stable returns over time.

Our Responsible Investment Policy sets out our approach to incorporating sustainability considerations in our investment process, decision-making and ownership practices. In doing so, we aim to positively impact the financial value of our investments and recognise the positive influence investment strategies can have in the wider world.

Impact investing

To demonstrate our commitment to doing the right thing, we have allocated up to $100m from our asset portfolio to impact investments. These investments focus on opportunities that have measurable social or environmental impact, as well as a financial return. Our investments aim to improve outcomes in communities local to our offices and in developing countries overseas.

Since the inception of the fund in 2021 we have committed capital of $60m to five funds, investing in a wide range of target outcomes including the expansion of renewable energy capacity, financial inclusion and the circular economy.

In 2023, we became a founding investor in the Big Issue Social Impact Debt Fund which funds housing, care and social infrastructure projects with the goal of alleviating poverty in the UK. In 2024, we made commitments to two funds. The first provides debt financing to facilitate the expansion of solar energy in the US with a focus on community projects. The second is a private equity fund targeting businesses supporting themes of sustainable planet, future skills, stronger communities and healthier lives.

Social impact

2024 marked the 10th anniversary of Beazley's "Make a Difference" campaign, our annual community volunteering programme. In celebration, we successfully launched several new initiatives, resulting in a substantial increase in our volunteer support and achieving over 5,000 hours of community service.

Our community initiatives, often executed in collaboration with charitable organisations, primarily focus on the communities surrounding our employees' homes and offices. Beazley provides up to 2.5 days of volunteer leave annually and through our volunteering campaigns, encourage employees, both individually and as teams, to support various local communities. We aim to ensure local office representatives are actively involved and work alongside each other to ensure we are donating our time and money where it is most needed.

Our 2024 charity initiatives focused on supporting our corporate charity partner through fundraisers, match funding for employee fundraising and disaster relief efforts. This year marked the final year of our corporate partnership with World Central Kitchen, a global charity that supports communities facing disaster by providing meals. In 2024, Beazley donated over $350,000 to World Central Kitchen helping them provide meals in response to humanitarian, climate and community crises.

Moving forward

Our sustainability strategy balances an inward-looking view of how we manage our business, with an external focus on how we interact with clients and impact the world around us.

Having launched our net-zero transition plan in 2024, we aim to continue to focus on progress on our sustainability journey – enhancing our data collection capabilities to support our ambitions.

In 2024, Beazley also became a founding member of Humanity Insured, an innovative charity designed to support vulnerable communities by enhancing their climate resilience through insurance. We look forward to an ongoing partnership with them moving forwards.

On our Sustainability and Culture & Values pages of our website you will find detailed information and our key policies and disclosures are contained within our 2024 Sustainability report.

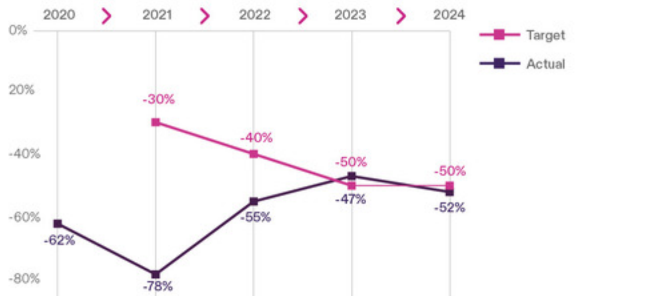
Sustainability Key Metrics 2024

Responsible culture

	2021	2022	2023	2024
People of Colour representation in workforce	23%	25%	27%	28%
Senior leadership roles held by women	38%	43%	45%	45%
Employee engagement	86% (9% above global average)	85% (8% above global average)	86% (8% above global average)	85% (7% above global average)

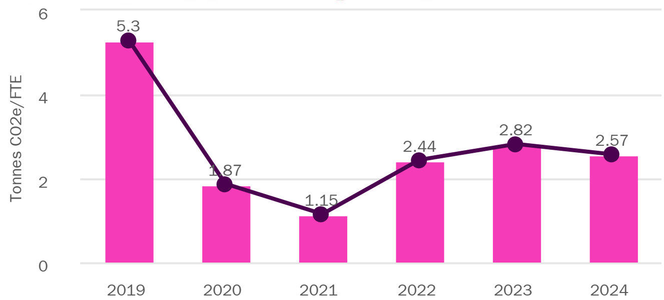
Climate responsibility

Reduction in Normalised Greenhouse Gas emissions*



The reductions of in scope GHG emissions are shown based on data normalised by FTE. Reduced emissions in 2020 and 2021 were impacted by COVID-19.
* reduction target remains at -50%

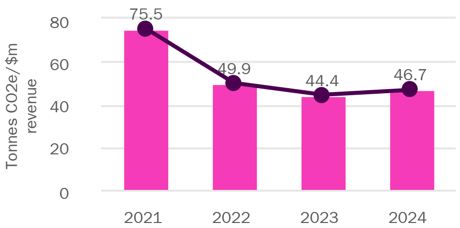
Greenhouse Gas Emissions per FTE



GHG emissions are calculated in accordance with Beazley's 2023 GHG methodology. This is available on our website. GHG are normalised based on Full Time Equivalents (FTE). Emissions in 2020 and 2021 were impacted by reduced business travel due to the COVID-19 pandemic. 2022 saw a return to face to face contact with stakeholders, however, the early months of the year were considered to be still impacted by the pandemic.

Investments

Weighted Average Carbon Intensity (WACI) of our corporate bond and equity portfolios



WACI based on reporting of GHG emissions on a Enterprise Value including Cash (EVIC) basis. The scope of the reporting is limited to the GHG emissions arising from our publicly listed corporate bonds (investment grade and high yield) and publicly listed equities. Emissions have been reported for 97.6% of the market value of in-scope assets.

Charity and communities

	2021	2022	2023	2024
Employee volunteer hours	911	1693	2697	5529
Beazley donations[1]	$380k	$474k	$603k	$845k

1 Includes monetary and gifts in kind, donations.

Sustainability continued

Gender diversity[1,3] as at 31 December 2024

	Number of Board members	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID and Chair)	Number in executive management	Percentage of executive management	Percentage of Beazley's senior leadership team[2]	Percentage of Executive Committee and direct reports[5]	Number of senior managers of the Company in accordance with the Companies Act 2006[6]	Number of all employees[6]	Percentage of all employees
Men	6	55%	3	9	60%	55%	60%	27	1,138	47%
Women	5	45%	1	6	40%	45%	40%	18	1,274	53%
Not specified/prefer not to say	—	—%	—	—	—%	—%	—%	4	7	—%

Ethnic diversity[1,3] as at 31 December 2024

	Number of Board members	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID and Chair)	Number in executive management	Percentage of executive management	Percentage of Beazley's senior leadership team[2]	Percentage of Executive Committee and direct reports[5]	Number of senior managers of the Company in accordance with the Companies Act 2006	Number of all employees	Percentage of all employees
White British or other white (including minority-white groups)	9	82%	4	13	86%	79%	77%	32	1,425	65%
Mixed/multiple ethnic groups	—	—%	—	—	—%	1%	—%	0	72	3%
Asian/Asian British	2	18%	—	—	—%	5%	6%	1	244	11%
Black/African/Caribbean/Black British	—	—%	—	1	7%	3%	5%	2	154	7%
Other ethnic groups	—	—%	—	—	—%	3%	5%	3	144	7%
Not specified/prefer not to say	—	—%	—	1	7%	9%	8%	11	137	6%

Beazley's ethnicity goals as at 31 December 2024

In 2021, Beazley set the goal to ensure that at least 25% of our global population, in the locations we are able to track the data, would be People of Colour by the end of 2023. We met this goal ahead of schedule, and are now aiming for 33% of our population to be People of Colour by March 2028. At Beazley, the term People of Colour is used to describe the collective group of people who identify as part of; American Indian, Alaskan Natives, Arab, Asian, Black, Chinese, Hispanic, Latinx, Hawaiian, Pacific Islanders, Indian or mixed and multiple racial identities, or other racial identities excluding those who identify as White. Singapore's ethnicity data is not included when we calculate progress against our public diversity goals as it paints a more favourable diversity picture than is reflective of the journey still to be made across the other offices. We include the data for all other seniority splits for completeness and transparency.

	Number of Board members	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID and Chair)	Number in Executive Management	Percentage of Executive Management	Percentage of Beazley's senior leadership team[2]	Percentage of Executive Committee and direct reports[5]	Number of senior managers of the Company in accordance with the Companies Act 2006	Number of all employees	Percentage of all employees
People of Colour[4]	2	18%	0	1	7%	12%	15%	10 %	614	28%

1 The gender and ethnicity data in columns 1 to 5 is provided pursuant to the UK Listing Rule 6.6.6R(10). For the purposes of the Listing Rules executive management includes the members of Beazley's Executive Committee (the most senior executive body below the Board) and the Company Secretary, but excluding administrative and support staff.

2 Beazley's senior leadership team is defined as the most senior group of individuals from which succession for the Executive Committee could likely be sourced. They are the individuals who make up the Company's strategy and performance group and those who receive extended long-term incentive awards as part of their remuneration. These individuals drive and influence business strategy and performance or are those leading or directly participating in strategic projects. We use this group when tracking and monitoring the inclusion and diversity of our leadership population for our own targets and monitoring. The % reported are from the global senior leadership team. The make up of this team is calculated once per year and the data provided is correct as at 1 April 2024. The rest of the table is correct as at 31 December 2024.

3 Our approach to gathering, holding and reporting on demographic diversity data is consistent across all of our locations, and in accordance with relevant local laws. We currently hold gender data for all our global locations, and report the ethnicity data for permanent and fixed-term employees and also Board members based in the UK, US, and Ireland. Singapore's ethnicity data is not included when we calculate progress against our public ethnicity targets (People of Colour) as it paints a more favourable diversity picture than is reflective of the journey still to be made across the other offices. Beazley uses the HR system Oracle to collect, hold and report ethnicity and gender data securely. Where we collect this data, employees are able to self-report their gender and/or ethnicity or prefer not to say. The reporting options provided are based on government census options in each country and grouped according to the categories prescribed in the UK Listing Rules. Any ethnicities not aligned with those prescribed categories are included in the 'other ethnic groups' row.

4 At Beazley, the term People of Colour is used to describe the collective group of people who identify as part of; American Indian, Alaskan Natives, Arab, Asian, Black, Chinese, Hispanic, Latinx, Hawaiian, Pacific Islanders, Indian or mixed and multiple racial identities, or other racial identities excluding those who identify as White. This ethnicity data is for all permanent employees in the US, UK and Ireland (out of a total of 2066 as at 31 December 2024).

5 This figure is provided pursuant to the UK Corporate Governance Code 2018 requirement to confirm the gender balance of those in senior management and their direct reports. The Code defines senior management as the Executive Committee and the Company Secretary. We have also disclosed the ethnicity data for the same group.

6 The number of senior managers and the number of employees of each sex is disclosed for the purposes of section 414 (C) (8) of the Companies Act 2006. In accordance with section 414(C)(9) and 414(C)(10), senior management is comprises of the Executive Committee and the directors of subsidiaries included in the Beazley plc consolidated accounts. We have also disclosed the ethnicity data for the same groups. Note that the Companies Act 2006 definition of senior management includes directors of subsidiaries, and some of our subsidiary directors are not employees. This data excludes the 180 employees of the Group's arm length subsidiary, Beazley Security, for which data is not held by the Group.

Task Force on Climate-related Financial Disclosures (TCFD) 2024

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.

This report details the governance, strategy, scenario analysis, risk management, and metrics we have in place to deliver on our responsibilities.

1. Governance

1.1 Board oversight on climate-related risks and opportunities

1.1.1 Plc Board oversight

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. Further, specific detail on our approach to governance is shown below (and a summary of our corporate governance structure is on page 94).

Plc Board	Audit Committee	Risk Committee	Nomination Committee	Remuneration Committee
The plc 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.	*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.*	*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.*	*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.*	*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 own risk and solvency assessment (ORSA);
- Beazley’s new sustainability strategy and corresponding transition plan objectives;
- the Responsible Investment Policy;
- 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 on this can be found in section 5.5 of the TCFD report.

1.1.2 Training and awareness

The Culture and People team maintains skill matrices and annual training plans for the plc Board. The training provided is shaped by current and emerging trends, stakeholder expectations, and regulatory demands. We consider the papers provided to the plc Board and Audit Committees as providing a key role in helping create further awareness of climate-related matters. A key stand out in 2024 was the verbal presentation by both internal and external parties, of how our TCFD disclosures compared to that of our peers. The presentation and accompanying papers gave the Audit Committee the opportunity to understand how Beazley compares, the areas for improvements, and how the work undertaken by the business in the past 12 months goes some way to meeting all requirements of the TCFD recommendations, in a manner which adds value to Beazley’s approach to business and supports our vision.

1.1.3 Subsidiary Board oversight

Beazley has five key subsidiary entities: Beazley Furlonge Ltd (BFL), Beazley Insurance Designated Activity Company (BIDAC), Beazley Insurance Company, Inc. (BICI), Beazley Excess and Surplus Insurance, Inc. (BESI) and Beazley America Insurance Company, Inc. (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 plc Board. Climate-related matters are considered during their annual risk framework and ORSA approval process.

1.2 Summary of management's role on climate-related matters

1.2.1 Key individuals at Beazley for climate-related issues

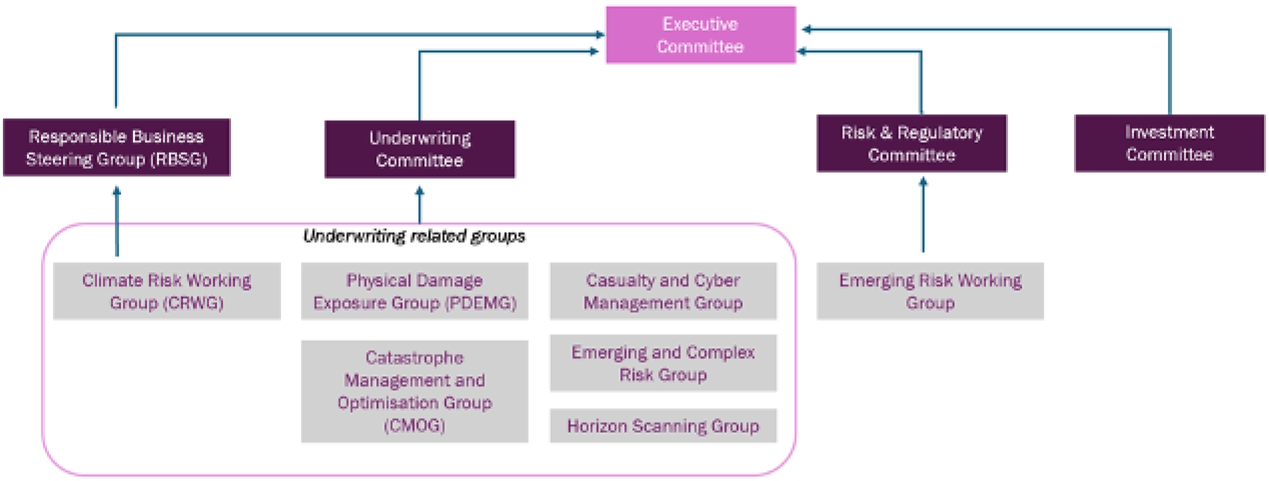
Responsibility for ensuring climate-related issues are appropriately managed by the business is designated across a range of roles:

Responsible individual	How climate-related matters are managed
Group Chief Executive Officer (CEO)	In addition to being an Executive Director and a member of both the plc Board and Executive Committee, the CEO chairs the Responsible Business Steering Group and is a member of the Investment Committee.
Group Chief Risk Officer (CRO)	The Group CRO is a member of the Executive Committee, and is ultimately responsible for our risk management framework, of which climate-related risk is a key part. They provide updates on risk matters, including climate-related risk, to the plc Board, Executive and Risk Committee.
Group Chief Financial Officer (CFO)	The Group CFO is an Executive Director, and a member of both the plc Board and Executive Committee. They have responsibility for the financial performance of the Company, and provide updates throughout the year to the Board, Executive Committee, Audit Committee and Risk Committee. The CFO chairs the Investment Committee, which is where sustainable investments are addressed. The CFO is also responsible for delivering the Group's sustainability reporting requirements, including TCFD.
Group Chief Underwriting Officer (CUO)	The Group CUO is a member of the Executive Committee and is responsible for ensuring climate-related matters are embedded within the underwriting process. The Head of Financial Climate Risk and Head of Exposure Management report into them, and they own the outputs of the Climate Risk Working Group. The CUO provides updates on the underwriting performance of the Company, including matters arising from climate-related exposures, progress against climate-related risk objectives, and exposure management, to the plc Board, the Risk Committee and the Executive Committee. The CUO is the Senior Management Function (SMF) for climate-related risk.
Group Chief Operating Officer (COO)	The Group COO is a member of the Executive Committee and is responsible for ensuring we consider climate-related matters across our business operations, including office energy consumption, the use of data centres, and procurement.
Group Head of Strategy	The Group Head of Strategy reports to the CEO, and oversees Beazley's business strategy and updates the plc Board on progress. They are also a member of the Responsible Business Steering Group.
Group Chief Investment Officer (CIO)	The Group CIO reports to the CFO and is responsible for all investment activity within the Beazley Group, including the development of investment strategy, delivery of appropriate investment returns, and the effective management of investment risks. Managing climate risks to our investment portfolio is a key aspect of this role.
Head of Responsible Investment	The Head of Responsible Investments reports to the CIO. They are responsible for embedding climate-related matters into the investment decision making process.
Chief People & Sustainability Officer	The Chief People & Sustainability Officer is an Executive Committee member and part of the Responsible Business Steering Group. The Head of Sustainability reports into this role.
Head of Capital	The Head of Capital ultimately reports to the CFO, and is responsible for provides quarterly updates to the Risk and Regulatory Committee on capital allocation for potential climate-related events and insurance claims. They oversee the assessment of climate-related capital requirements using modelled and non-modelled information to determine the impact of climate change on the business.
Head of Sustainability	The Head of Sustainability reports to the Chief People & Sustainability Officer, and is responsible for the delivery of the environmental and social related objectives set within the Sustainability Strategy. From a climate perspective, their role is focused on climate-related responsibility matters. They provide updates through the year on responsible business matters to a number of committees, including the Executive Committee, plc Board, plc Audit Committee, as well as boards of Beazley subsidiaries BIDAC and BSIL. These updates provide an overview of items discussed at the Responsible Business Steering Group.
Head of Financial Climate Risk	The Head of Financial Climate Risk reports to the CUO, and is responsible for overseeing the integration of climate-related risk into underwriting, coordinates climate risk initiatives, and provides expertise to strengthen Beazley's climate risk management. This role reports to the CUO and provides quarterly updates to the Underwriting Committee and Responsible Business Steering Group.
Head of Compliance and compliance department	The Group Head of Compliance reports to the CRO, and is responsible for overseeing the Compliance function at Beazley. The Compliance function operates as an advisory not an assurance function at Beazley. Their mandate includes providing advice, guidance and training to enable the business to conduct itself in accordance with all applicable laws and regulations.
Group Head of Internal Audit and internal audit department	The Group Head of Internal Audit reports to the Chair of the Audit Committee, and is responsible for ensuring appropriate audits are undertaken to support our climate-related objectives, including underwriting functions, investments and TCFD disclosures.
Head of Exposure Management	The Head of Exposure Management reports to the CUO, and leads the team responsible for developing approaches to monitoring the aggregation of exposure to natural catastrophes. The exposure management team reports to the CUO, who in turn provides regular updates to the Board on these matters. The Head of Exposure Management is the chair of the Physical Damage exposure management group (PDEMG). The exposure management team is supported by the Head of Financial Climate Risk.

TCFD 2024 continued

1.2.2 Summary of management-level reporting structure

To help the business address climate-related issues, there are a number of different management committees, steering groups and working groups (shown below) for which key management individuals feed into from a climate-related perspective.



A brief description of these committees, steering groups and working groups, and the key management level individuals who attend is as follows:

Executive Committee	Responsible Business Steering Group (RBSG)	Investment Committee	Underwriting Committee
The Executive Committee is our central decision-making and oversight body responsible for shaping our strategic direction, policies and operations. They receive regular updates on climate-related and sustainability issues from sub-committees and working groups, as well as KPI and Key Risk Indicator (KRI) dashboards collated by the Corporate Strategy and Risk teams. These dashboards provide climate-related metrics which provide insight into business performance and inform decision-making. The Executive Committee met 11 times during 2024.	Chaired by the CEO, the RBSG oversees the delivery of responsible business across Beazley, and monitors progress against our objectives. The primary purpose of the committee is to provide recommendations to decision-makers, including the Executive, Underwriting, and Investment Committees. The dialogue between the RBSG and these committees further embeds responsible business matters across the organisation. The RBSG is chaired by the CEO, and met 11 times in 2024, with non-Executive Directors invited as observers on a quarterly basis.	Chaired by the CFO, the Investment Committee oversees our investment strategy and ensures it can be delivered in alignment with our risk appetite, and in accordance with our Responsible Investment Policy. The committee, in conjunction with the RBSG, also oversees progress against the investment-related objectives within the responsible business strategy. The committee continues to review and approve the portfolio of impact investments which have a measurable social and/or environmental impact as well as a financial return. The Investment Committee met 11 times during 2024.	The Underwriting Committee, chaired by our CUO, monitors progress and ensures the delivery of underwriting, claims, and reinsurance business plans. It includes representation from the underwriting teams, the Group Head of Claims, the Group Actuary, CRO and Group Head of Strategy. The Committee is charged with ensuring the efficient implementation of sustainability in underwriting, with prominence given to climate risk and opportunities. It receives updates from the Head of Sustainability and Head of Financial Climate Risk, and reports monthly to the Executive Committee.

Underwriting and Risk and Regulatory sub working groups

Physical damage exposure management group (PDEMG)	Casualty and Cyber Management Group (CCMG)	Climate risk working group (CRWG)	Emerging and Complex Risk Group (ECRG)	Horizon scanning group
The PDEMG monitors the natural catastrophe risk appetite set by the plc Board; risk appetites assigned to Beazley Group companies and the physical damage RDS plan agreed by Lloyd's. Its remit includes responsibility for the Group view of physical damage catastrophe risk written within the underwriting teams, and climate change analysis.	The CCMG, chaired by the Underwriting Strategy Manager, is responsible for the Group view of Cyber and Casualty risk, including the impact of climate change on underwriting. It governs climate litigation, scenario development and monitoring.	The CRWG, predominantly chaired by the CUO in 2024, was established to embed climate-related risk into the underwriting process. It oversees climate risk projects and activities, and is involved in decision-making on climate-related matters.	The ECRG is responsible for providing oversight and challenge to Beazley's risk scenarios, as well as ensuring adherence with the Emerging & Complex Risk Protocol. The ECRG also provides input on the prioritisation of risks (incl. climate risk) identified for quantification and assessment.	This informal group is focused on looking at risks which may have the potential to impact the business in the future. As our main climate-related risks have already been established, the group's focus is often on secondary impacts, such as broader environmental consequences as a result of a warmer climate i.e. increased prevalence of insect-borne diseases.

Risk and Regulatory Committee

The plc Board has assigned oversight of the risk management department to the Executive Committee and the plc Risk Committee. The Executive Committee has further delegated direct supervision to the Risk and Regulatory Committee, which meets monthly and is chaired by the CRO. The Risk and Regulatory Committee is responsible for providing oversight across all risks, and this includes climate related risk. Section 4 of the TCFD report provides further details regarding Risk Management and Beazley's risk framework.

Emerging Risk Working group

The ERWG meet quarterly to support the delivery of the emerging risk framework, which includes climate related risks. The group is there to:

- Oversee the identification of new emerging risk and the development of existing/evolving emerging risks.
- Oversee and contribute to the qualitative/quantitative (where available) assessments of emerging risks.
- Oversee the management of emerging risks including the setting of actions and early action triggers.
- Oversee the monitoring of emerging risks, including early action triggers and actions.

The ERWG reports half-yearly to the Risk and Regulatory committee. Further details regarding the Emerging Risk Framework is covered in section 2.2.2 of the TCFD report.

1.3 Training

Climate risk training was delivered to the Joint Risk Committee (Risk committees from the three Beazley platforms) in Q4 2024. The training covered the climate risk trends and developments, and how Beazley manages the risks and develops the opportunities. This helped the committee members understand key climate risk developments at Beazley and share their challenges.

In addition to formal training, the verbal updates provided alongside the submission of papers to the relevant committees, as well as external presentations delivered by third parties, are seen as a mechanism by which we promote awareness of climate-related issues. They also provide a forum at which feedback can be captured to help feed into further improvements of our approach. Examples of these improvements in 2024 include the presentation of the climate litigation heat map to the RBSG, and the delivery of a session on carbon capture and storage by external experts to a carbon capture and storage working group.

2. Strategy

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.
- 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.

2.1 Definitions of time horizons

Beazley considers risk across three broad time horizons for climate-related risks. These time horizons are reflective of our approach to business planning, the type of products Beazley provides, and the investment decisions the Company makes. A summary of climate-related issues which could potentially have a material financial impact on the Company within each timeframe are shown below, based on a review of external research and information. The processes by which we have reached these conclusions, and the opportunities which may arise as a result, are discussed further on in the report.

Time horizon	Description
Short term (1 year)	Beazley's performance is evaluated on the results of each financial year and the business plan is developed on this basis. Most of Beazley's underwriting business is in short-tail classes. The impact of physical climate-related events occurring through the year is reflected in Beazley's approach to underwriting and pricing. Specific climate-related issues arising within this time horizon could include: • Possibility for increased claims arising from natural catastrophes; • Liability-related claims relating to greenwashing; • Reputational incidents arising from the underwriting of, or investment in, companies which have a significant impact on climate change; • Impact of green technology; • Failure of Beazley to act as a responsible business on these matters.
Medium term (1 to 5 years)	Some of Beazley's underwriting business is in medium-tail classes, whilst investment in larger projects and platform developments may run over multiple years. Emerging risks can also crystallise over the medium term. Through this time horizon, the issues identified within the short term are likely to persist. Acute impacts of natural catastrophes are expected to increase in frequency and severity, and liability-related claims for failure to prepare for climate change will rise. Transitional issues from policy, market, or technology changes will also likely emerge. The five-year time horizon is aligned with the development of Beazley's medium-term plan (MTP). This plan sets out, at a high level, the growth ambitions for the business across the underwriting divisions. The MTP aims to provide a bottom-up view of the business, covering both the underwriting 'demand', and the operational 'supply', culminating in a financial plan and a sense of operational dependencies covering 2024-2028. It complements the Annual Underwriting Plan by building a view of what the business can deliver to support the underwriting ambitions.
Long term (5+ years)	Beazley's strategy and strategic objectives are generally set over multiple years. Mega trends and slow-moving emerging risks may crystallise over many years. From a climate risk perspective there will be an increased trend in the acute physical climate-related risks, whilst longer term and more chronic impacts may also begin to be realised (such as increased droughts, or other shifts to global weather patterns). Liability claims associated with a failure to prepare or adapt to climate change are expected to continue increasing in severity and likelihood.

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.

2.2 Determining risks and opportunities

2.2.1 Outline of processes to determine risks and opportunities

To enable Beazley to build a climate focused strategy which supports the business in delivering its wider objectives and vision, a number of approaches are followed to enable us to firstly understand which risks and opportunities may impact us, before then applying a process to help us prioritise them. These processes are a combination of being group-wide, and specific to individual areas i.e. underwriting and investments; they may also focus on either the risks or opportunities, or in some cases, both.

An outline of each is set out in the figure below, with the detailed explanation then provided in the following sections.

Details regarding the Emerging Risk Framework (ERF) and the Double Materiality Assessment (DMA), and how they have been used to determine risks, is covered in section 2.2.2 of the TCFD report. Details on our approach towards climate specific risks and opportunities is covered also in that section, and throughout sections 2.2.3 and 2.2.4 of the TCFD report. An overview of the Sustainability Strategy is provided in section 2.3 of the TCFD report, where we outline what the risks and opportunities mean from a business point of view, in terms of products and services, broker partnerships and how we can support a just transition. It should be noted that how climate related matters feed into the business planning process is something that continues to be developed. An example of this is our exploration of setting carbon reduction targets for Beazley's underwriting portfolio, which is discussed at the end of section 2.3 of the TCFD report.

TCFD 2024 continued

2.2.2 Detailed summary of processes used to determine risks

Business wide

Emerging Risk Framework

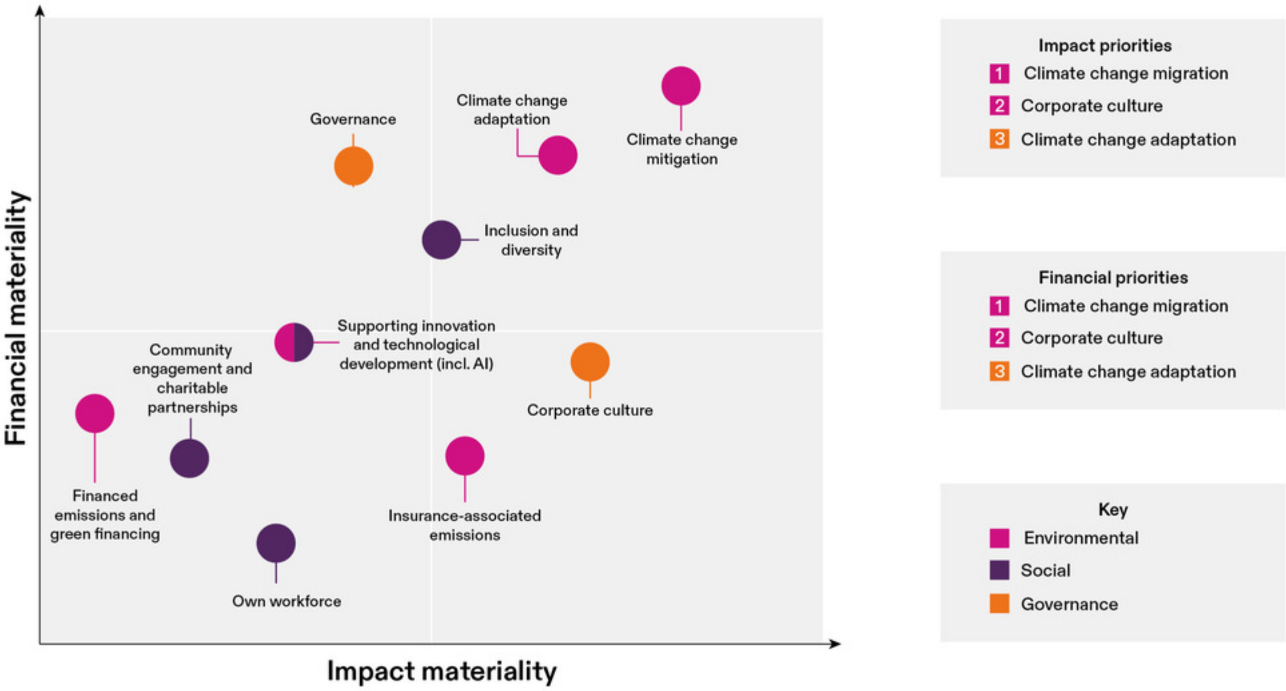
Detail of the risk management framework is set out in section 4 of the TCFD report. One element of the risk management framework is the ERF, which sets out the processes that Beazley has in place to identify, assess, manage, monitor, and report emerging risks. The ERF plays an important part in how Beazley manages both newly emerging and evolving risks relevant to the company.

These processes and identification of the most material emerging risks help inform Beazley's strategy and business planning. Outputs from the risk management framework were used to inform the DMA, as well as ongoing conversations with the relevant subject matter experts across the organisation who lead on climate-related matters.

As part of the ERF, climate-related risks are assessed for both the impact of the risk and the time horizon over which the risk is expected to have a material impact on the business (giving an overall priority), and are mapped onto Beazley's emerging risk radar. For climate related matters, both climate physical risk and climate litigation risk are assessed as high priority. Both are assessed as having a short term time horizon, with physical risk having a high impact and litigation risk having a medium impact.

Double Materiality Assessment

Beazley began to refresh our sustainability strategy in the second half of 2023. As part of this work, and to inform the strategy development, we performed a DMA. The DMA was delivered in conjunction with a third party, and included a number of internal workshops, deploying internal questionnaires, as well as engaging with external stakeholders to first identify a long list of sustainability related topics for consideration, before then undertaking an exercise to determine what matters most to our people and our business. Ten sustainability topics were identified as being material to our business from both a financial and impact perspective, with five areas being linked to climate-related matters. The significant focus on climate-related matters reconfirmed the value of the work we were already undertaking in that area, with the outputs of prior work feeding into the DMA and the subsequent sustainability strategy. The DMA acted as our starting point, from which, where appropriate, more detailed analysis could occur to help guide strategy development. The need for additional scrutiny in determining what our material risks and opportunities are, was more prevalent in the underwriting and investments parts of our business, when compared to our operations. A summary of the outcomes was as follows:



Area Specific: Underwriting

Detailed Materiality Assessment for underwriting

As outlined above, Beazley is exposed to many of the impacts of climate change through our underwriting activities and the coverage we provide to our insureds. To help identify and assess these risks, we have developed a framework to help us first understand the risk in greater detail, and allow us to assess the severity of the risk for our business; and then determine any appropriate mitigations which could be used to help inform our business strategy.

Where appropriate, we have tried to use the same framework across our assessment of the three areas of climate-related risk. However, due to the different characteristics of each type of climate risk there are some differences. Continuous improvement is a centrepiece of the framework, with previous outcomes helping to inform any subsequent materiality refresh. A summary of this framework is as follows:

Phase 1: Identification of all climate-related risks arising in each time horizon

Phase 1 involves the collation of outputs from a range of Beazley processes which help to identify a longlist of the climate risks which may arise across each of the time horizons. The processes used include:

Process	Outline
Climate change research	Insights are gathered from scientific literature, and third-party led research. This activity is undertaken to help determine the potential climate-related risks which may impact the business, whether they be in respect to physical, litigation or transition related matters. In the case of physical perils for underwriting, the output of this review is shared with the CRWG on a quarterly basis.
Stress and scenario testing	Scenario analysis is undertaken to understand how climate-related matters may manifest themselves in the future. For physical risk, scenario analysis completed as part of ORSA submissions, and realistic disaster scenario (RDS) monitoring completed by the PDEMG allows for regular monitoring of Beazley's exposure to various physical climate risks. A "Future Temperature Scenario Analysis" helps to assess impacts on losses under higher warming temperatures, and is shared with underwriters to aid portfolio optimisation. A "combined climate change scenario" has been developed as part of the ORSA process, which models a multi-year, holistic climate change scenario, considering our exposure to the impacts of climate change across physical, transition (related to our investments only) and litigation climate risks. This work helps quantify the potential losses of different risks, which informs the assessment of materiality. Stress and scenario testing for transition risks arising from our underwriting still needs to be undertaken.
Underwriting Engagement	Engagement between Beazley's Climate Risk and Underwriting teams helps to support the identification of climate-related risks. Feedback is captured as part of the CRWG and CMOG forums, and via questionnaires completed as part of the annual underwriting business planning process. This has also been complimented with awareness sessions, such as the delivery of a climate litigation workshop to underwriters in our Specialty risk division, as well as actuarial, exposure management and climate risk functions
Emerging Risk Identification	Beazley identifies, assesses, manages and reports on emerging risks through two lenses. The macro, which considers high-level risks that may impact our industry and markets, using tools such as PESTLE analysis (Political, Economic, Social, Technological, Legal and Environmental); and the micro, which focuses on risks specific to our business and functions. Physical climate risk and climate litigation risk are both captured as emerging risks, and assessed to identify their potential impacts on Beazley, alongside our mitigation measures currently in place to manage both risks.
Monitoring of exposure aggregation	Beazley's PDEMG issues monthly physical peril exposure reports to monitor our exposure to various physical climate risks. These reports serve as a mechanism for managing risk and are used to update knowledge of climate-related risks in each time horizon. Likewise, Beazley's CMOG track and report physical catastrophe exposure metrics to underwriting team leaders. CMOG report both present-day modelled losses, and losses from future temperature scenario analysis. Beazley's CCMG monitors the greenwashing scenario quarterly.

TCFD 2024 continued

Phase 2: Assessment of materiality
Once all climate-related items have been identified, an assessment of materiality is undertaken to understand which items will be most impactful to Beazley's business activities. The purpose of materiality assessment is threefold:
1. Monitoring exposure;
2. Linking materiality analysis to climate change impact; and
3. Guiding and helping prioritise actions of Beazley projects on climate-related risks / opportunities.

To ensure the materiality assessment is as relevant as possible, factors such as geography or business sector are considered, where appropriate. For example, physical risk assessment compares the degree of climate change impact on each physical peril, with the level to which Beazley is exposed to each peril through our underwriting activities. To better understand our litigation risk, this year we have developed a climate litigation heatmap for the three specialty risk teams most exposed to litigation risk, to identify our exposure to potential litigation hotspots by both country and sector.

Through applying these factors, we are then able to identify, using estimated premiums underwritten, which perils or risks are most material, and in which geographies or sectors (further details of material risks identified is covered in section 2.2.4 of the TCFD report). This then enables us, as part of phase 3 of the framework, to develop an evidence-based strategy which prioritises actions and deliverables in order of most relevance to the business.

Phase 3: Plan to mitigate the risks
Once the most material physical risks to Beazley are identified, a number of steps may be undertaken to manage and mitigate these risks. Where we undertake actions such as developing climate-change conditioned views of risk, adjusting our pricing to account for climate change impacts, and producing metrics to help inform our underwriters of their exposure to climate change, we start first by focusing on the perils identified as most material by the materiality assessment, in order to focus our efforts in the areas with the most impact to Beazley.

Given that these risks are likely to be accompanied by a business opportunity, these steps are usually not undertaken in isolation. The linkage between the risks and opportunities, and the actions Beazley is taking are outlined in sections 2.3.2 and 4.3.2 of the TCFD report.

Area specific: Investments
Beazley continues to enhance our understanding of the materiality of the impact of climate change on our investment portfolio. These efforts support investment decisions by helping to identify opportunities in sustainable and resilient companies fostering longer term value creation whilst aligning with our sustainability goals. It also identifies and considers the materiality of the risks that companies face through climate transition risk as the world shifts to a lower carbon economy which may entail extensive policy, legal, technology and market changes.

Area specific: Operations
As Beazley developed its transition plan, published in Q4 2024 on our website, consideration was given to the materiality of the carbon emissions associated with our Operations in comparison to those in Underwriting and Investments.

2.2.3 Overview of processes used to determine opportunities

Underwriting

In addition to the approach to identify climate-related risks, there are also a number of processes by which Beazley identifies climate-related opportunities which could have a material financial impact. These are detailed below:

Method of identification	Description
Identified as a result of determining a risk	The methods used to determine a risk also enable identification of an opportunity. The development of an opportunity, where underwriting-related, will be delivered using one of the processes described below.
Incubation process	The Incubation Underwriting team develops new products which sit outside of existing underwriting team business plans and appetite. These can either be sourced from externally (e.g. brokers, InsurTechs) or internally. Consideration is given to the addressable market; buyer urgency; market saturation; product economics; and customer interests. Solutions related to climate risk and the carbon transition are currently in scope. Should the opportunity warrant further investigation, the Incubation team will engage with experts within Beazley (e.g. Underwriting, Actuarial, Claims) before reviewing the opportunity with the Head of Underwriting Strategy. Following feedback, presentations are made to the CUO and/or the Underwriting Committee. Opportunities are launched in pilot periods, typically to maximum aggregate limits, to test the opportunity, with progress reported to the Underwriting Committee. If suitably 'proven' in the pilot, and following the required approvals, the opportunity will be handed over to an existing Beazley team. Their work is monitored by the Underwriting Committee.
Business planning process	Underwriting focus group leads are responsible for developing the annual business plan, in which they may identify an area of business in which to either enter or expand their portfolio. They will document their strategy within their business plan. This could include the type of products/services they will insure, and the size of the market and the opportunity for Beazley. This work is supported by input from specialists. In 2024, a series of climate risk questions were added to the business planning process, asking underwriters to list the risks and opportunities for their teams, arising as a result of climate change. Underwriters were asked to detail what new products and services they expected to be in greater demand due to climate change, alongside what extra information and support they needed to assist them in managing these risks and opportunities. The responses to these questions help to inform the Climate Risk, Incubation and Product Development teams of additional climate-related opportunities, and how best to realise them.
Extension to an existing product or service	Due to the specialist nature of Beazley's products and services, there may be several existing products and services which can be used to cover similar risks in new settings. Where this occurs, the relevant underwriting team use their knowledge and expertise to ensure any adjustments to the policy wording are implemented. This work is supported by the product development team.
Additional underwriting opportunities	The development and deployment of climate risk metrics within Beazley allows for opportunities to share climate risk insights with clients. Engagement with underwriters can identify useful metrics to enhance our client's understanding of their exposure to physical climate risks.

Investments

The Investment Team look for opportunities arising from decarbonisation as part of the investment process. This is through a review of corporate issuers, analysis of climate risks across the portfolio and staying abreast of developments in responsible investment across the industry. These opportunities are underpinned by the responsible investment policy and Beazley's own investment strategy, as well as Beazley's broader vision. Key opportunities the team has identified across the last couple of years include:

- Committing to investing up to $100m in impact investments, with a target for approximately 50% of the investments to support the transition to a lower carbon economy;
- Moving equity portfolios to funds with decarbonisation targets; and
- Developing our knowledge and understanding of transition and physical risk in the investment portfolio.

Operations

As Beazley worked to develop its transition plan, we carried out an assessment measuring our Scope 1, 2 and 3 emissions volumes.

Based on the outcome of this assessment, Beazley was then able to use this information, along with an assessment of the scope of influence, to help determine where opportunities to further our own pathway to net zero. This resulted in the development of our first transition plan, which encapsulates reduction targets for our scope 1 and 2 emissions, as well as broader initiatives which will help us first better understand our scope 3 emissions, before then being able to develop further plans in the future.

TCFD 2024 continued

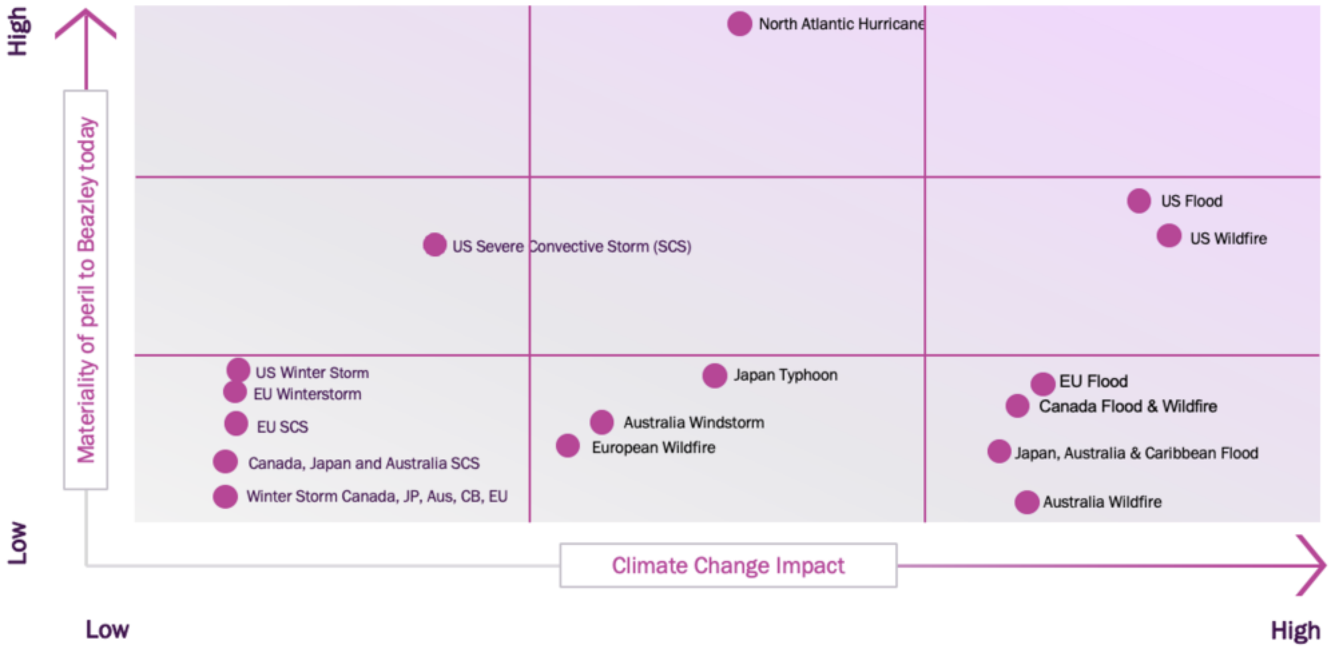
2.2.4 Summary of risks and opportunities

Summary of risks:

Physical Risk

Based on the 2024 physical risk materiality assessment for our underwriting, and as indicated in the figure below, the US was determined as the most material geographical location in which the Group operates and underwrites. North Atlantic hurricane was identified as our most material climate-impacted peril, followed by US Inland Flood, US Wildfire and US Severe Convective Storm. (SCS). Details of how these are managed is outlined in section 4.3.2 of the TCFD report.

Our understanding of the physical risks associated with our investments and operations needs to be further developed.



Climate Litigation

Our findings revealed that the United States and the Netherlands stand out as the countries with the highest underlying levels of climate litigation risk for our underwriting, driven by an active not-for-profit litigation environment and significant numbers of relevant and material test cases and greenwashing claims in both jurisdictions. In addition, the scale of regulatory attention on climate and clearly defined responsibilities for businesses operating in the Netherlands sets the country aside as a key source of regulatory exposure, whilst the lack of a "loser-pays" system for litigation costs in the US encourages private claimants to bring litigation to court. Australia was also found to be a higher-risk jurisdiction, particularly regarding greenwashing claims, with Australian regulators paying particular focus to greenwashing as an enforcement priority.

In terms of sector variations in litigation risk, financial institutions/services are most exposed to climate litigation on average across all countries, driven by robust regulatory bodies for the sector and increasing attention towards financed emissions. Consumer products are also a higher-risk sector in all countries, owing to the sector experiencing frequent claims of greenwashing, as does the transportation sector in the high-risk jurisdictions of the Netherlands and the USA. Oil, Gas & Consumable fuels were also identified as a high-risk sector owing to the sector's contribution to global emissions making businesses in this sector a key target for privately funded litigation.

A class action lawsuit against Beazley for our own disclosures is considered an operational risk. Our understanding of how litigation risk impacts our investment portfolio continues to evolve.

Transitional risk

Based on our initial research, transitional risks related to our underwriting are likely to be seen in factors such as:
- Policy interventions;
- Geopolitical events;
- Market changes; and
- Technology advances leading to an increase in stranded assets.

The manner in which the global transition to net zero and more sustainable practices occurs is also considered a significant risk, as if it is delivered in the wrong way, without considering the impact in the short term, it could result in significant social implications for communities across the globe. We are still seeking to develop a holistic understanding of how sectors and geographies are impacted by the transition and what the implications are for Beazley.

Summary of opportunities

The business opportunities presented to Beazley as a result of the global transition vary depending on the nature of individual climate-related risks, as well as the maturity of our strategy and thus readiness to take advantage of them.

This means that many of the opportunities we are working towards from a physical risk perspective, may also be realised in the future from either a litigation or transition perspective. Furthermore, the very nature of a specialty insurer, means that the risks we face can also be a considered an opportunity for Beazley to realise, as part of its business strategy. A summary of the opportunities we may realise include:

Physical related	Litigation related	Transition related
Continued development of our knowledge of physical climate risk, using tools such as scenario analysis. This opportunity is pertinent to both our underwriting and investments.	Continued development of our knowledge in respect to climate-litigation, using our heat map as the mechanism by which we develop our approach. This opportunity is pertinent to our underwriting.	Continued development of our knowledge in respect to transitional related matters. This opportunity is pertinent to our underwriting, operations and investments.
Further incorporation of physical risk matters into our pricing, with an initial focus on the most material perils and geographies. This opportunity is pertinent to our underwriting.	Development and delivery of appropriate training and awareness on the subject matter. This opportunity is pertinent to both our underwriting and investments.	Development of transition-related products and services. This opportunity is pertinent to our underwriting.
Sharing knowledge with our insured on the impact of physical risk. This opportunity is pertinent to our underwriting.	Sharing insights with our specialty risk insureds, particularly those with operations in jurisdictions considered to be higher risk for climate-litigation activity. This is pertinent to our underwriting.	Further industry engagement on key topics such as measurement and monitoring towards the transition to net zero. This opportunity is pertinent to our underwriting, operations and investments.
Development and delivery of appropriate training and awareness on the subject matter. This opportunity is pertinent to both our underwriting and investments.		Delivery of Beazley's own transition plan. This opportunity is pertinent to our underwriting, operations and investments.
		Investment using our impact fund to support the transition to net zero. This opportunity is pertinent to our investments.

2.3 Climate risk and our business strategy

2.3.1 Overview of approach

Beazley used a number of different mechanisms by which to develop its business strategy. From a business perspective, our annual business planning process, and medium-term plan are central to how the business wants to continue to grow and adapt to the challenges our insureds may face in the future. To support these strategies from a sustainability perspective, Beazley has developed a sustainability strategy. The aim of this strategy is to help Beazley to work towards its vision, ensuring, at all times that it is supportive of Beazley's broader business objectives.

2.3.2 Overview of Sustainability Strategy

Following the undertaking of the DMA, a number of workshops were conducted with stakeholders from across the business to help develop our new sustainability strategy. Following approval by the RBSG, the objectives contained in the strategy were approved by the plc Board in March 2024. Beazley then developed a suite of documents to articulate this position for external audiences, information from which is now available in the sustainability section on our website.
The strategy has three pillars, which are interlinked and prioritise; what matters most to our people and our business, what we do well, and where we can have the most significant impact:

Managing our business responsibly

Having robust governance and transparency in how we do business; and protecting people and our planet across our operations, investments and supply chain.

Supporting our clients to transition

Understanding and mitigating complex risks with innovative underwriting products, enabling insureds to transition to a greener, more equitable future.

Delivering success by doing the right thing

The impact of investment in a sustainable approach to business is visible in our financial results, community outcomes and staff engagement.

TCFD 2024 continued

Given the interconnectivity between sustainability and the transition to net zero, the sustainability strategy includes a number of objectives which are related to our endeavours to work towards achieving net zero by 2050. For the purpose of external communication, we have published the relevant objectives as part of our standalone Net Zero: transition plan, but, internally they are regarded as simply another component of our wider approach to sustainability. A summary of the relevant climate—related business as usual practices, as well as the objectives set out in the sustainability strategy are as follows:

Managing our business responsibly

Underwriting

Business as Usual practices

Over the past three years, Beazley has worked to develop our knowledge and expertise on climate-related matters in respect to our underwriting. A summary of the activities employed to support the management of climate-related matters, in addition to scenario analysis include:

Action	Outline of activity
Developing climate risk adjusted pricing	For material physical perils that are affected by climate change, adjustments are made to the pricing model to reflect their risk profile. These adjustments apply an uplift to pricing of these perils to account for the increases to physical risk due to climate change. This is informed by research by the Pricing and Natural Hazards Research teams, investigating the historical loss trends of risks, alongside reviews of scientific literature on the specific impacts from climate change. By the end of 2023, climate adjusted pricing trends had been introduced for US Wildfire, US Inland Flood, US Hurricane, US Hail, US Tornado and US Winterstorm.
Portfolio optimisation	Portfolio optimisation is a process at Beazley where underwriters manage the US Property risks portfolios using risk appetite and performance metrics and make decisions on where to expand or retract their business. Property underwriters are provided with tools and metrics to identify and monitor their regional exposure to various forms of catastrophe risk, to plan their yearly growth and set risk appetites for individual regions. Where climate change conditioned catastrophe models are available, scenario analyses are conducted at a regional level to show how different regions may be affected by climate risks over time. These results are shared with underwriters within the CMOG group, and in portfolio optimisation dashboards provided to property underwriters, helping inform portfolio optimisation. By the end of 2023, we had implemented a catastrophe optimisation framework and dashboard, enabling Property underwriters to refine and manage their US portfolios using risk appetite and performance metrics, with US Hurricane future temperature scenario analysis added to portfolio optimisation dashboard in 2024.

Strategy objectives

These objectives support our ambition to ensure we appropriately manage the risks associated with climate-related matters. An overview of the background to the objectives, and the progress made in 2024 is summarised in the table below. A number of the outcomes of the objectives are reflected in the metrics section:

Action	Outline of activity
Strengthen modelling capabilities to develop forward-looking view of risk for physical risk perils.	For material physical perils, we look to develop a climate-change conditioned forward-looking view of risk to account for climate change impacts of physical perils, and implement it in catastrophe modelling of any affected risks. To do so, we prepare a study examining the impact of climate change on the scientific underpinnings of the peril. The study then assesses the potential implementation of these climate-change impacts in the models currently in use by Beazley and determines a final adjustment/model alteration to use. We also engage external experts in this process. The forward-looking view of risk is reviewed by several internal working groups and committees before implementation. Alongside catastrophe modelling, the forward-looking view of risk feeds into our exposure aggregation monitoring, pricing and capital management. We have already delivered this capability for US hurricane and have extended climate-change conditioned modelling to include US flood, US wildfire and US severe convective storm.
Develop climate litigation risk management approach.	Informed by previous work, Beazley has spent the last two years developing its approach to the risks posed from climate litigation. In 2024, this culminated in the creation of a climate litigation heat map, which will allow us to better understand climate litigation hotspots. To complement this, we have also begun to monitor and record climate litigation claims, in order for us to explore if this data could form part of our future analysis.
Develop climate scenario analysis, including physical, transition, and litigation risks.	Building on a future temperature scenario analysis being developed for US hurricane in 2023, a future temperature scenario analysis for US inland flood was developed in 2024. The Beazley “Most Likely” baseline scenario was also reviewed. We also developed combined climate change scenario encompassing elements of physical, litigation and transition climate risk. The strategy objective was set with a view of developing climate scenarios for each element of climate-related risk. It will continue to progress in 2025.
Consider the reputational impact to Beazley of underwriting particular clients or sectors and further develop, where appropriate, frameworks to support decision making.	This objective has been set for delivery in 2025.

Investment

The following objective has been set as part of Beazley's responsible investment approach:

Action	Outline of activity
Align our investment portfolio (publicly listed corporate bonds and equities) with a less than 2-degree pathway.	Our transition plan for the investment portfolio focuses on aligning our publicly listed corporate bonds (investment grade and high yield) and publicly listed equities with a less than 2-degree Celsius pathway. For our internally managed investment grade fixed income portfolios a consideration of transition pathways is incorporated into our credit review process. We track the alignment of our issuers with their net zero targets, and we will look to disinvest from those companies not making sufficient progress to decarbonise and who have an implied temperature rise that is inconsistent with our stated targets. For our externally managed assets, we have moved most of our equity exposure into funds with a sustainability approach and a decarbonization benchmark. For the remaining outsourced portfolios of in-scope assets, we are working with external managers to encourage the development of sustainability compliant funds with a decarbonisation target, with the intention of switching our funds when suitable products are available. Details of the carbon footprint and temperature alignment of our portfolio are published in section 5.3 of the TCFD report. For other assets that are currently out-of-scope, we will expand reporting as new guidance is published for asset classes not currently covered by existing methodologies. A framework for the measurement of transition and physical risks arising from climate change has been developed and this will be externally verified in 2025. This will be incorporated into a climate risk appetite statement and materiality assessment and will feed into our investment decision making process.

As a responsible business, Beazley recognises the opportunity it has to use its investment assets to create a positive impact on the environment and to support the transition to a lower carbon economy. In 2021, we committed to investing up to $100m in impact investments, which generate both a financial return and a measurable positive social and environmental impact.

To date, we have committed capital of approximately $60m into five funds, two of which provide capital to support new renewable infrastructure projects. It is intended that when fully invested, broadly half of the positive impact will be focused on the environment and mitigation of climate change. These investments are under the oversight of the Investment Committee.

Operations

Action	Outline of activity
Align the decarbonisation of our Scope 1 and 2 emissions with a 1.5-degree pathway, with targets set out to 2034 (per our Transition plan).	Although the carbon footprint from our operations is small compared to the emissions from our investment and underwriting portfolios, it is the area where Beazley employees can have the most influence. The operations element of our transition plan will focus on reducing carbon emissions from the offices we lease by working with our landlords and encouraging the use of renewable electricity. This approach builds on our current targets for reducing carbon emissions from our operations. For 2024, our aim continued to be a reduction in our normalised carbon emissions by 50% compared to the 2019 baseline (progress is reported in the Metrics section of this report). Beazley's GHG emissions mainly come from our Scope 2 and 3 emissions, as detailed in our GHG emissions disclosures.
Ensure all Beazley offices derive their electricity from renewable sources (where possible).	This is a long-term objective, as laid out in our Transition Plan, which has been set for 2032. This timeline was set based on the renewal dates for our office lease agreements. Achieving this objective will require maintaining close partnerships with our landlords who often procure electricity on our behalf.
Identify how we can best support our supply chain to help Beazley achieve its net zero goals	As part of our ongoing project to incorporate sustainability matters into our procurement process, we are exploring how we can support our supply chain in transitioning to net-zero and develop a detailed plan for this area of the business. This work will support the wider effort to onboard our supplier base into a third party procurement management tool, where sustainability related information can be obtained from the supplier.
Explore the setting of an internal carbon price	Business travel is a major contributor to our Scope 3 emissions. To address this, we have implemented an internal carbon budget system, purely for business travel, similar to a financial budget. Each division is allocated a specific amount of carbon that they can "spend" on greenhouse gas emissions resulting from business travel. Performance updates are provided throughout the year, allowing teams to track their carbon spending. This budget system, and the resulting changes in travel patterns, has helped Beazley achieve reductions in normalised carbon emissions, as outlined in the Metrics section of this report. The next step in this process is to explore how an internal carbon price could help support the development of the carbon budget for business travel.
Develop a carbon credit framework to set the parameters of what we will and won't consider in our procurement and operational decisions.	Carbon offsets are expected to form part of our approach to managing carbon emissions in the future, although our key priority is to avoid using carbon offsets where possible. To help inform our decision making in respect to the purchase of good quality credits, we committed to develop an appropriate framework to help guide decision making. This work commenced in 2024. There are also links here with our Incubation team, who are in the process of developing a carbon credit offset invalidation product.

Capital Management

As part of our capital modelling process, adjustments are made to the capital model to account for the impacts of climate change. Annual loadings are applied to the modelling of US Hurricane, US Inland Flood, US Wildfire, US Winter storm, European Windstorm and Japan Typhoon, reflecting the increased losses expected for these perils due to climate change. Where forward-looking views of risks have been developed, capital loads are implemented to match the uplifts suggested. For perils which do not yet have a forward-looking view of risk, capital loads are implemented based on climate trends identified by the pricing and capital teams using historical losses and climate risk research.

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Supporting the transition to net zero

Underwriting

The changing climate means that both physical and transition climate-related risks and opportunities are going to emerge in the foreseeable future. As part of the strategy, Beazley has set the following objectives:

- Products & Services - Enhance existing and develop new products and services to help clients meet their needs in the transition to a greener, equitable future;
- Industry frameworks - Support the development of sector specific industry frameworks to measure the progress of the transition; and
- Data collection – Once frameworks are in place, work with stakeholders to improve the collection and reporting of emissions data to more accurately track progress of the transition. Use the outputs to inform the further development of the transition plan for underwriting.

Products & Services

Beazley is continuously working on products and services that support our clients from both a physical and transition perspective. At present, these manifest themselves in either the provision of insights or the development/adjustment of underwriting products for our insureds to use to help mitigate the risks they may face.

In 2022, we undertook a review on how Beazley's current and planned product suite applies to industries and sub-industries that are key to the green/clean technology element of the transition to net zero. As part of this review, we gathered information from our underwriting teams on both their appetite to provide and the demand for coverage for these industries. This exercise clearly showed that there is a demand for products and services for renewable energies (wind, solar, hydro-electric, wave & tidal, geo-thermal, and hydrogen), as well being demand for green technology (carbon capture & storage, battery technology, recycling) and green services, (green consulting, technical services, green finance).

The exercise also enabled Beazley to identify the challenges to underwriting green/clean tech, including a lack of available historical data and difficulty in predicting which green technologies will be most successful or how quickly they will be adopted. The development of these product opportunities continued to progress in 2024.

Insights

From an insights perspective, examples of initiatives Beazley have delivered include:

Spotlights on environmental risk 2024	This was covered by the Board in 2024 and included D&O, litigation and sustainability-related risk factors. Further information will be provided in our 2025 report.
Location-level climate change metrics (internal initiative)	For US Hurricane (our most material physical peril), location-level climate risk metrics are provided to underwriters within our property pricing tool, to help identify and mitigate physical climate risks. This metric scores each insured location based on the expected increase to hurricane risk by 2030 due to climate change, helping encourage better risk selection and underwriting decisions.
Sharing climate insights with Beazley insureds	A key area of opportunity is the sharing of Beazley's climate risk insights with our clients. In 2024, we began development of a Climate Change Spotlight report for some Property underwriting teams, which we aim to use in 2025. The Climate Change Spotlight report will allow underwriters to share Beazley's climate risk insights with our clients. The report can be produced for clients particularly exposed to worsening US hurricane risk due to climate change, identifying the key locations in an insured's schedules which are most exposed to worsening US hurricane risk, using insights from our location level climate change metrics.
Climate risk underwriting questions	A series of climate risk underwriting questions have been developed for some property underwriting teams, where they have clients who are identified as being highly exposed to climate risk by the location-level climate change metrics for US Hurricane. For these risks, underwriters are encouraged to liaise with clients to understand whether they are aware of the climate-related risks they are exposed to, and what protection measures and emergency responses are in place. Data gathered on the climate risk mitigation measures used by our clients will allow us to investigate the effectiveness of such measures, helping inform future engagement with clients and allowing us to better understand the risks and make more informed underwriting decisions. By ascertaining how well clients understand and are responding to climate risk, underwriters can both better understand and account for their own exposures to climate risk, and encourage better resilience for our clients.

Broker partnerships

Brokers play a crucial role in connecting Beazley with our clients. As such, our collaboration with brokers is essential in addressing climate-related issues. Beazley works closely with several strategic broker partners on various topics, including climate-related matters. We engage with these partners, who have the capability to work with us, to establish initiatives that benefit them, our clients, and Beazley. This includes the development of new products and services.

For our Incubation team, the relationship with brokers is a vital part of the process of developing new products and services that address climate-related opportunities. The nature of this relationship may vary depending on the specific product being developed. Engagement with brokers could be influenced by factors such as their involvement in the development of the new product and their ability to assist with the placement of delegated agreements.

Support the development of sector specific industry frameworks

During our exploration of setting carbon emission reduction targets for Beazley's underwriting portfolio, and our work with the Sustainable Markets Initiative, we realised that a collaborative effort is needed to facilitate the transition to net-zero. At the centre of this effort is the need for businesses to commonly report carbon emission data and for a consensus to be reached on common sector frameworks for assessing the transition to net-zero. As a result, our transition plan for the underwriting element of Beazley's operations will focus on two main areas:

- Improving the availability of carbon emission data for the clients we insure so that we can set reduction targets in the future. We plan to achieve this through client engagement, collaboration with third parties, and industry initiatives.
- Delivering products and services that best support our clients as sectors begin to transition to net zero. An example of this is our business plan to develop our renewable energy underwriting capacity at Beazley. Progress against this will be tracked through the insurance written premium from low and zero carbon technologies, cited in section 5.2 of the TCFD report. Once delivered, Beazley can then begin to work towards its third objective of improving data quality received from stakeholders in order for us to more readily and accurately track progress towards net zero.

Delivering success by doing the right thing

Just Transition

For Beazley, a crucial part of the transition to net-zero is ensuring that it occurs justly, balancing the short-term social needs of energy security against the longer-term needs to reach net-zero by 2050. In January 2022, we adopted a policy to preclude underwriting of any new thermal coal, oil tar sands, or arctic energy exploration projects, or businesses generating more than 5% of their revenues from these areas.

However, in November 2022, due to the ongoing war in Ukraine, we revised the exclusion for thermal coal to insure new clients transporting thermal coal from existing coal mines. This revision was reviewed in the summer of 2024, at which point it was determined that it would continue to apply only to our Marine and Political Risk underwriting classes, until June 2025, after which it will be reviewed once again. This approach supports the need for energy security, as several countries are increasing their use of thermal coal plants to provide electricity.

We aim to support as many of our clients as we can during their transition to net zero. We believe that this can be delivered through a combination of education on the need for a smooth and just transition; knowledge sharing from the learnings we gain during our own transition journey; and the provision of products and services which support businesses in their net zero transition. Our approach to just transition will evolve as we work to further understand how best to support it. As part of this, one of our objectives in 2025 is to explore the just transition in more detail.

Link with biodiversity

The link between climate-related matters and biodiversity is gaining more prominence. In order to better understand this link, as well as how we can support the preservation of biodiversity, we have set an objective to increase our preparedness for a greater focus on nature related risks in 2025.

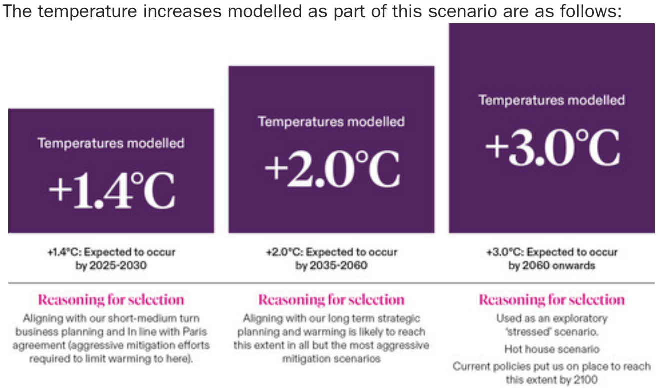
3. Scenario analysis

Climate scenario analysis is a valuable tool to assess financial risks from climate change and inform strategic and business decision making. By measuring the future financial impacts of climate risk to our business, we can adjust our strategy accordingly and ensure resilience. Analyses such as our Combined Climate Change RDS confirm that all Beazley entities would remain within the acceptable range of our solvency risk appetite even when impacted by a broad range of physical, transition and litigation risks. In 2021, Beazley took part in the PRA's Climate Biennial Exploratory Scenario stress test. This determined that despite the potential for an overall balance sheet impact to Beazley being material in the long term, under no modelled scenario was Beazley rendered unviable as a business. Building on this, we have continued to evolve our approach to scenario analysis, with our focus to date being on our underwriting, where progress is as follows:

3.1 Physical risk

Scenario Analysis	Description
"Most Likely" baseline scenario	In 2022, by comparing and collating scientific literature on likely climate change pathways, we developed a baseline scenario projection of how climate risk was likely to evolve throughout the rest of the century, ensuring that all areas of the business were aligned on how to best plan for changing conditions. This projection was reviewed again in 2024, using the latest data available, and was found to still remain valid. The parameters used to develop this model are now used to inform Beazley's climate change-conditioned view of risk material, physical risk perils and location-level climate change metrics. These parameters are: • Future emissions follow the RCP 4.5 emissions pathway; • A very late and more aggressive policy transition. Assumes annual emissions do not decrease before 2030.
Future temperature scenario analysis	In 2023, we developed a future temperature scenario analysis for our most significant peril - US hurricanes. This analysis examines the impact of climate change on various property lines under different Global Mean Surface Temperature scenarios in the future, producing results at a state-level resolution. The focus is on physical climate risk, and the analysis assesses the impact of climate change on each property line at different future temperatures. This allows us to evaluate the effects of further global warming on our property portfolio. The decision to use temperatures as the key parameter as opposed to future emission pathways across different time horizons, was based on ensuring: • We make the results easy to communicate with stakeholders; • The use of a temperature allows results to be given with a range of time horizons, as each temperature may be reached by different points in the future according to how future emissions develop.

The temperature increases modelled as part of this scenario are as follows:



This information was initially shared with underwriting team leaders within our CMOG. By evaluating the regional impact of climate change on property focus groups, underwriters can understand the potential impact on their portfolios and identify the regions that will be most affected, using this information to aid in portfolio management.

In 2024, we have extended this scenario analysis to include US flood, our next most material climate-impacted peril. In 2025 we plan on introducing future temperature scenario analysis for US wildfire, as we continue to extend scenario analysis to include additional perils in order of materiality to Beazley.

Findings, assumptions and limitations

Our projected climate scenario shows the percentage increase in modelled losses, with a focus on average annual losses and losses for a 250-year return period. Some of our key findings were:

- For US hurricane losses, all modelled property lines experienced the largest increases in losses in Gulf states such as Texas, Alabama, Mississippi, Louisiana, and Florida, as well as significant increases in the Carolinas.
- For US Flood, the greatest increases were seen in states along the Mississippi valley, including Iowa, Louisiana, Missouri, in addition to Utah. Iowa is predicted to see the greatest flooding loss increases overall across all modelled portfolios.
- The higher temperature scenarios have more significant impacts, with a higher overall increase in losses for each portfolio, and a wider range of loss increases across all states.

It's important to note that this scenario analysis was conducted under the assumption that our future exposure and local mitigation measures will remain the same as they are today. As a result, there are limitations to the findings, particularly for the higher temperature scenarios associated with longer time horizons. These limitations are driven by unmodelled variables such as changes in exposure and local adaptation measures, as well as inherent uncertainty regarding the impact of temperature increase on hurricane impacts.

Business use cases and governance

This scenario analysis is repeated on a quarterly basis, and presented to the CMOG. In 2024, we developed a scenario analysis segment within our portfolio optimisation dashboard, which is shared with all relevant underwriting teams to aid in portfolio optimisation processes. By repeating scenario analysis, underwriters can monitor how their exposure to future climate risk changes as their portfolios evolve, enabling them to make informed decisions about managing or growing their underwriting book. This also helps to integrate scenario analysis into our processes for monitoring catastrophe risk.

3.2 Climate litigation risk

Greenwashing scenario review

We have developed a RDS, quantifying our exposure to a hypothetical scenario in which a number of our insureds are impacted by a series of mass greenwashing claims. In 2024, following an independent review in 2023 of our Greenwashing RDS with external climate litigation specialists, our Exposure Management team implemented a series of recommendations to improve our RDS.

Actions resulting from these recommendations included expanding the scope of the RDS to include analysis of additional industry sectors exposed to risk of greenwashing claims, investigation of alternative modelling approaches and enhanced documentation of RDS assumptions and methodology.

3.3 Transition risk

We are undertaking research on market development on transition risk scenarios for underwriting. The work we undertook this year on identifying and assessing materiality of transition risks and opportunities will enable us to develop transition-related scenarios in years ahead.

3.4 Combined climate change scenario

As part of our 2024 ORSA, Beazley's risk management team developed a multi-year, holistic climate change scenario, encompassing risks arising from climate change across physical, transition (related to our investments only) and litigation climate risks, and reflecting the materiality of this risk to Beazley and its local entities. The risk team facilitated workshops with relevant first line members to produce the following narrative to inform the following hypothetical scenario:

- Physical Risk: There is a clustering of severe hurricanes. This leads to significant claims,which in turn leads to greater public awareness of increasing climate change risks. The public perceives that these risks are growing at an accelerated rate, even if they cannot be directly attributed to climate change.
- Litigation Risk: The shift in public perception following the severe hurricanes leads to increased climate litigation activity and a series of greenwashing claims, impacting insured parties.
- Transition Risk: The change in sentiment following the above leads investors to push large corporations to meet a 1.5°C global warming target sooner. There is a sell-off by retail investors, insurers and major pension funds of large corporations who are perceived as sluggish to meet targets, impacting our investment portfolio.

The analysis found that despite the losses incurred by the physical, litigation and transition risk elements of the scenario, all Beazley entities would remain within the acceptable range of our solvency risk appetite. This confirms that our climate risk practices, risk profile and capital assumptions are sufficient to withstand such a series of events.

Following the scenario analysis being performed in 2024, climate risk stakeholders across Beazley engaged in workshops to review the scenario. The review identified future improvements to the scenario, such as including additional impacts of climate change in the scenario narrative in order to further test Beazley's resilience. The results of this review will contribute to the development of an updated version of the climate change scenario, when it is next undertaken in 2025.

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4. Risk management

4.1 Risk management framework

4.1.1 Overview of Beazley's risk management framework

Beazley's risk management framework establishes our approach to identifying, measuring, mitigating and monitoring the Group's key risks, including climate risk. See additional detail on the risk management framework in the Strategic Report which starts on page 1.

4.2 Identification and assessment of climate-related risks

We use the key mechanisms set out below to identify and assess a range of climate-related risks relevant to Beazley, whether that be by geographical location, sector or product line.

Key mechanism	Description
Scenario Analysis	Scenario analysis includes stressing the scenarios of the first line or developing additional scenarios to consider climate related risks.
Natural Catastrophe Modelling	Beazley utilises physical damage catastrophe models, such as those created by Moody's proprietary modelling system RMS, to help understand the implications of physical events. The Group has licensed, and validated, the RMS climate-adjusted model for our most material peril, US Hurricane, and has validated more climate-adjusted models during 2024 which will be adopted from 2025 onwards (i.e. US Inland Flood). The primary purpose of the model is to gather data from an underwriting portfolio and provide loss-related information about pre-defined events, such as Lloyd's RDSs. However, it is also used to assist with determining rate adequacy and as a key input in portfolio management decisions; for example, in terms of diversification and geographical spread. The modelling enables the impact of climate-related risk to be reviewed from the following perspectives: • Regional variation; • Different climate risk scenarios; and • Different loss perspectives. Beyond this modelling, we also engage with other data and tool providers to review changes in physical perils at an individual location level.
Deterministic Scenarios	Beazley has a suite of RDSs, which are run on a regular basis in order to determine the impact of different risks. The suite of scenarios includes both natural catastrophe RDSs and climate litigation RDSs, as well as man-made related scenarios such as Cyber. In total there are approximately 50 Deterministic Realistic Scenarios Disaster, some of which are Lloyd's prescribed scenarios with the rest being developed by Beazley. This modelling process is overseen by the exposure management team. An Emerging & Complex Risk Protocol has been developed which sets out the activity in place to review potential, complex, and/or emerging risks relating to underwriting. These scenarios are either modelled, using data drawn from third-party modelling partners, or non-modelled, where experts across Beazley collaborate to determine the impact. The output from these modelling processes help to determine the relative significance of the climate-related risk in relation to other risks. In turn this informs decision-making across the business.
Climate-related strategic risks	The Board identifies and analyses emerging and strategic risk on an annual basis for discussion at The Board level. Climate-related matters may form part of these discussions, where applicable. Strategic emerging risks are reviewed by the risk team as part of the emerging risk assessment process. These reviews are a collaborative effort across the risk team, management and business functions. It is an opportunity to identify and assess emerging risks, and provide appropriate mitigation measures to reduce/manage the risk. The emerging risk assessment is undertaken at a micro-level and macro-level, (please see the table in section 2.1.2 for more information). This assessment is also where Beazley captures its own response to climate change, and refers to the appropriate action being taken to improve the risk and control framework.
Identification of emerging risks, trends and regulatory requirements	Regular scanning of the horizon for emerging trends, regulatory requirements and stakeholder perspectives is undertaken. Key elements which are looked for include: • Understanding the perspectives of stakeholders, whether they be investors, activists or our employees, through regular dialogue; • Determining current and emerging legal requirements, whether they be mandated or voluntary. This includes compliance with regulatory demands and legislation. It also extends to voluntary initiatives Beazley is a member of, such as the UN Principles for Sustainable Insurance; and • Understanding the evolving reputational risks associated with our activities. Regular communication on these matters occurs across the teams identified in section 1.2 in order to ensure Beazley's approach to responsible business meets stakeholder expectations. Where necessary, proposals outlining the considerations for these matters are put to the responsible business steering group for further discussion or clarification and recommendations for any appropriate action. In 2022, the Group committed to setting a net zero target for 2050. Emerging risks are also identified and assessed as per the Emerging Risk Framework with oversight of the ERWG.

4.3 Management of climate-related risks

4.3.1 Consideration of climate-related risk within the Risk Management Framework

Climate financial risk is a pervasive risk which spans multiple risk categories and owners; however it is a risk in its own right and is integrated in the enterprise-wide Risk Management Framework. Below is a brief outline of how climate-related matters are reflected in the relevant principal risk categories of the risk register.

Insurance risk

Risk type	Relevance to climate-related matters
Attritional and large claims	This is the risk that claims costs may be higher than expected leading to material losses. It includes the risk of systematic mispricing of the medium-tailed Specialty Risks business, which could arise due to a change in the US tort environment, changes to the supply and demand of capital or companies using incomplete data to make decisions. In the context of climate-related matters, liability risks could manifest themselves, especially in relation to accusations of greenwashing. Transitional risk may also play a part in claims arising from market cycle risks. The Group uses a range of techniques to mitigate this risk including sophisticated pricing tools, analysis of macro trends, analysis of claim frequency and the expertise of our experienced underwriters and claims managers.
Natural catastrophe underwriting risk	This is the risk of one or more large events caused by nature affecting several policies and therefore giving rise to multiple losses. Given Beazley's risk profile, such an event could be a hurricane, major windstorm, earthquake or wildfire. This risk is monitored using exposure management techniques to ensure that the risk and reward are appropriate, and that the exposure is not overly concentrated in one area.
Climate financial risk	This relates to potential financial risks that may result from the physical impact and transition requirements of a changing climate on Beazley's underwriting and investment portfolios. This could be due to systemic mispricing of climate-related exposures, mismanagement of our aggregate exposures, or greater claims costs than expected resulting in financial loss and/or reputational damage. The Group mitigates this in a number of ways, including having a clearly defined and documented underwriting and investment strategy. There is training and guidance on related risks as part of the business planning process. Pricing models are regularly reviewed and updated to include/reflect climate-risk-related information. Exposure management processes are in place, which includes stress and scenario analysis Climate research is conducted by the Exposure Management team to continue to understand and mitigate the risks generated by the rising propensity and severity of such events.
Reserve risk	This is the risk that established reserves are not sufficient to reflect the ultimate impact climate change may have on paid losses. This includes unanticipated liability risk losses arising from our client's facing litigation if they are held to be responsible for contributing to climate change, or for failing to act properly to respond to the various impacts of climate change. With support from our Group actuarial team, claims teams and other members of management, the Group establishes financial provisions for our ultimate claim's liabilities. The Group maintains a consistent approach to reserving to help mitigate the uncertainty within the reserve's estimation process.

Market, credit and liquidity risks

Risk type	Relevance to climate-related matters
Market risk	This is a risk of investment loss, in any period, sufficient to impact capital and/or cause reputational damage. Beazley's investment portfolio could suffer declining returns following drops in the share prices of investments following a climate-risk-related incident. To mitigate this risk, an approved investment strategy is in place that provides guidance on appetite. In addition, adherence to the investment strategy is monitored through ongoing review, oversight and audit work.
Reinsurance credit risk	In the event of material natural catastrophe events, there would be a risk that our reinsurance counterparties are unable to pay reinsurance balances due to Beazley. If the frequency or severity of these events is increased due to climate change, this could cause a corresponding increase in credit risk. An important consideration when placing our reinsurance programme is evaluation of our counterparty risk. Every potential reinsurer is evaluated through a detailed benchmarking exercise which considers financial strength ratings, capital metrics, performance metrics and other considerations.
Liquidity risk	There is a risk that losses resulting from unprecedented natural disasters or extreme weather could erode our ability to pay claims in a timely manner, due to unavailability (or not having access to) the necessary financial resources to meet obligations.

TCFD 2024 continued

Strategic risk

Risk type	Relevance to climate-related matters
Sustainability	Sustainability is the umbrella term for environmental, social and governance factors that are used to measure the sustainability and ethical impact of a business. It is paramount that we have the right practices and activities in place to meet the sustainability standards expected of us by our stakeholders. Failure to do so could have a negative impact on the communities around us and/or Beazley's reputation. We mitigate this risk by ensuring there is a clearly defined and documented sustainability strategy driven by the executive team, that includes targets and milestones which are communicated to all staff. This is primarily governed via the RBSG to ensure we take a consistent approach across the Group. Sustainability initiatives are incorporated into the business planning process.
Strategic direction	The Group's performance would be affected in the event of making strategic decisions that do not add value. The Group mitigates this risk through the combination of recommendation and challenge from Non-Executive Directors, debate at the Executive Committee and input from the Strategy and Performance Group (a group of 30+ senior individuals from across different disciplines at Beazley). In the context of climate-related matters, this relates to decision making around the transition to net zero across underwriting, investments and our operations.
Reputation	Reputational risk is often caused by the materialisation of other organisational risks, and can have a far-reaching impact on a business. From a climate-related risk perspective, reputational risk manifests itself in the decisions we make on climate matters. This includes our approach to the transition to net zero, our approach to underwriting and investments, particularly in carbon-intensive sectors, and performance against the objectives we have set within our Responsible Business Strategy.

Regulatory and legal risk

Risk type	Relevance to climate-related matters
Regulatory and legal	Regulators, legislators, investors and other stakeholders are becoming increasingly interested in companies' responses to climate change. Failure to appropriately engage with these stakeholders and provide transparent information could result in the risk of reputational damage or increased scrutiny. The Group regularly monitors the regulatory and legislative landscape to ensure that we adhere to any changes in relevant laws and regulations. This includes making any necessary regulatory or statutory filings with regard to climate risk.

Operational risk

Risk type	Relevance to climate-related matters
Business, technology and cyber resilience	This is the risk that the physical impact of climate-related events has a material impact on our own people, processes and systems, leading to increased operating costs or the inability to deliver uninterrupted client service. The Group has business continuity plans in place to minimise the risk of interrupted client service in the event of a disaster.
Third party risk	The Group aims to minimise where possible the environmental impact of its business activities and those that arise from the occupation of its office spaces. As we operate in leased office spaces, our ability to directly influence the building's environmental impacts is limited. However, we do choose office space with climate change mitigation in mind, and engage with our employees, vendors and customers in an effort to reduce overall waste and our environmental footprint.
Talent management	There is a risk that employees, including senior management, could be overstretched or could fail to perform, which would have a detrimental impact on the Group's performance and ability to meet its strategic objectives. The performance of the senior management team is monitored by the CEO and Culture and People team and overseen by the Nomination Committee. Climate-related objectives are built into senior management remuneration packages. This ensures progress can be measured and reported against.

4.3.2 Processes for managing climate-related risks

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 Board. The Company continuously monitors its risk profile to ensure it stays within this appetite and takes advantage of opportunities as they arise. As a specialist insurer, Beazley underwrites several classes of business that are vulnerable to the effects of climate change. To manage these risks, the Company has four options: accept the risk, avoid it, mitigate it, or transfer it.

Risk Management tools to help manage climate-related risks

Beazley employs a variety of Risk Management tools to help manage climate-related risks. These are as follows:

Risk type	Relevance to climate-related matters
Stress and scenario framework	The stress and scenario framework is a key element of the risk management framework, enabling senior management to form an understanding of the vulnerabilities of the business model. There are two levels of stress and scenario tests conducted at Beazley, which ensures there is coverage of the key risks facing us and ownership at the appropriate management level Single-pillar stress and scenario tests such as RDSs are performed as part of normal business processes, with RDSs for natural catastrophes run on a regular basis in order to determine the impact of different risks. In addition, multi-pillar testing is conducted as part of the ORSA process, to ensure that tests continue to develop and reflect the evolving risk environment. The analysis informs key management actions for the business to mitigate the risks identified through the ORSA process.
Monitoring of aggregation of exposure	The Exposure Management team has the responsibility for developing approaches to monitor the aggregation of exposure to natural catastrophes. Part of this work involves assessing the latest views on climate change and reporting to the business on the impacts any changes could have to the insurance portfolios. The Exposure Management team reports to the Group Chief Underwriting Officer, who in turn provides regular updates to The Board on these matters. The Exposure Management team is supported by the Head of Financial Climate Risk. Given the uncertainties around climate risk, the Group has continued to actively develop climate risk pricing and aggregation tools. This has included the implementation of new climate-conditioning to catastrophe models to help inform exposure management.
Capital modelling	The Capital Modelling team adjust the capital model assumptions to account for the impact of climate change through the capital modelling process. An example of this is the adoption of annual uplifts taken from the climate conditioned views of risk from US Hurricane. For perils which do not yet have a forward-looking view of risk, capital loads are implemented based on climate trends identified by the pricing and capital teams using historical losses and climate risk research. This reflects the increased losses expected for these perils due to climate change.
Risk appetite	On an annual basis, Beazley's risk appetite is reviewed and is informed by outputs from the RDS, capital model, and credit risk assessment, as well as input from the trading teams. This helps guide the underwriting teams for the following year, before being reviewed against the capacity available. This appetite is agreed and set by the Board, before being tracked by the exposure management team on a monthly basis, who flag up to the business any areas where we are close to the limits the business has set. Capacity is impacted by the number of physical weather events which occur throughout any given year, and therefore the impact of climate change is considered when deciding on risk appetite and these are set at a number of points along the curve to limit exposures. Risk Appetite Statements and KRIs include qualitative statements and metrics relating to the effectiveness of the CRWG and the investment portfolio temperature alignment. These have been monitored and reported on a frequent basis across 2024 to the Risk and Regulatory Committee, plc Risk Committee and Board; and this will be enhanced to introduce a more quantitative metric relating to the delivery of the key strategic projects for the CRWG from 2025.
Detailed risk assessment	On a periodic basis, as part of a core element of the risk management framework, the Risk function undertakes a detailed risk event assessment of climate financial risk. The most recent was undertaken in 2023, with results being presented to the Risk & Regulatory Committee in February 2024. The aim of the assessment is to review the risk ownership and governance; the inherent and residual risk scores; the risk appetite; and the control environment to mitigate the key risks appropriately.

Quantitative and qualitative assessment of climate-related risks within the Risk Management Framework

The Board-level KRIs are monitored as part of Beazley's risk management framework and are outlined in the risk appetite statements. These KRIs are designed to provide early warning signals that can be addressed through the Company's governance structure. They use a red, amber, and green (RAG) rating system to indicate whether a risk is within the Company's appetite and whether any escalation is necessary. The KRIs related to climate change are as follows:

Risk type	Relevance to climate-related matters
Underwriting	Natural catastrophe aggregate exceedance probability and occurrence exceedance probability metrics; Progress in meeting the objectives of the Climate Risk Working Group.
Investments	Compliance with responsible investment policy and transition risk.
Operations	50% reduction in normalised (per FTE) carbon emissions for our operations in 2024, compared to the 2019 baseline.

5. Metrics

5.1 Summary of Key metrics

A summary of both the metrics and targets we use to monitor our progress on climate-related matters, are detailed in this section of the report. At a glance, the performance of key metrics are as follows:

Key metrics

Net Estimate Premium Income arising from low and zero carbon technologies

2024 Performance (2023 Performance)

$15.6m

(2023: $5.9m)

Key metrics

Reduction in normalised (per FTE) market-based GHG emissions

2024 Performance (target)

54.4%

(50% against 2019 baseline)

Key metrics

Current Temperature Pathway Alignment

2024 Performance (target)

2-3°

(2-3°)

Key metrics

Scope 1 and 2 emissions (tCO_2e)

2024 Performance (target)

820 tCO^2e

(less than 856 tCO^2e for 1.5° alignment)

5.2 Underwriting Metrics

For underwriting and climate related activity, our metrics are focused on enhancements to our underwriting process, and premiums arising from low and zero carbon technology. In 2024 we have held discussions and been involved in forums with others in the industry with the aim of increasing the number of metrics we report on in future.

5.2.1 Enhancing our approach to underwriting

The CRWG was established in 2022 to improve Beazley's approach to climate-related issues in underwriting.
The Group's progress is measured using two quantitative metrics: the number of perils with a climate change-conditioned view of risk, and the number of perils with climate loss trends incorporated into pricing model calibration.

Number of perils with climate change conditioned view of risk

Beazley is researching climate change-conditioned models and updating its understanding of the impact of climate change on physical risk perils through dedicated research. This will help the Company develop a forward-looking view of risk that takes climate change into account.

A peril is defined as a weather hazard event or circumstance that results in property damage losses to Beazley. To develop a Climate Conditioned View of Risk for a peril, the following must have been undertaken:

- The Exposure Management team have prepared a study examining the impact of climate change on the scientific underpinnings of the peril;
- The implications of these impacts on the models currently in use by Beazley has been reviewed; and
- The determination of a final adjustment/model alteration to use has been undertaken.

We introduced a climate-change conditioned view of risk for US hurricane in 2022. Work on additional perils continued in 2023, and in 2024, we have completed a climate change conditioned view of risk for US Wildfire, US Inland Flood and US Severe Convective Storm.

Number of perils with climate adjusted pricing reviewed and updated

As indicated before, a peril is defined as a weather hazard event or circumstance that results in property damage losses to Beazley. The trend is measured as a per annum percentage increase in the expected losses. The climate loss trend is considered as having been introduced into the pricing model calibration, when the following has occurred:

- Climate trended pricing is built into the pricing model by an actuary;
- The incorporation into the pricing model has been reviewed by a senior actuary; and
- The pricing trend has been incorporated into the rating tool.

We have introduced climate adjusted pricing for a number of perils across the last two years, with US Hurricane, US Flood and US Wildfire introduced into the pricing tool for the North America Commercial Property and Open Market Property lines by January 2023. Subsequently US Tornado, US Hail, and US Winterstorm were then introduced at the end of 2023. Instead of introducing additional perils in 2024, a target was set to review the emerging research and climate data on the six perils already in place. Reviews of all six have been completed.

2022	2023	2024
2 (US Wildfire, US inland Flood)	4 (US Hurricane, US Tornado, US Hail, US Winterstorm)	6 (US Wildfire, US Inland Flood, US Hurricane, US Tornado, US Hail, US

5.2.2 Net Estimate Premium Income arising from low and zero carbon technologies

The sum of net estimated premium income (net EPI) arising from low and zero carbon technologies underwritten across the last three years is as outlined in the table below. For 2024, the scope of reporting is limited to offshore and onshore wind, and onshore solar. The net EPI is calculated from data on the line slip, or in the case of binders, the estimate of the declarations as estimated by the broker and/or underwriter, as documented in underwriting notes. The metric is based on an estimate, therefore, could be subject to change as premiums are adjusted through the life of the policy.

The net EPI disclosed in this report is the total estimated premium incepted in 2024, and as measured at the end of 2024. The data has been collected from the information entered into Beazley's underwriting systems. Where exchange rates have needed to be applied, these have been applied at the date of entry into the underwriting system. For lesser used currency conversions, these occur prior to entry.

No target was set, however, the totals for this year and prior years (rounded to the nearest decimal 1 place) are as follows:

2022	2023	2024
$8.0m	$5.9m	$15.6m

5.3 Investment Metrics

For the purpose of reporting of climate metrics, our portfolio of publicly listed corporate bonds, publicly listed equities, collatarised loan obligations and sovereigns are considered to be in-scope (including accrued interest). This excludes overseas trust assets managed by Lloyd's and the Group's share of assets held by third party syndicates. The combined portfolio used for emissions reporting represents 91.3% of the market value of our total financial assets managed by Investments as at 31 December 2024. The individual methodologies to estimate the investment related climate metrics are outlined in the section below. The common inputs and processes across each metrics are as follows:

The GHG emissions data is based on Scope 1 and 2 emissions only and is sourced from S&P CAP IQ pro, S&P collect and report GHG emission data for companies within their platform. Where they cannot, an estimated carbon emissions amount is used. The carbon emission data used in the calculation of the metric will reflect a 12-month period. The 12 month period is dependent on the financial year of reporting for the individual company. The data is reported as at 31st December 2024.

The investment grade corporate bond portfolio is managed internally with portfolio and security level holding data maintained by an investment administration system provided by Clearwater. All other publicly listed securities are outsourced to external managers who provide look-through data. Security holdings are maintained on the S&P platform for the calculation of climate metrics based on a share of financing basis (enterprise value including cash). The calculation of the metrics are based on the assumption that the data contained within S&P CAP IQ Pro is correct, and the calculation methodology used by S&P is reflective of the calculations outlined in their methodology document. Beazley uses data from Standard & Poor's Market Intelligence Capital IQ pro (S&P CAP IQ pro) to calculate the following investment portfolio metrics:

Total apportioned GHG emissions arising from our investments

This is the total Carbon Emissions apportioned to Beazley's in-scope assets and is the starting point for calculating the carbon footprint of our investments. It follows a share of financing methodology and is consistent with the GHG Protocol accounting standard, allocating emissions based on enterprise value including cash (EVIC) basis. Whilst no targets are set, our performance is monitored during the year.

The calculation is the value of investment divided by the issuers share of financing before this figure is multiplied by the issuers Scope 1 and 2 GHG emissions. This sum is undertaken for each in scope security and totalled to provide an overall apportioned GHG emission figure. We report emissions data for our publicly listed equity and corporate bond holdings. The total market value of these holdings is $5.3bn representing 52.1% of our total assets.

	2023	2024
Apportioned GHG emissions (tCO2e) arising from publicly listed equities and corporate bonds	76,298	84,784
Carbon reporting coverage for publicly listed equities and corporate bonds (%)	97.6	87.3

For the first time this year we are reporting on emissions from our Sovereign exposures. The data is sourced from S&P who calculate sovereign financed emissions using gross general debt attribution methodology.

	2024
Apportioned GHG emissions (tCO_2e) arising from sovereign exposures.	1,146,273
Carbon reporting coverage for sovereign exposures (%)	98.8

Weighted average carbon intensity (WACI)

The WACI of our publicly listed equity and corporate bond portfolios is set out in the table below. The WACI is calculated by taking the sum of the GHG emissions (Scope 1 and Scope 2) for the holding and dividing by the total revenue of each holding. This figure is then multiplied by its investment weight (the value of the holding divided by value of the total holdings, both as at 31st December 2024). The GHG emissions data is sourced from S&P CAP IQ. In 2024, emissions have been reported for 87.3% of the market value of our publicly listed bonds and equities, and are rounded to 1 decimal place.

	2022	2023	2024
WACI (tCO_2e/$m sales) arising from our publicly listed equities and corporate bonds	49.9	44.4	46.7

The carbon intensity of our sovereign exposures is sourced from S&P using their weighted average carbon intensity methodology incorporating country emissions divided by real GDP in millions of constant US$.

	2024
WACI (tCO_2e/$m sales) arising from our sovereign investments	285.90

Temperature alignment of our investment portfolio

The scope of the reporting is limited to the GHG emissions arising from our publicly listed corporate bonds (investment grade and high yield) and publicly listed equities. The data was reported as at 31st December 2024.

The temperature alignment of Beazley's investment portfolio is based on the methodology set out by S&P Cap IQ for our internally managed portfolio of publicly listed corporate bonds and MSCI for outsourced publicly listed high yield bonds and equities.

S&P utilise a Sectorial Decarbonisation Approach and Greenhouse gas Emissions per unit of Value Added approach and cover Scope 1 and 2 emissions. Overall alignment of the portfolio is defined through apportioning the value of holdings in regard to tonnes of CO2 under or over a budget associated with a given temperature rise using EVIC. For externally managed funds, temperature alignment is provided by an external manager using MSCI sourced data, covering Scopes 1, 2 and 3.

Temperature alignment metrics have been reported in respect of 86.9% of the market value of in-scope assets.

	2023	2024
Current Temperature Pathway Alignment	2-3 degrees Celsius	1.5-2 degrees Celsius

5.4 Operations Metrics

5.4.1 GHG emissions

Overview of performance

The GHG emissions are calculated and in accordance with the Greenhouse Gas Protocol, Corporate Reporting and Accounting Standard including the amended GHG Protocol Scope 2 Guidance, and HM Government, Environmental Reporting Guidelines, using the applicable UK Government's (BEIS) GHG Conversion Factors for Company Reporting unless otherwise indicated. The full methodology, including limitations, for calculating the GHG emissions is available on Beazley's website, as is the full breakdown of carbon emissions across each of the three Scopes of emissions. Where revisions to GHG emissions in previous years have been made, due to a change in calculation methodology, these changes are detailed in the full methodology.

Reporting is based on operational control. Beazley Group does not have operational control over the building infrastructure and plant at its offices due to the presence of facility management companies and shared tenancy; as a result, emissions primarily fall within Scope 2 and 3 of the Greenhouse Gas Protocol.

The parameter of Scope 1 and Scope 2 reporting in 2024 includes 25 office locations in London (UK), Birmingham (UK), Dublin (Ireland), Hamburg (Germany), Munich (Germany), Paris (France), Barcelona (Spain), Zurich (Switzerland), Singapore, Atlanta (US), Boston (US), Chicago (US), Dallas (US), Denver (US), Farmington (US), Houston (US), Los Angeles (US), Miami (US), New York (US), Philadelphia (US), San Francisco (US), West Hartford (US), Vancouver (Canada), Toronto (Canada), Montreal (Canada). This equates to 95.5% of Beazley employees including contractors. For 2024, all offices occupied by a minimum of 2 FTE have been included, and only those where our share of energy consumption can be adequately determined. As a result, as in prior years, our Kuala Lumpar (Malaysia) and Shanghai (China) offices have been excluded, the latter as it is a shared offices space with Lloyds.

Scope 3 reporting encompasses business travel and both personal car and taxi use. This is included for all employees.

Scope 3 also includes energy use for one third party cloud-based data centre service provider covering two sites, as has been the case in prior years. Due to data limitations, emissions for two additional data centres were not included in 2019 baseline figures, nor in subsequent years. 2024 emissions for these additional sites have been estimated as approximately 89 tCo2e. To ensure consistency with prior years, figures for these additional data centres have not been included in the reported emissions for 2024, but there is an intention to report on all data centres in future years.

As in prior years, Beazley's two US subsidiaries, Beazley Security (based in Lewisville) & BHI Digital, LLC (based in Miami), are excluded.

Energy consumption for the charging of electrical vehicles in Scope 2 is included and calculated based on maximum distance specified in terms of car lease agreements.

Location-based GHG emissions

Our GHG emissions normalised for Beazley's full-time equivalent (FTE) (including contractors) were 2.57 tonnes carbon dioxide equivalent (tCO_2e/ FTE) in 2024. This equates to a normalised (per FTE) 51.57% reduction when compared to the 2019 normalised baseline we use for setting our carbon travel budget. Total emissions, prior to normalisation, have reduced by 20.15% when compared to the 2019 baseline. This reduction continues to be in line with the target we set for a 50% reduction in emissions against a 2019 baseline of 5.30 tCO_2e/ FTE. The largest proportion of our reported emissions comes from Beazley's business travel.

Location-based GHG Emissions (tCO_2e)	2019	2021	2022	2023	2024
Scope 1	21.08	8.23	65.20	2.13	7.54
Scope 2	1,672.53	1,236.09	946.81	829.72	812.78
Scope 3	6,725.81	863.94	4,152.40	6,166.96	5,902.83
Total tCO_2e	8,419.42	2,108.26	5,164.41	6,998.81	6,723.15
Total tCO_2e/FTE	**5.30**	**1.15**	**2.44**	**2.82**	**2.57**

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Market-based GHG emissions

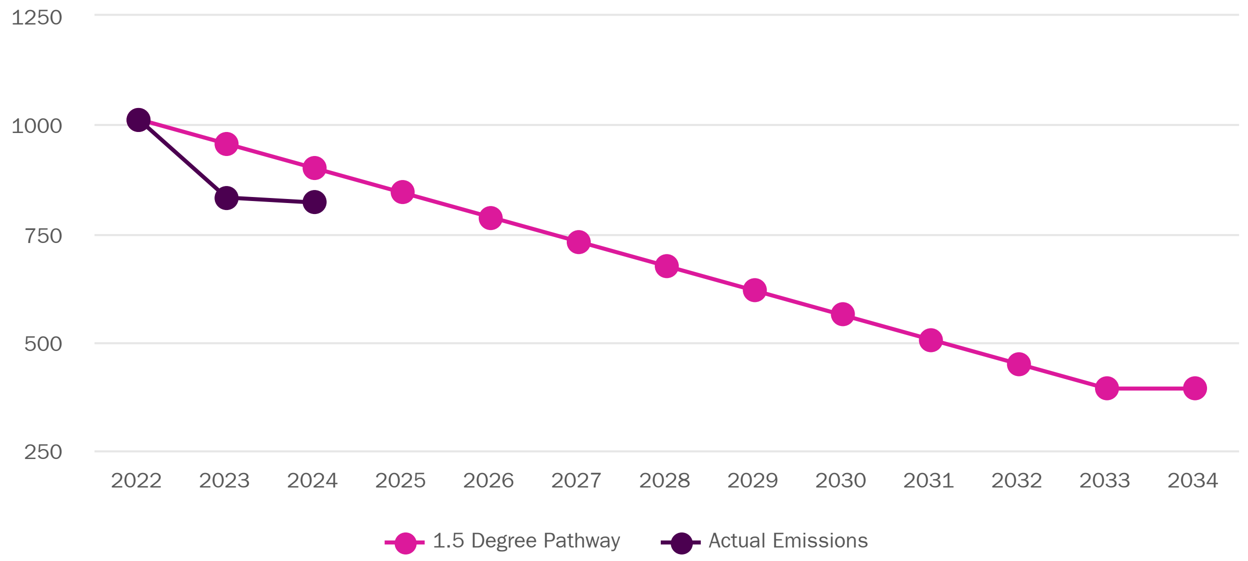
Beazley Group's market-based GHG reporting for 2024, taking into account the procurement of 775,466 kWh of electricity from certified renewable sources, is summarised in the table below. Renewable electricity was procured for our Barcelona, Birmingham, London and Munich offices, which represents an increase on 2023. Renewable electricity was procured for our old San Francisco office, however there was a change in office location in 2024. Biogas is used in our London office. This equates to renewable electricity being 31% of Beazley's overall in scope electricity use, and biogas being 45% of Beazley's overall in scope imported heat use. The energy for the reported data centres was also procured from renewable sources. The procurement of renewable energy resulted in a saving of 203.62 tonnes of CO_2 equivalent for Scope 2, and a further 185.11 tonnes of CO_2 equivalent for Scope 3.

The market-based emissions, which take into account the reductions achieved through the use of renewable energy are set out in the table below. Total emissions, prior to normalisation, have reduced by 24.76% when compared to the 2019 baseline. On a normalised (per FTE) basis, this equates to an overall 54.37% reduction when compared to the 2019 baseline.

Market-based GHG Emissions (tCO_2e)	2022	2023	2024
Scope 1	65.20	2.13	7.54
Scope 2	770.32	618.67	609.22
Scope 3	3,940.07	5,958.07	5,717.72
Total tCO_2e	4,775.59	6,578.87	6,334.48
Total tCO_2e/FTE	**2.25**	**2.65**	**2.42**

Alignment with 1.5 degree pathway

One of the objectives Beazley set as part of its transition plan, was to work towards aligning its Scope 1 and 2 emissions with a 1.5 degree pathway. Using the SBTi pathway as a guide, the transition plan includes a number of interim goals to enable a 65% reduction in emissions to be achieved by 2034, when compared to a 2022 baseline. Based on year end data cited in this report, we can confirm we continue to be aligned with this pathway, as per the chart below.



5.4.2 Detailed breakdown of emissions

SCOPE 1

Our Scope 1 emissions arise from company car use, refrigerant top ups of air conditioning systems and back-up generator use. For 2024, there was a top up of refrigerant for one of our office fit-outs (West Hartford), while the only location where a back-up generator was used was in our Boston office. Total Scope 1 emissions for 2024 amounted to 7.54 $tC0_2e$, of which 6.98 $tC0_2e$ was from the use of refrigerant. As of March 2024, our company car fleet was fully electric.

SCOPE 2

Our Scope 2 emissions primarily arise from office energy consumption, with a small amount arising from company car use, Beazley Group does not have operational control over the building infrastructure and plant at its offices due to a combination of shared tenancy and the presence of facility management companies. Beazley offices are heated/ cooled by the building's central HVAC systems, which are managed by the landlord or landlord's agent. This does influence the options we have for procuring energy. Where possible, emissions have been calculated based on meter readings and invoiced energy consumption figures, with estimates used if data is unavailable. Our Scope 2 emissions can be broken down by region.

Location Based GHG Emissions (tCO_2e)

Location-based GHG Emissions (tCO_2e)	2019	2021	2022	2023	2024
UK	826.59	439.87	246.95	224.64	196.67
Rest of World	71.52	70.77	69.02	26.59	34.47
USA	653.35	624.26	568.91	529.67	532.05
Europe	121.07	101.19	61.93	48.82	49.60

Market Based GHG Emissions (tCO_2e)

Market-based GHG Emissions (tCO_2e)	2019	2021	2022	2023	2024
UK	826.59	140.82	114.76	43.65	12.03
Rest of World	71.52	70.77	69.02	26.59	34.47
USA	653.35	624.26	568.91	517.96	532.05
Europe	121.07	25.60	17.63	30.47	30.67

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SCOPE 3

Our overall Scope 3 emissions are as detailed below. We have provided further details of how the market-based emissions factors also impact our overall emissions. As outlined in the Overview of Performance section, the emissions for data centres covers two of our four sites, which is true for all years including the baseline year of 2019.

Location-based GHG Emissions (tCO_2e)	2019	2021	2022	2023	2024
Air travel	6,074.04	527.39	3,666.49	5,661.32	5,403.73
Rail travel	107.65	4.20	11.93	17.17	18.47
Hotel stays	183.22	30.81	96.13	130.73	133.09
Car hire use	23.52	2.74	9.56	12.25	13.96
Electricity transmission & distribution losses (location-based)	93.84	58.42	43.42	38.19	37.16
Taxi use	165.11	22.68	99.97	49.36	58.17
Personal car use	73.92	19.15	7.79	58.09	61.94
Electric vehicle charging transmission & distribution losses	0.00	0.26	0.28	0.34	0.25
Imported heat transmissions & distribution losses (arising from steam only)	4.51	4.50	4.50	4.56	4.83
Data centres	0.00	193.79	212.33	194.95	171.23
Total	**6,725.81**	**863.94**	**4,152.40**	**6,166.96**	**5,902.83**

Market-based emissions (tCO_2e)	2019	2021	2022	2023	2024
Air travel	6,074.04	527.39	3,666.49	5,661.32	5,403.73
Rail travel	107.65	4.20	11.93	17.17	18.47
Hotel stays	183.22	30.81	96.13	130.73	133.09
Car hire use	23.52	2.74	9.56	12.25	13.96
Electricity transmission & distribution losses (location-based)	93.84	58.42	43.42	24.25	23.29
Taxi use	165.11	22.68	99.97	49.36	58.17
Personal car use	73.92	19.15	7.79	58.09	61.94
Electric vehicle charging transmission & distribution losses	0.00	0.26	0.28	0.34	0.25
Imported heat transmissions & distribution losses (arising from steam only)	4.51	4.50	4.50	4.56	4.83
Data centres	0.00	193.79	0.00	0.00	0.00
Total	**6,725.81**	**863.94**	**3,940.07**	**5,958.07**	**5,717.72**

5.4.3 Carbon offsets

Beazley has not purchased carbon offsets in 2024. Beazley is currently reviewing different carbon offset options, with a view to potentially using offsets as part of a range of measures to help reduce Beazley’s carbon footprint.

5.5 Remuneration

In order to ensure alignment between Beazley’s sustainability objectives and the Group’s performance, an element of executive compensation is linked to the achievement of a set of sustainability objectives. Part of this compensation takes the form of the LTIPs, which typically take 3 years to vest, with 2023 being the first year in which an element of LTIPs was specifically linked to sustainability objectives.

2023 objectives were set out in the LTIPs granted section of the 2023 Directors' remuneration report on page 136. For 2023, one of the sustainability objectives was a reduction in carbon emissions (Scope 1 & 2) relative to 2022 baseline. For 2024, one of the sustainability objectives is achievement of our transition plan trajectory. Further details regarding 2024 objectives can be found in the Directors' remuneration report starting on page 135. Performance against both the 2023 and 2024 objectives will be assessed at the end of the respective vesting periods.

Further details regarding the 2023 LTIPs can be found in the published 2023 Directors remuneration report, in the implementation for 2024 section (page 126). Further details regarding the 2024 LTIPs can be found on pages 146 to 147. All compensation targets and the degree to which they have been achieved, is determined by the Remuneration Committee.

Appendix 1: Compliance with TCFD Requirements

Beazley has included on pages 32 to 61 in the Strategic Report a climate-related financial disclosures consistent with the TCFD's Recommendations and Recommended Disclosures, with the exception of the following:

General requirements

Strategy 2a: Organisations should describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.

Beazley has partially disclosed against this requirement. Beazley continues to explore climate-related risks and opportunities as part of ongoing work on climate-related matters. This is being undertaken in a manner which will best align with our strategy. At the point of disclosure, it was considered that the work currently in progress is not sufficiently completed to meet the requirement of the disclosure recommendation.

Strategy 2b: Organisations should describe the impact of climate-related risks and opportunities on the organisations business, strategy and financial planning.

Beazley has partially disclosed against this requirement, however with regards to consideration of the potential impact of climate-related issues on financial performance and financial position, Beazley's work in this area is continuing. At this stage, it is not possible to consider all possible future outcomes when determining asset and liability valuations, and timing of future cash flows, as these are not yet known. Nevertheless, the current management view is that reasonably possible changes arising from climate risks would not have a material impact on asset and liability valuations at the year-end date. Our TCFD disclosures are updated on an annual basis and we will set out our progress as part of our 2025 TCFD disclosure.

Strategy 2c: The organisation should describe how resilient their strategies are to climate-related risks and opportunities, taking into consideration a transition to a low-carbon economy consistent with a 2°C or lower scenario.

Beazley's work in this area is continuing, however at this stage, it is not possible to consider all possible future outcomes when determining asset and liability valuations, and timing of future cash flows, as these are not yet known. Nevertheless, the current management view is that reasonably possible changes arising from climate risks would not have a material impact on asset and liability valuations at the year-end date. Our TCFD disclosures are updated on an annual basis and we will set out our progress as part of our 2025 TCFD disclosure.

Metrics and Targets 4a: Organisations should disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.

Beazley partially complies with this requirement and is currently working to develop an appropriate tranche of data metrics by which to further monitor climate-related risks, particularly in respect to the transition to net zero. Once developed these metrics will compliment the metrics already reported. At the point of disclosure, it was considered that the work currently in progress is not sufficiently completed to meet the requirement of the disclosure recommendation.

Supplementary requirements for insurers and asset owners

For the supplementary requirements, our status is as follows:

Strategy 2b: Beazley has partially disclosed against the supplementary requirements for insurance companies and asset owners. Beazley is working to further develop our approach to climate-related matters, particularly on a business division and sector level, and how potential impacts influence client or broker selection.

Strategy 2c: Beazley has partially disclosed against the supplementary requirements for insurance companies and asset owners. As outlined in the General Requirements section, at present is not possible to consider the full financial impact of climate related risks and opportunities.

Risk 3a: Beazley partially complies with the supplementary requirements for insurance companies and asset owners. Beazley is working to further develop our approach to climate-related matters on a business division level.

Risk 3b: Beazley partially complies with the supplementary requirements for insurers, but is not compliant with the supplementary requirements for asset owners, regarding the positioning of our total portfolio.

Metrics and Targets 4a: Beazley partially complies with the supplementary requirements for asset owners, but does not comply with the supplementary requirements for insurers, regarding aggregated risk exposure.

Metrics and Targets 4b: Beazley partially complies with the supplementary requirements for asset owners, but does not comply with the supplementary requirements for insurers, with regards to GHG emissions associated with certain lines of business.

For these areas of the supplementary requirements, Beazley is working to further develop our approach to climate-related matters. At the point of disclosure, it was considered that the work currently in progress is not sufficiently completed to meet the requirement of the disclosure recommendation. Our TCFD disclosures are updated on an annual basis and we will set out our progress as part of our 2025 TCFD disclosure.

Non-financial and sustainability information statement

Beazley presents its non-financial and sustainability information statement in compliance with section 414CA and 414CB of the Companies Act 2006.

As a Company listed on the London Stock Exchange and subject to the UK Listing Rules, Beazley publishes an annual statement in accordance with the TCFD. The new sustainability and climate-related financial information required by section 414CB(1) of the Companies Act 2006 is included in our TCFD statement. Other required non-financial information disclosures are set out elsewhere in our Strategic Report. The table below sets out where the information can be found, including for climate-related information, the most relevant sections of the TCFD statement.

Reporting requirement	Section and page reference
Non-financial reporting information	
A description of Beazley's business model	Our business model and strategy (pages 3 to 5)
Principal risks relating to the non-financial matters set out in section 414CB(1)(a) to (e) arising in connection with Beazley's operations, likely impacts from any such principal risks, and how they are managed	Risk management and compliance (pages 76 to 81) TCFD statement (climate-related risks) (pages 32 to 61)
Non-financial performance indicators	Key Performance Indicators (KPI's) (page 2) Sustainability metrics (page 29 to 31)
Sustainability and climate-related financial information	
The governance arrangements in relation to assessing and managing climate-related risks	The governance arrangements to assess and manage climate-related risks and opportunities is outlined in the Governance section of Beazley's TCFD disclosure. TCFD Statement: Section 1 (Governance), pages 32 to 35.
How Beazley identifies, assesses and manages climate-related risks and opportunities	Beazley's approach to identifying, assessing and managing climate-related risks and opportunities is set out in Section 2, 3 and 4 of Beazley's TCFD disclosures. TCFD statement: Section 2 (Strategy), pages 36 to 47; Section 3 (Scenario Analysis), pages 48 to 49; and Section 4 (Risk Management), pages 50 to 53
How processes for identifying, assessing and managing climate related risks are integrated into Beazley's overall risk management process	Beazley's approach to identifying, assessing and managing climate-related risks and opportunities is set out in Section 4 of Beazley's TCFD disclosures. TCFD statement: Section 4 (Risk Management), pages 50 to 53
A description of the principal climate-related risks and opportunities arising in connection with Beazley's operations; and the time periods by reference to which those risks and opportunities are assessed	The risks and the expected timelines they arise for Beazley are summarised in section 2.1 of Beazley's TCFD disclosures. The related opportunities are documented in 2.2.1. The opportunities arising from climate-related matters, particularly in respect to liability and transition related risk are still emerging. Beazley has identified that we can provide products and services which will help support our insureds manage their risks associated with both liability and transitional related matters. These products and services will differ depending on the nature of the underwriting policy, and the sector in which the insured is operating. TCFD statement: Section 2.1-2.2 (climate related risks and opportunities), pages 36 to 43.

Reporting requirement	Section and page reference
A description of the actual and potential impacts of the climate-related risks and opportunities on Beazley's business model and strategy	The actual and potential impacts of climate-related risks and opportunities on the business strategy and model are set out in section 2.1 to 2.2 of Beazley's TCFD disclosures. As an insurer the physical climate-related risks are considered material, with transition and liability risks beginning to emerge. The opportunities, lie in the short-term, in better understanding the risks and how Beazley can better support our insureds in the future. A key part of this process will be delivering products and services. TCFD statement: Sections 2.2.1 to 2.2.4 (impact of climate-related opportunities on business strategy and financial planning), pages 37 to 43
An analysis of the resilience of Beazley's business model and strategy, taking into consideration of different climate-related scenarios	The Scenario Analysis performed by Beazley is outlined in Section 3 of the TCFD disclosures. TCFD statement: Section 3 (Scenario Analysis), pages 48 to 49
Targets used by Beazley to manage climate-related risks and to realise climate-related opportunities and performance against those targets	In 2024, as laid out in the TCFD section of the ARA, Beazley set the following targets to manage climate related risks and opportunities. This included: • Current Temperature Pathway Alignment for Investors - less than 2 degrees; • Normalised GHG emissions - 50% reduction against 2019 baseline; • Scope 1 and 2 Operation emissions (tCo2e) - Less than 856tCo2e for 1.5 degree alignment; and • Develop climate-change-conditioned view of risk for 3 perils. • Reviewing emerging research and climate data on six perils with adjusted pricing in place.
Beazley's Key Performance Indicators used to assess progress against targets used to manage climate-related risks and realise climate-related opportunities and a description of the calculations on which those Key Performance Indicators are based	Performance against these targets is outlined in Section 5 of Beazley's TCFD disclosures. A summary of the methodology used is also outlined in section 5. TCFD statement: Section 5 (Metrics), pages 54 to 61

Due diligence

We have a range of policies in relation to environmental matters, employees, social matters, human rights, and anti-corruption and anti-bribery, that support our strategy and business model and ensure good outcomes for our stakeholders. Our performance against our non-financial KPIs is an important way in which we measure the effectiveness of our strategy and associated policies. There is an overall due diligence process in place for all of our policies. The Board ensures that the relevant policies are in place, remain appropriate, and are operating effectively through setting a review cycle for key policies. The Board determines which policies it must approve, and which policies may be delegated to its Committees or to management level committees. As part of the agreed due diligence process, the key policies are reviewed by an individual within Beazley who is a subject matter expert and listed as responsible for the continued maintenance and development of the policy. This may include obtaining external advice, where appropriate. The Board also reviews and approves the key policies annually or as agreed, as well as reviewing non-financial information, KPIs, and other monitoring data through regular reporting. All policies are kept centrally and accessible via our intranet site so that employees can access them at any time. Training is carried out for all employees on key policies through our regular compliance training programme and on an ad hoc basis where required. Additional training on policies, procedures and controls is carried out with employees in specific roles. New policies and procedures are supported by communication to employees to make them aware of any new requirements on them.

Our key non-financial policies, a brief description of their purpose and any important outcomes from our due diligence processes during 2024, are set out in the table below.

Non-financial and sustainability information statement continued

Reporting requirement	Policy or standard, its purpose, and outcomes	Relevant non-financial KPIs and other metrics	Further information
Environmental matters Our long-term commitment to sustainability and playing our part in addressing the issue of climate change and reducing our impact on the environment is a key competitive advantage.	**Sustainability strategy** Our sustainability strategy ensures that we act responsibly across every aspect of our business and includes our approach and objectives across the areas of environment, employees, human rights, society and anti-bribery and corruption. Our refreshed sustainability strategy was approved by the Board in 2024. **Environmental policy** This policy sets out our high-level approach and commitments to environmental matters aligned with ISO14001:2015 and is reviewed every two years. In line with our strategy refresh, the policy will be reviewed by the Board in 2025. **Responsible Investment policy** This financial policy sets out how environmental, social and governance matters are incorporated into investment analysis and decision-making processes.	Weighted average carbon intensity of corporate bond and equity portfolios Overall carbon emissions Greenhouse gas emissions per full time equivalent Reduction in greenhouse gas emissions	TCFD statement (page 56) Key Non-Financial KPIs (page 2) Sustainability (page 29) Sustainability (page 29) Other data is included in the TCFD statement and Directors' Report.
The Company's employees Our people are a key pillar within our business model and our values of being bold, striving for better and doing the right thing inspire the way we work and deliver value for our stakeholders.	**Group and Board Inclusion and Diversity policies** These policies are reviewed and approved annually. They cover Beazley's commitment to creating a truly inclusive environment that operates with zero tolerance of discrimination or harassment, fully supports and celebrates differences, and represents the communities we operate in and serve. The Board's inclusion and diversity policy specifically sets out how the Board can use its influence in meeting our diversity objectives. These policies help us identify and remedy racial, gender or other disparities in our employment, recruitment and promotion practices. We always seek to hire the most suitable candidate for the role and the Company. The Responsible Business report sets out the outcomes from our inclusion and diversity activities, including progress against our goals. **Conflicts of interest policy** This policy ensures we have effective systems in place to prevent conflicts of interest wherever possible and that potential conflicts of interest are identified and addressed across Beazley plc, its subsidiaries, and syndicates. **Beazley Code of Conduct** Our code of conduct sets out the minimum standards required of all employees in their dealings in and on behalf of Beazley and is aligned with our values and ways of working. **Employee handbooks** Our employee handbooks set out all policies and procedures for employees globally as well as in their local jurisdiction and include items such as our inclusion and diversity policy, employee complaints procedures and how to deal with bullying and harassment, policy for employees with disabilities, and parental and other leave policies amongst others. The employee handbooks are owned by the Chief People and Sustainability Officer and are kept up to date and compliant with changing legislation globally through annual review both internally and through external legal counsel. **Health and safety policy** This policy details how health and safety matters are managed for our workforce, contractors, service providers and others impacted by the Group's activities, and ensures we adhere to all health and safety regulations in the jurisdictions in which we operate. The Board annually reviews the health and safety policy alongside an annual health and safety report, including any incidents. No significant health and safety issues were highlighted to the Board in the 2024 report. All employees receive health and safety induction training and refresher training where required.	Female representation in senior leadership roles People of Colour representation in the workforce Employee engagement score Employee favourability score People of Colour representation in senior leadership roles Also see: investing in and rewarding the workforce	Non-financial KPIs (page 2) and Sustainability (page 29) Non-financial KPIs (page 2) Sustainability (page 29) Governance report (page 103)

Reporting requirement	Policy or standard, its purpose, and outcomes	Relevant non-financial KPIs and other metrics	Further information
Human rights Beazley is committed to respecting human rights and human rights are integrated across our responsible business strategy.	**Human rights policy** This policy explains how we fulfil our commitment to respecting human rights and how we aim to uphold the standards set by the United Nations and International Labour Organisation in respect of human rights. It applies to all Beazley Group entities, employees, contractors, and third-party suppliers. It covers how we respect human rights as an employer, investor, business partner and insurer and incorporates other policies operated by the Group which help support our approach. The policy sets out our commitment to prevent adverse impacts on human rights and remedy any adverse impact if it occurs. We also seek to promote awareness and respect along our value and supply chains. The policy is owned and governed by our Responsible Business Steering Group. **Supplier code of conduct and procurement policies** Our supplier code of conduct and procurement policy are referenced in our Human rights policy. They help us ensure that our suppliers are aware of and follow applicable standards. Our supplier due diligence and RFP questionnaires require confirmation of compliance with human rights legislation and the UK Modern Slavery Act 2015 (where applicable), and that suppliers have appropriate policies in place. We continue to introduce sustainable business principles into our supply chain in accordance with Beazley's business priorities. **Modern slavery** Beazley Group complies with the UK Modern Slavery Act 2015. In accordance with the requirements of the Act, we release an annual Beazley Group Statement on Modern Slavery, which outlines the actions we have taken in seeking to identify and address the risks of modern slavery and human trafficking in our operations and supply chain. The statement is approved by the Board. **Responsible business strategy** See above under environmental matters.	The Board does not monitor any non-financial KPIs in relation to human rights, however it receives reporting in relation to these policies and matters including the Modern Slavery Act statement. Positive procurement is part of the sustainability strategy.	Sustainability (pages 26-31) Stakeholder engagement – suppliers (page 73) Modern Slavery Act statement – available on our website (www.beazley.com)
Social matters Charity and community and making a difference in our local communities is important to Beazley and a component of our Sustainability strategy.	**Charity and community donation policy** Our employees are encouraged to raise money and donate time to volunteering opportunities in our local communities. The policy sets out the approach taken to charity and community donations, including matched funding, granting employees charitable leave, and ensuring organisations receiving donations are registered charities and do not operate discriminatory policies. The policy is approved by the Board. **Sustainability strategy** See above under environmental matters. We aim to use our community investment and asset investments to achieve positive outcomes for society and our community. As described in the Sustainability report we have donated $845,293 to our charity partners.	Number of hours volunteered and charitable donations.	Sustainability (page 29) Stakeholder engagement – our communities (page 72)

Non-financial and sustainability information statement continued

Reporting requirement	Policy or standard, its purpose, and outcomes	Relevant non-financial KPIs and other metrics	Further information
Anti-corruption and anti-bribery matters We operate a zero-tolerance approach to bribery, corruption and fraud and protecting our stakeholders is a key pillar of our strategy. Adhering to our values helps protect Beazley, our stakeholders and our communities from financial crime.	**Financial Crime policy** This policy is reviewed and approved annually by the Board. It sets out that we do not tolerate criminal activity of any kind both within the business or by our business partners and third-party suppliers, and we are committed to doing the right thing and acting within the law. It covers six broad areas of anti-bribery and corruption, anti-money laundering, sanctions, fraud, market abuse and anti-tax evasion facilitation. The policy sets out how our values and culture, systems and controls, management oversight and reporting, assurance monitoring and record keeping create an ethical environment which helps ensure the effectiveness of our policy. Our controls require due diligence to be completed in accordance with the Group's due diligence guidelines, which are maintained by our Compliance function. Any exceptions must be reported to and approved by Compliance. All employees have an important role to play in helping to detect, prevent and deter financial crime and our mandatory annual compliance training program ensures that our workforce is aware of our policies, how to implement them in their day-to-day roles, and how to report any breaches or suspicions. Policies and training modules are maintained by our Compliance function, are reviewed annually, and are available in our policy depository on the intranet. **Sanctions policy** Our sanctions policy is incorporated into our Financial Crime policy and is vital in keeping our business protected during a time of increased geopolitical uncertainty and sanctions in connection with ongoing global conflicts. To ensure that Beazley and any agents or third parties do not violate any sanctions requirements in the jurisdictions in which we operate, we also utilise third party screening and subject third parties to regular sanctions screening. **Gifts and Hospitality policy** This policy aims to prevent conflicts of interest arising in the ordinary course of business and avoid situations that may be perceived as such. This protects the Company's reputation and also ensures employees are protected and able to conduct their business with integrity. All gifts and hospitality over the prescribed thresholds are duly logged as part of the requirements of the policy. **Due Diligence guide** The guide enhances the group policy on financial crime and sanctions and is intended to further mitigate the risk of financial crime through the use of due diligence checks on a risk based approach. The guide helps to ensure we have robust procedures to ascertain details of the nature of their proposed business relationships and the related parties involved. **Whistleblowing policy** We operate a Whistleblowing policy which sets out how any concerns relating to wrongdoing, malpractice, or danger in connection with Beazley, should be reported, as well as the safeguarding measures in place to protect any employees who report concerns. An independent whistleblowing hotline acts as an additional method for the workforce and others to report concerns. The whistleblowing policy is included in the annual compliance training program. The Audit Committee has overall responsibility for the effectiveness of the whistleblowing policy and procedures and the policy is approved by the Committee annually. The Chair of the Audit Committee is the whistleblowing champion.	The Board does not monitor any non-financial KPIs in relation to these policies. However, the Board Risk Committee receives quarterly reporting on a suite of regulatory Key Risk Indicators, including in relation to financial crime and sanctions, to monitor these topics.	Risk management and compliance (page 76) Risk Committee (page 125)

Stakeholder engagement

Our key stakeholders

Beazley is focused on achieving long-term sustainable growth that delivers real value to all our stakeholders. The Board is committed to engaging with each of our stakeholder groups to help inform our strategy, annual plans and specific decision-making. The Board considers the following groups as key stakeholders: our people, brokers and clients, shareholders, regulators and our communities. The Board also has regard to its engagement with its suppliers.

Across the organisation, there are many examples of stakeholder engagement influencing day-to-day activities and strategy. Any impact on stakeholders is considered in business decisions made across the Group, underpinned by our values and culture.

This section of the report provides further information on how Beazley and the Board engage with our stakeholder groups, the outcomes of this engagement in 2024, and how the views of stakeholders have been considered during the year.

The Board receives reports which contain information in relation to each stakeholder group including engagement activities. This enables the Board to keep engagement mechanisms under review. In addition, the Directors themselves undertake direct engagement with stakeholders, where appropriate.

Further information on how the Board has taken stakeholder views into account is included by way of specific examples of decisions taken by the Board in our section 172 statement on pages 74 to 75.

Our people

Why we engage

Our people are fundamental to Beazley's long-term success and are central to our strategy and culture; and are therefore one of the five key pillars to Beazley's strategy. We are proud of our people-centric culture and are committed to nurturing a culture where the best talent can thrive and deliver high performance. We value honesty and transparency in our interactions with our employees and contractors and, regularly ask for their opinions, listen to what they say, and consider their thoughts in decision-making.

Engaging with employees is crucial to our long-term success as it fosters a sense of belonging and commitment, leading to increased motivation and productivity. It helps retain top talent, reduces turnover rates, and builds a strong, experienced workforce. Additionally, it promotes effective collaboration and a positive workplace culture, driving innovation and problem-solving as well as aligning to our value of doing the right thing.

How does Beazley engage

In addition to direct engagement by the Board, Beazley employs a variety of methods to interact with the workforce. The Board receives reporting on the outcomes of the engagement activities set out below.

- **Direct engagement by the Board:** In accordance with the Corporate Governance Code 2018, we have a dedicated Independent Non-Executive Director, Fiona Muldoon, who in addition to her role as plc Risk Committee Chair is responsible for representing the employee voice to the Board. Fiona has participated in two Executive coffee sessions with groups of employees during the year, and also attended our "NexCo" (see below) on two occasions. More information on Fiona's role is included in the Corporate Governance report on page 90 and page 100.

  Other Directors are also encouraged to engage with our employees and take opportunities to join events during the year. During 2024, the Chair met with teams across the business and took part in townhalls with employees in our offices in Chicago and New York. In May 2024, the Board travelled to our New York office for its annual strategy meeting, where they met with a variety of US leaders and employees, both formally and informally.

- **Employee surveys:** Surveys are our most important tool for gathering and listening to the views of our people. Annually we run engagement and leadership effectiveness surveys, providing employees with the chance to anonymously share their opinions about Beazley and managers respectively. Relevant employees are also encouraged to provide feedback via the external biannual Lloyd's culture survey. The results are shared with the Executive Committee and the Board, leadership teams, and the broader organisation. We place emphasis on celebrating what we are doing well and identifying areas for improvement and implementing corrective actions.

- **NexCo:** The NexCo is an alternative Executive Committee of high-potential employees from across the business which runs in parallel to the usual Executive Committee meetings. The NexCo receives Executive Committee papers and discuss topics from the agenda. Representatives from the NexCo attend our monthly Executive Committee meetings and provide their input on the agenda items they have discussed. Fiona Muldoon attends at least two NexCo meetings annually in her capacity as the Independent Non-Executive Director responsible for representing the employee voice to the Board.

- **Employee networks:** We have eight employee networks focused on raising awareness of different areas of our inclusion and diversity strategy or areas of employee interest. These networks also act as channels for feedback from employees who may have specific concerns. The networks are also consulted on relevant matters. This year the Board took the opportunity to meet directly with the leaders of our employee networks to discuss each networks' focus and key initiatives. You can find more information on our employee networks in the Sustainability section of our website.

Stakeholder engagement continued

- **Executive-led engagement:** The Group Chief Executive regularly engages with the workforce through emails and podcasts, and by hosting in-person and virtual events. In 2024 engagement included the following:
  - Hosting all-employee sessions on our half-year and full-year results as well as our annual session to explain our approach to remuneration and bonuses. In 2024, this session included key impacts on compensation from the move to the IFRS 17 accounting standard.
  - Townhalls with colleagues in Chicago and New York. Other executives also hosted townhalls for employees in their divisions or geographical regions.
  - Attending the opening of our new office in West Hartford.
  - Regular podcasts which update the workforce on key topics impacting them and the organisation.
  - How are we doing live?: Each year, we hold a series of Company-wide events across multiple locations for all employees, at which the Group Chief Executive and other members of the Executive Committee speak to and hear from our people about our vision, culture, values, strategy and performance. This year, the Group Chief Executive attended the events in London, New York and Barcelona. The event includes interactive and social activities, Q&As with the Executive Committee members, and this year included volunteering opportunities.

- **Other engagement:** Where possible, we engage on other topics to understand and gather input from employees. This year we engaged with employees on the approach to our social impact strategy. An employee survey was conducted to understand employee views on our community and charitable giving activities.

- **Whistleblowing:** There is a formal whistleblowing policy and independent hotline in place for employees to raise in confidence any specific concerns which cannot be raised through usual channels. Any concerns raised through this channel are investigated fully and reported to the Audit Committee and Board.

What is important to our people?

Our 2024 engagement survey high-level results were shared with the Executive Committee in December 2024, with team level reports and action planning discussions happening in early 2025. Participation was 81%, showing the importance our people place on sharing their views. Colleagues continue to be highly engaged, with an overall engagement score of 85%. Our employees have confidence in Beazley's successful future and believe there is inclusive treatment of colleagues regardless of background. They value the opportunity to engage and want action to be taken to improve areas previously identified by the surveys. Culture is important to our people, with it being described as one of Beazley's greatest strengths, alongside the friendly and considerate colleagues they work with. In addition, surveys conducted in connection with Beazley's social impact strategy identified that employees are motivated by opportunities to take part in charitable fundraising and volunteering activities with Beazley. The importance placed on sustainability activities by our employees has also been observed by Fiona Muldoon in her interactions.

Outcomes from engagement with our people in 2024

- **Responding to feedback from the 2023 engagement survey:** The Board receives a report on the engagement survey outcomes and key actions each year to ensure employee feedback is acted upon. For example, a critical area of feedback from the 2023 survey was the need to support managers. During 2024, clearer expectations for managers have been developed by creating a leadership success profile. A people management toolkit was developed which allowed managers to tailor their own development programme. Following further polling of managers on key areas where they wanted more support, expert-led master classes on topics of interest were hosted. Priorities for 2025 based on the outcomes of the 2024 surveys will be established following discussion with the Board in early 2025.

- **Employee networks:** During 2024, feedback from our employee networks has been instrumental in shaping the employee experience in areas the networks are passionate about. Feedback from the Families and Neurodiversity networks led to the introduction of a coaching programme for employees who were parents of neurodiverse children; and feedback from the RACE and SHE networks led to the development of FAQs on Beazley's race and gender pay gap reporting.

- **Charitable Foundation:** Feedback from employees has helped shape the development of a Beazley Charitable Foundation proposal, which was approved by the Board in 2024. Feedback highlighted that employees care about a wide range of charitable causes and value opportunities to engage with their local communities, which helps contribute to a sense of purpose amongst employees. For more information, please see the Sustainability report from page 26.

- **Culture:** Feedback from Executive coffee sessions (including those attended by Fiona Muldoon in her role of understanding employee views) and from engagement surveys expressed a concern around maintaining culture as Beazley grows. As a result, a consistent initial induction programme was developed for use across the group, including information about Beazley's history and culture, introduced by the Group Chief Executive.

- **Hybrid working:** Some employees requested clarity on the expectations around office attendance through feedback channels. The Executive engaged with various forums throughout the business to develop an approach which would meet the needs of the business, safeguard culture, and retain the flexibility which our people value. The Board received reports on the approach taken and the roll out of the hybrid approach has been discussed as part of the Executive coffee sessions and other forums, with Fiona Muldoon reporting to the Board on employee views.

Clients and broker partners

Why we engage

Respecting and listening to the needs of our clients is a stated key pillar of our strategy to enable Beazley to deliver its purpose of helping our clients explore, create and build.

We strive for two-way dialogue with our clients and brokers to help us develop products and insurance solutions to best meet their needs. As Beazley has primarily an intermediated business model, our broker partners play an important role in helping us engage and connect with our insureds as well as being a vital stakeholder in their own right.

The Board receives reports on key areas of client and broker engagement via reporting from the Group Chief Executive, Group Chief Underwriting Officer and other teams, which the Board can take into account in its decision-making.

How does Beazley engage

- **Engagement by the Group Chief Executive:** Board level engagement is led by the Group Chief Executive, who meets with key broker partners and clients globally. He brings the insight he receives to Board discussions and reporting. In 2024, the Group Chief Executive held over 65 meetings with broker partners. The Chair has also joined scheduled engagements with broker partners; for example, during 2024 the Chair and Group Chief Executive met with 12 brokers in New York and Chicago when visiting our US offices.

- **Strategic engagement:** The Group Chief Executive and other Executive leaders actively seek feedback from our broker partners on the markets in which we operate, allowing us to understand local market dynamics and the needs of clients which then inform the products and services we offer. When developing new strategies, feedback from our broker partners and clients is actively sought, for example, in 2024, when reviewing our sustainability strategy. This is then reflected in reporting to the Board, to take into account in its decision-making.

- **Day-to-day engagement and feedback:** Coordinated engagement with our broker partners takes place via our dedicated Partner Engagement team. This global team engages with our broker partners to ensure that we align initiatives with our growth and distribution strategies and underwriting appetite. Direct engagement with our clients and broker partners is a fundamental part of how we do business. Our underwriters engage with brokers and clients to fully understand specific risks and requirements and our claims teams engage to ensure responsiveness, fair claims outcomes and excellent service, and share insights into the risk environment.

- **Beazley and industry events:** We hold our own broker engagement events and participate in key industry events, ensuring we maintain a deep understanding of the industry, while keeping abreast of key topics and maintaining relationships. In 2024:
  - We attended 121 conferences, including BIBA (a UK insurance and broker conference), the CIAB (a US meeting for commercial property and casualty brokers and insurers), the Monte Carlo Rendez-Vous de Septembre for Reinsurance and Insurance markets, and RIMS, which is attended by risk managers across all industries.
  - We staged over 150 of our own events for brokers, including nine product-led broker summits.

    These events afforded us the opportunity to meet with our brokers and key clients, present our products and services, and discuss broker and client evolving needs, and receive feedback.

- **Thought leadership:** We undertook our annual Risk & Resilience research with 3,500 global business leaders based in the UK, US, Canada, Singapore, France, Germany and Spain, drawn from nine broad industry sectors. The findings were augmented by qualitative interviews with internal and external experts on specific risk topics. Throughout 2024, we published "Spotlight On" reports, blogs, videos, podcasts and webinars that helped to build our visibility and credibility with brokers, clients and stakeholders by demonstrating our depth of expertise in helping firms build resilience in this era of accelerating risk. The risk areas covered by the reports included geopolitical, cyber & tech (including AI) and a range of boardroom risks, and we published tailored regional versions of the reports in France, Germany, Spain, Singapore/Asia and Canada. In 2024, we also undertook research with digital health providers in the UK, US and Europe, and published a report on the findings, highlighting how the risk environment for these firms is changing post-COVID.

- **Client engagement:** We continue to invest in our 'closer to the client' initiative, which is specifically focused on our insureds and strategic client partnerships. This approach creates an open dialogue with our clients to keep abreast of their needs, how we can best respond in terms of product, innovation, and sharing of knowledge. We continue to give clients the opportunity to meet directly with our wider Executive leadership team. We are also able to meet clients and prospective clients at Risk Managers' conferences, such as the annual US RIMS and the biennial European FERMA event. For example, in 2024 we met with 20 organisations at RIMS, and of the 85 meetings we held at FERMA, 65 were with clients or prospective clients.

What is important to our clients and broker partners?

Our ultimate clients want their insurance policies to be clear and fair. They want us to help them find efficient risk solutions, and this is also a priority of our broker partners. We partner with our clients and broker partners to offer risk solutions, expertise and knowledge, in order to allow our clients to focus on running their businesses.

Stakeholder engagement continued

Outcomes from our engagement with clients and broker partners during 2024

- In 2024, Beazley's refreshed sustainability strategy was approved by the Board, which included input gathered from broker and client surveys (amongst other stakeholder inputs). This feedback helped to develop a clear focus on the issues most material to Beazley in terms of both potential impacts to Beazley and impacts by Beazley on others.
- Our engagement with US brokers and key clients during 2024 highlighted positive feedback on Beazley's North American strategy, including the establishment of Beazley's own US non-admitted insurance carrier.
- At FERMA, a meeting with a large Spanish client led to the opportunity for Beazley Security to share up-to-the-minute insights on the cyber environment at the client's own global security conference and demonstrate the depth of expertise that Beazley has to offer in the event of a ransomware attack.
- In 2024, we scored highly in broker surveys and outperformed our peers in the market across underwriting, pricing, service and claims. We are extremely proud that, in 2024, for the eighth year running, we were awarded the Outstanding Service Quality Marque for claims service by Gracechurch Consulting, and won the highly regarded Gracechurch London Market Bench Strength Awards for the fourth year running. We were named Specialty Insurer of the Year at the British Insurance Awards and one of the top Cyber insurance companies in the US by Insurance Business America.

Our shareholders

Why we engage

The ongoing support of our shareholders is essential as we continue to grow the business. It is vital that shareholders understand and have confidence in not only our strategy and ability to deliver it, but also in how we run our business – helping us to become the highest performing sustainable specialty insurer. Shareholder engagement helps align business and shareholder interests.

At Beazley, we are committed to proactive engagement with our current and potential investors, and we recognise the differing needs of our shareholders, which range from individuals to large institutions.

How does Beazley engage

Feedback and themes from our engagement activities are shared with the wider Board through the Group Chief Executive's report, regular reports from the Head of Investor Relations, and other reports where appropriate. Engagement methods and activities which were reported to the Board during 2024 included the following:

Executive engagement activities:

- Following interim and year-end results, the Executive Directors and other senior management embark on a roadshow to engage on a one-to-one basis with our large institutional shareholders. The roadshow also includes meetings with sales desks from our corporate brokers, which provides additional valuable insight on key investor questions that are being raised.

- Management participates in webcasts on the day of the announcement of our half-year and full-year results, as well as the Q1 and Q3 trading updates. These are publicly available for the market to join and the sell side analysts are given the opportunity to engage in a Q&A with the management team.

- Since 2022, an additional annual capital markets session has been conducted. In October 2024, we delivered a presentation to investors with a focus on our Cyber Risks division, specifically in respect of our continued evolution of the management of systemic cyber risk, which this year included further successful participation in the ILS market as well as placing our first cyber ILW.

- In 2024, additional engagement by our Executive Directors included:
    - Four Group Chief Executive fireside chats hosted for institutional investors;
    - Four investor conferences attended by the Group Chief Executive and/or Group Chief Financial Officer, which provided an opportunity to meet with our investors; and
    - Two US roadshows covering New York, Chicago and Toronto, where our management met with investors and potential investors.
    - A total of 68 meetings took place with investors in 2024, which offered the opportunity to engage with over 250 investors through one-to-one meetings and group meetings or calls.

- Shareholders are also able to contact the Head of Investor Relations, Chair or Company Secretary to ask questions or discuss any concerns, which are shared with the Board through reporting.

Engagement by the Chair and Non-Executive Directors:

- The Annual General Meeting (AGM) provides a formal opportunity for engagement by shareholders with the Board. The 2024 AGM was attended by retail investors who were able to raise questions and speak directly with the Chair and other Directors during and after the meeting.
- Throughout 2023, the Chair met with a series of key investors as part of his induction. The Chair remains available any time to discuss any feedback with shareholders and has done so during 2024, including corresponding with investors on topics they have raised with him directly.
- Committee Chairs engage with shareholders on significant matters related to their areas of responsibility, when required. During late 2023 and early 2024, the Chair of the Remuneration Committee sought feedback from shareholders on a specific matter relating to the impact of our transition to IFRS 17 on our incentive plans for 2023 and subsequent years.

What is important to our shareholders?

Our shareholders remain interested in seeing Beazley grow profitably and are keen to understand our systemic risks and how the business is protected. We are mindful that growth is carried out in a responsible and sustainable way to help ensure the long-term success of the Company. The Board is very much aligned with shareholders in these priorities. Key focuses in 2024 included topics such as the management of systemic cyber risk, our capital strategy with a particular focus on methods of returning capital to shareholders, and the drivers of divisional and multi-platform performance within our diversified strategy.

Outcomes from engagement with our shareholders in 2024

Examples of actions taken in response to dialogue with shareholders during 2024 included the following:

Capital strategy:
During 2024, we sought feedback on preferred methods of returning any surplus capital to shareholders. This was taken into consideration when the Board made the decision to launch a share buyback programme during 2024 in addition to the ordinary dividend payment. The Board continues to take feedback from shareholders into account. For more information on how shareholder feedback is taken into account, see the Section 172 decision regarding the 2024 share buyback on page 74.

Helping shareholders understand systemic cyber risk:

- During 2024, it became evident from feedback that investors were interested in gaining a better understanding of Beazley's approach to the management of systemic cyber risk. At the capital markets session in October, we provided a detailed education session for investors regarding cyber risk, including the opportunity that Beazley is able to capitalise on, and our approach to actively managing these exposures. The presentation from the session was released by regulatory announcement and was made available on the website for all shareholders to enable them to understand our approach.
- When the decision was made to purchase an ILW and additional Cyber Catastrophe bonds during 2024, the Board considered the views of shareholders on this topic, which had been gathered from its engagement activities described above. For further information see the Section 172 statement on page 75.

Seeking shareholder views on incentive arrangements:
The Chair of the Remuneration Committee wrote to circa 40 investors in late 2023, to seek shareholder views in relation to the impact of Beazley's transition to IFRS 17 on our incentive plans, including annual bonuses and Long-Term Incentive Plans. The proposals set out in the letter were given careful consideration by the Remuneration Committee to identify a solution, which was driven by the principle of fairness and ensuring that employees were not unduly benefiting from or penalised by the change in accounting standards. The engagement continued into 2024, including meetings with shareholders and further correspondence regarding incentive plans. The Remuneration Committee considered the approach taken to be measured and appropriate, and was pleased that the shareholders consulted were supportive and understood the purpose of the proposals. Further information was included in the Directors' remuneration report on page 129 of the 2023 Annual Report.

Our regulators

Why we engage

As an insurance company, Beazley is subject to financial services regulation across the markets in which it operates. The Central Bank of Ireland is Beazley's Group supervisor as well as regulating Beazley Insurance dac in Ireland and its branches. In the UK, the Prudential Regulation Authority and Financial Conduct Authority are our prudential and conduct regulators while Lloyd's provides day-to-day oversight of Managing Agents. The Connecticut Insurance Department is our principal regulator in the US.

How does Beazley engage

- Our Compliance teams coordinate our interface with regulators and help to manage those relationships across our three main distribution platforms.
- All of our regulators operate to a cycle of meetings with key members of the Executive leadership and Board, both at Group level and in the legal entities, and with various subject matter experts. Standing areas of focus in common with all our regulators are the business plan, our long-term strategy, capital and exposure management, and the robustness of the control environment.
- Our regulators also carry out thematic and topic-specific deep dives, periodic financial and other reviews, market-wide stress testing and periodic information requests. Data submissions and returns are another key feature of our regulatory interactions.
- Annually, our Group supervisor brings together our principal regulators to discuss the key risks to the Group and the markets in which it operates. This results in a formal request of the Group to perform actions or undergo targeted risk assessments over the following year. Other regulators also conduct annual assessments of our entities governance and the management of our risk profile, which result in supervision plans, feedback and action plans in response.

What is important to our regulators?

Our regulators have certain overarching focus areas in common, such as the financial soundness of our business and ensuring the protection of policyholders. Underpinning this is their interest in the robustness of our control environment, our operational resilience in the face of cyber threat actors, and the effectiveness of our risk management framework.

Stakeholder engagement continued

Outcomes from engagement with regulators during 2024

- During 2024, our regulators focused on the maturity of the governance framework to support the operation of the three platforms. Acknowledging the work to build out the risk management framework following a period of growth in recent years, our regulators remain focused on the ability of our assurance functions to maintain pace as we become a more mature and complex business. Strengthening cyber security for firms in the face of geopolitical turmoil is also a top priority. Our regulators want to see a sophisticated, coordinated and proactive communication strategy that supports their supervision of the Group.
- The Board and its Risk Committee received reports on regulatory priorities and regulatory engagements, including outcomes and feedback from meetings, reviews, responses and action plans. The Board and Risk Committee consider this information in discussions and decision-making.
- Regulated subsidiary Boards and their Risk Committees also received regular reports which focus on the activities and engagement with their respective regulators.

Our communities

Why we engage

Beazley is committed to actively engaging with and supporting the communities in which it operates. Community engagement and charitable contribution remain core parts of our refreshed sustainability strategy, which includes having a strategic approach to philanthropy to build stronger, fairer communities.

How does Beazley engage

Through reporting received, the Board actively encourages, supports, and monitors progress against our sustainability strategy and our agreed ambitions, including as part of that social impact and community engagement activities. A Non-Executive Director from the Board and other Non-Executives from key subsidiary boards attend our executive led Responsible Business Steering Group on a quarterly basis, to provide a strong link between the Board and the Executive leadership on our sustainability strategy.

Social impact and giving back to our communities are valued by our workforce as well as our local communities. Engagement with our communities is led by our Social Impact team, and driven by our workforce who participate in volunteering activities in their local communities through our “Make a Difference” programme and run initiatives to raise funds for our global charity partner.

Outcomes during 2024

- Employees were offered the opportunity to volunteer their time to support our local community partners as part of our Make a Difference community volunteering campaign, with over 5,000 volunteering hours recorded.
- Almost 100 global initiatives were organised ranging from educating local young people about careers in insurance, building homes, distributing meals for communities and cleaning up local rivers and beaches in the US, UK, Europe and Asia. Members of our Executive Committee, including the Group Chief Executive, Group Chief Financial Officer and Chief People and Sustainability Officer joined employees in some of these events.
- Beazley provided financial grants for local communities.
- Over $350,000 was donated to our employee selected charity partner.
- Beazley became a founding member of Humanity Insured, a charity which aims to empower at-risk communities to build climate resilience through insurance.
- The Board approved the establishment of a charitable foundation for 2025 to help provide more structure to charitable and community activities and provide increased engagement with our communities and other stakeholder groups.

For more information on our sustainability strategy, including the outcomes from our 2024 objectives, please refer to the Sustainability section of our website.

Other stakeholder groups

The Board also recognises suppliers as an important stakeholder.

Suppliers

We actively engage with our suppliers, who we categorise as any person or organisation that provides goods and services to Beazley, and recognise the important role they play in helping us run our business and deliver strategic business value. Engagement is underpinned by a desire to maintain and foster equitable relationships so that both Beazley and our suppliers benefit from our relationship. The Board has limited direct engagement with our suppliers but delegates this engagement and oversight to the Executive leadership team.

Supplier-related activity is managed by our Procurement team, in line with Group Procurement Strategy and Framework, which is overseen by the Board through its reporting. We want to work with suppliers who are aligned with our values and can partner with us to deliver desired outcomes. Prior to any new engagement, we carry out thorough due diligence, including on values and cultural alignment, service expectations and outcomes, contractual terms, and business practices. We expect our suppliers to adopt the same standards of ethical business practice that we expect from ourselves, which includes respecting human rights and preventing modern slavery and human trafficking. Further information on the steps taken by Beazley to eradicate modern slavery in its supply chain are contained in Beazley's Modern Slavery Act statement, which is approved by the Board and is available on our website.

We undertake a structured supplier management approach with our strategic and critical providers to ensure both performance, and practices, continue at a high standard. This provides an opportunity for value focused engagement.

During 2024, we spent considerable time updating our procurement and outsourcing policies to accommodate the European Union's Digital Operational Resilience Act, which came into force in January 2025. This included engaging with key suppliers. We have also continued to enable and support business growth ambitions into the US and European office locations, alongside ensuring that our suppliers are well placed to support Beazley's strategic projects to de-risk and simplify the operations of the organisation.

We continue to encourage our suppliers to raise with us directly any concerns they may have, either through relationship managers or supported by our Group Procurement function. We also make suppliers aware of Beazley's independent whistleblowing hotline. In further promoting equitable supplier relationships, Beazley is a willing follower of the Prompt Payment Code and publishes its average supplier payment times twice a year.

The Board is kept informed of material supplier matters and engagements through regular updates from the Chief Operations Officer and other reports. The Board is also made aware of any supply chain risks via the Risk Committee. The Audit Committee received updates during 2024 regarding Beazley's relationships with other audit firms, following the Financial Reporting Council's guidance on the external audit. More information is included within the Audit Committee report on page 116.

Section 172 statement

The Board of Directors confirm that, during the year ended 31 December 2024, they have discharged their duties to act in a way that they believe promotes the long-term success of the Company for the benefit of its members as a whole, whilst having regard to the matters set out in Section 172 of the Companies Act 2006. Further information is provided in this statement on how these duties have been discharged.

The table below sets out where information can be found about the Board's approach to each of the matters, including:

Duty to promote the success of the Company with regard to:	For further details see:
(a) the likely consequences of any decision in the long term	The Group's purpose and strategy on pages 3 to 7 Principal decisions 1, 2 and 4
(b) the interests of the Company's employees	Stakeholder engagement report (our people) pages 67 to 68 Principal decisions 2 and 3
(c) the need to foster the Company's business relationships with suppliers, customers and others	Stakeholder engagement report (clients and brokers and regulators) pages 69 to 71 Customers and others (broker partners): Principal decision 2 and 4 Others (regulators): Principal decision 1
(d) the impact of the Company's operations on the community and the environment	Stakeholder engagement report (our communities) page 72 Sustainability report pages 26 to 31 TCFD statement from page 32 to 61 Principal decisions 2 and 3
(e) the desirability of the Company maintaining a reputation for high standards of business conduct	The Company's values: page 4
(f) the need to act fairly as between members of the Company	Stakeholder engagement report (our shareholders) pages 70 to 71

The Board has determined the Company's key stakeholder groups to be its employees, clients and broker partners, shareholders, regulators, and our communities. The approaches to engagement with these stakeholder groups and the impact of such engagement on the outcomes of certain key Board decisions are set out in the Stakeholder engagement report. The views of these stakeholders are considered by the Board when principal decisions are taken.

Information is provided, on the pages that follow, on the principal decisions taken by the Board during the year and how key stakeholders and other matters set out in Section 172 were considered by the Board in making these decisions. The overriding duty to promote the success of the Company for the benefit of the Company's members is considered in all decision-making, as described in all of the principal decisions.

Board decision-making in action

Principal decision 1: Share buyback programme

In March 2024, the Board approved a share buyback programme to return up to an aggregate amount of $325m (or approximately £255m) via open market purchases of the Company's ordinary shares on the London Stock Exchange ("the Programme"). The Programme was enabled by the 2023 record $1,254.4m pre-tax profit and reflected the Board's confidence in the Company and its business model.

The Board considered various methods of returning excess capital to shareholders and determined that a share buyback, in addition to the payment of an ordinary dividend was the most suitable and delivered value for shareholders. The Board considered the level of reserves and the capital position, future investment and growth opportunities and ability to generate cash flows before approving the Programme. The Board determined that the Programme was reasonable given growth expectations at the time of approval and the strength of the Company's long-term capital position. The Board considered the supportive view of shareholders for the Programme, and following the launch, positive shareholder feedback was also received.

The Directors had regard to the interests of both shareholders and regulatory and legal considerations in determining the size of the Programme.

The Board's approval of the Programme reflects its confidence in the Company's robust financial health and future prospects. By opting for a share buyback, the Board aimed to deliver value to shareholders, taking into account the Company's strong capital position, growth opportunities and positive shareholder sentiment. The Programme was carefully sized to balance shareholder and commercial interests with regulatory and legal considerations.

Principal decision 2: Development of the sustainability strategy

In March 2024, the Board approved the refreshed sustainability strategy. The strategy review included extensive engagement with a wide range of stakeholders, including brokers, insured parties and employees. This engagement process involved more than two hundred surveys, interviews and workshops, ensuring that the strategy was comprehensive and reflective of the diverse perspectives within the stakeholder group.

The Board sought advice from industry experts to ensure that the strategy was aligned with best practices and industry standards.

During the development of the strategy, the Board collaborated with the Responsible Business Steering Group. A Non-Executive Director from the Board was actively involved, as were Non-Executive Directors from several of Beazley's key regulated subsidiaries, and provided oversight and guidance. This collaborative approach ensured that the strategy was robust and well informed by the insights and expertise of various stakeholders.

During the discussions and approval process, the Board acknowledged the evolving and expanding disclosure and reporting requirements from financial regulators, ensuring that the strategy would support the Company in meeting these regulatory expectations.

The approval of the new sustainability strategy is reflective of the Company's dedication to responsible business practices. The strategy is expected to drive positive social and environmental impact, aligning the Company's operations with industry-leading sustainability practices.

Principal decision 3: Formation of a charitable foundation

In December 2024, the Board approved the formation of a charitable foundation. This decision was made after careful consideration of various methods to develop the Company's charitable practices, including the formation of a registered charity with the Charity Commission. Ultimately, the non-registered charitable foundation was chosen as the preferred option, as it would maximise the impact of the Company's charitable giving, with the support of the Charities Aid Foundation.

Feedback from employees was sought through a social impact survey, with over 400 responses being received. This engagement with employees was crucial in determining the formation of the foundation and ensuring that it resonated with the Company's workforce. The Board had regard for the interests of employees when approving the formation of the charitable foundation.

The Board discussion highlighted the importance of good governance for charitable giving, volunteering and reporting. The Board recognised that a well-structured foundation would ensure transparency and accountability in the Company's philanthropic activities and ensure continued alignment with the broader sustainability strategy and social impact objectives.

Principal decision 4: The purchase of additional Cyber catastrophe protections

In July 2024, the Board approved the purchase of an ILW to cover a major US Cyber industry loss as well as the purchase of additional PoleStar Cyber catastrophe bonds. The ILW provides coverage based on the total insured loss experienced by the industry, while the PoleStar bonds provide multi-year indemnity cover.

The purchases were supported by the Underwriting and Executive Committees, which presented the initiative to the Board for approval, citing the opportunity to take a leading position in building the alternative risk transfer market. This was to facilitate the long term structural growth of the cyber market as well as continuing to effectively manage Beazley's protection against a catastrophic cyber event. The Board considered the existing reinsurance programmes which protect the Cyber risks book and the benefits, risks and costs of the proposed additional purchases. In addition, the Board considered shareholder views in relation to systemic cyber risk, concluding that additional protection would assist investors in their understanding of Beazley's expertise and ability to prudently manage cyber risk appetite.

The approval of the purchases demonstrates the Board's commitment to the Company's long-term strength and positioning in the cyber market. This will also allow the Company to foster long-term relationships with brokers and insureds and drive the long-term success of the Company for the benefit of its shareholders.

Risk management and compliance

The risk management and compliance functions support the Group's activities and achievements through effective risk oversight and challenge.

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) and analysis, emerging and heightened risks, a report to the Remuneration Committee, and the ORSA report.

Risk management

We pride ourselves on understanding the drivers of risk across Beazley. Our 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 Group's strategy. This has included delivery of a new platform governance model, underwriting initiatives such as our partnership with Ki, and maintaining oversight of climate-related risks and our ongoing digitalisation journey.

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.

Principal risks

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 this report.

Risk Outlook

△ Increasing ◇ Stable ▽ Decreasing

Principal risks and summary descriptions		Mitigation and monitoring
◇	**Insurance** Risk of loss arising from uncertainties and deviations of the occurrence, frequency, amount and timing of insurance premium and claim liabilities relative to the assumptions at the time of underwriting. This includes risk from underwriting such as market cycle, catastrophe, reinsurance and reserves. • Market cycle: potential systematic mispricing of medium- or long-tailed business that does not support revenue to invest and cover future claims. • Catastrophe: one or more large events caused by nature (e.g. hurricane, windstorm, earthquake and/or wildfire) or mankind (e.g. coordinated cyber attack, global pandemic, losses linked to an economic crisis, an act of terrorism or an act of war and/or a political event) impacting a number of policies, and therefore giving rise to multiple losses. • Reinsurance arrangements: reinsurance may not be available or purchases do not support the business underwritten (e.g. mismatch). • Reserving: reserves may not be sufficiently established to reflect the ultimate paid losses.	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.
◇	**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.

Risk management and compliance continued

Principal risks and summary descriptions	Mitigation and monitoring
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.
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.

	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. Our risks and controls are formally monitored and reported through a risk and control self-assessment process and the use of quantifiable KRIs. The outlook for this risk is increased as we continue to strengthen operationally and realise the benefits of ongoing initiatives to modernise our systems and processes.
	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.

Risk management and compliance continued

Viability statement

The Board assesses the viability of the Group within the long-term plan over a five-year period. A period of five years is considered short enough to be reasonably assessable, given the dynamic nature of the business that we underwrite as a specialist insurer, with the need to adapt capital and solvency in response to changing markets and emerging opportunities. However, it is also long enough to reflect the Group's risk profile of a portfolio of diversified short-tailed and medium-tailed insurance liabilities.

Assessment of principal risks over the period

The business planning process tests and demonstrates the ongoing viability of the business. This includes a base view of profit and growth so that the reinsurance requirements and capital surplus can be projected. As a specialist insurer, we manage several risks as listed above. However, the principal risk that could undermine the business model is insurance risk, and how this may interact with other principal risks, including credit risk and operational risk. The Group seeks insurance risk as its core business, and the Beazley plc Board has set the largest risk appetite for insurance risk. Downside risk is managed using a number of risk appetite KRIs. This includes setting and monitoring against Board level risk appetites for both natural and cyber catastrophe risk using stochastic models at different probabilities, and most severely for 1 in 250 year events.

The Group is subject to volatility in catastrophes, the market cycle, reinsurance, reserving, and the impact of emerging risks (e.g. social and economic inflation, climate change and geopolitical risks).

The business plan sets out a view of these emerging risks and how the business will respond to these trends. The planning process also considers key risks: for example, trends and underwriting mitigations against natural catastrophe risk, cyber risk, and geopolitical risks are assessed in detail, and the quantification of these risks is compared to the expected profit and capital surplus. The macroeconomic environment, including inflationary and recessionary factors, are of key consideration within the business planning process. Appropriate loadings from these key risks are included within pricing, reserving, and capital.

The Group has continued to develop its analysis of climate change. Climate change trends are allowed for in the business plan, and key property peril loss trends have been incorporated into pricing models. Future temperature scenario quantification takes place for the largest peril of US Hurricane, and the climate sensitive peril of US flood, with plans to continue to extend this scenario analysis for additional perils in order of materiality. For climate litigation, the claims environment is monitored with the internal heatmap and the greenwashing scenario is actively monitored. These developments are described in more detail within the TCFD pages 32 to 61.

The Risk Management Function provides a Risk Opinion of the current year plan. Further assessment of key risk themes is conducted within the Own Risk and Solvency Assessment (ORSA) and presented to the Board. It summarises the short and longer-term risks to the Group and the capital implications.

Stress and scenario testing

A range of stresses, scenarios and modelled exposures are reported by the business throughout the year. These help to monitor aggregations across our key insurance risk exposures, such as casualty, cyber and natural catastrophe, as well as potential reserve deteriorations and investment risk stresses. The five most material realistic disaster scenarios relating to our casualty and cyber exposures are reviewed and approved by the Beazley Plc Board on an annual basis.

The business planning process includes the testing of scenarios that allow for a range of market conditions. Key stress and scenario testing is further included within the annual ORSA. These capture key risks including cyber catastrophes, natural catastrophes and climate change, the market cycle, macroeconomic uncertainty, geopolitical risk, and operational shocks. The latest assessment concludes that in these scenarios, the Group would be solvent and viable following the use of mitigation actions.

We also consider several reverse stress tests, which identify extreme scenarios which could trigger unviability (either through loss of capital or a loss of stakeholder confidence) and the possible mitigation actions. Based on our risk profile, this has considered the following events:

- Natural Catastrophe – An above appetite natural catastrophe year, driven by a clustering of multiple significant US windstorms with severity heightened by climate change trends.
- Cyber Catastrophe and Resilience – A globally systemic ransomware or cloud down event, resulting in several weeks of system downtime and associated business interruption losses across global industries. Beazley's internal systems also face an operational resilience impact.
- Financial Crises and Specialty Risk – A large global financial crises impacting investments greater than the 2007/8, and with unprecedented impacts on many Specialty Risk classes from new legal precedents and the consequences of a severe recession.
- Combined Catastrophes – Combination of catastrophic insurance risk losses, with features of reinsurance exhaustion.
- Major Operational Incidents – A combination of major operational risk incidents, including severe implications from modelling and reporting errors.

Alongside the primary stated impacts of these events, the reverse stress testing assessment considers resulting implications to insurance revenue, reinsurance availability and risk of default on recoveries, and operational impacts. In these scenarios, the below mitigation options are available to limit the impact to the Group's solvency position and maintain viability, while the Group's financial and operational controls reduce the likelihood of these scenarios taking place.

Mitigation contingency options

In the unlikely event that solvency falls below the Solvency Capital Ratio of above 170%, Beazley may consider accessing additional capital from a number of sources. The Group keeps a list of mitigation options available to improve its position in the event of liquidity or capital distress. The financial and corporate actions available to Beazley are monitored on an ongoing basis.
The available mitigation options following an extreme event include:

- underwriting action to exit certain lines, or reduce planned growth;
- stopping or delaying infrastructure investment to reduce expense costs;
- selling off business units to raise own funds and reduce capital requirements;
- suspension of dividends or share buyback programmes;
- additional reinsurance purchases to reduce capital requirements;
- posting of available unutilised Letter of Credit as Funds at Lloyd's and;
- accessing additional external capital via debt or equity markets.

Conclusion on viability

The Board has concluded, based on the business plan, scenario and ORSA reporting, that there is a reasonable expectation that the Group will be able to continue to operate and meet its liabilities as they fall due over the five-year period of assessment.

Regulatory compliance

To ensure that we conduct business in accordance with all applicable laws and regulations, we operate under a Group-wide compliance policy supported by an annual Compliance Plan, and a governance framework for decision-making. Our 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. Key areas of focus include the following

Culture, controls, training and oversight

A mandatory annual employee training programme covers topics such as financial crime, underwriting due diligence, conduct, and information security. We provide training to employees upon joining Beazley and annually thereafter to ensure that we continue to operate in a responsible manner and in line with Group expectations.

Control validation testing for key regulatory risks provides assurance on the performance of controls for regulatory risks and enables us to identify areas for improvement. Through the regular reporting of second line control validation activities, we ensure that senior management maintains oversight of regulatory risk, including conflicts of interest across the Group.

Conduct has been a core aspect of our business. We pride ourselves on knowing our clients well, meeting their needs, managing our business responsibly and ensuring we transact only with reputable intermediaries, agents and suppliers.

In an ever-evolving landscape, emphasis is placed on the importance of ensuring a robust approach to information security and privacy controls designed to safeguard data and the rights of data subjects. Regulatory bodies in the UK (e.g. operational resiliency regulation) and EU (e.g. DORA regulation) have sought to raise operational and cyber resiliency standards so that firms keep pace with technological developments and advances. Various activities continue to ensure full compliance with evolving statutory and regulatory expectations. There were no cases of a data breach that were material to our clients or the Group notified to us during 2024.

Anti-financial crime controls

Given the Group operates as a global organisation, financial crime is a key risk. The Group has no appetite for being used as a vehicle for financial crime. As a responsible business, we adhere to ethical practices and believe in doing the right thing. We monitor sanctions developments closely and seek to respond when changes occur. To ensure compliance with applicable regimes, the Group embeds anti-financial crime controls and procedures into its underwriting, claims, payments, gifts and hospitality processes, and more widely throughout the business.

Whistleblowing

In line with our values, we promote a culture that encourages employees to speak up and escalate concerns. In support of this, we operate a whistleblowing policy and an independent hotline, managed by Safecall, that allows for anonymous reporting of concerns without fear of reprisal, harassment, retaliation or victimisation. We received training from Safecall to ensure we appropriately handle any concerns raised through the hotline. All concerns have been treated with the utmost confidentiality and in accordance with all applicable legal and regulatory requirements. The Beazley plc Board received reports affirming the effectiveness and operation of our whistleblowing procedures.

Beazley plc's Audit Committee has overall responsibility for the effectiveness of our whistleblowing policy and procedures, with the Committee reviewing and approving the policy annually. The Chair of the Committee is the Whistleblowing Champion.

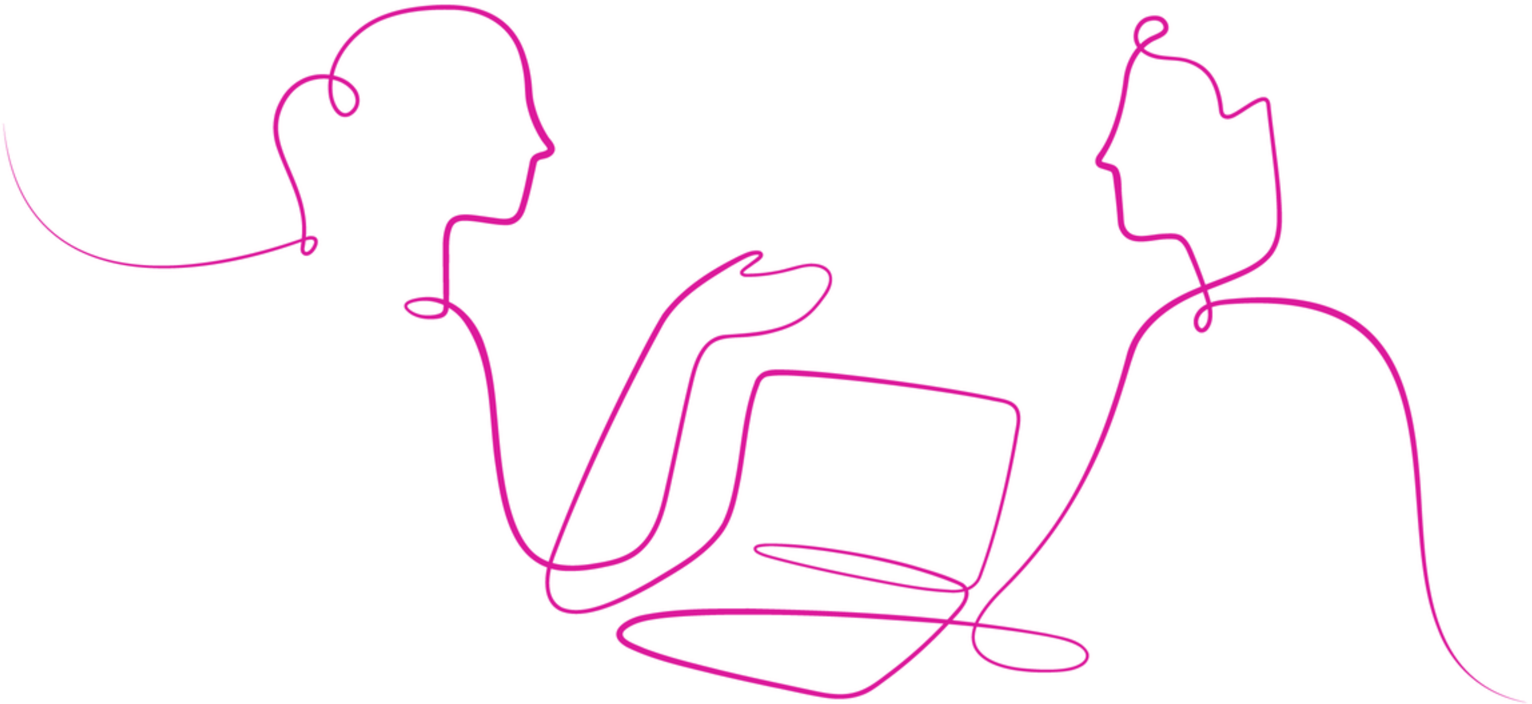
Strategic report approval by the Board of Directors

The Strategic Report set out on pages 1 to 81 is approved by the Board of Directors.

Signed on behalf of the Board of Directors

Clive Bannister
Chair of the Board

Governance



Governance at a glance

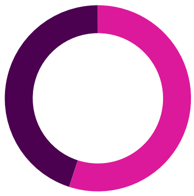
Board composition and diversity*

Board composition

Chair	1
Executives	2
Independent Non-Executives	8

*All data as at 31 December 2024.

Board gender balance



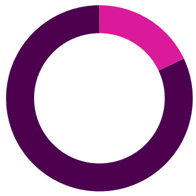
Men	55 %
Women	45 %

As at our reference date of 31 December 2024, we have met UK Listing Rule 6.6.6R(9)(a) targets of:

- at least 40% of the Board Directors being women; and
- at least one of the senior positions on the Board being held by a woman: our Group Chief Financial Officer is a woman.

Targets were also met throughout the year. There have been no changes to the Board since the reference date of 31 December 2024, therefore the UK Listing Rule targets continue to be met.

Board ethnic diversity



Asian	18 %
White	82 %

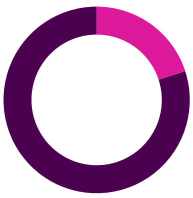
As at our reference date of 31 December 2024, we have met UK Listing Rule 6.6.6R(9)(a) target of at least one Board member being from an ethnic minority background: two of our Directors throughout 2024 were from an ethnic minority background (Rajesh Agrawal and Cecilia Reyes Leuzinger).

The numerical data required by UK Listing Rule 6.6.6R(10) on both the ethnic background and gender of the Board and executive management as at the reference date of 31 December 2024 is included on page 30, together with an explanation of our approach to collecting data.

Committee diversity

The Board also aims to ensure that each Committee is diverse, where possible. The Chairs of the Risk Committee and Remuneration Committee are women. The diversity of each Committee as at 31 December 2024 is set out below:

Nomination Committee – ethnic diversity

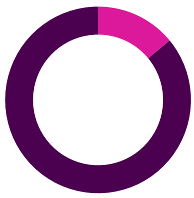


Asian	20 %
White	80 %

Nomination Committee – gender diversity

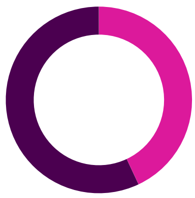
Men	60 %
Women	40 %

Risk Committee – ethnic diversity



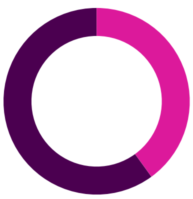
Asian	14 %
White	86 %

Risk Committee – gender diversity



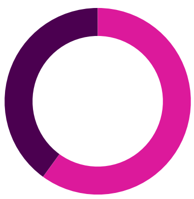
Men	43 %
Women	57 %

Audit Committee – ethnic diversity



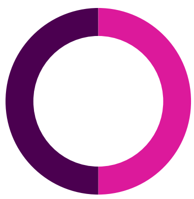
Asian	40 %
White	60 %

Audit Committee – gender diversity



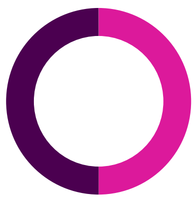
Men	60 %
Women	40 %

Remuneration Committee – ethnic diversity



Asian	50 %
White	50 %

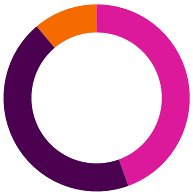
Remuneration Committee – gender diversity



Men	50 %
Women	50 %

Governance at a glance continued

Non-Executive Director tenure



0-3 years	44 %
3-6 years	44 %
6-9 years	12 %

Director domicile

UK	6
US	2
Europe (excl. UK)	3

The Board is also mindful of geographic diversity and ensuring the Board comprises individuals with global experience to complement our three-platform strategy, focused on Lloyd's Wholesale (London, Singapore and Miami), US and Europe.

Board changes in 2024:

- Carolyn Johnson was appointed as an Independent Non-Executive Director on 1 March 2024.
- Pierre-Olivier Desaulle succeeded Christine LaSala as Senior Independent Director when she stepped down from the Board at the conclusion of the 2024 Annual General Meeting (AGM).
- Barbara Plucnar Jensen was appointed as Group Chief Financial Officer on 1 May 2024 and was appointed to the Board on 21 May 2024.
- Sally Lake stepped down from the Board and as Group Finance Director on 21 May 2024.

Key activities in 2024

Approval of the share buyback programme
Board activities: page 99
Section 172 statement (principal decision 1): page 74

Considered Board and senior leadership succession
Nomination Committee report: from page 109

Approval of sustainability strategy
Board activities: page 101
Section 172 statement (principal decision 2): page 75

Chair's introduction to governance

"The Board and its Committees consciously support executive management in the development, refinement and successful execution of the Company's strategy"

Clive Bannister
Chair

As Chair of Beazley, I am pleased to introduce this year's Corporate Governance report.

The governance report describes our governance arrangements, the focus of the Board during 2024, and how the Board provides effective leadership to ensure the long-term success of Beazley. We believe in the importance of good corporate governance and, accordingly report under the UK Corporate Governance Code 2018 ("the Code"). The Board is actively working to meet the requirements of the Corporate Governance Code 2024 ("the 2024 Code") and plans to start reporting compliance with the 2024 Code in the 2025 annual report, with the exception of provision 29, where we aim to achieve compliance by 2026.

In my statement on pages 6 to 7, I comment on Beazley's performance and how we have made significant progress in 2024 towards our vision of becoming the highest performing sustainable specialty insurer. Despite a year marked by continued geopolitical and economic uncertainty, our adaptive and flexible approach to underwriting enabled us to perform well and deliver strong results for our stakeholders.

Our governance framework is a key enabler, helping the Board and its Committees consciously support executive management in the development, refinement and successful execution of the Company's strategy. The Board provides independent critical oversight and valuable input to help executive management execute the strategy.

I am pleased to confirm that the Company has applied all of the principles and complied with all of the provisions of the Code throughout the year. The Board remains highly engaged in fulfilling its principal task of leading the Company and overseeing the governance of the Group.

Board changes

The Board takes seriously its responsibility for effective succession planning for Board and senior management positions. We are pleased to have overseen three key Board changes during the year.

We appointed Carolyn Johnson as an Independent Non-Executive Director in March 2024. Carolyn has extensive US insurance and leadership experience as well as UK listed experience. Carolyn has also been appointed as the Chair of our US subsidiary, Beazley Holdings Inc.

Pierre-Olivier Desaulle, who has served on the Board as a Non-Executive Director since January 2021, succeeded Christine LaSala as Senior Independent Director when she stepped down following the 2024 Annual General Meeting in April. Pierre-Olivier has extensive experience as an international insurance executive, with a focus on products, distribution and innovation.

Sally Lake stepped down as Group Finance Director during 2024 and Barbara Plucnar Jensen was appointed in May 2024 as the Group's Chief Financial Officer. Barbara previously served as Group Chief Financial Officer at Tryg A/S, the largest non-life insurer in Scandinavia, and has over 25 years of experience in the financial services industry.

More information regarding appointments made during the year and the work undertaken by the Nomination Committee to identify the skills and experience required by the Board and its Committees can be found in the Nomination Committee report on pages 109 to 115.

Chair's introduction to governance continued

Board performance
We have a strong Board comprising individuals of diverse experience, background and skills. Successful succession planning means that there is a good balance between new and more established Directors. In 2024, in line with the Code, 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 on pages 106 to 108.

Stakeholder engagement
We engage with our stakeholders on a regular basis to understand their perspectives and consider them within our decision-making processes. We are committed to fostering strong relationships with our key stakeholder groups, including shareholders, people, clients, broker partners, regulators, and the broader community. Please see pages 67 to 73 for more information on stakeholder engagement, and how stakeholder groups have been considered in key decisions taken by the Board during the year.

Sustainability
The Board is proud to have been recognised during the year by TIME magazine, which ranked Beazley 5th globally for "Best Companies in Sustainable Growth". The award recognised that Beazley demonstrated both outstanding financial and environmental performance. The award is testament to the dedication of our people and the Board's commitment to delivering growth while integrating sustainable environmental practices into the core of our business.

During the year, the Board approved a refreshed sustainability strategy. This established a framework for decision-making that balances the impacts on both Beazley and the environment. The implementation of this strategy aims to further integrate sustainable business practices into our operations.

Culture and our people
At Beazley, our culture is defined by our actions. We are bold, constantly striving for improvement, and committed to doing the "right thing". Our values guide every aspect of our work, from engaging with stakeholders to designing our workspaces, and conducting ourselves as a responsible business. Maintaining and enhancing our strong culture is essential.

Inclusion and diversity
The Board remains committed to promoting inclusion and diversity in all its forms. We are pleased to meet the UK Listing Rule requirements in relation to Board diversity. In line with our Board diversity policy, the Board continues to ensure an inclusive environment, aligned to the Company's strategy. Governance at a glance on pages 83 to 84 sets out our key metrics on Board diversity. Progress made towards our diversity ambitions and the diversity data required to be disclosed by the UK Listing Rules, the Code, and the Companies Act 2006, can be found on pages 30 to 31. The Board was encouraged by the results from the 2024 employee engagement survey, noting that our inclusive culture was ranked highly by employees. The Nomination Committee report, from page 109, sets out further information regarding the Board's approach to ensure an inclusive and diverse organisation.

Board activities during 2024
It was another busy year for the Board and a summary of our key activities is set out on pages 98 to 101. A key activity during the year was the development of our three–platform governance model, specifically strengthening the independence of our key regulated subsidiaries, which will support the execution of the Company's strategy. During the Board's annual strategy day, we met in New York in person, to discuss the Group's business strategy, Artificial Intelligence, strategy and governance, technology and modernisation, and sustainability. We received valuable insights from external parties such as our bankers and brokers. We also had the opportunity to meet with employees in our New York office.

Looking ahead
As ever, we welcome engagement with our stakeholders – with shareholders via our AGM, other stakeholders via our presentations throughout the year and via our website. All Directors expect to attend this year's AGM, which will again provide an opportunity for shareholders to hear more about the Company's performance and to ask key questions of the Board. Where it is not possible for Directors to attend in person, they will attend virtually.

I would like to recognise the hard work and commitment of all of our colleagues during the year and thank them for their efforts to ensure the success of the Company. I would also like to thank members of the Board for their continued support and commitment.

Clive Bannister
Chair

Board of Directors

The Beazley Board comprises highly skilled professionals who bring a diverse range of skills, perspectives and corporate experience to the boardroom, challenging management's thinking and bringing rigour and discipline to balance entrepreneurial enthusiasm. Their broad range of leadership experience makes the Board well placed to oversee the delivery of Beazley's strategic plans in line with its purpose, vision and values and maintain the long-term success of the Company.

On the Board, our two Executive Directors ensure the maintenance of a strong direct link between the business and the Non-Executive Board members. The Non-Executive Directors each bring specific, in-depth areas of expertise to the Board. Carolyn Johnson joined the Board as an Independent Non-Executive Director on 1 March 2024. Pierre-Olivier Desaulle, who has served on the Board as a Non-Executive Director since January 2021, succeeded Christine LaSala as Senior Independent Director, who stepped down from the Board following the 2024 AGM on 25 April 2024. On 21 May 2024, it was announced that Barbara Plucnar Jensen had been appointed to the Board, replacing Sally Lake with immediate effect.

1. Clive Bannister
Chair and Independent Non-Executive Director

Appointed: 8 February 2023. Appointed as Chair on 25 April 2023
Experience and contribution: Clive was previously Chief Executive of Phoenix Group plc from 2011 until retiring in March 2020, where he led the transformation of the Group and its progression to the FTSE 100. Prior to that Clive had a long and distinguished career at HSBC Group, including leadership roles in private banking and insurance. He has previously held several non-executive directorships as well as his current external chair roles. Clive brings considerable leadership experience to the Board as well as extensive strategic and commercial experience and knowledge of the UK listing environment, capital markets and investor relations.
Skills: significant strategy, transformation experience, mergers and acquisitions, commerce, banking and insurance, leadership and governance
Committee: NC (Chair)
Key external appointments: Chair of Rathbones Group plc and the London Museum

E	Executive Directors
N	Non-Executive Directors
NC	Nomination Committee
RC	Remuneration Committee
EC	Executive Committee
DC	Disclosure Committee
AC	Audit Committee
RIC	Risk Committee

*Where the appointment date of a Director pre-dates 13 April 2016 (being the date that Beazley pic became the holding company of Beazley Group) this appointment date refers to his representation on the Beazley Ireland Holdings pic Board (formerly Beazley pic).

2. Adrian Cox
Group Chief Executive Officer

Appointed: 6 December 2010*. Appointed as Chief Executive Officer April 2021
Experience and contribution: Prior to his appointment as Chief Executive in April 2021, Adrian was Chief Underwriting Officer at Beazley from January 2019. Adrian has vast leadership and underwriting experience gained throughout his career at Beazley, which he joined in 2001. He began his career at Gen Re in 1993. Adrian has a deep understanding of the Group's strategy and business across all platforms and distribution channels, has considerable underwriting experience and market knowledge and has built a strong and experienced executive leadership team to deliver Beazley's strategy. Adrian's strong leadership as Group Chief Executive continues to contribute to the sustainable growth and the long-term success of Beazley.
Skills: insurance, management, international business development, strategy, leadership, people management, stakeholder management and governance
Committees: EC, DC
Key external appointments: None

3. Barbara Plucnar Jensen
Group Chief Financial Officer

Appointed: 21 May 2024
Experience and contribution: Barbara joined Beazley in May 2024 as the Group's Chief Financial Officer. She previously served as Group Chief Financial Officer at Tryg A/S, the largest non-life insurer in Scandinavia, from March 2019 to November 2023. Prior to this, she served in various roles at ISS Group and as Chief Financial Officer at ISS UK & Ireland, as well as at Danske Bank, where she held several management positions for 13 years. Barbara has over 25 years of experience in the financial services industry. Barbara's broad experience across financial services in Europe brings significant financial skills to the Board. This is complemented by her strategic and commercial expertise, which make Barbara a valuable contributor both to the Board and the executive leadership team.
Skills: corporate finance, strategy, finance change and transformation, mergers and acquisitions, investments, capital markets, investor relations, leadership, sustainability, people management and governance
Committees: EC, DC
Key external appointments: Director of Matas A/S (Denmark) and Audit Committee Chair

4. Rajesh Agrawal
Independent Non-Executive Director

Appointed: 1 August 2021
Experience and contribution: Raj currently serves as the Senior Vice President and Chief Financial Officer of Arrow Electronics, Inc. Before his appointment at Arrow, he was the Executive Vice President and Chief Financial Officer at Western Union from 2014 until 2022 and a member of the executive team responsible for leading Western Union's global finance organisation. Raj's considerable finance leadership experience brings financial strength to the Board, and a commercial viewpoint, as well as knowledge of the US market and environment. During 2023, Raj was also appointed as an independent Non-Executive Director on one of Beazley's US subsidiary Boards.
Skills: finance, financial reporting and planning, strategy, operations, audit, international business development and investor relations
Committees: AC, RC
Key external appointments: Senior Vice President and Chief Financial Officer at Arrow Electronics, Inc

5. Pierre-Olivier Desaulle
Senior Independent Non-Executive Director

Appointed: 1 January 2021
Experience and contribution: Pierre-Olivier served as Chief Executive of Hiscox Europe until 2017 and has held a number of other executive roles within the (re)insurance industry including at Marsh. He began his career in insurance with Marsh assisting with the integration of a leading French broker. From February to December 2024, Pierre-Olivier was a Non-Executive Director at the InsurTech start-up, Pattern Insurance, having previously held the position of Chief Insurance Officer. In January 2025, he was appointed as Chair of the Oversight Committee of Swan SAS. Pierre-Olivier brings considerable insurance industry experience to the Board, as well as strategy and leadership skills and first-hand knowledge of the InsurTech market. He has been a Non-Executive Director of Beazley Insurance dac since 2017 and has chaired the Beazley Insurance dac Board since 2021. He was appointed the Senior Independent Non-Executive Director on 25 April 2024 following the 2024 AGM.
Skills: insurance, reinsurance, strategy, operations and distribution, change management, risk management, mergers and acquisitions, information technology
Committees: RIC, NC
Key external appointments: Chair of the Oversight Committee, Swan SAS

6. Nicola Hodson
Independent Non-Executive Director

Appointed: 10 April 2019
Experience and contribution: Nicola was appointed as the Chair of IBM, for the UK and Ireland division in January 2025, having previously held the role of Chief Executive Officer. Prior to joining IBM, Nicola was Vice President of Field Transformation, for Microsoft Global Sales and Marketing and prior to this Chief Operating Officer for Microsoft UK. Nicola was formerly a Non-Executive Director at Ofgem, a Board member at the UK Council for Child Internet Safety and at the Child Exploitation and Online Protection Group. Nicola brings varied and diverse skills to the Board through her executive roles in the technological sector, with a focus on transformation and technology. She is skilled in engaging with various stakeholders and public bodies. She also has extensive UK listed company knowledge and experience to contribute through her other Non-Executive role. Nicola demonstrates the required skills, knowledge, and attributes to effectively chair the Remuneration Committee.
Skills: strategy, leadership and change management, business and digital transformation, information technology, and sales and marketing, stakeholder engagement, investor relations, cloud and data analytics, cyber and information security
Committees: RIC, RC (Chair)
Key external appointments: Chair of IBM, UK and Ireland (a private limited company),
Non-Executive Director of Drax Group plc and Remuneration Committee Chair

7. Carolyn Johnson
Independent Non-Executive Director

Appointed: 1 March 2024
Experience and contribution: Carolyn has over 40 years of experience in the insurance industry, with a particular focus on the US market. In her last executive role, Carolyn was Chief Transformation Officer at AIG, where she successfully led an ambitious modernisation and cost reduction programme. Carolyn is currently serving as a Non-Executive Director of Legal & General Group plc, where she is a member of its Audit, Risk and Nominations and Corporate Governance Committees. She also serves on the Board of Kuvare, a private insurance holding and asset management company. Carolyn brings deep leadership and transformational management experience to the Board as well as strengthening the Board's US insurance market knowledge. Her existing non-executive directorship of Legal & General also means she understands our obligations as a listed insurer. Carolyn is also the Chair of Beazley Holdings, Inc., Beazley Insurance Company, Inc., and Beazley Excess and Surplus Insurance, Inc.
Skills: transformation and change, leadership and management, strategy, insurance (particularly US), operations, mergers and acquisitions
Committees: RIC, NC
Key external appointments: Non-Executive Director of Legal & General Group plc (and member of its Data and Technology Committee), Non-Executive Director of Kuvare Holdings

8. Fiona Muldoon
Independent Non-Executive Director

Appointed: 31 May 2022
Experience and contribution: Fiona has over 30 years' experience in the insurance industry. Fiona was the Chief Executive of FBD Holdings plc, a listed general insurer in Ireland, from 2015 to 2020. Prior to that, Fiona was Director of Credit Institutions and Insurance Supervision at the Central Bank of Ireland, the Irish regulator. Fiona spent 17 years of her career with XL Group in various progressively senior finance and general management positions. Fiona brings knowledge of the global P&C insurance industry, regulatory knowledge, and strong leadership skills to the Board, through her executive career and non-executive positions. Fiona's appointment to the Board of Admiral Group plc brings further UK listed company knowledge and experience to the Board. Fiona demonstrates the required skills and attributes to effectively chair the Risk Committee and was appointed to this role during 2023. Fiona was also appointed as Employee Voice of the Board in November 2022.
Skills: insurance, strategy, stakeholder management, regulatory knowledge, governance, finance, capital management, risk management, investor relations and leadership
Committees: AC, RIC (Chair)
Key external appointments: Independent Non-Executive Director and Audit Committee Chair of Admiral Group plc

9. John Reizenstein
Independent Non-Executive Director

Appointed: 10 April 2019
Experience and contribution: John has more than 30 years' experience in financial services. He was Chief Financial Officer of Direct Line Insurance Group plc, until 2018 when he retired. Prior to that he held senior positions in insurance and banking at Co-operative Financial Services and in investment banking at Goldman Sachs and UBS. Through his previous role as the Chief Financial Officer of a FTSE 100 company and his non-executive directorships, John brings considerable financial leadership, corporate governance and capital markets experience to the Board and its Audit Committee. Through recent and relevant financial experience, Non-Executive Directorships, and his knowledge of Beazley, he is able to effectively chair the Audit Committee and challenge management on financial reporting and internal control matters. John is also a Non-Executive Director of Beazley Furlonge Limited.
Skills: finance, strategy, leadership, investment, capital management, risk management, and mergers and acquisitions
Committees: AC (Chair), RIC, NC
Key external appointments: Chair of Investec Bank plc and Chair of Farm Africa

10. Cecilia Reyes Leuzinger
Independent Non-Executive Director

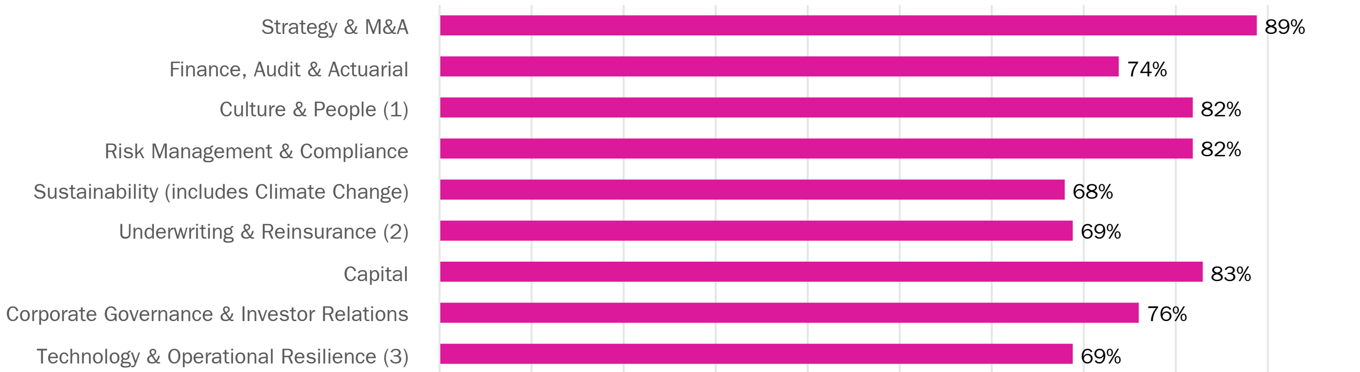
Appointed: 31 May 2022
Experience and contribution: Cecilia has more than 30 years' experience in banking, asset management and insurance covering Europe, Asia Pacific, and the Americas with a focus on investment management and risk. Cecilia held senior roles in risk, as Group Chief Risk Officer and Group Chief investment Officer during her 17-year career with Zurich Insurance Group. Prior to this, Cecilia spent her career at ING Barings, ING Asset Management and Credit Suisse Group in various senior roles. Cecilia also brings insurance industry experience to the Board, and considerable risk management and investments insight to Board discussions.
Skills: risk management, insurance investment management, strategy, leadership and management, capital and responsible investment strategy
Committees: AC, NC, RIC, RC
Key external appointments: Member of the Supervisory Board and Risk Committee Chair of NN Group NV, Non-Executive Director and investment Committee Chair of Riverstone International Holding Ltd

11. Robert Stuchbery
Independent Non-Executive Director

Appointed: 11 August 2016
Experience and contribution: Robert served as the president of international operations of The Hanover Group until May 2016, when he retired. Prior to this, he was Chief Executive Officer of Chaucer until 2015. Before his appointment to the Chaucer Board, Robert held numerous management roles at the Company for over 25 years. Robert has previously served as a member of the London Market Group, was Deputy Chairman of the Lloyd's Market Association Board and is currently a Liveryman of The Worshipful Company of Insurers. Robert brings extensive insurance industry insight to the Board, particularly Lloyd's market knowledge, as well as leadership and strategy skills. Robert has made significant contributions to the Board since his appointment in 2016 and continues to provide valuable contributions to the wider Group. He is also Chair of Beazley Furlonge Limited.
Skills: insurance, risk management, distribution, operations and strategy, deep Lloyd's market knowledge
Committees: AC, RIC, RC, NC
Key external appointments: None

Skills matrix

As shown through the biographies on pages 87 to 89, the Board comprises individuals with a diverse skill set and experience. The below matrix has identified the key skills of the Board which are brought to bear in the execution of the Company's long-term success and strategic decision-making. The skills matrix is regularly reviewed by the Nomination Committee with a view to the business needs of the future and training areas are incorporated into a training plan for the year ahead as necessary.



1 Culture & People includes HR and Reward.
2 Includes claims management, insurance/distribution in specific markets such as Lloyd's, the US and Europe.
3 Includes Cloud, Data, Information Security, Cyber Security.

Corporate Governance Report
Statement of compliance

The Board is committed to high standards of corporate governance and continues to be guided in its approach through the application of the Financial Reporting Council's 2018 UK Corporate Governance Code. The Code can be viewed on the Financial Reporting Council's website at www.frc.org.uk.

For the year ended 31 December 2024, the Board confirms that the Company has applied all the principles and complied with the provisions set out in the Code throughout the year.

In accordance with Provision 10 of the Code, the Board and Nomination Committee regularly review the independence of each of the Directors. The Board takes into consideration the Code provisions around length of tenure when considering any Director's independence. The Board has put Robert Stuchbery forward for re-election at the Company's AGM on 22 April 2025. In August 2025, Robert Stuchbery will have served on the Board for nine years. More detail on the Board's and the Nomination Committee's decision-making around Robert Stuchbery's tenure and independence can be found in the Nomination Committee report (page 112).

The governance report describes how the Board and its Committees have applied the principles of the Code and complied with its detailed provisions. The disclosures which evidence the Board's approach are included in the Corporate Governance report, with cross-references used where supporting information is outside of this report.

Application of UK Corporate Governance Code principles

Code principle		Application	Further information
Board leadership and Company purpose			
A	The role of 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. An external valuation of the Board was carried out during 2024 by Independent Audit Limited. The review highlighted that overall the Board continues to operate in an effective way and has a good number of core strengths. Therefore, the Board remains in a good position to promote the long-term sustainable success of the Company and generate value for shareholders and wider society.	Chair's introduction to governance (pages 85 to 86); Governance framework (page 94); Role of the Board and the Board's key activities during 2024 (pages 95 to 101); Section 172 statement (pages 74 to 75); Board evaluation (pages 106 to 108); Board biographies (pages 87 to 89)
B	Purpose, values, strategy and culture	Beazley has clearly outlined its purpose, values, and strategy. Beazley's culture is defined by its brand and values of being bold, striving for better and doing the right thing. The Board maintains high standards of governance and taking decisions which take into consideration impacts on a diverse range of stakeholders, including its workforce. The Board considers culture throughout the year through updates from the Chief People Officer and Head of Sustainability and other methods to ensure that culture remains aligned with Beazley's values and strategy.	Our strategy (pages 3 to 5); CEO statement (pages 8 to 9); CUO report (pages 10 to 13); Sustainability strategy (pages 43 to 46); The Purpose, values, and culture (pages 101 to 103); Investing in and rewarding the workforce (page 103)
C	Resources and controls	The Board ensures that the necessary resources are in place to support the business model and organisation in meeting its objectives. Performance is measured against these objectives using Key Performance Indicators and other reporting. The Board has established a Risk Committee and Audit Committee, with both committees having a remit over controls. Beazley operates a three lines of defence model, allowing for a strong governance framework of internal controls and managing risk.	Key Performance Indicators (page 2); Risk management framework and controls – Risk management and compliance report (from page 76); Risk Committee report (from page 125) Audit Committee report (from page 116)
D	Shareholder and stakeholder engagement	Beazley's approach to stakeholder engagement and activities during the year, including activities of the Directors and senior management and information regarding the designated Non-Executive Director responsible for engaging with the workforce, is outlined in the Stakeholder engagement report.	Stakeholder engagement report (pages 67 to 73); Shareholder engagement (page 102)

Application of UK Corporate Governance Code principles			
Code principle		**Application**	**Further information**
Board leadership and Company purpose			
E	Workforce policies and practices	There are a number of workforce policies and practices available on Beazley's website. The whistleblowing policy sets out how any concerns relating to wrongdoing, malpractice, or danger in connection with Beazley should be reported. An independent whistleblowing hotline allows the workforce to report concerns anonymously.	Non-Financial and Sustainability Information statement - employees (page 64); Stakeholder engagement report (our people) (pages 67 to 68); Investing in and rewarding the workforce (page 103)
Division of responsibilities			
F	The role of the Chair	The Board comprises the Chair of the Board, two Executive Directors and eight independent Non-Executive Directors. The Chair was independent on appointment. The Chair and Group Chief Executive Officer are separate roles. The external evaluation of the Board carried out during 2024 included assessment of the Chair's performance, which is included in the Board Evaluation report. The review indicated that the Chair promotes a culture of openness and debate and facilitates effective Board governance.	Governance framework (page 94) Division of responsibilities (page 105) Board evaluation (pages 106 to 108)
G	Board composition and division of responsibilities	The Board composition described above is appropriate for the Company and includes sufficient Non-Executive Directors to ensure that no one individual or small group of individuals dominates Board decision making. Clear divisions of responsibilities have been set out.	Governance at a glance (pages 83 to 84) Board biographies (pages 87 to 89) Division of responsibilities (page 105)
H	Role of the Non-Executive Directors	The Non-Executive Directors meet without the presence of Executive Directors from time to time throughout the year. One of the key remits of their role is to hold to account the performance of senior management and the Executive Directors. The external board evaluation supported the conclusion that the independent Non-Executive Directors provide constructive challenge and strategic guidance and hold management to account. The terms and conditions of appointment for all the Non-Executive Directors set out the expected time commitment and they agree that they have sufficient time to provide what is expected of them. The Nomination Committee keeps under review all Directors' appointments to ensure that individuals are able to provide sufficient time and dedication to fulfil their role as a Director of Beazley plc.	Division of responsibilities (page 105); Board activities throughout the year (page 98 to 101); Board evaluation (pages 106 to 108); Nomination Committee report (pages 109 to 115) Board biographies (pages 87 to 89)

Corporate Governance Report continued

Application of UK Corporate Governance Code principles			
Code principle		**Application**	**Further information**
I	Ensuring the Board functions effectively and efficiently	The Chair ensures effective contribution from all Directors by ensuring that clear, timely and accurate information is received to enable them to discharge their duties effectively. The Board and individual Directors are supported by the Group Company Secretary, to whom they have access at all times. There is an agreed principle that Directors may take independent professional advice if necessary, at the Company's expense, assuming that the expense is reasonable. This is in addition to the access which every Director has to the Company Secretary. The Company Secretary supports the Chair to ensure that the Board has the necessary policies, processes, information, time and the resources to function effectively and efficiently.	Board evaluation (pages 106 to 108)
Composition, succession and evaluation			
J	Succession planning for the Board	The Nomination Committee is responsible for recommending appointments to the Board and its Committees and for ensuring a formal, rigorous and transparent appointment procedure, which also considers Board diversity. Membership is made up of six Non-Executive Directors, chaired by Clive Bannister.	Nomination Committee report (pages 109 to 115)
K	Skills, experience and knowledge of the Board	The Nomination Committee is responsible for regular review of the Board's structure, size, and composition (including the skills, knowledge, experience, and diversity) required compared to its current and projected position in line with its longer term strategy. Carolyn Johnson was appointed as an independent Non-Executive Director on 1 March 2024. An independent external search consultancy, Russell Reynolds, was engaged to support the process.	Board biographies and skills matrix (pages 87 to 89) Nomination Committee report (pages 109 to 115)
L	Board evaluation	An annual review of the Board and its Committees' performance is carried out. This is externally facilitated every three years. An external evaluation of the Board and its Committees was carried out in 2024 by Independent Audit Limited.	Board evaluation (pages 106 to 108)

Application of UK Corporate Governance Code principles			
Code principle		Application	Further information
Audit, risk and internal control			
M	Ensuring the independence and effectiveness of the internal and external audit	The Audit Committee comprises five independent Non-Executive Directors. The Chair is not a member. The Committee's key responsibilities include monitoring the effectiveness of the external audit relationship and internal audit function. The Audit Committee has responsibility for reporting to the Board on audit matters and on the systems of internal controls.	Audit Committee report (pages 116 to 124) Directors' responsibility statement (page 158)
N	Fair, balanced and understandable assessment	The Audit Committee consider whether the Annual Report and Accounts taken as a whole is fair, balanced and understandable, and that they include the necessary information for shareholders to assess the Group's position, performance, and strategy. The Board considers the recommendations of the Audit Committee around the fairness and balance of the financial statements.	Audit Committee report (pages 116 to 124) Directors' responsibility statement (page 158)
O	Risk management and internal controls	The Committee supports the Board of Directors in overseeing the accuracy of financial reporting and ensuring the system of internal financial control, the audit process and the Company's processes for compliance with laws and regulations and internal policies and procedures are robust, effective, and responsive to ever-changing environments. The Board performs a robust assessment of the Company's emerging and principal risks throughout the year. This assessment is carried out by the review of the ORSA.	Audit Committee report (internal financial controls) (page 124); Risk Committee report (risk management and internal controls framework including compliance and operational controls) (pages 125 to 130); The Board's responsibility for Audit, risk and internal controls (page 104); Risk management report (including principal and emerging risks) (pages 76 to 81)
Remuneration			
P	Designing remuneration policies	The Remuneration Committee comprises four Independent Non-Executive Directors. The Chair is not a member. The Committee's key responsibilities include oversight of remuneration policies to support Beazley's strategy and promote the long-term success of the Company for its stakeholders.	Remuneration Committee report (pages 131 to 132) Directors' remuneration report and the Remuneration Committee Chair's letter (from page 133)
Q	Executive remuneration	Shareholders approved the current Directors' remuneration policy ("the policy") at the 2024 AGM. The Committee regularly reviews the Policy and this is put to a shareholders vote every three years. No Director is involved in any decisions about their own remuneration.	Directors' remuneration report (page 135)
R	Remuneration outcomes and independent judgement	The Remuneration Committee takes into account the financial, strategic and individual performance when setting remuneration outcomes and ensures that targets are stretching. External remuneration advisers provide advice to the Committee, and they adhere to the Remuneration Consultants' Group Code of Conduct and the Code.	Directors' remuneration report including the Remuneration Committee Chair's letter (from page 133)

Corporate governance framework

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.

Group 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.

The Board receives reports and updates from the Committees at each meeting

The Board delegates to its Committees

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 Audit and the external Auditor.

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 the 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 Group 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: Group Chief Executive Officer, Group Chief Financial Officer, Group Chief Risk Officer, Group Company Secretary.

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.

Board leadership and Company purpose

The Board has implemented a robust corporate governance framework across the Group to uphold high standards and facilitate effective decision-making, to support the execution of our strategy and business plans. The Group’s corporate governance framework includes Beazley plc, and its subsidiaries, the Group Executive Committee and other internal governance committees.

Board independence

The independence of the Board is integral to good governance, and is important in providing constructive challenge, strategic guidance, offering specialist advice and holding management to account against agreed strategic and operational objectives. The Chair regularly holds meetings with the Non-Executive Directors without the presence of the Executive Directors and management.

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.

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.

The role of the Board and its Committees

In accordance with the Code, the role of the Board is to foster the long-term sustainable success of the Company, 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. 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 of the main Board and its Committees is shown in the diagram on page 94.

Matters reserved for the Board

The Board has a schedule of matters reserved for its decision. This is monitored by the Group Company Secretary and reviewed by the Board on an annual basis. The matters reserved are available on the Company's website: www.beazley.com

Key matters reserved for the Board include:

- Management: including Board appointments and terms of reference of the Board Committees, Executive Committee and principal subsidiaries.
- Stakeholders: including ensuring effective engagement with stakeholders using appropriate mechanisms.
- Strategy: including setting purpose, values and strategy, culture, monitoring of strategy and objectives and long-term commercial success, acquisitions and disposals over a certain quantum, strategic alliances and joint ventures, and capital management.
- Risk Management and Internal Controls: including setting the Group's risk appetite, assessments of principal and emerging risk (including climate-related risks), ultimate oversight of risk management and controls, with input from its Committees.
- Finance: including financial statements and dividends, review of business plans, tax strategy, investment strategy, and capital and revenue expenditure over a certain quantum.
- Corporate Governance: including the overall corporate governance arrangements, major changes to employee share schemes, approval of principal policies, and Board performance evaluation.

Corporate Governance Report continued
Board leadership and Company purpose

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 division of roles and responsibilities is set out on page 105.

Key subsidiary Boards

At Beazley, we have a strong governance framework which includes governance of the relationships between the Group Board and the Boards of our key subsidiaries. These principal subsidiaries align with the three distribution platforms, as described in our business model and strategy on pages 3 to 5. Three of the Beazley plc Independent Non-Executive Directors are also the Chairs of the Group's principal subsidiary Boards. Pierre-Olivier Desaulle chairs the Beazley Insurance dac Board, Robert Stuchbery chairs the Beazley Furlonge Limited Board and Carolyn Johnson was appointed as Chair of the Board of our US holding company, Beazley Holdings, Inc, with effect from 1 March 2024. Carolyn is also the Chair of Beazley Insurance Company, Inc., which is an admitted insurance company and subsidiary of the US holding company. The subsidiary governance framework sets out the key principles of how each subsidiary is governed, and helps ensure effective information flows and collaboration across the Group. Having Beazley plc Directors chair the subsidiary Boards provides a deeper understanding of the strategic objectives, operational and legal and regulatory requirements of the subsidiaries to take into account when developing Group strategy and business plans.

The Board, together with the Boards of the principal subsidiaries, keep the framework under review and ensure it evolves so that it remains fit for purpose, supports our strategy and meets business and regulatory needs.

Conflicts of interest

The Company's Articles of Association allow the Board to authorise potential conflicts of interest that may arise or take such actions which may be necessary to manage conflicts of interest. The Board has also approved a Group-wide conflicts of interest policy which sets out how conflicts of those acting as Directors of companies within the Beazley Group may be managed, as well as management of other conflicts of interest which may arise.

Directors are required to disclose potential conflicts of interest and the register of Directors' interests and conflicts is reviewed at every Board meeting.

Timely information for decision-making

To enable the Board to function effectively and support Directors in discharging their responsibilities, timely access is given to all relevant information. In the case of Board meetings, this consists of a comprehensive set of papers, including regular business progress reports and discussion documents regarding specific matters. Directors have access to an electronic information repository to support their activities. The terms and conditions of appointment for all Non-Executive Directors set out the expected time commitment and require agreement that they have sufficient time to fulfil their responsibilities.

There is a continued focus on the quality of Board reporting to promote better discussions and further assist decision-making to ensure that high standards are maintained. Training on how to write effective Board reports has been carried out by the external provider of the Board portal platform and the corporate governance team has also provided training to relevant authors of Board and Committee reports. The Board and Committees consider the quality of reporting and feedback is provided to ensure continuous improvement.

Independent advice

There is an agreed principle that Directors may take independent professional advice, at the Company's expense. This is in addition to the access which every Director has to the Group Company Secretary. The Group Company Secretary supports the Chair to ensure that the Board has the necessary policies, processes, information, time and the resources to function effectively and efficiently.

Board meetings and attendance

The full Board must meet at least five times each year in accordance with its matters reserved and usually meets more frequently as business needs require. In 2024, there were six scheduled Board meetings. This included a scheduled joint meeting of the Boards and Committees of Beazley plc and the principal Group subsidiaries to consider updates on strategic projects of relevance to entities across the Group as well as various policy updates, risk, compliance and Internal Audit assurance plans, and sustainability matters. The attendance at these scheduled meetings is set out in the table below, along with Committee meeting attendance.

During the year, there were five additional Board meetings not included in the table on the next page. The meetings were held to consider and approve topics where the timing fell outside of the pre-planned schedule. In 2024, this included approval of: two strategic transactions, the quarterly trading statements, the Group's Solvency reporting and the Group's Own Risk and Solvency Assessment report. Four of these meetings were attended by the whole Board except for one Director each occasion. One of the meetings was not attended by three of the Directors. Any Director who is unable to attend a meeting is provided with the Board pack and is able to provide their views or any questions to the Chair to raise at the meeting.

The Board also establishes Sub-Committees to approve or consider a specific matter, usually where a further meeting is required following feedback from the Board. All the Beazley plc Directors also attend an annual strategy session.

The Committees also had additional meetings as required to discuss specific matters, details of which are included in the Committee reports.

Board and Committee meeting attendance table

Director	Board		Audit Committee		Risk Committee		Remuneration Committee		Nomination Committee	
	No. of meetings[1]	No. attended[2]	No. of meetings	No. attended	No. of meetings	No. attended	No. of meetings	No. attended	No. of meetings	No. attended
Rajesh Agrawal[3]	6	6	9	8	—	—	4	4	—	—
Clive Bannister (Chair)	6	6	—	—	—	—	—	—	4	4
Adrian Cox (CEO)	6	6	—	—	—	—	—	—	—	—
Pierre-Olivier Desaulle	6	6	—	—	5	5	—	—	4	4
Nicola Hodson	6	6	—	—	5	5	4	4	–	–
Carolyn Johnson[4]	6	6	—	—	3	3	—	—	2	2
Sally Lake (Group Finance Director)[5]	1	1	—	—	—	—	—	—	—	—
Christine LaSala[6]	1	1	—	—	—	—	2	2	1	1
Fiona Muldoon	6	6	9	9	5	5	—	—	—	—
Barbara Plucnar Jensen (CFO)[7]	5	5	—	—	—	—	—	—	—	—
A John Reizenstein[8]	6	6	9	9	5	5	—	—	4	3
Cecilia Reyes Leuzinger	6	6	9	9	5	5	4	4	4	4
Robert Stuchbery[9]	6	6	9	9	5	5	4	4	2	2

1 Number of meetings: There were five additional Board meetings, three additional Risk Committee meetings, and two additional Nomination Committee meetings during the year. The purpose of these meetings is explained above for the Board and in the Committee reports. There was near full attendance at these meetings.
2 Where a Director joined or stood down from the Board or Board Committee during the year, only the number of meetings following appointment or before standing down are shown.
3 Rajesh Agrawal was unable to attend one Audit Committee meeting due to an unavoidable scheduling conflict.
4 Carolyn Johnson was appointed to the Board on 1 March 2024 and was able to attend all scheduled meetings during the year. She was appointed as a member of the Risk and Nomination Committees on 6 August 2024.
5 Sally Lake stepped down from the Board on 21 May 2024.
6 Christine LaSala stepped down from the Board at the conclusion of the AGM held on 25 April 2024.
7 Barbara Plucnar Jensen was appointed to the Board on 21 May 2024.
8 John Reizenstein was unable to attend one Nomination Committee meeting due to travel issues.
9 Robert Stuchbery was appointed to the Nomination Committee on 6 August 2024.

Corporate Governance Report continued
Board leadership and Company purpose continued

Key activities of the Board during 2024

Our vision to be the highest performing sustainable specialty insurer is underpinned by our values and culture of being bold, striving for better and doing the right thing. These values enable us the freedom and confidence to question the status quo, dare to be different and explore bold possibilities to create innovative outcomes for our stakeholders, consistently strive for the best and act with integrity in a straightforward way. Our vision, values and culture generate value for our shareholders by ensuring we create the right environment within Beazley to deliver consistent performance underpinned by strong underwriting discipline, which in turn leads to the long-term sustainable growth of Beazley for the benefit of our shareholders and other stakeholders. For more information, see the business model description on pages 4 to 5.

The Board ensures that there is a robust governance framework, with two-way communication between the Board and management. Effective governance, with matters discussed by relevant committees both at a board and executive level, aids the decision making of the Board and ensures that the Board can effectively agree and oversee the strategy.

The Board maintains a comprehensive agenda plan which is designed to ensure that the Board uses its time effectively and focuses on both strategic priorities and monitoring of the performance of the Group, as well as meeting its legal and regulatory responsibilities. The agenda plan allows flexibility for inclusion of matters as they evolve. Each agenda is agreed by the Chair, in conjunction with the Group Chief Executive and Group Company Secretary.

Meetings are structured to ensure that there is sufficient time for consideration and debate on matters.

Each scheduled meeting will typically include the following:
- Written reports from the Group Chief Executive, Group Chief Financial Officer, Group Chief Underwriting Officer and Group Chief Risk Officer to cover the activities and performance of the business against strategy and business plans.
- Updates from the Chairs of the Board’s Committees on their activities and discussions, and matters for recommendation to the Board.
- Written reports from the Chairs of the principal subsidiaries on matters related to the subsidiaries and their respective platform.
- Regular updates on the Group’s key performance indicator dashboard, operational projects, culture and people, sustainability, investor relations and corporate governance, which are part of the annual agenda cycle.

In addition to standing agenda items, the Board conducts deep dives on specific areas of the business and on innovation and growth.

The Board also has an annual strategy session, which in 2024 took place in person at Beazley's New York office over two days.

During the year, the Board has spent time on the following key areas.

Activity	Outcomes	Link to stakeholders	Timeline
Strategy & Purpose			
Strategic deep dive schedule	The Board includes a strategic deep dive or invites external experts to discuss topics regularly throughout the year. In 2024 these included: • strategic partnerships to help develop new capabilities within underwriting; • Insurance Linked Securities as a source of alternative risk transfer; • update on Beazley's European strategy and roadmap; • strategic projects and opportunities focus session; and • 'Insurtechs' market (external speaker).	C, S	Mar, May, Sep, Nov
Investment strategy	Approved a comprehensive review and refresh of the Group's investment strategy, ensuring it remained aligned with Group and sustainability strategy.	S, En, Co	Aug
Sustainability strategy For more information, see the section 172 statement (principal decision 2) (page 75)	Approved the refreshed sustainability strategy and roadmap and reviewed its alignment and integration with overall Group strategy. The refined strategy includes a focus on sustainability topics where a real difference can be made, including Beazley's social impact activities, while aligning the business with net-zero goals. A wide range of stakeholders, both internal and external, were engaged as part of the work to refine the sustainability strategy.	C, S, E, R, En	Mar
Board strategy offsite	The Board held its annual strategy session in May 2024 over two days in Beazley's New York office. The Board reviewed progress against Beazley's strategic priorities and assessed the effectiveness of the strategy to ensure the long-term success of Beazley for the benefit of its shareholders and wider stakeholders. There was focus on the North American platform, with presentations from internal experts and external stakeholders including key broker partners. Other topics included the following: • Review of Beazley's strategy, including thinking about new capabilities that support Beazley's strategic direction in 2024 and discussion on growth plans. This included exploring partnerships and inorganic versus organic growth. • Emerging risks review, including the definition of emerging risk, the timeframe and process of managing emerging risks, and a detailed assessment of Beazley's emerging risks. • A deep dive on AI	C, S, E, Co, En	May
Purchase of Industry Loss Warranty (ILW) and cyber catastrophe bond For more information, see the section 172 statement (principal decision 4) (page 75) and the stakeholder engagement report (shareholders) (pages 70 to 71)	Considered and approved the purchase of an ILW and a cyber catastrophe bond to mitigate cyber catastrophe exposure, including consideration of the benefits, risks and impacts of the proposal on capital and the Internal Model outputs.		Jul
Group strategy	Building on the strategy offsite, the Board reviewed and approved revised strategic initiatives designed to support Beazley in fulfilling its strategic vision to be "the highest performing sustainable specialty insurer", including considering both organic and inorganic strategic growth opportunities.		Aug, Sep, Dec
Changes to the Group's governance framework	Considered proposed changes to the governance framework covering the Company and its subsidiaries, to ensure effective governance of the three platforms and associated legal entities in a global product focused business model (as explained in our Strategic report on page 4). The Board also approved a Scheme of Delegation, which defined decision-making at each key level of the organisation.	C, S, R	Aug, Dec
Financial			
2024 share buyback For more information, see the section 172 statement (principal decision 1) (page 74) and the stakeholder engagement report (shareholders) (pages 70 to 71)	The Board approved the announcement of a $325m share buyback programme as part of capital strategy of returning surplus capital to shareholders where it cannot be profitably deployed. The Board also approved the announcement of a performance update in February, providing the market with an indication of the amount of the capital return taking into consideration a risk opinion in relation to the proposed share buyback programme.	S, R	Feb, Mar
Financial reporting including the 2023 Annual Report, quarterly trading statements and the 2024 interim results	Reviewed and approved the 2023 Annual Report, the 2024 interim results and quarterly trading updates, following recommendations from the Audit Committee.	C, S, E	Mar, Apr, Aug, Nov
Interim dividend	Approved the 2024 interim dividend payment to shareholders, in line with the dividend strategy.	S	Mar
Approved the 2025 Group business plan	Considered and approved the 2025 Group business plan, including changes in risk appetites linked to the business plan and risk management's view of the plan.	C, S, E, R	Sep, Dec

Key to stakeholders
C – Clients and/or brokers
S – Shareholders
E – Employees
R – Regulators
Co – Communities
En – Environment

Board leadership and Company purpose continued

Activity	Outcomes	Link to stakeholders	Timeline
Risk Management			
Assessed and reviewed the effectiveness of financial, risk management and internal controls For more information, see the Risk management report (from page 76), the Audit Committee report (from page 116), and the Risk Committee report (from page 125)	The Board received regular updates from its Audit and Risk Committees regarding Beazley's systems of risk management and internal controls, including enhancements being made to the control environment, and the annual assessment of the effectiveness of the risk management and internal controls system. The Board received updates from the Chief Risk Officer throughout the year, on risk matters requiring the Board's attention, providing an overall view of the risks facing the Group and steps taken to mitigate those risks. Risk opinions were also provided on key Board decisions.	C, S, E, R, En	Throughout the year
Cyber Resilience strategy	Approved the Cyber Resilience strategy for 2024 to 2026 in March. The Board also received regular updates from the Group Chief Operating Officer and Chief Information Security Officer on cyber security maturity and operational resilience throughout the year, including plans to ensure that Beazley is building and maturing appropriate defensive capability into its cyber security framework.	C, S, E, R	Mar, Aug, Dec
Emerging, strategic and principal risks For more information, see the Risk management report (from page 76)	Analysed the potential impact of emerging, strategic and principal risks. Conducted a detailed assessment of the emerging risks facing the Group.	C, S, E, R, En	Mar, May
ORSA and ORSA policy	Reviewed the outputs from the 2024 ORSA process, including the material risks and outcomes from the stress testing scenarios applied, and approved the Beazley plc ORSA for 2024. The Board also annually reviews and approves any changes to the ORSA policy.	S, R	Jun, Nov
Risk management framework including risk appetite, risk appetite statements and risk governance framework For more information, see the Risk management report (from page 76)	Approved the 2024 risk appetite statements and approved the overall risk appetite. Reviewed and approved risk governance framework.	C, S, E, R	Aug, Nov, Dec
CrowdStrike announcement	Received an update on and discussed the impact of the global CrowdStrike IT event, which represented the first highly publicised global Cyber catastrophe. Given the unprecedented nature of this event, the Board approved the release of an announcement to the market confirming that the event was not expected to change Beazley's undiscounted combined ratio guidance of low 80s for the full year. While the impact was not expected to be material, and an announcement would not normally be made, the Board believed it was appropriate to update the market given Beazley's position as a leading global Cyber insurer.	C, S	Jul
Culture & People			
Appointment of a new Non-Executive Director and the Group Chief Financial Officer For more information, see the Nomination Committee report (pages 110 to 111)	Approved the appointment of Carolyn Johnson as a Non-Executive Director and Barbara Plucnar Jensen as Group Chief Financial Officer and an Executive Director.	C, S, E, R, Co, En	Feb, Mar, May
Employee engagement For more information, see the Stakeholder engagement report (people) (pages 67 to 68)	In addition to updates from the Chief People & Sustainability Officer regarding people and culture topics, the Board discussed key themes arising from the employee engagement survey undertaken in 2023 and assessed the outcomes from the work undertaken to address the feedback. The Board also discussed bi-annual updates from Fiona Muldoon on the views and feedback from employees, which she had gathered through attending various events that were arranged for this purpose.	E	Mar, May, Dec
Board and Executive succession planning For more information, see the Nomination Committee report (from page 109)	Reviewed and discussed Board succession plans, including the renewal of appointments of Non-Executive Directors coming to the end of their terms.	C, S, E, Co, En	Dec
Board and Committee evaluations For more information, see the Board evaluation report (pages 106 to 108)	Reviewed and discussed the suggested priorities and actions, based on the results of the Board and Committee evaluation undertaken in 2024.	C, S, E, Co, En	Dec

Activity	Outcomes	Link to stakeholders	Timeline
Sustainability			
Sustainability reporting and activities For more information, see the Sustainability report (pages 26 to 31) and TCFD statement (from page 32)	The Board approved sustainability reporting and received regular updates on sustainability activities, including progress against the agreed strategy. Matters considered included: • approval of the sustainability reporting and TCFD disclosures contained within the Annual Report and Accounts 2023; • approval of the Responsible Business Report 2023, which was published on the Company's website; • approval of the Modern Slavery Act statement; • updates on the development of the net-zero transition plan; and • updates on progress in respect to climate-related risks and opportunities and progress in relation to the disclosures required by the TCFD, and reducing the number of areas against which Beazley is required to explain rather than comply with the disclosures. Updates on the progress towards meeting the objectives set out in the sustainability strategy approved in March, and development of further sustainability key performance indicators to track progress.	C, S, E, R, Co, En	Mar, May, Aug
Responsible investment policy	Approved the revised responsible investment policy, which had been updated to enhance transparency in support our UN Principles for Responsible Investment submission and to provide greater clarity on the integration of Beazley's sustainability strategy into investment practices and decision-making processes.	C, S, E, Co, En	Aug
Charitable foundation For more information, see the Sustainability report (from page 26) and section 172 statement (principal decision 3) (page 75) and the stakeholder engagement report (communities) (page 72)	The Board approved the formation of a charitable foundation to enhance the long-term impact and governance of the Company's charitable and social impact activities.	C, E, Co, En	Dec

Purpose, values and culture

Our purpose sets out why we exist and how we support our stakeholders. Our culture is founded upon our values – being bold, striving for better and doing the right thing. They guide how our people work together, treat our clients and stakeholders, and act together as a responsible business, creating a positive and friendly culture, which our people are proud of. These three values are the articulation of how our culture is experienced and lived on a day-to-day basis. The Board and Executive Committee regularly focus on culture and view it as a critical component of maintaining an inclusive environment that attracts, engages and retains talented people with diverse backgrounds and experiences at all levels. Our culture is very important to us and we believe that it sets us apart from our competitors.

More information on our purpose, values and culture and how they help us deliver our strategy is set out in the Strategic report.

Monitoring and assessing our culture

The Board and senior leadership understand the importance of setting the tone from the top and ensuring our culture aligns with the Group's purpose, values and strategy, and is embedded throughout the organisation.

The Board regularly reviews and assesses our culture through various mechanisms, including:

- regular reports from the Culture & People team on our annual engagement surveys (which include cultural metrics and industry benchmarks), inclusion and diversity, and employee engagement activities;
- attendance at employee events and meeting with groups of employees – for example, during 2024 the Board met with the chairs of our employee networks and regularly met with groups of employees following their Board meetings;
- regular meetings with senior leadership;
- a Non-Executive Director with responsibility for Employee Voice (appointed in line with the Code requirements) – who meets with groups of employees throughout the year to capture feedback and any concerns;
- Internal Audit reports, which periodically review aspects of our culture; and
- whistleblowing reports.

Corporate Governance Report continued
Board leadership and Company purpose continued

Nurturing our culture
The Board recognises the importance of assessing our culture and ensuring it remains aligned with Beazley's purpose, values and strategy as the business evolves. In 2023, the Board engaged an independent third party to conduct an assessment of our culture to provide us with more formal, detailed and independent insight. The survey found a strong sense of shared culture at Beazley, which the Board and leadership are committed to maintaining as Beazley grows and evolves. The Board has ensured that the focus areas highlighted by the independent review have been embedded within business as usual activities to help maintain Beazley's culture.

In early 2024, the Board reviewed the results of the 2023 employee engagement survey, noting the improvements compared with the 2022 survey. The Board pays close attention to participation rates, which show our people are confident to share their thoughts with leadership; overall favourability scores, which assess how satisfied employees are with their holistic experience at Beazley; and the engagement score, which is a measure of whether employees are willing to "go above and beyond" for the business. The Board examines themes arising from narrative questions and challenges management's proposed actions to enhance the employee experience and ensure that feedback is addressed.

Their monitoring helps ensure that Beazley's culture remains valued by our people and other stakeholders and continues to be a key differentiator. The Board keeps the mechanisms for monitoring culture, including the reporting it receives from various sources across the business, under review. The key results of the 2023 engagement survey are included in the Key Performance Indicators section as prior year comparatives on page 2.

During 2024, the Board has been exploring ways to enhance the cultural data and metrics it receives, allowing for a more holistic view of organisational culture. This will allow the Board to monitor and assess culture more effectively and ensure its embedding across the organisation.

Shareholder and stakeholder engagement
The Board is committed to understanding the views of the Company's key stakeholders and has continued to ensure effective engagement with its stakeholders to ensure that their interests are taken into account in its decision-making. Further information on how the Board has discharged its duties under section 172 of the Companies Act 2006, and how it has engaged with stakeholders and the outcomes of these activities, is included in the Strategic report from page 1.

Shareholder engagement
Communication with shareholders remains important and the Board spends a significant amount of time during the year considering shareholder perspectives and considering how the business can continue to create long-term sustainable growth.

The Senior Independent Director has specific responsibility to be available to investors who have any issues or concerns, and in cases where contact with the Chair, Group Chief Executive and Group Chief Financial Officer has either failed to resolve their concerns, or where such contact is inappropriate. No such concerns were raised in 2024.

The Executive Directors, supported by the Head of Investor Relations, have regular dialogue with our existing and potential institutional investors, fund managers and analysts. The views shared are communicated to the Board at its meetings through the Group Chief Executive's report and regular updates from the Head of Investor Relations.

All shareholders are invited to attend the Company's Annual General Meeting in person, where the Chair, Group Chief Executive, Group Chief Financial Officer and other Non-Executive Directors are available to answer shareholders' questions. Shareholders also have an opportunity to meet with Directors after the formal business of the meeting has been concluded. Details of proxy voting by shareholders, including votes withheld, are made available on request and are placed on the Company's website following the meeting.

The Board engaged with a number of shareholders who voted against resolutions in relation to the disapplication of pre-emption rights over shares at the 2023 Annual General Meeting. The resolutions proposed at the meeting had followed the provisions of the Pre-Emption Group's 2022 Statement of Principles for the disapplication of pre-emption rights. The feedback was taken into account and, at the 2024 Annual General Meeting, the Board reverted to seeking the previous levels of authority for the general disapplication of pre-emption rights and sought no authority to disapply pre-emption rights in connection with an acquisition or specified capital investment. The authorities were subsequently passed at the 2024 Annual General Meeting.

Further information on our approach to shareholder engagement and the outcomes of that engagement during 2024 is provided in the Stakeholder engagement report on pages 70 to 71.

Workforce engagement

The Board exercises a combination of formal and informal workforce engagement methods, which include the appointment of a dedicated Non-Executive Director, Fiona Muldoon, who is responsible for gathering the views of the workforce (the Employee Voice) and reporting this information to the Board, in accordance with the Code. Details of employee engagement mechanisms and the activities undertaken by Fiona Muldoon are included in the Stakeholder engagement report on page 67.

Investing in and rewarding the workforce

In addition to salary and discretionary bonus, we offer a generous global package of benefits that provide choice and flexibility as well as stability and security to help our people no matter what stage of their life journey they are at. These include flexible religious holidays, six full months of parental leave no matter how an individual comes to parenthood, sabbatical leave, a £100 (or equivalent) monthly lifestyle allowance, paid for commuter benefits, free lunch, plus the standard offerings such as medical insurance and retirement/pension contributions. We know that the small things also matter to our people. For example, we have healthy snacks available in every office for everyone to enjoy and match funding/volunteer leave (within specified limits) for those who want to make a difference.

Each year, there is an all employee session where the Group Chief Executive and the Chief People & Sustainability Officer explain how both executive and employee remuneration is determined and the policy and process relating to remuneration, including setting bonuses of employees. Bonuses are based on performance of the Company and individual performance.

From a career development and learning perspective, we offer a variety of tools and programmes that enable people to reach their full potential and build their careers. We offer core global programmes to support our employees wherever they are on their career journey, from early careers to leadership development. This is underpinned by our policies and processes.

In 2024, we launched an early careers programme in the UK, with our early careers academy providing entry level development opportunities for university graduates and school leavers in the UK. This follows the success of our US underwriting graduate programme, which has been running for eight years.

In 2024, we also launched our new leadership success profile and a people management toolkit, which offers a flexible learning curriculum managers can tailor to their own development needs. We also bring a focus on feedback, whether that is via our annual engagement survey or during the appraisal process, to ensure we continue to invest in our people in the right way.

Our employees have access to a wide range of tools, including online self-learning courses, access to coaching and mentoring opportunities both internally and externally, and professional qualifications. We focus on feedback, whether that is via our annual engagement survey or during the appraisal process, to ensure we continue to invest in our people in the right way. In 2025, we will be launching a "future skills academy", which aims to enhance the digital and business capabilities of our people, ensuring they are equipped with the necessary skills to thrive in a rapidly evolving business environment.

Workforce policies and practices

The Board and the Executive Committee have ultimate responsibility for overseeing the Company’s compliance with the Beazley code of conduct and upkeep of whistleblowing procedures and other employee policies and ensuring they are in line with strategy and culture. The workforce is able to raise concerns through the whistleblowing procedures, set out in the whistleblowing policy. The whistleblowing policy is approved annually by the Audit Committee, and both the Audit Committee and the Board receive whistleblowing updates, in the form of reports on an annual basis. More information on this policy and our policies in relation to our workforce is included in the non-financial and sustainability information statement from page 62.

The Board's responsibility for Audit, Risk and Internal Control

EY were first appointed as the External Auditor for the 2019 accounting year. The respective responsibilities of the Directors and the External Auditor in connection with the accounts are explained in the Statement of Directors' responsibilities on page 158 and the Independent auditor's report on page 165.

The Board is responsible for the Group's system of risk management and internal control and for reviewing its effectiveness. However, such a system can only provide reasonable, not absolute, assurance against material misstatement or loss. The system is designed to manage, rather than eliminate, the risk of failure to achieve business objectives within the risk appetite set by the Board. The Board confirms that it has ensured that a review of the effectiveness of the Group's system of risk management and internal controls has been carried out, in accordance with the provisions of the Code. This included all material control systems, including its financial, operational and compliance controls. The Board delegates oversight of these controls and their effectiveness to the Audit Committee and Risk Committee, as set out in their terms of reference. The Audit Committee has overseen work to enhance internal controls in relation to financial and non-financial information and reporting during the year, in preparedness for the enhanced provisions around oversight of risk management and internal controls systems within the 2024 Code. More information on work undertaken as well as the process to review internal financial controls is included in the Audit Committee report on page 116. The Audit Committee also receives regular reports from Internal Audit which help inform its view of the control environment, and whether controls are operating effectively, details of which are also included in the Audit Committee report. The Risk Committee is responsible for oversight of the overall risk management system and of compliance and operational controls, and more information is included in the Risk Committee report from page 125.

The Risk Committee receives regular reports from the Risk Management and Second Line Assurance teams, which includes control validation activity carried out, and provides a review of the robustness of control systems. Reports throughout the year from both of these Committees to the Board help inform the view over the effectiveness of these systems and any enhancements or actions required.

The Board, with the support of its Risk Committee, has also performed an assessment of the principal and emerging risks facing the Group, in line with the risk management framework. Further detail is included in the risk management report on page 76.

The Board agrees the overall risk appetite for the Group. Throughout the year, the Board has monitored performance against risk appetite in accordance with the risk management framework, which is itself reviewed and approved by the Board annually. Key components of the risk management framework include ongoing assessment and validation of controls, and taking steps to ensure that controls remain effective. Ongoing oversight of risk is undertaken via the Executive Risk and Regulatory Committee, which meets each month and considers Key Risk Indicators (KRIs) and reviews of specific risk areas. The Board delegates oversight of risk management and compliance matters to the Risk Committee. There is ongoing reporting of risk matters to the Risk Committee and Board, as appropriate, from the Group Chief Risk Officer and members of the Risk function. The Board also receives specific assessments of risk in the form of risk opinions to support key decision-making. During the year, the Board received risk opinions to support several important decisions. This included risk opinions in relation to enhancements to the Group governance framework to ensure effective division of responsibilities between Beazley plc and the Group Executive Committee and the regulated subsidiary Boards within the three platforms; execution of strategic projects and transactions such as the Cyber Industry Loss Warranty and the cyber catastrophe bond sponsorship, and key capital decisions such as the 2024 buyback programme. Risk opinions include a review of all key risks, including strategic, operational, credit, capital, insurance, liquidity, reputation, legal and regulatory risks associated with the project or decision to be taken. Annually, the Board receives a risk opinion on the business plan for the forthcoming year. This year's risk assessment focused on whether the plan was logical, realistic and achievable, as well as any risks to the plan and how they would be mitigated, which helped inform the Board's assessment and approval of the 2025 business plan.

Further information is provided in the Risk management and compliance report from page 76 and the Risk Committee report from page 125.

Division of responsibilities

Roles and responsibilities

The roles and responsibilities of the Chair and Group Chief Executive are separate, with each having clearly defined responsibilities. They maintain a close working relationship to ensure the integrity of the Board's decision-making process and the successful delivery of the Group's strategy. The Chair and Non-Executive Directors regularly meet without the presence of the Executive Directors and other senior leadership. The Executive Committee meet informally weekly and meet formally monthly to oversee the management of the Group and implementation of strategy. Any significant issues or updates are communicated to the Board in a timely manner outside of Board meetings either via electronic communications or the Board portal. The Board have access to the Group Company Secretary for advice in relation to Board and corporate governance matters.

Non-Executive Directors		
Chair	**Senior Independent Director**	**Non-Executive Directors**
The Chair is responsible for: • Effective and objective leadership and governance of the Board, ensuring that the Board discharges its duties effectively and the Board remains effective with the right composition and mix of skills. • Overseeing the Group's overall strategy, as approved by the Board, in alignment with purpose, values and culture and ensuring an inclusive culture by establishing the right "tone from the top". • Works effectively with the Group Chief Executive and Group Company Secretary to ensure the right topics are on the Board agenda, that information is disseminated in a timely manner and supports effective and constructive challenge and debate during discussions and decision-making. • Managing constructive dialogue between Non-Executive Directors and the Executive Directors and senior leadership and ensuring effective relationships between them. • Ensuring effective communication between shareholders, executive management, the Board and other stakeholder groups and that stakeholder views are considered appropriately in Board discussions and decision-making.	In addition to the responsibilities of the Non-Executive Directors, the Senior Independent Director: • Supports the Chair and is ready to deputise for the Chair. • Acts as an alternative contact for shareholders and other stakeholder groups. • Leads the evaluation of the Chair's performance including seeking feedback from Executive and Non-Executive Directors. • Acts as a sounding board for the Non-Executive Directors.	Non-Executive Directors must: • Uphold high standards of integrity and corporate governance and support an inclusive culture by setting the right "tone from the top". • Allow sufficient time to meet their Board responsibilities and provide constructive challenge, strategic guidance, offer specialist advice and hold management to account. • Attest on appointment that they are able to allocate sufficient time to discharge their duties effectively and continue to keep this under review if their responsibilities with Beazley or externally change. The Nomination Committee is also responsible for monitoring the commitments of the Non-Executive Directors. • Engage with internal and external stakeholders as appropriate. • Serve on Committees of the Board.

Group Chief Executive

The Group Chief Executive is responsible for:
- Proposing and delivering the strategy agreed by the Board.
- Running the Company's business on a day-to-day basis, making and implementing operational decisions.
- Maintaining a strong direct link between the business and the Non-Executive Directors.
- Building an effective relationship with the Chair and maintaining an ongoing dialogue on key strategic issues.
- Together with the Chief Financial Officer, leading shareholder engagement activities, responding to feedback from investors, and reporting to the Board on outcomes from this engagement.
- Representing Beazley externally to all external stakeholder groups.
- Setting the tone from the top to maintain an inclusive culture and ensuring the Group operates in line with its values.

Group Company Secretary

The Group Company Secretary is responsible for:
- Supporting the Chair, the Board and its Committees and advises them on all corporate governance matters.
- Ensuring accurate, timely, and clear information flows to the Boards and its Committees and between senior management and Non-Executive Directors in support of effective decision-making.
- Ensuring that the Board has the policies, processes, information, time and resources to function effectively and efficiently and support the Chair in undertaking Board performance evaluations.
- Beazley's compliance with the UK Listing Rules, Disclosure Guidance and Transparency Rules, statutory compliance and the reporting under the UK Corporate Governance Code.

Corporate Governance Report continued
Board evaluation

Board and Committee performance 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.

In accordance with the Code, 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.

Beazley's overall approach to Board evaluation

External reviews (every three years)	Internal reviews (other years)
An independent external evaluation firm is appointed who works with the Chair, Senior Independent Director and Company Secretary to define the objectives and scope of the evaluation. The external evaluation is the beginning of the three-year cycle and ensures a rigorous approach. The scope may build on Beazley's experience from previous evaluations, whilst also enabling the evaluator to use their own experience and independence to provide insight. The findings and agreed actions from the evaluation are reviewed and monitored by the Board and, as part of the ongoing cycle, the themes and recommendations may be built upon in the subsequent internally led Board performance evaluations. The Company follows the Corporate Governance Institute's (CGI) Principles of Good Practice for listed companies using external board reviewers and selects reviewers who comply with the CGI's Code of Practice for reviewers.	The internal reviews are facilitated internally by the Group Company Secretary, with support from the Chair and Nomination Committee. The process is reviewed and considered each year in which an internal review is undertaken. However, in the prior two years, it involved interviews with Directors individually to obtain their views on the effectiveness of the Board and each Committee. Directors are encouraged to share their views openly, and questions are asked of each Director to determine overall Board and Committee effectiveness and obtain feedback on opportunities for continued improvement. The Chair also conducts separate meetings with each Director to solicit their feedback on Board dynamics, review their individual performance and determine any steps to be taken. The Senior Independent Director conducts a review of the Chair. A Directors' knowledge and skills self-assessment exercise complements the evaluation process to identify any areas for individual or collective Board training for the following year. The findings from this work are presented to the Nomination Committee and the Board, and an action plan is created to address specific findings. Progress against these actions is monitored by the Board throughout the year.

2024 Board evaluation

In accordance with the three-year cycle and the Code, the Nomination Committee initiated a search for an external and independent Board evaluator in 2024.

Selection of Board evaluator

To carry out an independent evaluation, the Nomination Committee appointed Independent Audit Limited ('IAL') following a Request for Proposal (RFP) process, which is described in the Nomination Committee report on page 112. IAL has no connection with the Beazley Group or individual Directors. IAL is a specialist board review consultancy, which has independent accreditation and complies with the Corporate Governance Institute's ("CGI") Code of Practice for reviewers. IAL has not previously carried out Board evaluations for the Company and has no other connection with the Company or any of its Directors.

Scope of the evaluation

The scope of the 2024 Board evaluation included Beazley plc and two of its principal subsidiaries: Beazley Furlonge Limited and Beazley Insurance dac. The evaluation included consideration of engagement, information flows and decision-making between the entities and the Directors on those Boards. This report focuses on the scope, process, and outcomes of the Beazley plc evaluation.

The evaluation included the Board and its Committees and covered topics such as: effective oversight of strategy and strategic focus, relationships, culture, people, inclusion and diversity, skills and knowledge, impact, risk management, and overall governance effectiveness. The detailed scope was discussed via meetings with the Chair, Senior Independent Director and Group Company Secretary.

Process

The evaluation took place through September to November 2024. The Group Company Secretary provided IAL with the necessary support and access to information, Directors and other Board stakeholders. The Senior Independent Director acted as the Board member to whom IAL could escalate any issues.

The process undertaken by IAL for Beazley plc included individual interviews with each Director and with other key internal Board stakeholders such as the Group Chief Risk Officer, other Executive Committee members and the Group Company Secretary. IAL observed one full meeting of the Board and each its Committees (with the exception of the Remuneration Committee), and also reviewed Board papers and other governance materials as part of the evaluation.

Outcomes

A comprehensive report on the Board evaluation was prepared by IAL. The report included a detailed analysis of its observations. The review highlighted that overall the Board continues to operate in an effective way and has a good number of core strengths. The areas for improvement identified were concentrated on two key areas, based on which an action plan with three key priorities has been developed. The report noted that the Board consisted of a diverse group of individuals who were diligent and engaged, bringing different perspectives and experiences, able to challenge management's thinking. There were no findings which would necessitate a change to the Board's composition. The Board remains satisfied that it has the necessary mix of skills, knowledge, expertise and diversity (as explained further in the Nomination Committee report). IAL also provided some qualitative benchmarking compared with other organisations.

IAL attended the Board meeting in December 2024 to present the results of the evaluation, and there was an opportunity for the Board to discuss these directly with IAL. An action plan has been developed based on the key recommendations. The table below provides a summary of the actions, which were agreed by the Nomination Committee on behalf of the Board in February 2025. The evaluation of the Board Committees was included within the external Board evaluation. The Committees will be included in the actions below, as appropriate.

The Company has followed the CGI's Principles of Good Practice for listed companies using external board reviewers, and in line with the guidance on the disclosure of the evaluation process in the Annual Report, IAL has reviewed these disclosures.

Individual Director performance

Individual Director performance and contribution is assessed annually through one-to-one discussions between the Chair and each Director. The sessions include reflection on contributions during the year, strengths, and personal development areas. This is supported by the self-evaluation of knowledge and skills completed by the Directors each year. The 2024 evaluation concluded that each Director is operating effectively and contributing positively to the effective operation of the Board and its Committees. Several areas to support the Directors' individual or collective performance were identified and training plans have been developed. More information is included in the Nomination Committee report on Board knowledge and training plans on page 112.

Chair performance

The IAL review sought feedback from all Directors on the Chair. The review concluded that the Chair has an approachable style, while bringing challenge and rigour, has developed strong relationships based on trust and openness, and that the Chair is contributing strongly to Board governance and the effective operation of the Board. The Senior Independent Director has ongoing dialogue with the Chair on his performance with respect to the Board's effectiveness.

Corporate Governance Report continued
Board evaluation continued

Actions from the 2024 external Board performance evaluation (to be addressed during 2025)

Priorities	Actions agreed
Enhance positioning of strategic oversight and debate	• Undertaking a review, including seeking input from the Board members, on reporting, agendas and the level of information received by the Board from functional areas across the organisation, with the aim of reducing the level of focus on operational detail. • Development of a formal Board charter.
More time together	• Development of a schedule of additional Non-Executive Director only meetings.
Improvements to Board papers	• Development of a programme of workshops with report authors to share specific feedback from the Board evaluation to ensure continued enhancement of Board reporting to meet the needs of the Board and the organisation. • Conducting a review of reporting templates for potential enhancements to aid effective reporting by authors.

Progress made on actions from the 2023 internal Board performance evaluation

The following table sets out the progress made on the recommendations from the internally facilitated Board evaluation conducted in 2023.

Recommendations and priorities	Actions agreed	Progress and outcomes during 2024
Building and enhancing relationships Due to expected changes to the Board and Executive leadership during 2024, a priority was to ensure that relationships were built and enhanced to ensure ongoing effectiveness. In addition, the Board highlighted a need to enhance engagement with other senior leaders and with those in all regions in which Beazley operates.	Actions considered by the Board for 2024 included the following: • Ensuring effective induction processes for the new Board and Executive Committee members. • Increased opportunities for Executive exposure to the Board on relevant topics. • Increased social activities between the Board and Executives. • Board meetings to be held at locations where Beazley operates outside of London at least annually. • Deep dives on regions in which Beazley operates to be facilitated.	Outcomes included the following: • Induction processes were reviewed and feedback from the new Directors sought. • The Board has held regular informal sessions with the executives and other members of the workforce after its meetings in London. • The Board held its strategy session and May Board meeting from the Beazley New York office, which included engagement with executives and the wider workforce in the US and New York. The Board strategy session is scheduled to take place in Europe in 2025. • Deep dives on specific jurisdictions were carried out with both the US and Europe covered in 2024.
Long-term planning and strategy Notwithstanding enhancements made around business planning during 2023, this remained a priority for 2024. A further priority was to gain more insight into the competitive landscape.	The Board agreed to set specific objectives and to use strategy sessions and deep dives to ensure understanding and oversight of the long-term plans and of the competitive landscape.	Outcomes included: • Deep dive sessions and external and internal speakers have been facilitated throughout the year to provide the Board members with a deeper understanding of the long-term plans and competitive landscape.
Supporting business change There was a substantial amount of change both in terms of critical milestones in Beazley's three-platform strategy and with changes to leadership for the Board to support during 2024.	Actions considered by the Board for 2024 included the following: • Ensuring the right topics are on the Board agenda and that deep dive and training plans reflect the changing environment. • Ensuring that the Board composition remains appropriate to support the changing business.	Progress and outcomes included the following: • Agendas have been refreshed, although noting that further work is required based on the outcomes of the 2024 evaluation. • Board composition following the appointment of Carolyn Johnson and Barbara Plucnar Jensen has been reviewed and remains appropriate.
Board reporting Notwithstanding the high quality of reporting and enhancements made in this area over the past two years, there was an opportunity for further enhancement of specific reports.	Specific feedback and knowledge will be shared by the Board on suggested enhancements. Regular training on Board report writing to continue to be provided in 2024.	Progress made: • Reporting templates were enhanced during 2024 and a training session was held for report authors, which included presentations from the Group Chief Financial Officer and Group Company Secretary on the importance of effective reporting for the Board.

Nomination Committee
Composition, succession and evaluation

Clive Bannister
Chair

"2024 saw changes at both the Board and Executive level; specifically welcoming Carolyn Johnson and Barbara Plucnar Jensen respectively. We are committed to ensuring that the Board has the right skills, knowledge and experience to operate effectively and promote the long-term success of Beazley."

Role of the Committee

The Nomination Committee provides dedicated focus on the leadership needs of Beazley. This includes reviewing and monitoring Board and Committee composition and their effectiveness and succession planning for: the Board, senior executives and the senior management pipeline; and delivering effective inclusion and diversity initiatives. The Committee's role is to ensure the Board, its Committees and the Executive leadership team, as well as those in the talent pipeline, have the right skills, capabilities and diversity of thought to effectively oversee and implement the Company's strategy and ensure Beazley's long-term success.

This report sets out the responsibilities of the Committee and the vital work it has undertaken during the year in relation to those responsibilities. It explains how Beazley has applied the principles and complied with the provisions within Section 3 of the Code in relation to composition, succession and evaluation.

During 2024, the Committee oversaw the appointment and induction of a new Independent Non-Executive Director and Chair of our US holding company, Carolyn Johnson, who joined the Board on 1 March 2024. In addition, the Committee oversaw the appointment and induction of our new Group Chief Financial Officer, Barbara Plucnar Jensen, who joined Beazley on 1 May and was appointed to the Board on 21 May 2024. The Committee also oversaw the appointment of Pierre-Olivier Desaulle as Senior Independent Director with effect from 25 April 2024. On 1 October 2024, Beazley announced the appointment of Paul Bantick (Beazley's prior Group Head of Cyber) as our new Group Chief Underwriting Officer, highlighting the importance of having credible executive leadership succession plans in place.

Responsibilities of the Committee

The full responsibilities of the Nomination Committee are set out in its terms of reference. These are reviewed by the Committee and submitted to the Board for approval on an annual basis. The terms of reference are available on the Company's website. The Committee's main responsibilities are as follows:

Board composition, succession, and evaluation

- Regularly review the structure, size and composition of the Board and its Committees in response to changing business needs and the external environment.
- Consider succession planning for Executive and Non-Executive Directors and ensure the Board will continue to have the right balance of competencies, skills, knowledge and diversity, considering the risks and opportunities facing Beazley.
- Ensure Non-Executive Directors possess the skills and knowledge required through training and development to ensure effective Board performance; and to ensure that the Board's performance is reviewed annually.
- Conduct search and selection processes for Board and Executive Director roles, and review any other key leadership roles.
- Recommend, if appropriate, all Directors for election or re-election by shareholders under the annual re-election provisions of the Code, having due regard to their performance and their ability to continue to contribute to the overall long-term success of the Board.

Leadership succession and talent pipeline

- Review succession planning for senior leadership, including development plans for internal talent, to ensure Beazley's long-term success.

Inclusion and diversity

- Review the Group's and the Board's diversity policy and link to company strategy and ensure inclusion and diversity perspectives are considered across all areas of Board and Committee composition, succession planning and development of the talent pipeline. Monitor progress against Beazley's inclusion and diversity ambitions to drive progress and meet ambitions to be an inclusive organisation, where all of our people can thrive.

Nomination Committee continued

Committee membership and meetings

Composition of and attendance at Nomination Committee meetings by Committee members is shown in the table on page 97. In 2024, there were four scheduled meetings and two additional meetings. The additional meetings related to the appointment of Barbara Plucnar Jensen. The Nomination Committee is chaired by Clive Bannister. The biographical details of the Committee members can be found on pages 87 to 89. The gender and ethnic diversity of the Committee is shown on page 83. The key activities of the Committee during 2024 are set out below. Only members of the Committee have the right to attend meetings; however, other individuals, such as the Group Chief Executive, Chief People and Sustainability officer, representatives from other Boards or Committees, and external advisers, may be invited to attend for all or part of any meeting where this is beneficial to assist the Committee with fulfilling its responsibilities. The Group Company Secretary is secretary to the Committee.

Key Committee activities

	Activities	More information
Board composition, succession and evaluation	• Finalised the search for a new Chief Financial Officer to succeed the previous Group Finance Director, Sally Lake, and recommended the appointment of Barbara Plucnar Jensen to the Board. • Recommended the appointment of Carolyn Johnson as an independent Director of Beazley plc, who would also chair Beazley's US holding company, Beazley Holdings Inc. Carolyn was also appointed as Chair of the Beazley Insurance Company, Inc., the Group's primary US admitted insurance company. • Concluded the search for the appointment of a new Senior Independent Director to succeed Christine LaSala and recommended the appointment of Pierre-Olivier Desaulle. • Recommended the renewal of appointments of Non-Executive Directors, including considering the extension of Robert Stuchbery's appointment as a Director of Beazley plc and as the Chair of Beazley Furlonge Limited, one of Beazley's key operating subsidiaries. Considered why this was appropriate, including consideration of whether Robert Stuchbery remained independent in approach, given this would result in Robert's appointment to the Beazley plc Board extending beyond nine years. • Recommended changes to the composition of Board Committees, including the appointment of Carolyn Johnson to the Nomination and Risk Committees and Robert Stuchbery to the Risk Committee. • Reviewed Beazley plc and subsidiary Board renewals and appointments, including succession plans, and reflected on effectiveness of succession planning activities. • Reviewed the knowledge, skills and training assessment for the Beazley plc and principal subsidiary Boards and confirmed that the Boards continued to have the right mix of skills and experience. • Reviewed the plans for and outcomes of the 2024 performance evaluation for the Beazley plc Board, Committees, and key regulated subsidiary Boards and Committees. Determined that the 2024 evaluation should be externally led, in accordance with the Code requirement to conduct an external evaluation every three years. • Recommended the establishment of Nomination and Remuneration Committees for two principal regulated subsidiaries to enable them to better oversee the local regulatory and business requirements.	Board evaluation (pages 106 to 108). More information on Board and Committee changes is included in this report.
Leadership succession and talent pipeline	• Reviewed Executive performance and succession planning, including a review of the diversity of the senior leadership talent pipeline. • Received updates and approved key senior internal appointments, including the appointment of Paul Bantick as the new Group Chief Underwriting Officer following the retirement of the incumbent, Bob Quane.	More information on succession planning and the process for appointing new Directors is included in this report.
Inclusion and diversity	• Reviewed diversity commitments and progress against public ambitions set by Beazley plc, as well as those required by the UK Listing Rules and public reviews. • Reviewed policies including inclusion and diversity policies for the Board and the Group. • Reviewed sections of the annual report and accounts, including diversity disclosures required by UK Listing Rules 6.6.6R(9) and (10). • Inclusion and diversity considerations also underpinned other activities, including Board recruitment and composition and succession planning discussions.	More information on Inclusion and Diversity is included below and in the Sustainability report (pages 26 to 31). For UK Listing Rules disclosures, see Governance at a glance (page 83).

Board composition, succession and evaluation

Board and Committee composition and succession during 2024

Considerable time was spent by the Committee in early 2024 on finalising Board and Committee composition, following the searches commenced in 2023. The Committee has focused on embedding these Board changes and ensuring an effective induction process for the new Directors, as well as an orderly hand over of the Group Finance Director's responsibilities.

The composition of the Board and succession plans take into account the required balance of skills, knowledge, experience and diversity, in accordance with the principles of the Code, and with the overall goal of ensuring the ability to develop and implement strategy for the long-term success of Beazley. The Committee has focused on ensuring that the composition of the Beazley plc Board and the Boards of its principal subsidiaries is appropriate, aligned to broader strategy and ensures effective governance oversight of the Group.

The Committee reviews Board succession plans at least annually, taking into account the overall knowledge and skills of the Board and any gaps, the tenure of the existing Directors, and the medium and long-term strategic objectives of the Group.

During 2024, the Committee recommended that two of its principal regulated subsidiaries establish independent Nomination and Remuneration Committees, which would oversee Board and Committee composition and succession planning for their respective boards to better meet local regulatory and business requirements. While the subsidiary Committees were being established, the Committee continued to provide oversight of key regulatory appointments for the subsidiaries and make recommendations to the subsidiary Boards. The group Nomination Committee will continue to provide oversight of key principles of governance and to elect the Chair of those subsidiaries who are usually also appointed to the Beazley plc Board.

Board and Committee changes

As previously noted, several changes were made during the year which have strengthened the Board and Committee composition and supported the overall governance effectiveness of the Group. These included:

- The appointment of Carolyn Johnson as an independent non-executive director with effect from 1 March 2024. The search for this role was commenced in 2023 following consideration of the Group's governance structure. It was determined that the principal subsidiary Board of each of the Group's three platforms (Lloyd's Wholesale, North America and Europe) should be chaired by an independent Non-Executive Director of Beazley plc. For the North American platform, this led to an external search for an additional independent Non-Executive Director.
- The appointment of Barbara Plucnar Jensen as Group Chief Financial Officer, who joined the Board on 21 May 2024.
- The appointment of Pierre-Olivier Desaulle as Senior Independent Director at the conclusion of the Company's 2024 Annual General Meeting on 25 April 2024.
- The appointment of Carolyn Johnson as a member of the Nomination and Risk Committees and Robert Stuchbery as a member of the Nomination Committee with effect from 6 August 2024.

Selection of a new Senior Independent Director

Christine LaSala, who served on the Board for eight years and was the Senior Independent Director, expressed her intention to not seek re-election at the 2024 AGM. Following this decision, the Committee discussed and reviewed the process for the selection of the next Senior Independent Director. The Committee approved the role specification, which set out the role's responsibilities and required skills and attributes. The Committee were satisfied that an internal candidate could be identified. Following a process led by the Chair and previous Senior Independent Director, the appointment of Pierre-Olivier Desaulle as Senior Independent Director was announced on 11 April 2024 to take effect after the 2024 Annual General Meeting.

Information regarding the recruitment of a Chief Financial Officer and independent Non-Executive Director

The Committee is responsible for oversight of search and selection processes for Board and Executive Director roles and for recommending appointments to the Board. The Committee ensures that a formal, rigorous and transparent procedure is followed. When searching for new Board directors, a clear process is conducted with oversight from the Committee at each stage. A sub-group is usually selected to provide more detailed oversight, as required. Key stages include identifying a clear need for the role followed by an assessment of the skills, knowledge and experience required; appointment of an appropriate external search consultancy; and ensuring that inclusion and diversity considerations are understood and that a diverse candidate long-list is sought. A key part of the selection process is a multi-stage interview process with the opportunity for candidates to meet a wide range of people from Beazley and ensuring candidates are assessed fairly against the search criteria. Once a preferred candidate has been identified, the Nomination Committee consider the assessment and make a final recommendation to the Board.

In relation to the appointment of Carolyn Johnson in March 2024, the Committee oversaw the process, which was led by the Senior Independent Director with support from a sub-group of the Committee. In accordance with provision 20 of the Code, an external search consultancy, Russell Reynolds, was engaged to support the process. Russell Reynolds has no other connection with the Company and its individual Directors. A detailed description of each stage of the process undertaken to select Carolyn Johnson was included within the Corporate Governance Report of the 2023 annual report, on pages 102 to 103.
The Committee also oversaw the process to recruit Barbara Plucnar Jensen, which was led by the Group Chief Executive. Spencer Stuart were engaged to support the process. Spencer Stuart has no other connection with the Company and its individual Directors. More information regarding the search for and selection of a new Chief Financial Officer was included on page 102 of the 2023 report. Beazley's 2023 annual report is available on our website: www.beazley.com.

Board tenure, renewal of Non-Executive Director appointments, and review of time commitments

The Committee reviewed the profile of Board tenure of the Non-Executive Directors with a view to the future requirements of Beazley, the length of service of the Board as a whole and succession plans for key Board roles.

The Committee recommended that all Directors be subject to re-appointment at the AGM in 2025. As part of this, the Committee also considered and recommended:

- The appointment of Fiona Muldoon and Cecilia Reyes-Leuzinger for a second three-year term.
- That Robert Stuchbery be re-appointed to serve until the 2026 Annual General Meeting. Robert Stuchbery has served on the Board since August 2016 and his full nine-year term will expire in August 2025.
- That Pierre-Olivier Desaulle, Nicola Hodson, and Rajesh Agrawal be reappointed until the 2026 AGM and their appointments be considered on a rolling 12-month basis.

Expected time commitments are set out in the terms and conditions of appointment for all the Non-Executive Directors and each Director confirms that they have sufficient time to fulfil their responsibilities. The Nomination Committee continues to monitor the time commitment of all Directors to ensure that Directors are able to provide a sufficient level of time and dedication to the role. The significant benefits of having Non-Executives who are serving Executives in other firms has been balanced against their availability.

Nomination Committee continued

In particular, the Committee considers Nicola Hodson's time commitments and her other executive and non-executive roles. Nicola was (at the time the re-appointment decision was made) the Chief Executive of IBM UK and Europe, which is an unlisted private limited subsidiary company and division of IBM, and a non-executive director of Drax plc, where she also chairs the remuneration committee and is a member of their audit committee. Since January 2025, Nicola has become the Chair of IBM UK and Europe and is no longer the Chief Executive. The Nomination Committee and Board remain satisfied that Nicola has sufficient time to undertake her role and is able to balance her responsibilities well. The Committee keeps the situation under review to ensure that Nicola is able to commit the time and dedication required as a Non-Executive Director of Beazley plc; as we do for all Directors.

In June 2024, the Committee considered Barbara Plucnar Jensen's appointment to the Board of Matas A/S as an independent Non-Executive Director and as Chair of their Audit Committee. The appointment was announced by Beazley on 19 June 2024 in accordance with the UK Listing Rules. Barbara had disclosed this potential appointment during the selection process. The Committee considered the time commitments of the role in both the short-term and long-term. The Committee considered the timing of key meetings of Matas A/S, which were not expected to conflict with Barbara's onboarding and induction process during 2024 or with Beazley's key reporting deliverables, given their different reporting cycles. The Committee were satisfied that Barbara would have sufficient time to effectively carry out both roles. The Committee also noted the value that external directorships may provide for executive directors and the broadening of skills and knowledge provided by such opportunities.

The Committee also monitors and evaluates the independence of all Non-Executive Directors and undertakes an annual review of their other interests. The Board, on the Committee's recommendation is satisfied that each Non-Executive Director serving remains independent and has sufficient time to discharge their responsibilities to the Company.

In relation to the extension of Robert Stuchbery's appointment term beyond nine years, the Committee considered whether Robert Stuchbery would remain independent and noted that he had continued to provide due challenge to management during his tenure, which was not expected to change. The extension would benefit both the Beazley plc board and the board of one of its principal subsidiaries, Beazley Furlonge Limited, which Robert chairs. This will allow more time for recent changes to the Beazley Furlonge board to be embedded, and the search for a successor and an orderly succession to take place. In addition, retaining the knowledge and experience of Robert on the Beazley plc board would be beneficial to the Board and the Group as a whole. The Committee therefore approved the extension of his appointment and confirmed that they expected him to remain as an independent Non-Executive Director.

Board and Committee performance evaluation

The Board carries out a formal and rigorous annual evaluation of its performance and of the performance of its Committees, the Chair and individual Directors, with 2024 being an independent evaluation. The Committee has a role in overseeing the Board and Committee evaluation process for Beazley, and in making recommendations to the Board to enhance performance.

The Committee reviewed and approved the plans for the 2024 Board performance evaluation for the Board, its Committees and for two of the principal regulated subsidiary Boards and their Committees (Beazley Insurance dac and Beazley Furlonge Limited). In 2024, in line with the usual review cycle, an independent external review was conducted. The Committee oversaw the process. More information is included in the Board Evaluation report on page 106 and delegated the selection of an appropriate firm to carry out the review to the Chair, Senior Independent Director and the Group Company Secretary. Following a comprehensive RFP process, Independent Audit were selected. The Committee received a report from Independent Audit on the outcomes of the external evaluation for all Boards and Committees and discussed common themes and key areas of focus for 2025.

The Committee's effectiveness was reviewed, as part of the annual Board evaluation process, whereby a representative from Independent Audit observed one of the meetings. The Board were satisfied based on the evaluation outcomes that the Committee is effective in fulfilling its role.

More information on the Board evaluation process and the 2024 review is provided from page 106.

Board knowledge and skills assessment and board training

The Board and Committee recognise the importance of a diverse composition with a broad mix of skills and experience. The Committee is responsible for ensuring that the Board and its Committees have the range of skills, experience, and knowledge necessary to discharge their roles and responsibilities and to support the executive leadership team in the execution of the Company's strategy. To carry out its responsibilities, the Committee ensures that all Directors carry out an annual self-assessment of their knowledge against a wide range of skills and competencies. For each area in the assessment, the Directors assess whether they have considerable knowledge, a base level of knowledge necessary to contribute to discussions, or no knowledge. The Committee receives a report on the self-assessments completed, including information for each Director, to enable them to assess whether Directors and the Board collectively have the right mix of skills and experience. The Chair also considers this information in the performance evaluations of the Directors, together with other relevant information and feedback, to assess whether each Director continues to contribute effectively.

The self-assessment helps identify any areas where training would be useful to develop knowledge and skills either for Directors individually or for the Board as a whole, and a training plan for each year is developed. The training plan also includes topics suggested by senior leadership and other stakeholders across the Group. The balance of skills and experience on the Board is also a core part of Director succession planning.

Board training

Based on the training plan developed and reviewed by the Nomination Committee, training sessions are provided covering a wide range of topics with the aim of continually refreshing the Directors' skills and knowledge and ensuring that they can contribute to Board discussions effectively. Topics can range from industry specific topics, information related to strategic matters, economic and political updates, as well as changes to regulations impacting the Group.

Training is regularly reviewed to ensure it meets best practice and the plan is flexible with topics updated during the year, as required to meet the changing needs of the business. For some skills, which are dynamic and changing, the Directors' knowledge is augmented by external experts who ensure the Board has the right, up to date, expertise to challenge effectively. Directors of our subsidiary boards are invited to participate in relevant training sessions, offering further opportunity for engagement between Beazley plc and subsidiary Board Directors. As part of its process during 2024, the Committee agreed the training plan for 2025. Topics will include climate risk; the European Union's Corporate Sustainability Reporting Directive; emerging AI trends, risks and legislation; financial crime; corporate governance reform; information security and cyber security; and tax. In addition, a number of optional additional training sessions will be provided digitally.

Director induction process

Beazley provides a comprehensive formal and tailored induction for new Directors. Directors are asked to complete a skills and knowledge assessment and a tailored initial training plan is developed. Induction plans include meetings with senior leadership and other stakeholders across the business, and any key external stakeholders such as regulators, auditors and shareholders. The plans ensure that Directors are appraised of all areas of the business and also obtain an insight into Beazley's culture. This is supplemented with follow-up sessions on areas of interest or where further development is required. The induction is structured into six core competencies including: business strategy and business model, how we do business, market knowledge, risk management, governance and controls, and global regulatory frameworks and requirements. Directors are asked to provide feedback on the process that it can be continually refreshed and the Committee keeps the overall process under review. The information provided below provides information about the induction of the two new Directors who joined the Board in 2024.

Carolyn Johnson's induction

We welcomed Carolyn to the Board of Beazley plc on 1 March 2024. Her other appointments include:

- Chair of Beazley Holdings Inc, and its regulated admitted US insurance subsidiary, Beazley Insurance Company Inc.,
- member of the Beazley plc Nomination Committee and Risk Committee

Carolyn attended detailed sessions in relation to the six core competency areas, meeting with a wide range of senior leaders across the Group. This included meetings with the Executive Committee members and other senior management in relation to topics such as reinsurance, capital, investments, actuarial, change, commercial management, social impact, and conduct. Carolyn was also provided with information regarding the Board and its committees, their operation and the Group governance framework by the Group Company Secretary.

Carolyn also received specific focused sessions in relation to past strategic initiatives related to the North American platform, US regulatory structure and trading licences, and North American management governance structures, given her directorships of US subsidiaries. Carolyn has travelled to some of US offices during 2024, to meet with colleagues there.

Barbara Plucnar Jensen's induction

For Executive Directors the process is more in-depth and includes a formal 360 degree review after six months in role. The Committee ensured that Barbara received a comprehensive induction and hand over from the previous Group Finance Director, Sally Lake. In addition to an induction plan covering the core competency areas, Barbara's induction included meeting the Beazley plc Board, detailed sessions regarding key areas of responsibility, and meeting with key external stakeholders such as our shareholders, regulators, auditors, and other key advisers. Barbara has also travelled to several Beazley offices during 2024 and participated in a live question and answer session with the Group Chief Executive, which was available to all staff to join remotely.

Leadership succession planning and talent pipeline

Throughout 2024, the Committee carried out its key responsibilities of ensuring that plans are in place for the succession of Executive Directors and critical wider senior management positions and ensuring the continued strong Executive talent pipeline within the Group. This work aligns with the people pillar of Beazley's strategy to attract and nurture talented colleagues.

Nomination Committee continued

The Committee reviews succession plans for the Executive Committee members annually and their individual performance against objectives. The succession plans for other senior roles (such as key Executive Committee direct reports) and regulatory roles are also reviewed annually. The reporting includes information about potential successors for each role in the short, medium, longer term and emergency cover, including whether roles could be filled internally or externally. The reporting assists with proactively planning for future roles to progress our internal talent. The 'talent pipeline review' also covers cross team succession opportunities. During 2024, the Committee provided input into succession plans, including recommending that key criteria for progression to the Group Chief Executive role be developed, which could be used to benchmark candidates and to ensure the development of talent. The succession plans are linked to the inclusion and diversity strategy and policy, as the Committee considers the diversity of our wider leadership groups in terms of gender and ethnic diversity during the year, with those wider leadership groups comprised of individuals who are most likely to be included in the succession plans reviewed by the Committee.

During 2024, the Committee also received updates on the appointment of a new Group Chief Underwriting Officer and a new Group Head of Cyber Risks, which are both executive leadership positions. This was following the decision by the previous Chief Underwriting Officer, Bob Quane, to retire. The search was led by the Group Chief Executive and the previous Head of Cyber Risks was identified as the suitable candidate to become the successor.

Equally, the new Head of Cyber Risks, Alessandro Lezzi, had been identified from the succession planning process as a potential successor and was appointed from within the Cyber Risks leadership team following an internal recruitment process. In addition to identifying individuals who may be successors for leadership roles in the short to medium-term, there are programmes to highlight and develop future talent throughout the organisation. The diversity of cohorts for such programmes is taken into account, to ensure that a diverse range of talented individuals are included and provided with development opportunities. The 'NexCo', which is described in the Stakeholder Engagement report on page 67, is an example of one of these programmes. The Committee will continue to review succession plans for senior Executives, including programmes in place to identify and develop internal capability for future opportunities in line with Beazley's people strategy.

Inclusion and diversity

Inclusion and diversity policies and relationship to strategy

The Board firmly believes that having an inclusive and diverse workplace is a key element of ensuring Beazley's long-term success. Our inclusion and diversity strategy is an integral pillar of our refreshed Sustainability strategy, which was approved by the Board during 2024. Sustainability, which means managing our business responsibly and includes our approach to inclusion and diversity, is a pillar of our Group strategy, and aligns with our vision of being the highest performing sustain specialty insurer. We need to attract, engage and nurture a diverse, high-performing workforce in order to develop and implement the business strategy. A diverse workforce helps champion diversity of thought, enabling us be more creative and innovative by bringing different perspectives, and leads to better outcomes for both Beazley and its stakeholders.

Beazley's inclusion and diversity policy is reviewed annually by the Committee. This includes consideration of whether the policies remain effective in helping Beazley to pursue its objectives in this area, as required by the Code. The Board has also adopted its own inclusion and diversity policy which is aligned to that of the Group. Both policies are available on the Company's website. These policies evidence commitment from the Board for our inclusion and diversity initiatives and help underpin our inclusive culture; they ultimately contribute to the effective delivery of our strategy and therefore the long-term success of Beazley by helping us attract and retain high-performing talented people.

The Group's inclusion and diversity policy sets out our commitment to recruit, retain and develop people with diverse backgrounds and experiences to thrive at all levels of our business, in a truly inclusive environment that has zero tolerance for discrimination or harassment and fully supports and celebrates differences. These differences could include but are not limited to age, disability, gender, gender reassignment, marital status, race, nationality or ethnic origin, religious beliefs, sexuality, or socio-economic background. The Board's inclusion and diversity policy sets out the commitment of the Board to use its position and influence to create a truly inclusive environment and confirms the Board's view that diversity is central to our long term success by contributing to enhanced risk management and improved business performance, bringing about richness of challenge, debate, and innovation.

The Board continues to meet the UK Listing Rule required targets around gender and race as confirmed on our governance at a glance section on page 83. In addition, as set out in the Board's inclusion and diversity policy, the Board commits to continue to meet guidelines and regulations for gender or racial diversity set out in the Parker Review and the FTSE Women Leaders review. While accepting there will be natural fluctuations in balance due to the size of the Board, the Board also aims to consider and reflect the Company's public targets regarding gender and race and ethnicity in its own composition.

The Board's inclusion and diversity policy also applies to the Board's key Committees. The Committee considers diversity when appointing Directors to Board Committees. The diversity of each Committee is shown in 'governance at a glance' on page 83. By implementing a Board inclusion and diversity policy, the Board demonstrates its commitment to our inclusion and diversity strategy at the highest levels of the organisation.

The external Board evaluation undertaken during 2024 noted that the Board consisted of a diverse group of individuals that brought different perspectives and experience. There was no feedback raised as part of the Board evaluation regarding the composition of the Board or its Committees, and the Committee is satisfied that the Board is meeting the diversity guidelines and regulations applicable to the Company, as reflected in the Board Inclusion and Diversity policy.

Approach to diversity and setting goals

Beazley and the Committee use governmental census data to set evidence-based diversity goals to reflect the communities we operate in.

However, decisions relating to performance, hiring and promotion at Beazley continue to be based on individual merit and performance.

The Committee has ambitions for gender diversity and ethnic diversity for senior leadership, which have been monitored by the Committee during the year. We monitor groups which represent those most likely to progress to senior positions in the organisation, including the Executive Committee, and those leading strategic projects. This helps ensure a diverse pipeline for senior management. The committee kept gender diversity under review during the year, and women represented 45% of senior leadership roles at the end of 2024, which aligns with our inclusion and diversity policy of maintaining gender balance across the company.

The Committee also considered its ambitions around race, which had also been met in 2023. The Committee agreed that these should be based on updated government census data in the UK and the US, resulting in new goals to be met by March 2028. These ambitions are also aligned with the Parker Review recommendations. This will ensure we continue to reflect the communities we operate in and serve. The Committee will continue to track progress against these inclusion and diversity initiatives. The Committee was satisfied that we continue to select the best talent, based on objective criteria and that our ambitions do not become quotas or result in roles held specifically for those from minority groups.

During 2024 we continued to use a different group of leaders for our diversity initiatives. The group currently used, and against which our ambitions aligned with the FTSE Women Leaders Review and the Parker Review are measured, is based on those from which succession for the Executive Committee and other senior positions could likely be sourced. They are individuals who make up the Company's strategy and performance group and those who receive long-term incentive plans as part of their remuneration. This group is more reflective of the individuals who have the biggest influence and responsibility for strategy, and are those who are leading or directly contributing to strategic projects.

The Sustainability report on page 26 contains more information regarding our diversity ambitions in relation to gender and race, with our progress towards them over time included in the sustainability key performance indicators on page 29.

The Committee ensures that the applicant pool for the senior hires which it oversees reflect the diversity of talent available. The Committee monitors the workforce's diversity through reporting on progress towards our goals and also through succession planning activities for the Executive Committee. The Committee tracks progress by ensuring that senior leadership have relevant elements related to inclusion and diversity in their own objectives which is reviewed as part of the Committee’s activities in assessing the performance of senior leadership.

The Committee will continue to review, assess, and challenge succession planning to ensure there is a diverse pipeline of talent within Beazley, that senior leadership truly reflects the diverse make-up of our workforce and communities, and that there is no intrinsic barriers to progression for any colleague regardless of background. Our Sustainability report provides further information on our inclusion and diversity activities, including our strategy, objectives, and outcomes against our ambitions.

Diversity data

The numerical diversity data required to be disclosed under UK regulations applicable to the Company can be found in the table on page 30 within the Sustainability Report. This table includes:

- The numerical diversity data for the Board and executive management in terms of gender and ethnic background, as required by UK Listing Rule 6.6.6R(10) in the format required by the UK Listing Rules.
- The gender balance of those in senior management and their direct reports, as required by and defined by the Code.
- The diversity data for senior managers, as defined by the Companies Act 2006, and for all employees.
- The reference date for the data required by UK Listing Rules 6.6.6R(9)(a) and (10), the Code and the Companies Act 2006 is 31 December 2024. The reference date of 31 December was also used for the purposes of reporting this data in 2023.
- In accordance with UK Listing Rule 6.6.6R(11) the approach to collecting this data is described in the notes to the table.

We disclose this data both to meet the requirements and for comparison with other organisations. As described in the Sustainability and Nomination Committee reports, internally we set goals based on a defined leadership population for our own monitoring purposes and our progress against these objectives is also disclosed in the same table. The reference date for this data is 1 April 2024.

In addition, page 83 provides an overview of diversity at Board level, including the gender and ethnic diversity disclosures required by UK Listing Rule 6.6.6R(9)(a).

Audit Committee
Audit, risk and internal control

John Reizenstein
Non-Executive Director

Dear shareholder

I am pleased to present the Audit Committee report, which provides shareholders with insight into the activities of the Audit Committee during 2024. We continue to focus on our key responsibilities of ensuring the integrity of the Annual Report and financial statements, assessing the independence and effectiveness of the External Auditor, and overseeing the internal financial control framework of the Company.

In 2024, we welcomed a new Group Chief Financial Officer, and the Committee ensured a smooth hand over of responsibilities from the previous Group Finance Director. The Committee engaged regularly with both individuals during 2024 to ensure that the Committee members had the necessary information to enable them to advise, challenge and make decisions. This also ensured that the right topics were presented to the Committee. In this regard, the Committee also regularly engages with other Executives, the Group Company Secretary, External Auditor, Head of Internal Audit, and individuals preparing and presenting reports to the Committee.

Oversight of reporting
The Committee plays a significant role in the oversight of financial and non-financial reporting and regulatory reporting, including ensuring the integrity of the Annual Report and Accounts and that they are fair, balanced and understandable. In the previous year, the Committee had overseen the implementation of IFRS 17, with the 2023 Annual Report and Accounts representing the first annual accounts prepared under the new accounting standard for insurance contracts.

The Committee was informed by the Financial Reporting Council (FRC) that Beazley's Annual Report for 2023 had been included in the FRC's sample of reports for its thematic review "IFRS 17 disclosures". The Committee was pleased that the FRC thematic review raised no questions or queries. The Group remains committed to ensuring that its disclosures are of the highest quality and comply with all relevant reporting standards.

The Committee has continued to oversee the embeddedness of IFRS 17 controls and processes within our financial accounting and reporting framework during 2024.

Further information about the thematic review is included in the main report on page 118.

UK Corporate Governance Code changes
The Committee oversaw the required reporting changes resulting from the 2024 Code and supporting guidance, which was published in January 2024. The Committee has spent time overseeing Beazley's response to the 2024 Code and has been focused on the impact of Provision 29, which introduces enhanced reporting around the risk management and control environment including a new declaration of effectiveness over material controls, and will be effective from 1 January 2026.

The Committee has also overseen actions taken to ensure compliance with the "Audit Committees and the External Audit: Minimum Standard", which has now been incorporated by reference into the 2024 Code. The Committee reviewed the key non-audit engagements that we have with assurance firms, including the timeline of committed schemes of work, and is pleased to report that we are operating in accordance with the Standard. Many of the requirements of the Standard relate to any external audit tender process, and the Committee will ensure they meet these responsibilities when we approach the next audit tender.

Continued focus on sustainability reporting
In support of Beazley's commitment to doing the right thing and being a sustainable business, the Committee continued to oversee further enhancement of Beazley's reporting of climate and sustainability matters in accordance with the TCFD, and the reporting requirements under the Companies (Strategic Report) (Climate-related Financial Disclosure) Regulations 2022.

Looking forward
In 2025, the Committee's priorities will include oversight of further planned enhancements to the internal control environment and the reporting provided to the Audit and Risk Committees to support the Board to provide a declaration of the effectiveness of its material controls at the balance sheet date in 2026, in compliance with the 2024 Code. The Committee will also be focused on enhancements to sustainability reporting as we further develop our approach in accordance with the TCFD. The Committee will also be kept updated, as required, on the Group's reporting obligations in relation to the EU Corporate Sustainability Reporting Directive (CSRD), which is applicable to its Irish incorporated subsidiaries.

John Reizenstein
Audit Committee Chair

Responsibilities of the Committee

The Committee's key responsibilities are set out in full in the terms of reference which are available on the Company's website at www.beazley.com/investor-relations/corporate-governance. The terms of reference are reviewed annually. In 2024, updates were made to reflect any disclosures required under the Corporate Sustainability Reporting Directive.

The Committee's responsibilities are in four key areas:

Financial and narrative reporting

- Monitoring the integrity of the Company's financial statements and non-financial disclosures in the Annual Report and ensuring the Annual Report is fair, balanced and understandable.
- Overseeing disclosures in relation to climate-related reporting; such as the TCFD.
- Overseeing other reporting such as the Solvency and Financial Condition Report.

External audit

- Reviewing and overseeing the relationship with the External Auditor, including its performance and the effectiveness of the audit process, independence, objectivity, and the policy on and level of non-audit services.
- Reviewing non-audit relationships with audit firms to ensure a fair choice of suitable external auditors and for potential impact on future audit tenders.

Internal audit

- Monitoring and reviewing the effectiveness and objectivity of the Group's Internal Audit function.

Internal financial controls

- Together with the Risk Committee, reviewing and monitoring the effectiveness of the systems of internal control, with a focus on controls over financial and non-financial information and climate-related information.
- Reviewing whistleblowing arrangements in place for the workforce to raise concerns.

Committee membership and meetings

The Audit Committee comprises five Independent Non-Executive Directors and is chaired by John Reizenstein. Rajesh Agrawal, Fiona Muldoon, Cecilia Reyes Leuzinger and Robert Stuchbery are the other members. There were no changes to the Committee membership during the year.

The Nomination Committee reviews the knowledge, skills and experience of the Directors annually and this helps ensure that the Audit Committee membership continues to meet the requirements of the Code. The Board and the Committee are satisfied that John Reizenstein (as the Chair of the Committee) and Rajesh Agrawal (as the Chief Financial Officer of Arrow Electronics, Inc) have "recent and relevant financial experience" and fulfil this Code requirement. The Committee as a whole has competence relevant to the sector, as required by the Code, and all of the members are Independent Non-Executive Directors. The details of each member's relevant experience, including their financial and/or sector experience, are given in their biographies on pages 87 to 89.

The gender and ethnic diversity of the Committee is shown in "Governance at a glance" on page 83.

Committee meetings

Attendance at Audit Committee meetings by Committee members is shown in the table on page 97.

The Audit Committee is required to meet at least quarterly, with meetings scheduled at appropriate intervals in the reporting and audit cycles in accordance with the forward-looking agenda planner. Additional meetings are held as required. During 2024, there were a total of 10 scheduled meetings, which included a joint meeting of the Audit Committees of Beazley plc and other regulated Group entities to consider policies, the Internal Audit plans for the forthcoming year and other matters relevant across entities. Whilst every effort is made to consider prior commitments when scheduling the Committee meetings, it was not possible to do so on two occasions in 2024. For this reason, Robert Stuchbery was unable to attend the 13 May 2024 meeting and Rajesh Agrawal was unable to attend the 19 September 2024 meeting. Both Robert and Rajesh had full access to the Committee packs prior to the meetings and were able to raise any prior observations for discussion at the meetings.

Only members of the Committee had the right to attend meetings; however, invitations are routinely extended to the Beazley plc Chair, the Senior Independent Director, the Group Chief Executive, the Group Chief Financial Officer, the Group Chief Risk Officer, the Group Chief Underwriting Officer, the Head of Internal Audit, and participants from the External Audit firm. The Chairs of the Audit Committees of the Group's regulated subsidiaries also attended Audit Committee meetings during the year as and when appropriate. The Group Company Secretary acted as secretary to the Committee.

The Head of Internal Audit and representatives from the External Auditor periodically met in private with the Committee to discuss matters relating to their respective remits and issues arising from their work. The Committee also met in private with the Group Actuary. In addition, the Chair of the Audit Committee had regular contact with the External Auditor and Internal Audit throughout the year and members of the Committee met individually with regulators when required. The Committee Chair also meets regularly with the Group Chief Financial Officer, other senior finance managers and the Group Company Secretary to ensure the work of the Committee is focused on the right topics and the Committee is receiving valuable information.

Audit Committee continued

Committee performance evaluation

An external review of Committee effectiveness was conducted during the year as part of the external Board evaluation process. More information regarding the external review of the Board and its Committees can be found from page 106. The review confirmed that the Committee was functioning effectively in its role and that the Chair contributed positively to the effective running of the Committee and oversight of the Committee's responsibilities by striking the right balance of challenge and support of management. The review, which was conducted during September and October, noted that the new Group Chief Financial Officer, who joined the Company in May 2024, was already making progress in a number of areas and this was evidence of a smooth and orderly transition. No specific actions from the review were noted for the Committee.

Key focus areas and activities in 2024/25

The key priorities and focus of the Audit Committee during 2024 were as follows :

Financial and narrative reporting

Annual Report 2023 and the FRC's thematic review of IFRS 17 disclosures

As noted in the Audit Committee Chair's letter, the Committee was informed by the FRC that Beazley's Annual Report for 2023 had been included in the FRC's sample of reports for its thematic review "IFRS 17 disclosures".

The FRC raised no questions or queries as a result of its review and did not enter into substantive correspondence with the Company. Readers should note that the FRC's review was based solely on the 2023 Annual Report and that the review is not intended to provide assurance over that report. It is not the FRC's role to verify the information provided, but to consider compliance with reporting requirements. The FRC's letters are written on the basis that the FRC (including its officers, employees and agents) accepts no liability for reliance on it by the Company or any third party, including but not limited to investors and shareholders.

Annual Report and financial reporting 2024

One of the Committee's principal responsibilities is to review and report to the Board on the clarity and accuracy of the Group's financial statements, including the Annual Report and Accounts. The Annual Report and Accounts provide shareholders with information necessary to enable an assessment of Beazley's position, performance, business model and strategy. The information provided below relates to the 2024 Annual Report and Accounts.

The Committee reviewed the Annual Report and Accounts for the year ended 31 December 2024, and subsequently recommended it to the Board for approval. When conducting its review, the Committee considered whether, taken as a whole, the Annual Report and Accounts was fair, balanced and understandable. Taking account of reports provided by the various Group assurance functions, the Committee also considered the key risks around the financial results underpinning the full-year reporting process. The 2024 full-year results announcement and Annual Report were ultimately recommended to the Board for approval.

An important part of the review of financial reporting was to consider and agree the significant financial estimates and judgements in relation to the 2024 financial statements. The Committee received reports on these judgements for the full and half-year reports and, after seeking the views of the External Auditor, (Ernst & Young LLP (EY)), determined that they were appropriate. The table on pages 120 to 121 sets out the key accounting estimates and judgements for 2024 and how these were addressed. Management presents views on key accounting issues and judgements throughout the year, as part of the regular external financial reporting including the announcement of half-year and full-year results.

The Committee also assesses the appropriateness and presentation of any Alternate Performance Measures (APMs) used in financial reporting, and reviewed the change in reported APMs that occurred in the year.

During the year and at year end, the Committee continued to focus on the Group's close and estimation processes, and the related controls carried out by the business and specifically the finance team. The Audit Committee remained committed to ensuring that there were robust controls and oversight over the close process. The Committee continued to receive periodic reporting from both the finance and actuarial functions on Beazley's estimation process, and the related controls, in respect of claims reserves, the risk adjustment for non-financial risk and other key financial statement captions. Based on reports received and reviewed during the last 12 months, the Audit Committee remains satisfied that the estimation and control processes deployed by the Group are appropriate.

The Committee also reviewed the half-year results announcements and quarterly trading statements.

Going concern and viability

Assessing the viability and going concern statements is a key annual activity of the Committee. During key reporting periods, management provides evidence to the Committee to support the basis of preparation adopted in the financial statements and any statements around the future viability of the Group. For the 2024 Annual Report, the Committee reviewed detailed projections of future cash flows, profit forecasts and capital requirements under various scenarios, including scenarios stressed in terms of claims frequency and liquidity.

The Committee also considered the appropriateness of management's viability statement and the period over which this analysis is performed. The Committee was satisfied by the level of analysis presented during the year and the related approach taken and statements made in the Group's key external reporting. The Viability Statement is on pages 80 to 81.

Fair, balanced and understandable assessment

It is required that the Group's financial statements are fair, balanced and understandable. The Audit Committee applied the same due diligence approach adopted in previous years to assess this requirement under the Code. The Annual Report is prepared following a well-documented internal process that is performed in parallel with the processes undertaken by the External Auditor. As well as the controls underpinning the data contained in the Annual Report, the process includes comprehensive review by senior management during the drafting process, with a particular focus on narrative statements. The Audit Committee has reviewed management's assessment during the formal Annual Report governance process. Following its review, the Audit Committee satisfied itself that the 2024 Annual Report was fair, balanced and understandable, and provided the information necessary for shareholders and other stakeholders to assess the Company's position and performance, business model and strategy, and advised the Board accordingly.

Disclosure of risk incident

The Committee has provided continuous oversight and review of internal controls in light of a risk incident which was uncovered during 2024 in relation to activities of an individual underwriter. The Committee remains committed to an ongoing focus on controls enhancements in light of the incident. The Committee has also reviewed and considered statements made in the Annual Report and Accounts in relation to the incident.

Sustainability reporting

The quality of sustainability reporting as contained in the Sustainability and TCFD sections of the Annual Report remained a key area of focus for the Committee during the year. The Committee was kept informed of key developments in reporting standards and climate change metrics and progress made with the embedding of the sustainability strategy within the Group.

The Committee received updates from EY on its findings and future considerations following its review of TCFD reporting, which is performed by its specialist sustainability reporting team.

The Committee reviewed the reporting plan for 2024, which focused on the delivery of the TCFD reporting cycle but also considered other emerging sustainability related disclosures such as CSRD. During the year, the External Auditor provided information to the Committee with regard to the standard of TCFD disclosure reporting. During 2024, the External Auditor performed an assurance review of TCFD reporting data at the end of the half-year period, and provided an update regarding the outcomes to the Committee. This included consideration of enhancements to reporting that could be made.

UK Corporate Governance Code 2024

The 2024 Code came into effect for financial periods beginning on or after 1 January 2025, with the exception of the changes under Provision 29, which will come into effect for reporting periods beginning on or after 1 January 2026. Provision 29 introduces the requirement for boards to make a declaration in the Annual Report regarding the effectiveness of material controls at the balance sheet date, and to describe any material controls which have not operated effectively and the action taken, or proposed to be taken to address any issues.

Further information on the Committee's activities to ensure adequate reporting against the 2024 Code is included in the relevant sections below:

- Audit Committees and the External Audit: Minimum Standard (page 122)
- Internal Controls (including financial controls) (page 124)

Solvency II reporting

The Committee is responsible for oversight of other external reporting such as the Company's Solvency II reporting.

During the year, the Committee reviewed and approved the Group's 2023 Solvency and Financial Condition report and Regular Supervisory Report summary as well as approving the Solvency II policy for the Group.

External environment

The Committee kept under review impacts on the financial performance of the business from the external environment such as the following:

- Inflation: the Committee continued to obtain assurance from management on the effectiveness of the process for monitoring reserve loadings for recession and excess economic and social inflation in response to the changing economic and inflationary environment.
- Cyber underwriting: the Committee received updates on ransomware trends and the impact of major Global IT outages and their impact on liabilities.
- Geopolitical uncertainty: the Committee received updates to ensure that the adequacy of loss estimates in relation to classes with exposure to areas of geopolitical uncertainty remained appropriate.
- Climate change and natural catastrophes: the Committee received updates on the impacts of natural catastrophes (such as Hurricanes Helene and Milton) and climate change on liabilities.

Monitoring forthcoming regulatory changes

In relation to its activities, the Committee kept under review several areas of potential corporate governance and reporting reform in both the UK and other jurisdictions where Beazley operates.

The Committee received updates on:

- the 2024 Code, as described above;
- the requirements of the Corporate Sustainability Reporting Directive, as they apply to its Irish regulated subsidiaries with effect from 1 January 2025, and will apply to the Beazley plc Group in future;
- new accounting standards and amendments, in particular the introduction of IFRS 18, which comes into effect on 1 January 2027; and
- monitoring of key reporting and regulatory updates, including updates on accounting standards, changes in tax legislation and changes in regulatory requirements.

Audit Committee continued

Key financial judgements and estimates for the year ended 31 December 2024

Area of focus	How addressed by the Committee
Measurement of insurance contract liabilities – level of aggregation	
The Group's policy is to apply the IFRS 17 General Measurement Model when measuring its insurance contract liabilities. Under this model, contracts are aggregated into portfolios based on shared risk and management characteristics, then into groups based on the profitability of the underlying contracts both on initial recognition and subsequently. Further details are included in Note 2 to the financial statements.	The Committee reviewed management's basis for aggregating contracts into portfolios and groups and was satisfied that this approach was reasonable and in compliance with the requirements of the IFRS 17 General Measurement Model.
Measurement of insurance contract liabilities – amortisation of the contractual service margin (CSM)	
Judgement is applied by management in determining the amount of CSM that should be released into the profit or loss in each period. This process is carried out by identifying the coverage units in the group of contracts, allocating the CSM to coverage units, and then assessing at each reporting date the amount of CSM to be amortised and recognised as profit. Refer to Note 2 to the financial statements for further information.	The Audit Committee received information on management's basis for determining the amount of CSM to be released into the profit or loss in each period. Members were satisfied that the judgements applied were appropriate and the output was reasonable.
Measurement of insurance contract liabilities – expense allocation	
Under IFRS 17, the Group is required to include both acquisition and administrative expenses where they are directly attributable to the insurance contract. Judgement is required in determining the appropriate proportion of expenses to be included within the insurance result and reflected on the face of the statement of profit or loss. Refer to Note 2 for further details.	Information was presented to the Audit Committee on the judgements applied in determining which costs were "directly attributable" and could therefore be included in the "insurance service expense" line. Overall, the Committee was comfortable that the judgements applied were appropriate.
Measurement of insurance contract liabilities – future cash flows	
Groups of insurance contracts are measured by estimating the amount, timing and probability of future cash flows. Estimates are formed by applying assumptions about past events, current conditions and forecasts of future conditions. These have been outlined in Note 2 to the financial statements.	The assumptions applied by management in estimating future cash flows arising from groups of insurance contracts were reviewed by the Audit Committee. Overall, members were satisfied that the inputs applied were appropriate. In addition, information was presented to the Audit Committee on emerging uncertainty and risk in the reserve environment which might impact future cash flows. Discussions focused on uncertainty around geopolitical developments, inflation, macroeconomic uncertainty and climate change. Accordingly, the potential that these factors might result in increased volatility, as well as greater estimation challenges in respect of insurance claims, remained a key consideration for 2024.
Measurement of insurance contract liabilities – discount rates	
The Group applies discount rates to expected future cash flows in measuring insurance contract liabilities. Management has applied judgement in determining that the "bottom-up" technique should be used in calculating these rates. This method relies on various estimates – it takes risk-free rates which are derived using government yield curves and adjusts for an illiquidity premium which reflects the characteristics of the Group's asset portfolio. Further details are included in Note 2 to the financial statements.	The Audit Committee received information on management's basis for applying the "bottom-up" estimation technique. In addition, management presented to the Committee an overview of the calculation methodology and the final rates applied in determining the IFRS 17 result for the year ended 31 December 2024. The Committee was satisfied that both the underlying process and final output were reasonable.
Measurement of insurance contract liabilities – risk adjustment	
IFRS 17 requires that a risk adjustment for non-financial risk is considered in the measurement of insurance contract liabilities. The Group has applied judgement in determining that the Cost of Capital (CoC) approach should be applied in calculating this risk adjustment. Estimation of the risk adjustment for non-financial risk is based on various inputs and assumptions, particularly relating to the underwriting risk element of the Solvency II Internal Model which captures all material exposure elements for the Group. Further details are included in Note 2 to the financial statements.	The Committee has reviewed management's rationale for selecting the CoC approach in calculating the risk adjustment for non-financial risk and deemed this to be reasonable. The Audit Committee received regular reports throughout the year from the Group Chief Actuary and the External Audit team. Towards the end of the year, the Group Chief Actuary reported on the results of the third-quarter reserving review exercise which provided an indication of the reserve confidence level. The Committee also received a detailed paper in support of the level of margin held within technical reserves in the Group's statement of financial position as at 31 December 2024. As in prior years, the Committee considered the report of the External Auditor following its re-projection of reserves using its own methodologies. Overall, the Committee was satisfied that there were no errors or inconsistencies that were material in the context of the financial statements.
Valuation of level 3 financial assets	
The Board is responsible for setting the Group's investment strategy, defining the risk appetite and overseeing the internal and outsourced providers via the Group Chief Investment Officer. The Committee has oversight of the assumptions and techniques used to value the Group's investment portfolio. The valuation of our hard to value "level 3" investments is a key source of estimation uncertainty. Further details are included in Note 17 to the financial statements.	The Committee noted that the overall investment strategy was broadly unchanged from prior periods. The Committee received updates from the Group Chief Financial Officer and reviewed reports that confirm that the investment portfolio was in line with the 2024 Board-approved risk appetite, that carrying values of the portfolio as at 31 December 2024 were appropriate and that the valuation methodologies applied to each hierarchy level were consistent with the accounting policies. Committee members were invited to and periodically attended the Investment Committee. No misstatements that were material in the context of the financial statements as a whole were identified and the Audit Committee was satisfied with the approach employed by management in valuing the financial assets at fair value on the balance sheet at 31 December 2024. Further details on the valuation of financial assets are given in Note 17.

Area of focus	How addressed by the Committee
Other financial reporting issues	
The Committee considered a number of other areas of judgement as part of their review of the Group's financial statements, which, whilst less material, still warranted review by the Committee:	Disclosures – The Committee reviewed the format and content of the Group's financial statements, including disclosures relating to key or new financial reporting areas such as the share buyback programme. Taxation – The Board and Committee received regular updates from the Group Head of Tax with regard to taxation matters. Reporting requirements – The Committee received updates on new accounting standards and amendments, in particular the introduction of IFRS 18, which comes into effect on 1 January 2027.

External audit

A key area of oversight for the Committee is the management of the external audit process and relationship with the Group's External Auditor, EY, on behalf of the Board. EY was reappointed as the External Auditor at the 2024 AGM.

During the year and up to the date of this report, the Committee considered reports from EY and management related to the half-year results, the audit of the 2023 and 2024 Annual Report and Accounts and the 2024 Solvency II related reporting. EY also shared insights and feedback with the Committee and management in relation to the audit and UK audit and corporate governance reforms.

Following the approval of the 2023 Annual Report and Accounts in early 2024, the process for 2024 began with consideration of the observations from the 2023 audit and the matters included in the letter to management, which set out suggested improvements to controls and processes to further enhance the integrity of the financial reporting process. The Committee received assurance from management regarding progress made on these recommendations and agreed timeframes for completion of the required actions.

The Committee reviewed and discussed EY's audit planning report for 2024, including work in relation to the half-year results and the year-end audit. The Committee noted that the EY audit plan and scoping was consistent with previous audits and continued to align with the Group's increased size and complexity. The key areas of audit focus are set out in the auditor's report on page 165.

The External Auditor provided a review of the Group's half-year report in August 2024. The report included information regarding EY's review procedures over key balances and disclosures. The report also contained details of EY's non-audit services, being its actuarial review of Beazley's reserving position and valuation of the (re)insurance contract assets and liabilities.

The Committee reviewed EY's findings from their interim audit work ahead of year end, which was predominantly focused on testing of controls over processes from which financial information is derived.

Moving into year end and early 2025, the Audit Committee was focused on the review of the 2024 Annual Report and Accounts, and the reporting provided by EY in relation to its audit findings.

The Committee regularly meets with EY without management present to facilitate open and transparent discussion, and the Audit Committee Chair and Committee members meet the lead audit partner outside of Committee meetings on a regular basis.

Assessing the effectiveness of the External Auditor

The Committee ensured that high standards of quality and effectiveness in the external audit process were maintained throughout the year.

Audit quality and effectiveness were assessed on an ongoing basis, with a focus on strong audit governance and the quality, experience, and appropriate skillsets of the team. This included the provision of technical and industry knowledge and the independence, objectivity and level of professional scepticism exercised by the External Auditor.

The Committee's activities in assessing the effectiveness of the external audit included the following:

- Reviewing the quality and scope of the audit planning and its responsiveness to changes in the business and identified risk.
- Considering an assessment and review of the audit team, where feedback from various stakeholders is collated and analysed.
- Reviewing the results of the annual survey on the effectiveness of the external audit process conducted by management. Feedback was requested in the form of a questionnaire circulated to Non-Executive Directors and management across the Group, including in the US, Ireland and Singapore. In line with the previous year, the survey focused on five areas: Audit Quality, Forward Looking & Insightful; Efficiency & Audit Delivery; "No surprises"; Service Quality; and Audit Team Engagement.
  A comparison of prior year scoring against for these areas had also been provided.
- The overall results of the survey were positive, concluding the external audit process to be effective. In particular, the quality of the senior audit team and its working relationships with the Board and management were praised. The survey also highlighted areas proposed to enhance the overall process, such as finessing the IFRS 17 audit process as IFRS 17 moves into business as usual and ensuring closer alignment between management and EY around key deadlines.

After taking all the above into account, the Committee concluded that the External Auditor and the external audit process were effective.

Audit Committee continued

Non-audit services and independence of the External Auditor

The objective of maintaining the non-audit services policy is to ensure the independence and objectivity of the External Auditor is not impaired. The policy supports the Audit Committee's responsibility to monitor and review the objectivity and independence of the External Auditor. The independence of the External Auditor is of the utmost importance in safeguarding the integrity of the external audit process.

The non-audit services policy is reviewed annually by the Committee. Some activities are prohibited from being performed by the External Auditor under the policy. The policy requires consideration and pre-approval for other material services, which are permitted under the policy. Permissible non-audit services are all closely related to the audit and/or required by law or regulation.

The Committee reviewed the terms of any proposed engagements to ensure they had been robustly justified. The Committee received a report from the External Auditor setting out all non-audit services undertaken, to enable it to monitor the types of services being provided and fees incurred for that work. None of the non-audit services provided are considered by the Audit Committee to affect the External Auditor's independence or objectivity.

The Committee received an overview from EY of the policies and procedures in place to safeguard auditor objectivity and independence. These include annual confirmation by all EY professionals of compliance with independence policies and procedures and wider processes and systems to monitor potential threats to auditor independence throughout the year. The Committee received the yearly confirmation of EY's independence, verifying that no partners or staff on the audit team held any financial interests in the Beazley Group and that their ethics and independence policies are aligned with the requirements of the FRC's ethical standard.

Having considered the following factors, the Committee concluded that EY was independent from the Group throughout the year and to the date of its audit report:

- non-audit services provided by EY complied with the Group's non-audit policy and the requirements of the FRC's ethical standard;
- EY had complied with the FRC's requirements around rotation of the audit partner and senior members of the audit team;
- the Group has not employed members of the EY audit team or any EY partners during the year; and
- EY has confirmed compliance of its staff and partners with EY's internal policies and processes around independence, and no partners or staff on the audit team held financial interests in the Group.

Auditor tenure and audit partner

EY were appointed as the Group's auditor in 2019 following a comprehensive tender process, and the 2024 year-end audit marks EY's sixth consecutive year end as the Group's auditor.

During 2024, EY rotated the lead audit partner in line with the requirements of FRC's ethical standard. The new audit partner, Robert Bruce, shadowed the 2023 year-end audit and the Committee has welcomed the fresh perspectives he has brought.

Audit Committees and the External Audit: Minimum Standard

The FRC's Audit Committees and the External Audit: Minimum Standard ("the Standard") has been incorporated by reference within the 2024 Code, which is effective for financial reporting years commencing from 1 January 2025. The aim of the Standard is to introduce minimum standards for audit committees in relation to external audit and help meet the FRC's objective of creating a more resilient audit market through greater competition and choice.

The Standard places greater emphasis on best practice for the audit tender process, including the management of non-audit relationships with other audit firms. This is to ensure there is a fair choice of suitable external auditors at the time of the tender.

In accordance with the Standard, the Committee has reviewed additional reporting provided to enable it to formally track and monitor ongoing contracts for non-audit services undertaken by other audit firms. This will help the Committee with its responsibilities under the Standard to consider the potential impact on audit firms ability to tender and ensure the Committee can effectively monitor these activities and comply with this part of the Standard. During 2024, the Committee reviewed information provided on the current non-audit engagements which the main assurance firms have with Beazley. This included a high level view of the audit tender timeline versus existing non-audit services contracts. A longer planning period has been adopted prior to the commencement of the next tender process. Enhanced processes to monitor relationships with other audit firms have been established. The Committee was satisfied that Beazley was compliant with the Standard ahead of the implementation date.

Audit fees and reappointment

The Committee reviewed and agreed EY's audit fee for the 2024 year end. For 2024, fees for audit and audit related services were $9.9m (2023: $11.2m). Fees for non-audit and assurance services for the year were $1.1m (2023: $0.9m) and included work related to the accounts and regulatory reporting of the syndicates managed by Beazley, which are commonly carried out by the External Auditor. The audit fees for 2024 were lower than 2023, as the fees in relation to the implementation of IFRS 17 reporting were no longer included, although some incremental fees were included due to continued complexity arising from the implementation of IFRS 17, and additional audit fees for Beazley Excess and Surplus Insurance Inc, a regulated subsidiary established in the US in 2023.

The Group has complied with the UK Competition & Markets Authority's Statutory Audit Services for Large Companies Market Investigation (Mandatory Use of Competitive Tender Processes and Audit Committee Responsibilities) Order 2014 throughout the year. The external audit contract will be put out to tender at least every 10 years and will be conducted no later than 2029. There are no contractual obligations which restrict the Group's choice of auditor.

Given the assessments described above regarding EY's continued effectiveness and independence, and that EY has indicated its willingness to be reappointed as the Group's auditor, the Audit Committee has recommended to the Board that EY be reappointed for the financial year ending 31 December 2025.

Internal audit

During 2024, the Group's Internal Audit function reported directly, and was accountable, to the Committee. The Head of Internal Audit had direct access to the Committee Chair throughout the year.

In 2024, a new Head of Internal Audit was appointed from within the organisation. The Committee regularly meets with the Head of Internal Audit and has dedicated time throughout 2024 to ensure a smooth transition to the new incumbent and to ensure a strong relationship between the Committee and the Head of Internal Audit, based on transparency, trust and mutual respect.

Internal Audit plays an important role in providing an independent view to management, the Committee and the Board on Beazley's risk management, internal controls and governance. The Internal Audit Charter sets out its purpose, responsibility and authority, and is reviewed by the Committee on an annual basis. Internal Audit's purpose is to enhance and protect Beazley's organisational value by providing risk-based and objective assurance, advice and insight.

Regular reporting

The Committee receives all final audit reports and at its meetings the Committee reviews reports from Internal Audit, covering an overview of the work undertaken and audits completed in that period. The report describes actions arising from completed audits and the tracking and completion of actions from previous audits. The Head of Internal Audit highlights any concerns or overdue audit actions to the Committee.

Internal Audit plan and universe

A key document reviewed by the Committee is the Internal Audit plan and risk-based audit universe, which is discussed with the Committee annually. A consolidated assurance plan is also developed through coordination with other assurance functions to ensure that all assurance related work is aligned and focused on the key priorities. The Committee questions any topics that it thinks are missing and ensures that there are enough resources to complete the plan. External providers are sometimes used to enhance delivery, where specific skills and expertise are required.

The Committee reviewed the areas to be included in the 2025 Internal Audit plan which are based on an assessment of strategic risk areas and group change activities and also reflect feedback from stakeholders. The plan has been divided into two parts, the primary plan showing key deliverables for 2025, and the secondary plan which would be reassessed based on resources available and any other changing circumstances. During the review of the 2025 plan, the Committee challenged areas such as how capacity was managed within the Internal Audit team, and the methodology which would be used by Internal Audit to provide independent assurance of risk culture.

Internal Audit effectiveness

The Committee reviewed the effectiveness of the function and remained satisfied that the Internal Audit function had sufficient resources during the year to undertake its duties. The effectiveness of Internal Audit was monitored by the Audit Committee, through agreeing plans and performance monitoring. External Quality Assessment reviews are undertaken every five years (unless it is agreed by the Committee that a review is required earlier).

External Quality Assessment (EQA)

During 2024, the Internal Audit function was subject to an EQA conducted by an external provider, whose appointment was approved by the Committee Chair. The results and recommendations arising from the assessment were presented to and discussed by the Committee. The outcome of the assessment was positive, with the team recognised as being "market-leading" due to the focus of the Internal Audit team on continuous improvement and on meeting the external Internal Audit standards in the context of Beazley's risks and operations. There were some forward-looking recommendations raised, in particular with regard to succession planning, future skills and data analytics. Internal Audit worked with the Committee Chair to develop an action plan to address the recommendations raised. The Committee was satisfied that the Internal Audit function remains effective.

Audit Committee continued

Internal controls (including financial controls)

The Board is responsible for the Group's risk management and systems of internal control and is required by the Code, to review their effectiveness. As part of this process, the Audit Committee was responsible for monitoring and reviewing the effectiveness of internal financial controls throughout 2024, as well as overseeing the enhancements required in relation to the 2024 Code over financial and non-financial reporting, operational and compliance controls.

The Committee supports the Board with its review of the effectiveness of the Company's risk management and internal controls, which is required by the Code to be reported on in the Annual Report. The ongoing monitoring activities and the annual review are described below.

2024 Code implementation

During 2024, the Committee received, reviewed and provided feedback on detailed information and updates regarding the ongoing work in connection with the identification of material controls and the processes to be implemented to enable the evaluation of the effectiveness of material controls. The Committee approved a scoping framework which set out the approach to ascertain the processes and controls in scope for the Board's annual effectiveness statement. The framework considers both financial and non-financial reporting, and operational and compliance controls. In November 2024, the Committee received an in-depth report from EY which addressed new risk management and control requirements to meet the requirements of the 2024 Code, including Provision 29, and discussed opportunities for enhancements of the process for monitoring, reviewing and assessing the effectiveness of controls.

Reporting Control Framework

The Committee continued to oversee the ongoing implementation of enhancements to the Group's internal controls, in line with the Reporting Control Framework, which included receiving updates on the key milestones in connection with the implementation of the enhanced framework and recommending the Reporting Control Framework policy for approval to the Board. The purpose of the Reporting Control Framework is to set out the principles and processes required to provide management and Non-Executive Directors with objective assurance that the internal controls environment over financial reporting is effective. The framework will also support the Board's ability to assess the effectiveness of these controls on an annual basis in line with the 2024 Code in the UK and the Model Audit Rule reporting requirements in the US. In relation to the half-year results, the Committee considered progress made on the implementation of the Financial Control Framework and additional information on control safeguard enhancements implemented by the Group with the support of the Financial Controls function.

Reviewing the effectiveness of the risk management and internal control systems

To review the effectiveness of the risk management and internal control systems, each year, the Committee considers an annual report from Internal Audit at its first Committee meeting, which provides analysis of the delivery of the prior year audit plan; significant findings and overdue actions; the control maturity framework (for control design, control operation and risk management and compliance); risk management framework; risk management culture; control environment; and whistleblowing. This report provides additional information in helping the Committee consider the effectiveness of the risk management and internal control systems during the year.

The review includes an assessment of the Control Maturity Grading framework, which enables Internal Audit to formulate a strategic view on the maturity of the Group's control environment and the trajectory in further enhancing the control environment. The Committee reviewed the Internal Audit report in respect of the 2024 financial year in early 2025, noting the conclusions.

In addition, the Committee receives a report from the Financial Controls function regarding its assessment of the internal control environment over financial reporting and progress towards the level of maturity targeted by the Board and Audit Committee.

The Audit Committee receives the report prior to reviewing the final Annual Report and financial statements. This enables the Committee to request further information to support its assessment of the effectiveness of internal financial controls, in particular those over the financial reporting process, if required.

The Committee continues to keep the design and operation of the group's controls framework under review, including any identified opportunities for continued improvement in the control environment.

The Committee has reported on its review of the effectiveness of the risk management and internal control systems to the Board, to provide the Board with assurance over the control environment. The Committee has confirmed compliance with the obligations under the current Code to carry out an annual review of effectiveness, as delegated to the Committee by the Board.

Risk Committee

Fiona Muldoon
Risk Committee Chair

Dear shareholder

I am pleased to present the Risk Committee report for the year ended 31 December 2024. We have supported the Board in overseeing the Company's internal control and risk management systems. This includes the effectiveness of the Group's risk management framework as well as the material operational and compliance controls.

I was delighted to welcome Carolyn Johnson as a member of the Committee on 6 August 2024.

Highlights and key topics during 2024

In carrying out its duties and assisting the Board in its oversight of risk, the focus of the Committee has been on the following:

Oversight of risk management in a complex environment

Beazley operates across different business lines and products, and needs to navigate diverse regulatory expectations in many different places. The environment is becoming increasingly complex for multi-national businesses, which increases the legal and regulatory risk. This is particularly noticeable in relation to cross-border licensing requirements, divergent sanctions regimes, and major regulatory policies such as the Financial Conduct Authority's Consumer Duty and the EU Digital Operational Resilience Act (DORA).

We are also actively monitoring emerging regulation in AI (such as across US states and the EU AI Act) which we will need to be compliant with. This emerging regulation also creates risks for our clients and we underwrite that.

To monitor the regulatory and external landscape, the Committee seeks assurance through external reviews, benchmarking and second and third line monitoring of the Group's compliance with regulatory requirements. There is also regular consultation with internal and external subject matter experts.

2024 has seen geopolitical risks continue to rise, with ongoing state-based conflict, political tensions globally, as well as being a year in which there were a number of important elections. There have also been a number of natural catastrophe events, including an active hurricane season in the US and severe weather and flooding in Europe.

The Committee keeps under review such risks from the macroeconomic and geopolitical environment, and their potential impacts on Beazley. The Committee oversees regular engagement with and reporting from the Group Chief Risk Officer and his team in order to ensure risks, whether external or internal, are effectively monitored and remain within risk appetite. Appropriate action is taken in the event they are not.

The Committee supports the Board in satisfying itself of the appropriateness and effectiveness of Beazley's risk management and internal control systems. The Committee also annually reviews the Group's ORSA, which is designed to evaluate the Group's risk management and solvency positions, both current and future, under various stress scenarios.

Operational resilience

A key focus of the Committee in 2024 has been monitoring the evolution of external cyber threats and information security risks as well as ensuring that Beazley is building and maturing appropriate defensive capability into its cyber security framework. A clear understanding of our critical business services, and regular testing to ensure they can withstand disruptive events, is foundational to our approach to operational resilience. The Committee stays abreast of the latest global trends in cyber threats and regulatory developments, and has also this year spent time overseeing the implementation of DORA.

Risk Committee continued

Oversight of material strategic projects

The Committee has delegated responsibility from the Board for the successful implementation of Beazley's multi-year programme to simplify and de-risk the business, which aims to provide further digitalisation and scalability across the Group. Key milestones have been met during 2024, and the Committee continues to monitor implementation risks and operational risks associated with new and enhanced technological systems and updated operational processes, including the risk that efficiency benefits are not realised.

The Group is continuing to evolve its corporate governance framework and arrangements to better align to its business model across its three platforms. The aim is 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.

Looking ahead

In 2025, we will continue to focus on the risk management and control framework, and realising productivity gains and de-risking benefits from operational changes and strategic programmes as they are embedded.

We expect risks from the geopolitical and macroeconomic environments, and from global climate change, including extreme weather events, to continue in 2025. The Company has navigated this uncertainty and the associated volatility well to date, but believes that these risks will continue to manifest and will continue to need careful monitoring.
The Committee will continue to monitor the Group's capital and liquidity needs driven by organic growth, market volatility, claims uncertainty, global political shifts, macroeconomic risks and global climate change, and will continue to determine appropriate risk appetites accordingly.

Fiona Muldoon
Risk Committee Chair

Responsibilities of the Committee

The Committee's principal role is to support the Board of Directors in overseeing the Group's risk management framework and processes for monitoring compliance with laws and regulations.

The responsibilities of the Risk Committee are set out in its terms of reference, which are reviewed by the Committee and submitted to the Board for approval on an annual basis. The terms of reference are available on the Company's website.

The Committee's key responsibilities include the following:

Internal control and risk management systems

- Reviewing the Company's internal control and risk management systems, to ensure they are effective.
- Effective oversight of risk management, including the risk management framework, risk strategy, material risk events, risk appetite, emerging risks and the Internal Model.

Compliance and assurance

- Ensuring effective compliance and regulatory oversight including regulator engagements, anti-bribery and corruption controls, and providing assurance around Group-wide strategic projects.

Committee membership and meetings

The Committee comprises seven Independent Non-Executive Directors and is chaired by Fiona Muldoon. Pierre-Olivier Desaulle, Nicola Hodson, John Reizenstein, Cecilia Reyes Leuzinger, Robert Stuchbery and Carolyn Johnson are the other members. Carolyn Johnson was appointed to the Committee on 6 August 2024.

The gender and ethnic diversity of the Committee is shown in "Governance at a glance" on page 83.

Committee meetings

The attendance of the members at Risk Committee meetings is provided in the table on page 97.

The Risk Committee is required to meet at least quarterly, with meetings scheduled at appropriate intervals in the reporting cycles. During 2024, the Committee met eight times, which included the joint meeting of the Beazley plc Risk Committee and those of its key regulated subsidiaries to review the risk management framework and the assurance function plans for 2025. There were also three additional meetings during 2024 to discuss specific projects or matters which required oversight from the Risk Committee.

Only the members of the Committee have the right to attend meetings; however, invitations are routinely extended to the Beazley plc Chair, Group Chief Risk Officer, Group Chief Executive, Group Chief Financial Officer, Head of Internal Audit and the External Auditor. The Group Company Secretary acted as secretary to the Committee. The Chair of the Committee meets with the Group Chief Risk Officer, Senior Risk Managers and the Group Company Secretary regularly during the year to ensure the work of the Committee is focused on the right topics and the Committee is receiving relevant and accurate information.

The work of the Committee is also supported by the work of the Risk Committees of the Group's principal subsidiaries and by the Executive Risk and Regulatory Committee. The Chairs of the subsidiary Risk Committees attend the Beazley plc Risk Committee at least annually and the Chairs are in regular communication to ensure a consistent approach to risk management oversight across the Group. The joint meeting of the Risk Committees, where all members are invited, also helps with cohesiveness of approach to risk management across the Group. Two-way dialogue and reporting between the Group and principal subsidiary Risk Committees has been enhanced through 2024.

Committee performance evaluation

The review of Committee effectiveness takes place annually as part of the Board evaluation process. The 2024 review was undertaken externally by Independent Audit and determined that the Committee is operating effectively. The review concluded that there is good consensus among the members on the key risks facing the Group. The approach to risk management oversight is maturing in line with Beazley's growth. For more information on the Board evaluation and its outcomes, please refer to pages 106 to 108.

Risk Committee continued

Areas of focus during 2024

Area of focus	How addressed by the Committee
Strategic project risks	
The Board has delegated key oversight responsibility to the Committee over the risks to the execution and assurance over key strategic projects.	The Committee provided challenge and support around key deliverables for 2024 in relation to key strategic projects, to help drive progress towards full implementation and support key decisions. It also received post-implementation reviews for projects or key deliverables within projects which had completed during the year. It received reports throughout the year from those with first line responsibility for the projects, as well as second line assurance reporting. This approach helped ensure effective oversight and management of risks associated with the implementation of these projects.
Risk management framework and risk appetite	
The Committee plays a key role in the oversight and management of risk throughout the Group. A key responsibility is to review the risk management framework and to monitor risk appetite.	The Committee continued to oversee the embedding of the risk management framework and updates to it, the links between business strategy, risk strategy and risk appetite, and the new risk taxonomy. For further information on the risk management framework, see the Risk management report from page 50. This included consideration of the Risk team resourcing and expertise as included in the annual risk plans. The Committee's focus was on the key risks surfaced in line with the risk management framework, which include but are not limited to: cyber underwriting risk, climate change, market conditions, geopolitical risk, execution risk around Beazley's strategic projects, and data management. The Committee also annually reviews the Group's risk appetite statements and associated KRIs, which include quantitative and qualitative measures and are used to monitor whether the Group remains within its articulated risk appetite. The Committee monitors the KRIs through reporting received at its quarterly meetings. The Committee also reviewed the enhancements to KRIs and risk appetite statements for 2025, including five newly proposed KRIs for Beazley plc. The Committee provided feedback on the suggested changes, before recommending the 2025 statements and KRIs to the Board for approval. The Committee also reviews similar information for the principal platforms, to ensure alignment of risk appetite and that the overall risk appetite of the Group is appropriately articulated and monitored.
Regulatory oversight and engagement	
Legal and regulatory risk is a principal risk in a complex regulatory landscape, and is heightened as the Group remains on a growth trajectory, carrying out business and operating in multiple territories.	The Committee has strong oversight of all regulatory engagement matters with its regulators. Regulatory engagement in 2024 focused on cyber security, operational risk, Beazley's control environment and the Group's governance structure. Beazley is committed to ensuring regular and transparent dialogue with all its key regulators.
Cyber risk and operational resilience	
Cyber risks continue to evolve due to the commercialisation of cyber crime, which leads to a potential increase in the frequency and severity of incidents impacting underwriting and Beazley's operational risks.	Given the importance of Cyber Risk business to the Group, this line of business contributes significantly to the potential reputational risk of the Group. It is important therefore for the Group to be cyber-resilient. A combination of a large cyber outage of critical infrastructure impacting both the Group and its clients at the same time presents a remote but high-impact risk scenario, which is included in the Group's risk scenarios and monitored by the Committee. During 2024, the Committee received a detailed report from an external expert on global trends in cyber threats, focusing on state actors, criminal activity based in Russia, criminal activity in the West, and discussed how these impacted Beazley's business model. Beazley is well-engaged with industry and governmental groups as part of the Beazley Cyber Council, of which the National Cyber Security Centre and other former UK and US security officials are members. The Committee continues to focus on understanding the latest developments in the behaviour of criminal cyber groups, the technology which is transforming cyber (both attack and defence), and the regulatory developments which are likely to impact this space. In addition, the Committee reviewed the approach to managing risks to Beazley from external cyber threats, including the maturity of cyber and information security controls. These topics were also discussed as part of the Committee's review of the implementation of the requirements of the Digital Operational Resilience Act, which are applicable to the Group's Irish regulated entity from January 2025. The five pillars of the regulation, on which the Committee received information, include Information Communication Technologies (ICT) risk management, ICT incident management, digital operational resilience testing, third-party risks and information sharing. This and other reporting enabled the Committee to understand the Group's information security and other related controls, assess their effectiveness, and contribute to plans to further enhance controls.
Climate risk	
Beazley faces material risk due to climate change, which includes both physical risk, such as extreme weather, and litigation risk arising from the potential reputational and legal risk associated with failing to adequately implement our sustainability strategy. These risks are both considered to be evolving and are therefore under the Committee's remit for oversight.	The Committee received reports during 2024 on Beazley's management of physical, litigation and transition risk in the context of climate risk, as well as development opportunities with new and existing products. Beazley physical climate risk approach is guided by climate risk research and materiality assessment and the Committee continues to oversee development of how the Company approaches managing physical climate risk. This includes claims and underwriting analysis of associated risks, climate risk trends incorporated into pricing, third-party catastrophe modelling, scenario analysis, focus on reputation risk and Beazley's Sustainability policy. At a Committee meeting attended by members of the Risk Committees of Beazley's principal subsidiaries, the Committee members received a detailed session on climate risk, including how Beazley manages the risks and develops the opportunities related to climate risk. Additional information on Beazley's approach to climate change can be found in the Task Force on Climate-related Financial Disclosures on page 32.

Area of focus	How addressed by the Committee
Risk management and internal controls systems	
Reviewing the effectiveness of risk management and internal control systems as part of the risk management framework, in accordance with the Code. See page 77 for further information.	The Board is responsible for the Group's risk management and system of internal controls and reviewing their effectiveness. However, the Committee provides input into this assessment. The Committee monitors and assesses the risk management systems and internal controls throughout the year through review of the risk management framework and regular risk management and second line assurance reporting. This includes regularly assessing key controls, including compliance and operational controls, for operational effectiveness. Reports include commentary on the status of the control environment and risk incidents, and any issues arising out of risk reviews are reported to the Committee. The Committee oversees Beazley's incident management framework and the various incidents reported during the year. For example, an incident in relation to activities of an individual underwriter received additional Committee scrutiny and regular reporting during the year. The Committee oversaw a root cause analysis from the incident and has identified areas to further enhance processes and controls. The Group will continue to carry out its medium-term plans to de-risk and simplify the business; including evolving current infrastructure and automating processes to support a more robust internal control framework. The Committee has reviewed legacy areas of concern to ensure that there is adequate management attention and oversight in place while more permanent solutions from strategic projects are delivered. For details of how this informs the Board's view of whether the risk management and internal controls systems are effective, please see page 77. The Internal Audit function separately reports independently to the Audit Committee on the design and operating effectiveness of the system of internal controls covering the integrity of the Group's financial statements and reports, compliance with laws and regulations, corporate policies and the effective management of risks faced by the Group in executing its strategic and tactical operating plans. For more information, see the Audit Committee report from page 116.

Other Committee activities during 2024

Internal control and risk management systems

- Group CRO report: The Committee received a report from the Group CRO at each scheduled meeting, which highlighted key information in line with the CRO's responsibilities and areas of particular impact on the Group.
- Risk incidents: The Committee received regular reporting on risk incidents to monitor their severity and frequency. Thematic reviews were undertaken to identify any common root causes of incidents and to identify areas for strengthening of the internal control environment, which were reported to the Committee.
- Risk appetite: The Committee monitored the Group's actual risk profile against risk appetite throughout 2024 and can confirm that Beazley plc has largely been operating within risk appetite.
- Risk assessment: Through the risk management report, the Committee has reviewed the Group's risk profile to assess its coverage of the universe of risk and ensure that major underlying risks are visible to the Board and are being monitored.
- Stress and scenario testing: The Committee received the results of the reverse stress testing exercise and ORSA scenario analysis, with the former exploring conditions necessary to render the Group unviable. The Committee has provided assurance to the Board that this work has been performed with the appropriate level of depth and expertise. The work covered key scenarios include operational loss, cyber catastrophe and resilience, a geopolitical risk scenario following an economic downturn, an AI risk scenario, Specialty Risks and severe recession, and a combined catastrophe and natural catastrophe event. The reverse stress tests carried out in 2024 concluded that the Group is sufficiently capitalised to sustain extreme and plausible events as well as extreme shocks, and the control environment is robust and unlikely to fail in such a way as to cause unviability to the Group. Further information is included in the viability statement from page 80.
- Heightened risk: A risk is considered heightened if the likelihood or the impact of occurrence is higher than usual. The Committee considered the heightened risk report twice during 2024. Management continues to be proactive in ensuring processes and capabilities continue to be fit for purpose and are scalable for the future.
- Internal Model: The Committee and the Risk Committees of the subsidiary Boards spent significant effort during 2024 in the oversight of the Group's Internal Model. This work has included oversight of a standing report on Internal Model output, and a validation report of model changes featuring both internal and independent validation and themed reviews – for example, on the approach used to aggregate risk in individual entities which consolidate up to the Group level. These assessments have supported the Boards' approval and use of the Internal Model.
- ORSA: The Committee received ORSA reports and reviewed them before recommending them to the Board. The Annual ORSA report was reviewed and recommended to the Board in June 2024.
- Capital: The Committee noted that scenarios across Cyber underwriting and geopolitical risk have the most significant impact on solvency. However, there were several contingency options in place to mitigate this risk.
- Deep dives/assurance assessments/risk reviews: During 2024, the Committee received focused risk assessments and assurance on key risks. These included financial climate risk, culture, operational resilience, and strategic project risk opinions.
- Risk function resources and plan: The Committee oversaw and monitored the resourcing plan for the Risk and Second Line Assurance functions and reviewed their effectiveness.

Risk Committee continued

- Principal and emerging risks assessment: The Committee specifically considered areas of key risk to the business and emerging risk via reporting and through the ORSA. The process for identifying and managing emerging risks is set out in the risk management framework and they are identified through internal and external lenses. The Committee members also took part in an exercise to identify key emerging risks during the year. The principal and emerging risks to the business are described in the Risk and management and compliance report on page 76.
- Annual reporting disclosures: The Committee reviewed the key risk disclosures for inclusion in the Annual Report and Accounts.

Compliance and assurance

- Regulatory engagement: The Committee received regular updates on relationships with key Group regulators and oversight of regulatory requests as well as providing oversight of responses to regulators.
- Laws and regulations: The Committee reviewed changes in the regulatory environment applicable to Beazley through compliance reporting. These included the Individual Accountability Regime, Senior Executive Accountability Regime, Outsourcing, DORA, CSRD, Conduct Standards, Consumer Duty, and Product Oversight and Governance.
- Annual compliance plans: The Committee monitored the implementation of the 2024 compliance monitoring plan and reviewed and approved the annual compliance plan for 2025.
- Money laundering officer reporting: The Committee reviewed updates from the money laundering reporting officer on the adequacy and effectiveness of the Company's anti-money laundering systems and controls.
- Financial crime: The Committee reviewed and approved the Group financial crime policies inclusive of anti-bribery and corruption and anti-fraud to ensure the Group has appropriate procedures in place to prevent bribery and corruption. The Committee also received and reviewed the annual financial crime risk assessment report. Political, Aviation and Marine Hull remain the classes of business with the most consistent exposure to territories subject to sanctions, money laundering and bribery and corruption risk.

Remuneration Committee

Responsibilities of the Committee

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.

The full responsibilities of the Committee are set out in its terms of reference, which are available on the Company's website. The Committee's main responsibilities are to:

- Set the remuneration policy for the Group and present the policy for approval by shareholders at the AGM every three years.
- Recommend and where appropriate approve targets for performance related pay schemes and seek shareholder approval for any changes to existing or new long-term incentive arrangements.
- Recommend and approve the remuneration of the Chair of the Company.
- Recommend the remuneration of the Group Chief Executive, the other Executive Directors, the direct reports to the Group Chief Executive, the Group Company Secretary, and such other members of the executive management as it is designated to consider. Setting executive remuneration includes taking into account workforce remuneration and related policies, and the alignment of incentives and rewards with culture. No Director or manager shall be involved in any decisions as to his or her own remuneration.
- Recommending the remuneration policy for all employees including for key functions and other staff whose professional activities have a material impact on the Group.
- Review of the design of all share incentive plans for approval by the Board, and where relevant, shareholders.
- Appoint and review the performance of Remuneration Committee consultants, currently Deloitte LLP.

Committee meetings and attendance

Composition of and attendance at Remuneration Committee meetings by Committee members is shown in the table on page 97. Christine LaSala stepped down from the Board and all Committees on 25 April 2024. The biographical details of the Committee members can be found on pages 87 to 89. The gender and ethnic diversity of the Committee is shown on page 30.

In 2024, there were four scheduled meetings. The activities of the Committee during 2024 are set out below. Only members of the Committee have the right to attend meetings; however, other individuals, such as the Chair, Chief People Officer and Head of Sustainability, representatives from other Boards or Committees, and external advisers, may be invited to attend for all or part of any meeting where this is beneficial to assist the Committee with fulfilling its responsibilities. The Group Company Secretary is the secretary to the Committee.

Board and Committee performance evaluation

The Committee's effectiveness was reviewed during the year, as part of the annual board evaluation process, conducted by Independent Audit, the independent company selected to carry out the evaluation. This included observing one of the Committee's meetings. The Board were satisfied based on the outcomes of the evaluation, that the Committee remains effective in fulfilling its responsibilities.

Remuneration Committee continued

Key Committee activities during 2024 and early 2025

	Activities	More information
Remuneration policy	• Commenced preparatory work to consider the timeline and deliverables with regards to the review of remuneration policy being undertaken in 2025 in advance of the 2026 AGM, where the remuneration policy will be presented to shareholders for approval. Continued to oversee the current remuneration policy.	Directors' remuneration report (page 135)
Remuneration of Chair, Executives and other senior management	• Approved the remuneration arrangements and bonus awards of the Executive Directors and the Executive leadership team considering individual performance. • Approved the compensation and bonus of the Group Chief Executive Officer, including considering an above inflation increase to salary. • Ensured incentives continued to be appropriate to align the interests of Executives and senior management of the Company and shareholders. • Considered and approved the salary and bonus awards for 2024 for heads of control functions, material risk takers, and the Group Company Secretary.	Directors' remuneration report (page 135)
Remuneration of the workforce	• Satisfied itself that the current remuneration structure is appropriate to attract and retain talent. • Approved specific matters to support the retention of key employees. • Considered the aggregate remuneration approach for the wider workforce and ensured that the approach to Executive and workforce remuneration and bonuses was explained to the workforce by the Group Chief Executive and Group Chief People & Sustainability Officer in an all-employee session.	Directors' remuneration report (page 135)
Share plans	• Approved the grant of share awards under the Group's deferred, and LTIP plans. • Continued to review and receive updates on the further controls introduced to calculate Net Asset Value per share growth for LTIP vesting. • Considered the removal of the risk-free rate of return from performance targets. The Committee decided to re-visit the topic once an IFRS 17 forecasting tool was available to support the further modelling of scenarios. • Reviewed and recommended the refresh of the US SAYE share plan rules, ahead of the rules being presented to the 2025 AGM for approval from shareholders. • Approved the matching ratio applicable to the 2025 launch of Beazley's Share Incentive Plan.	Directors' remuneration report (page 135)
Governance	• Approved the Beazley Gender and Race pay gap report, including approving the inclusion of Race pay gap data for the first time. • Reviewed the remuneration landscape for FTSE 250 and FTSE 100 companies and guidance from proxy agencies and investors. • Approved the UK Staff Underwriting Plan rules. • Reviewed and approved the Directors' Remuneration report.	Our gender pay gap report is available on the Company's website

Letter from the Chair of our Remuneration Committee

Nicola Hodson
Remuneration Committee Chair

Dear shareholder

On behalf of The Board, it is my pleasure to present Beazley's directors' remuneration report for the year ended 31 December 2024.

Beazley's performance in 2024

I am pleased to report that our company has achieved outstanding results in the past fiscal year. The Group returned exceptional profits of $1,423.5m and delivered a Return on Equity (ROE) of 26.6%. Insurance written premiums increased to $6,164.1m and we realised a discounted combined ratio figure of 74.8%.

Our underwriting focuses on long-term outperformance by actively managing markets, diversifying products and geography, and carefully selecting risks. We emphasise innovation and meeting commercial needs for brokers and clients. Our agile business model achieves strong results consistently, adapting to changing market conditions through diversification.

Incentive out-turns

Incentive out-turns for 2024 reflect Beazley's exceptional annual and long-term results. The ROE performance for 2024 of 26.6% was at the top end of the range. Taking into account the Company's significant financial achievements, strategic progress and the outstanding individual performance of the executive directors, the Committee agreed that they would be eligible for a maximum bonus out-turn of 300% of salary. However, although some progress was made to continue to improve the robustness of our governance and risk frameworks during 2024, the progress fell short of our ambitions. Therefore, the Committee considered it appropriate to apply a negative risk adjustment of 5.0% to the Group CEO's bonus and 2.5% for remaining Executive Directors. Further details are provided on page 144.

Beazley has a track record of strong financial performance. The record levels of profitability delivered in the last two years have resulted in net assets per share growth per annum of 21.3% over five years and 31.6% over three years. This sustained performance exceeds the maximum targets for the respective LTIP awards and therefore the second tranche of the 2020 LTIP and the first tranche of the 2022 LTIP will both vest at 100% of maximum.

As discussed last year the transition to accounting standard IFRS 17 had a significant impact on Beazley's financial reporting. In line with the disclosure made last year, the Committee has adjusted both the bonus and LTIP in order to ensure that participants do not unduly benefit nor are unduly penalised by the transition to IFRS 17. Further details are provided on page 140.

The Committee is satisfied that the incentives have operated as intended in respect of 2024 and that out-turns are appropriately aligned with company and individual performance. Therefore, we did not make any further adjustments.

Group CFO transition

As disclosed last year Sally Lake stepped down as Group Finance Director on 21 May 2024. Further details of her departure terms, which were in line with the remuneration policy, are set out on page 149.

Barbara Plucnar Jensen joined Beazley as Group Chief Financial Officer on 1 May 2024 and was appointed to the Board from 21 May 2024. Her remuneration arrangements have been set in line with the remuneration policy and her pension and incentive opportunities have been aligned with Sally's. Further details are set out on page 149.

Letter from the Chair of our Remuneration Committee continued

Group CEO's salary

As part of our normal year-end cycle, the Remuneration Committee reviews executive packages to ensure that our senior team are appropriately remunerated. We have an exceptional team, as demonstrated by our sustained performance, and it is in our shareholders' interests that our remuneration arrangements allow us to recruit, retain and motivate individuals of sufficient calibre to successfully deliver Beazley's long-term strategy.

Following this review, we identified that our Group CEO's salary is no longer commensurate with the size and scale of Beazley nor an accurate reflection of his contribution to Beazley. Therefore, the Committee has made a step change to his salary for 2025. In making this decision the Committee has taken into account the following:

- Individual performance. Adrian Cox was appointed Group CEO in April 2021 having been an Executive Director at Beazley since 2011. He is an experienced FTSE 100 CEO with an exceptional track record which would make him attractive to rival insurance companies globally.

- Increased scale. Under Adrian's leadership our market capitalisation has reached record levels of up to £5.7bn, which has resulted in Beazley firmly establishing itself as a constituent of the FTSE 100.

- Increased international footprint. Beazley's ambitious strategy has led to an expanded international presence, driven by its entry into new markets, increasing the opportunities for Beazley as a leading specialty insurer, navigation of diverse regulatory environment and management of a global workforce. This expansion not only adds to the responsibilities of the Group CEO, but also positions Beazley in competition with other jurisdictions, including the US, when it comes to secure top talent. While we do not aim to match US compensation levels, we acknowledge the need to appropriately reward our Group CEO for his valuable contributions.

- Strong company performance. The recent exceptional performance is reflected in the Company's share price and our returns to shareholders. Beazley has delivered Total Shareholder Return (TSR) of more than 150% since Adrian's appointment, considerably above the returns of our closest sector peers and the FTSE 100, whose TSR over the same period is less than 50%.

- Market data. The Group CEO's salary is currently positioned very conservatively for a company of our size. Despite Beazley being towards the top end of our comparator groups in terms of size, the Group CEO's salary is below the lower quartile of our UK-listed comparator groups (made up of companies in the FTSE 50-150). Although Beazley is larger than both of our closest UK-listed peers and has significantly outperformed them since Adrian's appointment, their CEOs' salaries are positioned at a significant premium. Although not a primary reference point, recognising the different pay and governance expectations in the US, we are also mindful that the Group CEO's salary is below the lower quartile of our US insurance peer group.

Taking into account Adrian's exceptional performance and his development into an established FTSE 100 Group CEO, the expanding complexities of his role, and his positioning against the market, the Committee has decided to increase his salary from £650,000 to £800,000, effective 1 March 2025. The Committee has a track record of approaching remuneration decisions in a responsible way and we are not simply looking to "match the median". Adrian's salary will remain below the median of our three comparator groups and also behind our closest sector peers. We consider this appropriate positioning, recognising that we have a robust pay for performance culture and a significant portion of the Group CEO's remuneration is variable and is only paid for exceeding stretching targets.

The Committee gave careful consideration to the concept of phasing this salary increase, as preferred by some shareholders. Although we recognise that phasing salary increases can be a useful tool, particularly in the context of a promotion or to allow an Executive to develop in their role, the Committee decided that it would not be appropriate in this case, acknowledging that Adrian is already an experienced and high performing Group CEO. We believe that he should be remunerated accordingly to ensure his retention and ongoing commitment to Beazley. During our review, the Committee was also mindful that Adrian's salary was increased above the workforce rate in 2023. At the time Beazley had just entered the FTSE 100 and a step change was necessary to recognise the transformative changes the Group had undergone at that point. The Committee was pleased that the vast majority of shareholders were supportive of this approach as demonstrated by the 2022 Remuneration Report receiving a vote of more than 91%. The previous increase had the desired effect of retaining and motivating Adrian, resulting in Beazley continuing to deliver record levels of performance as seen in the last two years. We strongly believe that a further step change to the Group CEO's salary is warranted to recognise Beazley's continued expansion and the other context set out above. Supporting analysis including benchmarking data is provided after this letter.

Remuneration policy implementation for 2025

The Committee considers that the current implementation of the policy continues to be appropriately aligned with the delivery of Beazley's long-term strategic priorities and in the best interests of shareholders. Therefore, we are not making any material changes to the remuneration framework for 2024. Barbara Plucnar Jensen will receive a salary increase of 2.5% which is below the rate for the wider workforce.

Remuneration policy review

Our policy is due for renewal at the 2026 AGM in accordance with the normal three-year cycle. The Committee will take this opportunity to undertake a detailed review of the policy during 2025 to ensure that it continues to support our long-term strategy. I look forward to discussing the policy and any changes with our major shareholders during the year.

2025 AGM

At the forthcoming AGM there will be an advisory vote in respect of the directors' remuneration report. I look forward to your continued support of remuneration at Beazley.

Nicola Hodson
Remuneration Committee Chair

Directors' remuneration report
Remuneration in brief

Remuneration policy

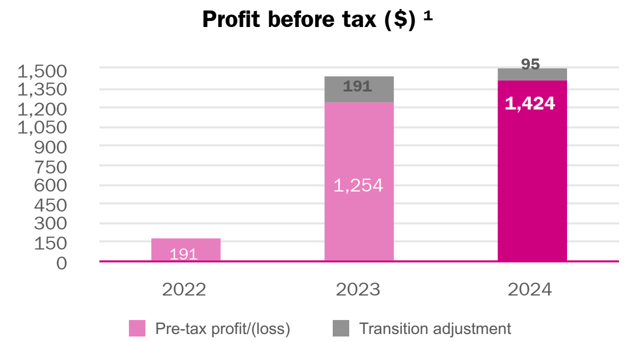
The main aim of Beazley's remuneration policy is to ensure that management and staff are remunerated fairly and in such a manner as to facilitate the recruitment, retention and motivation of suitably qualified personnel. The Committee considers that the policy supports our strategy and promotes the long-term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

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

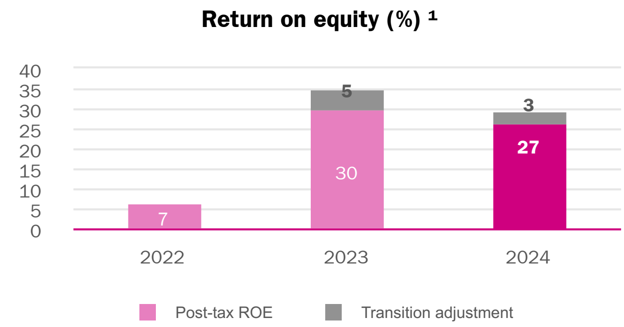
Factor	Details
Clarity Remuneration arrangements should be transparent and promote effective engagement with shareholders and the workforce.	At Beazley performance-related remuneration is an essential motivation to management and staff and is structured to ensure that Executives' interests are aligned with those of our shareholders. We operate a bonus structure that is based on Group profitability and long term performance. A key principle is that the Committee exercises its judgement in determining individual bonus awards. In recent years we have expanded our disclosure to provide shareholders with further clarity on the way in which we determine awards.
Simplicity Remuneration structures should avoid complexity and their rationale and operation should be easy to understand.	In determining our remuneration framework the Committee was mindful of avoiding complexity and making arrangements easy to understand for both participants and our shareholders. As part of last year's Policy review we simplified our approach to bonus deferral so that one-third of any bonus is deferred into shares for three years and we also simplified the LTIP performance period.
Risk Remuneration arrangements should ensure reputational and other risks from excessive rewards, and behavioural risks that can arise from target-based incentive plans, are identified and mitigated.	We believe reward at Beazley is appropriately balanced in light of risk considerations. The Committee receives an annual report from the Chief Risk Officer to ensure that our wider remuneration policy is consistent with, and promotes, effective risk management. Our framework has a number of features which align remuneration out-turns with risk, including a five year time horizon on the LTIP, deferral of bonus into shares and personal shareholding requirements which extend post departure. Further details of the link between risk and remuneration are set out on page 148.
Predictability The range of possible values of rewards to individual directors and any other limits or discretions should be identified and explained at the time of approving the policy.	Stated in the 2022 Directors Remuneration Report are four illustrations of the application of our remuneration policy including the key elements of remuneration: base salary, pension, benefits and incentives. Payments at Beazley are directly aligned to the Group's performance and the graph and table set out on page 145 demonstrates how historic annual bonus out-turns have reflected ROE performance.
Proportionality The link between individual awards, the delivery of strategy and the long-term performance of the company should be clear. Outcomes should not reward poor performance.	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.
Alignment to culture Incentive schemes should drive behaviours consistent with company purpose, values and strategy.	The Remuneration Committee considers that the structure of remuneration packages supports meritocracy, which is an important part of Beazley's culture. All employees at Beazley are eligible to participate in a defined contribution pension plan and a bonus plan. Bonuses are funded by a pool approach which reflects our commitment to encourage teamwork at every level, which is one of our key cultural strengths.

Performance in 2024

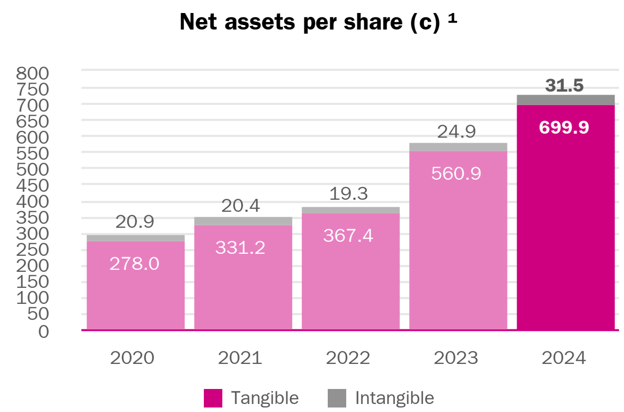
2024 was an exceptional year for Beazley. The Group achieved profit before tax of $1,423.5m (prior to the IFRS 17 adjustment (see page 140)) and an impressive 74.8% combined ratio and strong investment results. Insurance written premiums were up by 10.0% to $6,164.1m (2023: $5,601.4m).



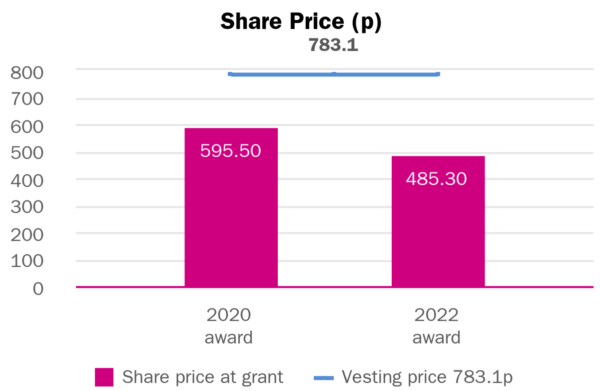
1 The PBT figures stated above are on an IFRS 4 basis for 2022 and on an IFRS 17 basis for 2023 and 2024 (including a transitional adjustment as explained on page 140).

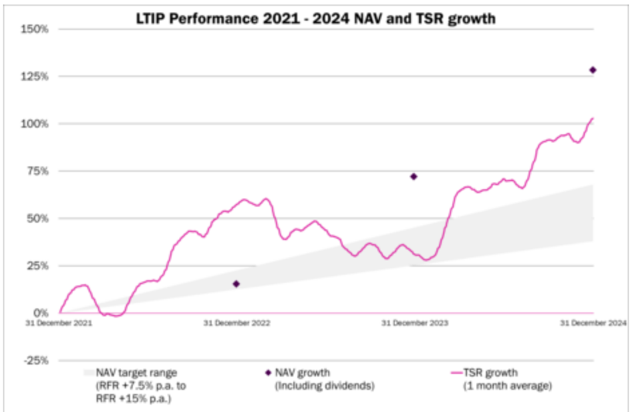


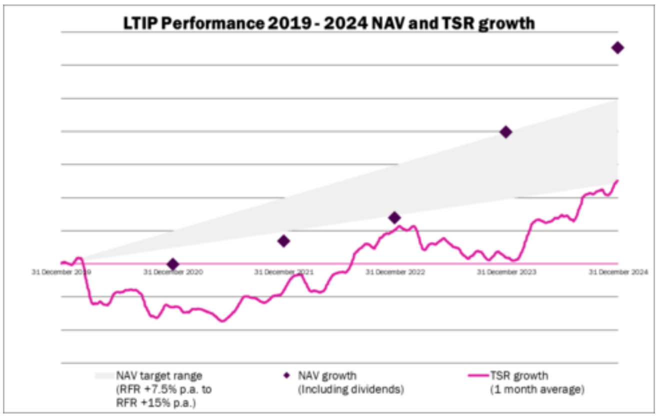
1 The ROE figures stated above are on an IFRS 4 basis for 2022 and on an IFRS 17 basis for 2023 and 2024 (including a transitional adjustment as explained on page 140).



1 The net assets per share figures stated above are on an IFRS 4 basis for 2020 to 2022 and on an IFRS 17 basis for 2023 and 2024 (excluding the adjustment as explained on page 140).







Outcomes for 2024 and implementation for 2025

Overview of Policy and implementation for 2024	Overview of implementation for 2025
Base Salary	
Salaries are set at a level to appropriately recognise responsibilities and to be broadly market competitive. Salary increases generally reflect our standard approach to all-employee salary increases across the Group. Salaries for 2024 were as follows: • A P Cox £650,000 • B Plucnar Jensen £470,000 • S M Lake £452,100	As explained in the Letter from the Chair of the Remuneration Committee A P Cox's salary has been increased by 23.1%. B Plucnar Jensen's salary has been increased by 2.5%, below the rate of the wider workforce. Salaries for 2025 are as follows: • A P Cox £800,000 • B Plucnar Jensen £481,800
Benefits	
Benefits include private medical insurance, lifestyle allowance and company car or monthly car allowance.	No change to approach.
Pension	
Pension allowance of up to 12.5% of salary, in-line with the rate available to the wider UK workforce.	No change to approach.
Annual Bonus	
Discretionary annual bonus determined by reference to both financial and individual performance. The maximum bonus opportunity for Executive Directors in 2024 was 300% of salary. Adjusted ROE for the year was 27% and adjusted profit before tax was $1,518.5m. Both figures have been amended to take into account the transition to IFRS 17 as explained on page 140. Bonus outcomes for 2024 were: • A P Cox: 95% of maximum[1] • B Plucnar Jensen: 97% of maximum[1] • S M Lake: 81% of maximum[1] 33% of the award will be deferred into shares for three years. Further details are set out on page 145. The former GFD's annual bonus opportunity was time pro-rated following her departure. The new Group CFO's annual bonus opportunity was pro-rated to reflect her joining date. 1 The Committee has applied a risk adjustment of 5% to the Group CEO's 2024 bonus and 2.5% for the Group CFO and GFD. Further details are provided on page 144.	No change to approach.
Long-term Incentive Plan (LTIP)	
For awards made prior to 2023, 50% is subject to NAVps performance over three years and 50% over five years. The first tranche is subject to a further two year holding period taking the total time frame for the entire award to five years. Awards vesting in respect of 2024: • The first tranche of the 2022 LTIP award vested at 100% of maximum following three year NAVps performance of 31.6% p.a. • The second tranche of the 2020 LTIP award vested at 100% of maximum following five year NAVps performance of 21.3% p.a. For awards made from 2023, the performance period was simplified so that performance for the entire award is measured over three years. A further two year holding period remains taking the total time frame for the entire award to five years. A portion of the LTIP is subject to measures linked to our sustainability priorities. Further details of the LTIP structure and the performance targets are set out on pages 146 to 147. Awards granted during the year In 2024 Executive Directors received the following grant levels subject to NAVps and sustainability performance conditions: • A P Cox: 300% of salary • B Plucnar Jensen: 250% of salary S M Lake was not eligible for a 2024 LTIP award.	No change to approach. In 2025, Executive Directors will receive the following grant levels subject to NAVps and sustainability performance conditions: • A P Cox: 300% of salary • B Plucnar Jensen: 250% of salary
Shareholding Guidelines	
Executive Directors are expected to build up and maintain a shareholding of 300% of salary for the Group CEO and 200% of salary for the Group CFO. As at 31 December 2024 A P Cox had exceeded the guideline. B Plucnar Jensen was appointed during the year and has made progress towards the guideline. Executives are expected to maintain 100% of their shareholding requirement for two years post-departure. S M Lake has met the guideline.	No change to approach.

Directors' remuneration report continued
Annual remuneration report

This part of the report, the annual remuneration report, sets out the remuneration out-turns for 2024 (and how these relate to our performance in the year) and details of the operation of our policy for 2025.

The symbol ▪ by a heading indicates that the information in that section has been audited.

Single total figure of remuneration ▪

The tables below set out the single figure of total remuneration for Executive Directors and Non-Executive Directors for the financial years ending 31 December 2024 and 31 December 2023.

Executive Directors

£		Fixed pay: Salary	Fixed pay: Benefits	Fixed pay: Pension	Fixed pay: Total fixed pay	Pay for performance: Total annual bonus[1]	Pay for performance: Long term incentives (LTI)[2]	Pay for performance: Total variable pay	Total remuneration
Adrian P Cox	2024	650,000	12,275	81,250	743,525	1,852,500	1,232,208	3,084,708	3,828,233
	2023	625,000	12,061	78,125	715,186	1,875,000	1,253,462	3,128,462	3,843,648
Barbara Plucnar Jensen[3,5]	2024	313,333	98,500	27,417	439,250	916,500	n/a	916,500	1,355,750
	2023	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Sally M Lake[4]	2024	275,897	2,756	31,609	310,262	667,241	749,740	1,416,981	1,727,243
	2023	434,700	3,161	48,779	486,640	1,173,690	595,208	1,768,898	2,255,538

1 A portion of the 2023 and 2024 bonus awards shown in the table above is deferred into shares for three years. Details of the deferral in respect of 2024 awards can be found on page 145.

2 The LTI figures for 2024 have been calculated using the average share price in the last three months of 2024 of 783.1p. The share prices at the time LTI awards were granted were 595.5p for the 2020 award and 485.3p for the 2022 award. The 2024 LTI figures therefore include share appreciation of £414,460 for Adrian P Cox and £240,454 for Sally M Lake. See page 136 for further details. For 2023, the LTI figures have been restated to reflect the share price at the date of vesting of 645.6p. The Committee did not exercise any discretion in relation to share price changes.

3 Barbara Plucnar Jensen was appointed to the Board as Group Chief Financial Officer on 21 May 2024. Figures above reflect payments made since this date.

4 Sally M Lake stepped down from her role as Group Finance Director effective 21 May 2024 and left Beazley on 9 August 2024. Figures above reflect payments up until 9 August 2024.

5 Barbara Plucnar Jensen is receiving a relocation allowance which has been included in the benefits section. Details can be found on page 149.

Non-Executive Directors

	2024	2024 Subsidiary Board fees	2024 Total fees	2023 Total Fees[1,2]
Clive C R Bannister	325,000	0	325,000	289,583
Rajesh K Agrawal	105,000	8,788	113,788	84,088
Pierre-Olivier Desaulle[3]	102,712	22,983	125,695	89,962
Nicola Hodson	121,000	0	121,000	94,100
Christine LaSala[6]	34,569	2,839	37,408	175,063
Robert A Stuchbery[4]	120,000	58,618	178,618	123,773
A John Reizenstein	121,000	33,089	154,089	118,100
Fiona M Muldoon	136,000	0	136,000	93,627
Cecilia Reyes Leuzinger	120,000	0	120,000	90,200
Carolyn Johnson[5]	75,833	119,991	195,824	0

1 Other than for the Beazley plc Board Chair, total fees include Chairs and members of Beazley plc Committees, the role of Senior Independent Director and Employee Voice, as well as fees, where relevant, for members of the subsidiary boards Beazley Furlonge Limited, Beazley Insurance dac, Beazley Insurance Company, Inc., Beazley Excess and Surplus Insurance, Inc. and the Chair of the Beazley Furlonge Limited Risk Committee.

2 For Christine LaSala and Pierre-Olivier Desaulle the total 2023 fees have not changed but the representation has been amended in order to be consistent with 2024. Fees are paid in multiple currencies – 2023 fees have been restated using 2024 FX rate of GBP 1 : USD 1.27 and GBP 1 : EUR 1.22.

3 Pierre-Olivier Desaulle was appointed as Senior Independent Director effective 26 April 2024. 2024 fees shown reflect this increased responsibility.

4 Robert A Stuchbery was appointed as a member of the Beazley plc Nomination Committee from 6 August 2024.

5 Carolyn Johnson was appointed a member of the Beazley plc Board from 1 March 2024, and was appointed as a member of the Risk and Nomination Committees as of 6 August 2024.

6 Christine LaSala stepp1ed down from the Beazley plc Board at the 2024 AGM.

Annual remuneration report

Salary

The Committee reviews salaries annually taking into consideration any changes in role and responsibilities, development of the individual in the role and levels in comparable positions in similar financial service companies. It also considers the performance of the Group and the individual as well as the average salary increase for employees across the whole Group. Salary reviews take place annually, with new salaries effective from 1 March.

For 2025, the Group CEO received a salary increase of 23.1% as explained in the Letter from the Chair of the Remuneration Committee. The Group CFO received a salary increase of 2.5% which is below the average salary increase across the Group.

The base salaries for the Executive Directors in 2024 and 2025 are as set out below:

	2024 base salary £	2025 base salary £	Increase %
Adrian P Cox	650,000	800,000	23.1
Barbara Plucnar Jensen	470,000	481,800	2.5
Sally M Lake	452,100	–	–

Benefits

Benefits include private medical insurance for the Director and their immediate family, income protection insurance, death in service benefit at four times annual salary, lifestyle allowance, season ticket and the provision of either a company car or a monthly car allowance.

Pension

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

Prior to 31 March 2006 the Company provided pension entitlements to Directors that are defined benefit in nature, based on its legacy policy under the Beazley Furlonge Limited Final Salary Pension Scheme. Future service accruals ceased on 31 March 2006. Only base salary is pensionable, subject to an earnings cap. The normal retirement age for pension calculation purposes is 60 years. A spouse's pension is the equivalent of two-thirds of the member's pension (before any commutation) payable on the member's death after retirement.

Details of the defined benefit entitlements of those who served as Directors during the year are as follows:

	Accrued benefit at 31 December 2024 £	Increase in accrued benefit excluding inflation (A) £	Increase in accrued benefit including inflation £	Transfer value of (A) less directors contribution £	Transfer value of accrued benefits at 31 December 2024 £	Increase in transfer value less directors' contribution £	Normal retirement date
Adrian P Cox	17,254	0	823	0	281,630	(24,218)	12 Mar 2031

Under the Beazley Furlonge Limited Final Salary Pension Scheme, on early retirement the Director receives a pension which is reduced to reflect early payment in accordance with the rules of the scheme.

No other pension provisions are made.

Directors' remuneration report continued

Impact of IFRS 17 on incentives

As disclosed in detail last year, the implementation of IFRS 17 has brought significant changes in the financial reporting landscape for insurance companies, including Beazley. One of the major impacts of the transition to IFRS 17 is a change in the timing of profit recognition. Beazley's incentive plans, the annual bonus and Long Term Incentive Plan (LTIP), both use performance measures linked to the Company's profit performance and therefore are materially impacted by the change in profit recognition.

During 2023 the Remuneration Committee gave this issue careful consideration and in identifying a solution were guided by the principle of fairness and ensuring that participants are not unduly benefited nor penalised by the change. The underlying premise of the Committee's approach is to recognise profits broadly when they would have originally been recognised under the accounting standards that were in effect when the targets were set. The Committee considers this approach to be measured and appropriate, and were pleased to find that all shareholders consulted with during 2023 were supportive.

Annual bonus

As discussed on page 173 in the 2023 Annual Report IFRS 17 brings in the concept of discounting insurance liabilities. As a result, profits of c.$381.5m that would otherwise have been recognised in future years under the prior IFRS 4 accounting rules were accelerated to 2022 under IFRS 17. As a result of this change, there will be a reduction to profit over 2023, 2024 and 2025 due to the unwinding of this position. As disclosed last year the Committee agreed that accelerated profits would be apportioned over the three respective years so that participants are not adversely impacted.

For 2024, transitional profit of c.$95m, has been recognised in the PBT figure used for bonus purposes. The bonus framework otherwise operates in broadly the normal way, with the adjustment used to determine the size of the bonus pool and individual awards.

In-line with Beazley's collegiate approach to reward, this change will apply to all relevant employees including Executive Directors. Awards for Executive Directors will continue to be subject to the limits of the shareholder-approved remuneration policy including the maximum cap of 300% of salary.

Details of the 2024 annual bonus awards are set out on page 144.

LTIP

The primary measure for LTIP awards is growth in net asset value per share (NAVps). As detailed in the 2023 Remuneration Report, the transition to IFRS 17 has led to an increase in equity as at 31 December 2022 of c.$381.5m and a corresponding increase to NAVps of c.57.4c. Without an adjustment this amount would unduly benefit inflight LTIP awards and lead to a higher vesting outcome. The Committee agreed to strip out the increased NAVps and spread it over the period that it would have been broadly recognised, mirroring the approach for the bonus. For LTIP awards vesting in respect of performance to 31 December 2024, this results in a reduction in NAVps of 14.4c.

The Committee is comfortable that the adjustments are reasonable to ensure that participants are only rewarded for NAVps growth at the time it would have arisen under the accounting standards in place when the targets were set.

Details of the vesting of the second tranche of the 2020 LTIP and the first tranche of the 2022 LTIP can be found on page 146.

Annual bonus structure

The annual bonus plan is a discretionary plan in which all employees are eligible to participate. The annual bonus is funded by a bonus pool. The pool is calculated as a percentage of profit subject to a minimum group ROE. The size of the pool as a percentage of profit increases for higher levels of ROE. This ensures that outcomes are strongly aligned with shareholders' interests.

The operation of an annual bonus pool approach reflects Beazley's commitment to encourage teamwork at every level, which, culturally, is one of its key strengths. A broad senior management team, beyond Executive Directors, participate in the bonus pool, reinforcing the Company's collegiate culture.

Once the annual bonus pool has been calculated the 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 Committee considers wider factors in its deliberations at the end of the year: for example quality of profit and risk considerations.

In determining awards, the Committee will not necessarily award the bonus pool in aggregate (i.e. the sum of the bonus awards may be less than the bonus pool).

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 Committee reviews the bonus pool framework each year to ensure it remains appropriate, taking into account the prevailing environment, interest rates and expected investment returns, headcount and any other relevant factors.

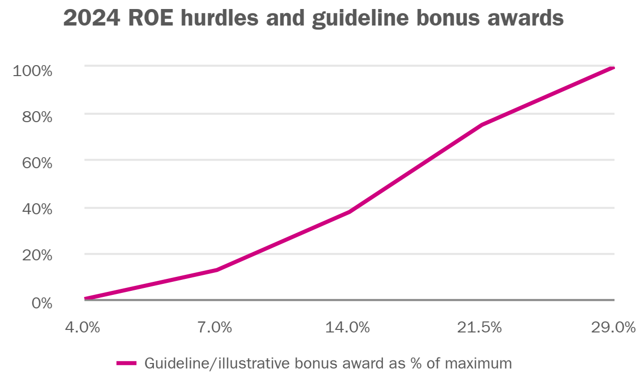
Annual bonus out-turn for 2024

The process for determining 2024 bonuses is described below, including full details of the ROE targets underpinning our bonus approach along with the guideline levels which are used by the Committee in its determination for each Executive Director.

Annual bonus pool calculation for 2024

At the beginning of the financial year, the risk-free return (RFR) was set at 4% taking into account the yield on US treasuries of two to five year maturities. This resulted in the following ROE hurdles and guideline bonus awards:

ROE performance hurdles	Threshold				Maximum
ROE performance	4.0 %	7.0 %	14.0 %	21.5 %	29.0 %
Guideline/illustrative bonus award as % of maximum	0%	12.5%	37.5%	75%	100%



These percentages are indicative only and based on broad corporate results. Within the pool framework bonus out-turns may be higher or lower taking into account corporate achievements and individual performance (see next page).

ROE for 2024, adjusted to include the transitional impact of IFRS 17 as explained on page 140 was 27%. This adjustment had no impact on bonus outcomes for 2024 as the unadjusted ROE exceeded the maximum target.

When considering the annual bonus pool outcome, the Committee takes into account the outcome of the Group's ROE/profit. The framework is used by the Committee as a broad guideline rather than being formulaic and applies to a broader group of Executives than Board Directors. A key principle of the process is that the Committee exercises its judgement in determining individual awards taking into account the corporate/strategic objectives, individual's contribution and performance. In particular, there may be a diverse spread of returns earned across the various divisions within the business which will be reflected in bonus out-turns achieved. The table therefore provides full retrospective disclosure of all the Group financial targets and corporate/strategic performance which the Committee considers when determining the annual bonuses.

When determining annual bonuses an assessment against the expectation for each element is made with reference to the following grading system:

- ✓ Expectation achieved or exceeded
- = Reasonable outcome against expectation
- ✗ Expectation not met

Directors' remuneration report continued
Annual remuneration report continued

Assessment of achievements for 2024

In determining annual bonuses for 2024, the Committee took into account a range of (i) financial, (ii) strategic and (iii) individual elements as set out below.

(i) Financial performance

Element	Achievement	
Combined ratio (discounted)	75%	✓
Insurance written premiums growth	Increased by 10%	✓
Expense management	Excluding remuneration, actual expenses were materially maintained at that budgeted for the year	=
Profit before tax	$1,423.5m profit before tax (excluding IFRS 17 adjustment)	✓
Net assets per share growth	NAVps growth of 25%	✓
Investment performance (portfolio return)	5.2% portfolio return	✓

(ii) Strategic performance

Element	Expectation	Achievement	
Responsible business	Create and publish our climate risk strategy for underwriting, setting out how we will further develop our approach to climate-risk related.	The climate risk strategy for underwriting has been updated in 2024. The updated strategy created a structured climate risk approach, covering developing robust risk assessment, embedding climate risk into underwriting, stakeholder engagement, governance and regulatory compliance, and training and education. In 2025, the climate risk strategy for underwriting will be combined with the climate risk strategy for investment to create a climate risk strategy that covers both underwriting and investment.	✓
	Launch our new charity and community programmes for the business, as enshrined within our social impact strategy.	The Board approved the proposal at the end of 2024 to launch and create the Beazley foundation. We are aiming for this to launch in Q1/Q2 2025.	✓
	Clearly define how our insurance products can support the transition to net zero, to demonstrate how Beazley can support our insureds in the transition to net zero.	We undertook an initial appraisal of the transition related risks and opportunities for the business. The outcome of this analysis identified where we have products which already support the transition, as well as potential product development ideas for the future.	✓
	Ensure the reporting processes are in place to facilitate future CSRD reporting, with a key focus on onboarding appropriate tooling, developing controls and processes, and finalising data collection methods.	CSRD reporting preparation for potential BIDAC / BSIL reporting. A reporting provider has been onboarded, and a dry run report is being prepared for pre-assurance. The SteerCo overseeing the project is chaired by the Group CFO.	✓
Medium term plan	Deliver final phase of medium term business plan.	Deliverables for 2024 achieved and have been presented and approved by the plc board.	✓
Wholesale platforms	Increase profitable growth across Wholesale platforms in London, Asia Pac and Miami.	Our Wholesale platform grew 4%.	✓
North American growth	Achieve profitable growth in the US and Canada.	Our North American platform grew 19%.	✓
European growth	Achieve profitable growth in Europe.	Our European platform grew 10%.	✓
Governance	Implement new governance model structure platform.	Completed three platform governance.	✓
Culture and people	Sustain high levels of employee engagement and inclusivity within the business.	Employee engagement decreased by 1% to 85% compared to 2023. We remain on track to meet our 2028 diversity goals.	✓

(iii) Individual performance

While a number of the specific individual objectives of the Executive Directors are considered commercially sensitive, the following provides details of Executive Director achievements which the Committee took into account.

Executive	Objectives	Achievement	
Adrian Cox (Group Chief Executive Officer)	Deliver 2024 underwriting business plan, IFRS17 budget and provide leadership for the modernisation programme.	• Premium growth of 10%. • Discounted combined ratio for 2024 of 75%. • Several modernisation deliveries landed in 2024 with benefits. accruing in year and significant additional benefits planned on being realised in 2025 and 2026.	✓
	Execute on medium term plan and development into the business strategy.	• Embedded in three year strategy and socialised with the plc board in December.	✓
	Develop a new cyber systemic scenario and compare/contrast at least one of our current ones to the other peer insurers & models in the market.	• The Beazley, Munich Re and AJG new scenario is published and in the market. We have done comparisons to various Beazley and other scenarios, including 3rd party modellers (cybercube). In addition it was used as an alternative view of risk when setting risk appetites for 2025 and updating our probabilistic model.	✓
	Establish a new three year sustainability strategy which aligns with the group vision and mission with clear objectives and milestones.	• Presented and approved by the plc board in March 2024.	✓
	Deliver Board and management governance refresh across boards, executive and sub-committees.	• Although some progress has been made to improve the robustness of our governance and risk frameworks during 2024, the progress fell short of our ambitions.	✗
	Successfully recruit and onboard the new Group CFO.	• Group CFO has been integrated into Beazley and the wider executive committee.	✓

Executive	Objectives	Achievement	
Barbara Plucnar Jensen (Group Chief Financial Officer)	Complete the organisational design for Finance, improve efficiency, and ensure the right roles are filled with the best talent.	• New management team structure in place. Successfully enabled process improvements that drive collaboration across finance and lead to much smoother and higher quality results.	✓
	Strengthen the Equity story including smooth reporting to the markets (process and products), strengthened interaction with analysts and Investors with a clear plan for 2025.	• Proactively engaged with shareholders and sell side analysts with feedback obtained on the equity story and approach to communications with a view to strengthening these areas on an ongoing basis. • Proactive communication was demonstrated by the managing of the CrowdStrike event including a timely update to the market on the impact. Additionally, the annual capital markets session focussed on systemic cyber education which was a notable topic during market feedback sessions.	✓
	Improve process around financial reporting.	• Ongoing financial reporting process improvements progressed using Workiva and Alteryx. Good progress made towards the general ledger migration to Workday, targeting Q2 2025.	=
	Entity structure – align the Finance function to the three-platform model.	• CFO's in place for all three platforms with work underway on a central support function to support delivery of platform requirements.	✓
	Expense management – improved process enables the organisation to better manage expenses.	• Several expenses initiatives in place including change funding model and procure to pay, further enhancements will continue with delivery of modernisation and target operating model.	✓
	Forecasting – improve current forecasting including: • Improve short term planning and align to mid and long-term plans. • Enhance the interaction with LOBs including better reporting, tracking and phasing.	• Multi year integrated planning framework continues to role out with the successful launch of annual planning technology. Mid term plan development successful in 2024. • Enhance reporting from both the MI suite for premiums and GAAP analytics from the planning framework have been implemented in 2024. Clear links between business planning and GAAP reporting have been enhanced.	✓
	Co-chair the Modernisation committee with COO – focus on benefit tracker, accountability with relevant owners and inclusion in Forecast and Midterm planning.	• The mechanisms for benefits tracking, measurement and realisation are now well embedded. • Benefits realisation is owned within the relevant teams and is built into current forecasts and budgets. • Future benefits are being incorporated into medium term plans.	✓

Annual remuneration report continued

Executive	Objectives	Achievement	
Sally Lake (Group Finance Director)	Ensure the timely and accurate production of the 2023 year-end metrics, KPIs, R&A and other reporting deliverables in compliance with IFRS 17 standards.	• Delivered 2023 annual report, first under IFRS 17. • Created new KPIs to manage IFRS 17 result. • Accurate communication of IFRS 17 impacts and results.	✓
	Complete IFRS 17 implementation, ensure the capabilities to support analysis and forecasting are in place.	• Implementation of IFRS 17 budgeting and forecasting into strategic architecture remained outstanding at point of departure.	✗
	Develop a new organisational and governance model for the finance function that aligns with the group strategy and prepares for the transition to the new Group CFO at the group level.	• All Board positions handed over. • Group CFO to continue work on team structure.	✓
	Complete the modernisation benefits assessment and ensure finance team's contribution to the 2024 annual modernisation plan includes relevant, quantifiable KPIs that enable effective monitoring and evaluation at the steering group and executive levels.	• Modernisation benefits and monitoring have been clearly defined with KPIs and OKRs are shared with the Steering Group and Executive Committee.	✓

Annual bonus awards outcomes for 2024

Taking into account the financial, strategic and individual performance set out above, the Committee determined that Executive Directors would receive the following bonuses for 2024.

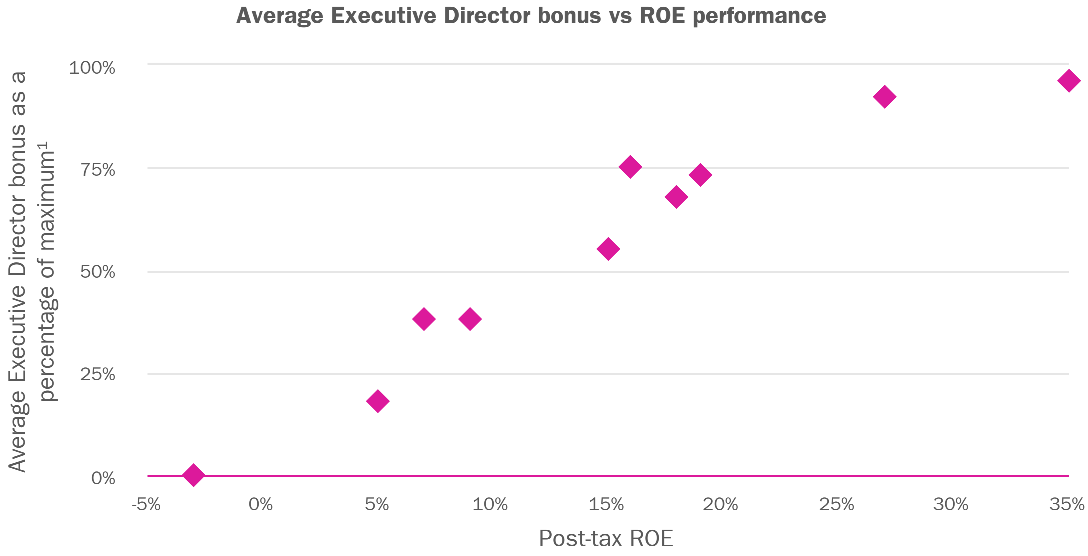
In its assessment of the overall bonus out-turns in the year, the Remuneration Committee considered performance against risk objectives. Whilst some progress was made against these objectives in 2024, it was concluded that further work was required to continue to improve the robustness of our risk and governance frameworks. As a result, and to demonstrate the importance of our risk environment and continued improvement, the Committee considered it appropriate to apply a downwards adjustment of 5% for Group CEO's bonus and 2.5% for remaining Executive Directors.

	% of maximum	% of salary	Bonus value
Adrian P Cox	95%	285%	£1,852,500
Barbara Plucnar Jensen[1]	97%	292%	£916,500[2]
Sally M Lake (former GFD)[1]	81%	242%	£667,241[2]

1 Barbara Plucnar Jensen was appointed to the Board as Group Chief Financial Officer on 21 May 2024. Her annual bonus opportunity was time pro-rated to reflect her joining date. Sally M Lake stepped down from her role as Group Finance Director effective 21 May 2024. Her annual bonus opportunity was time pro-rated following her departure on 9 August 2024.

2 Bonus value has been adjusted to take into account pro-ration for period of time worked during the year.

The following graph and table illustrates the way in which bonuses over time reflect profit and ROE performance.



1 The maximum bonus opportunity for Executive Directors was reduced from 400% to 300% of salary from 2023.

	2015	2016	2017	2018	2019	2020	2021	2022	2023[1]	**2024[1]**
Pre-tax profit/ (loss)	$284m	$293m	$168m	$76m	$268m	($50m)	$369m	$191m	$1,445m	**$1,518m**
Post-tax ROE	19%	18%	9%	5%	15%	(3%)	16%	7%	35%	**27%**
Average Executive Director bonus as a percentage of salary	c.291%	c.272%	c.150%	c.73%	c.212%	c.0%	c.300%	c.150%	c.288%	**c. 277%**

1 The 2023 and 2024 profit and ROE figures have been calculated on an IFRS 17 basis including the transitional adjustment as explained on page 140.

Bonus deferral

A portion of the bonus will generally be deferred into shares for three years. From 2023 the deferral rate has been set at 33% of the bonus. Deferred shares are generally subject to continued employment.

A portion of bonus may also be deferred under the investment in underwriting plan, and this capital can be lost if underwriting performance is poor (see investment in underwriting section on page 148 for further details).

The following table sets out the deferred bonus awards made during 2024 in respect of the bonus for 2023:

Individual	Type of interest	Basis on which award is made	Number of shares awarded	Face value of shares (£)[1]	% vesting at threshold
Adrian P Cox	Deferred shares	Deferred bonus	95,387	£618,750	n/a
Sally M Lake	Deferred shares	Deferred bonus	59,709	£387,318	n/a

1 The face value of shares awarded was calculated using the three day average share price prior to grant, which was 648.67p.

Annual bonus approach for 2025

The annual bonus for 2025 will continue to operate within a broadly similar framework as in previous years, with awards dependent on a profit pool and minimum level of ROE performance and taking into account individual performance and achievements.

As explained on page 140, the Committee's intention is that ROE for 2025 will be adjusted to include the transitional impact of IFRS 17. The overall bonus pool (in which Executive Directors as well as other senior employees participate) will be calculated based on this adjusted figure.

Directors' remuneration report continued
Annual remuneration report continued

Long term incentive plan (LTIP)
Under the LTIP Executive Directors, senior management and selected underwriters receive awards of shares subject to the achievement of stretching performance conditions.

LTIP structure for awards granted prior to 2023
For awards granted prior to 2023 vesting is based on growth in net asset value per share (NAVps), one of Beazley's key performance indicators. NAVps performance is assessed equally over a three year and five year period. In accordance with the 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.

The NAVps performance conditions for all outstanding awards are as follows:

NAVps performance	% of award vesting
NAVps growth < risk-free rate +7.5% p.a.	0%
NAVps growth = risk-free rate +7.5% p.a.	10%
NAVps growth = risk-free rate +10% p.a.	25%
NAVps growth = risk-free rate +15% p.a.	100%

Growth in NAVps is calculated taking into account any payment of dividends by the Company. In line with our reporting to shareholders, NAVps is denominated in US dollars.

LTIP out-turns in respect of 2024
The LTIP awards shown in the single total figure of remuneration for 2024 include:
- the second tranche of awards granted on 11 February 2020. These will vest at 100%, based on the achievement of the NAVps growth performance condition over the five years ended 31 December 2024; and
- the first tranche of awards granted on 15 February 2022. These will vest at 100%, based on the achievement of the NAVps growth performance condition over the three years ended 31 December 2024.

The following table summarises the actual NAVps growth (including the transitional impact of IFRS 17 as explained on page 140) achieved over the two performance periods and the resultant vesting levels:

LTIP award	Performance period	NAVps growth	% of award vesting
Second tranche of the 2020 awards	Five years ended 31 December 2024	21.3% p.a.	100%
First tranche of the 2022 awards	Three years ended 31 December 2024	31.6% p.a.	100%

The results were independently calculated by Deloitte LLP. The Committee is comfortable that Executives have not unduly benefited from windfall gains in respect of their LTIP awards. In particular the Committee noted that the 2020 awards were granted prior to the fall in share price resulting from the outbreak of COVID-19.

LTIP structure for awards granted from 2023
The LTIP is an important tool in the remuneration framework for incentivising participants and aligning their interests with those of our shareholders. As explained last year, as part of the 2024 Remuneration Policy renewal the 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 as follows:
- 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 net asset value per share (NAVps) and the delivery of our sustainability priorities.

LTIP awards granted in 2024

During 2024, LTIP awards with a face value equal to 300% of salary for the Group CEO and 250% of salary for the Group CFO were granted. These awards are subject to NAVps (250% of salary and 200% of salary respectively) and sustainability performance (50% of salary) as set out below:

Individual	Type of interest	Basis on which award is made	Number of shares awarded	Face value of shares (£)[1]	% vesting at threshold	Performance period end
Adrian P Cox	Nil cost option (LTIP)	300% of salary	300,615	£1,950,000	10%	31/12/2026
Barbara Plucnar Jensen	Nil cost option (LTIP)	250% of salary	178,075	£1,175,000	10%	31/12/2026

1 The face value of shares awarded was calculated using the three day average share price prior to grant, which was 648.67p for the award granted to Adrian P Cox, and 659.83p for the award granted to Barbara Plucnar Jensen.

NAVps performance	% of award vesting
NAVps growth < risk-free rate +7.5%	0%
NAVps growth = risk-free rate +7.5%	10%
NAVps growth = risk-free rate +10%	25%
NAVps growth = risk-free rate +15%	100%

Sustainability target	Weighting (of sustainability element)	Threshold (10% of max)	Max
Reduce carbon emissions (Scope 1 & 2) relative to 2022 baseline	One third	20%	30%
Maintain gender balance representation at Board and Senior Manager level	One third	45%	45%
Increase People of Colour representation at a group level	One third	30%	32%

LTIP awards to be granted in 2025

LTIP awards for 2025 will be operated on a similar basis as the 2024 awards. The Group CEO will be granted an LTIP award with a face value equal to 300% of salary, whilst the Group CFO will be granted an LTIP award with a face value equal to 250% of salary. 2025 LTIP awards will be subject to the NAVps and sustainability performance conditions set out below.

NAVps performance	% of award vesting
NAVps growth < risk-free rate +7.5%	0%
NAVps growth = risk-free rate +7.5%	10%
NAVps growth = risk-free rate +10%	25%
NAVps growth = risk-free rate +15%	100%

Sustainability target	Weighting (of sustainability element)	Threshold (10% of max)	Max
Achieve 2027 transition plan trajectory relating to Scope 1 & 2 emissions (tCO_2e)[1]	One third	786	730
Maintain gender balance representation at Board and Senior Leadership level	One third	45%	45%
Ensure that the make-up of our workforce reflects the communities we are based in	One third	30%	32%

1 See pages 57 and 58 for further details.

We understand that we and the business world are on a complex journey. Whilst we believe that the above metrics are the most appropriate metrics for the LTIP at this time, we acknowledge that our sustainability strategy will evolve over time, and we intend to employ alternative metrics in the future where appropriate and relevant given our priorities.

Dilution

The share plans permit 10% of the Company's issued share capital to be issued pursuant to awards under the LTIP, SAYE and option plan in a 10-year period. The Company adheres to a dilution limit of 5% in a 10 year period for executive schemes.

Annual remuneration report continued

Investment in underwriting

Traditionally, Lloyd's underwriters contributed their personal capital to syndicates in which they worked. With the move to corporate provision of capital, individual membership of Lloyd's has declined significantly. The Committee feels that having personal capital at risk in the syndicate is an important part of the remuneration policy and provides a healthy counterbalance to incentivisation through bonuses and long term incentive awards. The Company has operated the Beazley staff underwriting plan for this purpose since 2004 and Executive Directors and other selected staff are invited to participate through bonus deferral with an element of their cash incentives 'at risk' as capital commitments.

These capital commitments can be lost in full if underwriting performance is poor.

The Group funds the capital for the plan. The individual capital commitment is then funded through individual's bonus deferral. The aim is for individuals to fund their capital within three years.

To date over 420 employees of the Group have committed to put at risk £15.5m of bonuses to the underwriting results of syndicate 623. Of the total at risk, £15.3m has already been deferred from the bonuses awarded.

The following Executive Directors participated in syndicate 623 through Beazley Staff Underwriting Limited:

	Total bonuses deferred £	2023 year of accounting underwriting capacity	2024 year of accounting underwriting capacity	2025 year of accounting underwriting capacity
Adrian P Cox	188,400	400,000	400,000	500,000
Sally M Lake	105,000	250,000	0	0
Barbara Plucnar Jensen	53,000	0	0	200,000

All Executive Directors have fully funded their capital requirement.

Malus and clawback

Recovery provisions (malus and clawback) have applied to incentives for a number of years. Further detail on the recovery provisions, including the circumstances and timeframe for which they can be applied are set out in the remuneration policy.

Risk and reward at Beazley

The 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 Committee believes the Group is adopting an approach which is consistent with, and takes account of, the risk profile of the Group.

We believe reward at Beazley is appropriately balanced in light of risk considerations, particularly taking into account the following features:

Features aligned with risk considerations	
Share deferral	33% of the bonus is normally deferred into shares for three years. These deferred shares, together with shares awarded under the LTIP, mean that a significant portion of total remuneration is delivered in the form of shares deferred for a period of years.
LTIP holding period	Until 2023, LTIP awards vested over a five year period. From 2023 LTIP awards vest over a three-year period. Any awards which have a performance period of less than five years are subject to an additional holding period, following the date on which the award vests, up to the fifth year of the award.
Shareholding requirements	Executive Directors are expected to build up and maintain a shareholding of 300% of salary for the Group CEO and 200% of salary for the Group CFO. Executive Directors are also expected to maintain a shareholding post-departure.
Investment in underwriting	Management and underwriters may defer part of their bonuses into the Beazley staff underwriting plan, providing alignment with capital providers. Capital commitments can be lost if underwriting performance is poor.
Underwriters remuneration aligned with profit received	Under the profit related bonus plan 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 payments. 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.
Malus and clawback provisions	Malus and clawback provisions apply to all incentives that Executive Directors participate in.

Leaving arrangements for Sally Lake

Sally M Lake stepped down from the Board and her role as Group Finance Director on 21 May 2024. As disclosed last year Sally was treated as a 'good leaver' for the purposes of her incentives. She remained eligible for a pro-rated annual bonus in respect of 2024 and her outstanding LTIP and deferred bonus awards will subsist to their normal release/vesting date subject to time and performance pro-rating where applicable. Sally M Lake is subject to our post-employment shareholding guidelines for a period of two years.

Joining arrangements for Barbara Plucnar Jensen

Barbara Plucnar Jensen joined Beazley on 1 May 2024 as Group Chief Financial Officer and was appointed to the Board from 21 May 2024. Barbara's joining arrangements were set in line with the Directors' Remuneration Policy. Her salary was set at £470,000 and she is eligible for typical benefits including pension allowance of 12.5% of salary, in-line with the rate available to the wider UK workforce. Barbara's incentives opportunities have been set in line with her predecessor and she will be eligible for a maximum annual bonus of 300% of salary and a normal LTIP award of 250% of salary. Additionally, in line with the Remuneration Policy, Beazley will pay reasonable costs to support Barbara's relocation to the UK for a maximum period of two years. She will receive a gross allowance of up to £150,000 per annum which will be paid in monthly instalments over the course of this two year period.

Service contracts and payments for loss of office

No loss of office payments have been made in the year.

There is no unexpired term as each of the Executive Directors' contracts is on a rolling basis.

Non-Executive Directors' fees

Clive C R Bannister took up the role of Chair of the Board following the AGM on 25 April 2023. Clive C R Bannister's fee as Chair of the Board was set at £325,000 until 2026, however this has been reviewed one year earlier to ensure the fees remain competitive and do not fall out of line with market rates.

The fees of Non-Executive Directors 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.

Details of the Non-Executive Directors' fees payable for the plc Board responsibilities are set out below (the fee for the Chair of the Board is inclusive of subsidiary fees):

	2025 fee	2024 fee
Chair of Board fee	**£333,100**	£325,000
Basic fee	**£77,900**	£76,000
Senior Independent Director fee	**£17,400**	£17,000
Chair of Audit Committee	**£30,800**	£30,000
Chair of Risk Committee	**£30,800**	£30,000
Chair of Remuneration Committee fee	**£30,800**	£30,000
Membership fee for Non-Executive Directors on the Audit Committee	**£15,400**	£15,000
Membership fee for Non-Executive Directors on the Risk Committee	**£15,400**	£15,000
Membership fee for Non-Executive Directors on the Remuneration Committee	**£14,400**	£14,000
Fee for designated Non-Executive Director representing employee voice	**£15,400**	£15,000

Directors' remuneration report continued
Annual remuneration report continued

Beazley operates across Lloyd's, Europe and the US markets through a variety of legal entities and structures. Non-Executive Directors, in addition to the plc Board, typically sit on either one of our key subsidiary Boards, namely Beazley Furlonge Ltd, our managing agency at Lloyd's, or Beazley Insurance dac, our Irish insurance company. Non-Executive Directors may receive additional fees for sitting on subsidiary Boards. As a result of developments in regulation, the degree of autonomy in the operation of each Board has increased in recent years, with a consequent increase in time commitment and scope of the role.

No Non-Executive Director participates in the Group's incentive arrangements or pension plan.

Non-Executive Directors are appointed for fixed terms, normally for three years, and may be reappointed for future terms.

Non-Executive Directors are typically appointed through a selection process that assesses whether the candidate brings the desired competencies and skills to the Group. The Board has identified several key competencies for Non-Executive Directors to complement the existing skill-set of the Executive Directors. These competencies may include:

- insurance sector expertise;
- asset management skills;
- public company and corporate governance experience;
- risk management skills;
- finance skills; and
- IT and operations skills.

Non-Executive Directors' service contracts

Details of the Non-Executive Directors' terms of appointment are set out below:

	Commencement of employment	AGM expiry year
Clive C R Bannister	8 Feb 2023	2026
Christine LaSala	1 Jul 2016	2024[4]
Robert A Stuchbery	11 Aug 2016	2025[1]
A John Reizenstein	10 Apr 2019	2025[2]
Nicola Hodson	10 Apr 2019	2025[2]
Rajesh K Agrawal	1 Aug 2021	2027
Pierre-Olivier Desaulle	1 Jan 2021	2025[2]
Fiona M Muldoon	31 May 2022	2025[3]
Cecilia Reyes Leuzinger	31 May 2022	2025[3]
Carolyn Johnson	1 Mar 2024	2027

1 At the 2025 AGM it will be proposed to shareholders to extend to 2026 AGM.
2 At the 2025 AGM it will be proposed to shareholders to extend to 2026 AGM, subject to annual renewal thereafter.
3 At the 2025 AGM it will be proposed to shareholders to extend to 2028 AGM.
4 At the 2024 AGM Christine LaSala stepped down from the plc Board.

The standard approach for Non-Executive Director appointments is that the appointment expires at the AGM following the end of a three year term, notwithstanding the fact that each Non-Executive Director is subject to annual re-election at each AGM.

Approach to remuneration for employees other than directors

The Committee also has oversight of remuneration arrangements elsewhere in the Group. The following tables set out the additional incentive arrangements for other staff within the organisation.

Other incentive arrangements at Beazley (not applicable to Executive Directors):

Element	Objective	Summary
Profit related pay plan	To align underwriters' reward with the profitability of their account.	Profit on the relevant underwriting account as measured at three years and later.
Support bonus plan	To align staff bonuses with individual performance and achievement of objectives.	Participation is limited to staff members not on the executive or in receipt of profit related pay bonus. The support bonus pool may be enhanced by a contribution from the enterprise bonus pool.
Retention shares	To retain key staff.	Used in certain circumstances. Full vesting dependent on continued employment over six years.

Underwriter bonus plan – profit related pay plan

Underwriters participate in a profit related pay plan based upon the profitability of their underwriting account. Executive Directors do not participate in this plan.

The objective of the plan is to align the interests of the Group and the individual through aligning an underwriter's reward to the long term profitability of their portfolio. Underwriters who have significant influence over a portfolio may be offered awards under the plan. There is no automatic eligibility. Profit related pay is awarded irrespective of the results of the Group. Awards are capped.

This bonus is awarded as cash and is based upon a fixed proportion of profit achieved on the relevant underwriting account as measured at three years and later. Any movements in prior years are reflected in future year payments as the account develops after three years. For long-tail accounts, the class is still relatively immature at the three-year stage and therefore payments will be modest. Underwriters may receive further payouts in years four, five and six (and even later) as the account matures. Therefore each year they could be receiving payouts in relation to multiple underwriting years.

If the account deteriorates as it develops any payouts are 'clawed back' through reductions in future profit related pay bonuses. From 2012 onwards any new profit related pay plans may be at risk of forfeiture or reduction if, in the opinion of the Remuneration Committee, there has been a serious regulatory breach by the underwriter concerned, including in relation to the Group's policy on conduct risk. The Remuneration Committee also have oversight for all material risk takers who participate in the profit related pay plan.

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.

In addition to profit related pay, underwriters are also eligible to receive a discretionary bonus, based upon performance, from the enterprise bonus pool. A proportion of this bonus may be paid in deferred shares, which vest after three years subject to continued employment.

Support bonus plan

Employees who are not members of the Executive and who do not participate in the underwriters' profit related pay plan participate in a discretionary bonus pool. This pool provides employees with a discretionary award of an annual performance bonus that reflects overall individual performance including meeting annual objectives.

A proportion of this award may also be dependent on the Group's ROE and therefore allocated from the enterprise bonus pool. A proportion of this bonus may be paid in deferred shares, which vest after three years subject to continued employment.

Directors' remuneration report continued
Annual remuneration report continued

UK SAYE
The Company operates an HMRC-approved SAYE scheme for the benefit of UK-based employees. The scheme offers a three-year savings contract period with options being offered at a 20% discount to the share price on grant. Monthly contributions are made through a payroll deduction on behalf of participating employees. The UK SAYE scheme has been extended to eligible employees in Singapore, Ireland, Canada, France, Germany and Spain. The Irish SAYE scheme has been approved by the Irish Revenue. However due to changes in Irish regulations in 2021 it was no longer possible to offer an Irish tax approved SAYE plan. Instead, eligible Irish employees were invited to participate in the international SAYE plan offering on a non-tax approved basis. The updated SAYE plan rules were approved at the 2022 AGM.

US SAYE
The Beazley plc savings-related share option plan for US employees permits all eligible US-based employees to purchase shares of Beazley plc at a discount of up to 15% to the shares' fair market value. Participants may exercise options after a two-year period. The plan is compliant with the terms of section 423 of the US Internal Revenue Code and is similar to the SAYE scheme operated for UK-based Beazley employees.

UK SIP
The Company operates an HMRC-approved SIP scheme for the benefit of UK-based employees. The scheme enables employees to make contributions from salary over a ten-month period. Monthly contributions are made through a payroll deduction on behalf of participating employees. At the end of the ten-month period employee contributions are used to buy Beazley plc shares, and employees will receive a free matching share for every Beazley plc share they buy. Continuing to hold shares in the scheme for five years offers significant tax benefits, including exemptions from Income Tax and National Insurance.

International SIP
The Company operates an International SIP scheme for the benefit of International-based employees. The scheme enables employees to make contributions from salary over a ten-month period. Monthly contributions are made through a payroll deduction on behalf of participating employees. At the end of the ten-month period employee contributions are used to buy Beazley plc shares, and employees will receive a free matching share for every Beazley plc share they buy.

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. In line with policy, existing Executive Directors do not participate in this plan and no Executive Directors have subsisting legacy awards outstanding.

Annual percentage change in remuneration of Directors and employees

			Executive Directors		
		All employees	Adrian P Cox[1]	Sally M Lake	Barbara Plucnar Jensen
2023-2024	Salary	4.9	4.0	4.0	–
	Benefits	9.9	3.7	9.3	–
	Bonus	9.0	-1.2	-6.1	–
2022 -2023	Salary	7.6	19.0	5.0	–
	Benefits	16.4	5.6	6.2	–
	Bonus	167.1	138.0	89.0	–
2021 -2022	Salary	4.5	3.5	3.5	–
	Benefits	11.3	8.8	5.8	–
	Bonus	-3.5	-45.4	-46.9	–
2020 -2021	Salary	3.2	23.2	11.4	–
	Benefits	11.1	22.1	9.5	–
	Bonus	119.3	n/a	n/a	–
2019 -2020	Salary	3.5	2.6	2.9	–
	Benefits	-12.8	-7.2	15.4	–
	Bonus	-30.5	-100	-100	–

		Non-Executive Directors									
		Clive C R Bannister[2]	Christine LaSala[3,10]	Robert A Stuchbery[4,8]	A John Reizenstein[9]	Nicola Hodson	Pierre-Olivier Desaulle[11]	Rajesh K Agrawal[5]	Cecilia Reyes Leuzinger[6]	Fiona M Muldoon[7,8]	Carolyn Johnson[12]
2023 -2024	Salary	–	3.1	37.9	32.6	28.6	45.8	26.4	33.0	31.1	–
	Benefits	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	Bonus	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
2022 -2023	Salary	-	-62.5	5.7	10.3	2.2	2.0	13.8	13.9	30.9	–
	Benefits	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	–
	Bonus	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	–
2021 -2022	Salary	–	31.7	8.0	5.9	8.0	14.1	12.2	–	–	–
	Benefits	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	–
	Bonus	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	–
2020 -2021	Salary	–	8.7	3.5	–	–	–	–	–	–	–
	Benefits	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	–
	Bonus	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	–
2019 -2020	Salary	–	40.0	16.6	2.5	2.5	–	–	–	–	–
	Benefits	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	–
	Bonus	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	–

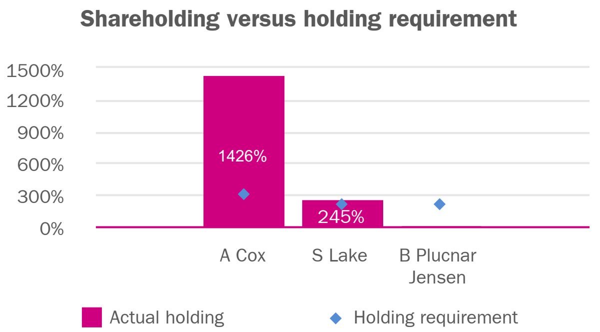
Note: Salary and bonus are compared against all employees of the Group. Benefits and pension are compared against all UK employees, reflecting the Group's policy that benefits are provided by reference to local market levels.

During the period shown above a number of the Non-Executive Directors have joined additional Board Committees and taken on interim responsibilities and therefore received additional fees. Therefore, for these Non-Executive Directors, the year-on-year comparisons reflect their additional responsibilities and corresponding fees.

1 Adrian received a salary increase above the wider workforce with effect from 1 January 2023 to bring in line with comparator groups.
2 Clive C R Bannister was appointed a member of the Beazley plc Board from 8 February 2023 and Chair of the Beazley plc Board and Nomination Committee upon conclusion of the AGM 2023.
3 Christine LaSala acted as interim Chair of the Beazley plc Board and Chair of the Nomination Committee from 24 October 2022 until 30 April 2023, returning to Senior Independent Director and member of the Remuneration Committee from 1 May 2023. Christine LaSala also stepped down from the Beazley Furlonge Limited Board on 18 December 2023.
4 Robert A Stuchbery acted as interim Senior Independent Director from 24 October 2022 until 30 April 2023, and stepped down as the Beazley plc Risk Chair on 28 September 2023. Robert A Stuchbery was appointed Chair of the Beazley Furlonge Limited Board on 18 December 2023.
5 Rajesh K Agrawal joined as a Non-Executive Director of the Remuneration Committee with effect from 26 April 2022 and a Non-Executive Director of the Beazley Insurance Company, Inc Board with effect 5 September 2023.
6 Cecilia Reyes Leuzinger joined as a Non-Executive Director of the Beazley plc Board, Audit & Risk Committee and Remuneration Committee with effect from 31 May 2022.
7 Fiona M Muldoon joined as a Non-Executive Director of the Beazley plc Board and Audit & Risk Committee with effect from 31 May 2022, and became Chair of the Risk Committee on 29 September 2023.
8 With effect from 24 October 2022 Robert A Stuchbery stepped down as employee voice of the Beazley plc Board and Fiona M Muldoon took on the role.
9 John A Reizenstein stepped down as Beazley Furlonge Limited Audit Chair with effect from 28 October 2024.
10 Christine LaSala stepped down from the Beazley plc Board at the 2024 AGM.
11 Pierre-Olivier Desaulle took on the role of Senior Independent Director, effective 25 April 2024.
12 Carolyn Johnson joined the Beazley plc Board on 1 March 2024.

Statement of Directors' shareholdings and share interests

For the year ending 31 December 2024, the Group CEO had a shareholding requirement of 300% of salary and exceeded this shareholding guideline. Both Sally M Lake and Barbara Plucnar Jensen have a shareholding requirement of 200% of salary. At departure from Beazley Sally M Lake had met the shareholding guideline. Barbara Plucnar Jensen is yet to meet the guideline as she was appointed during the year (see chart below).



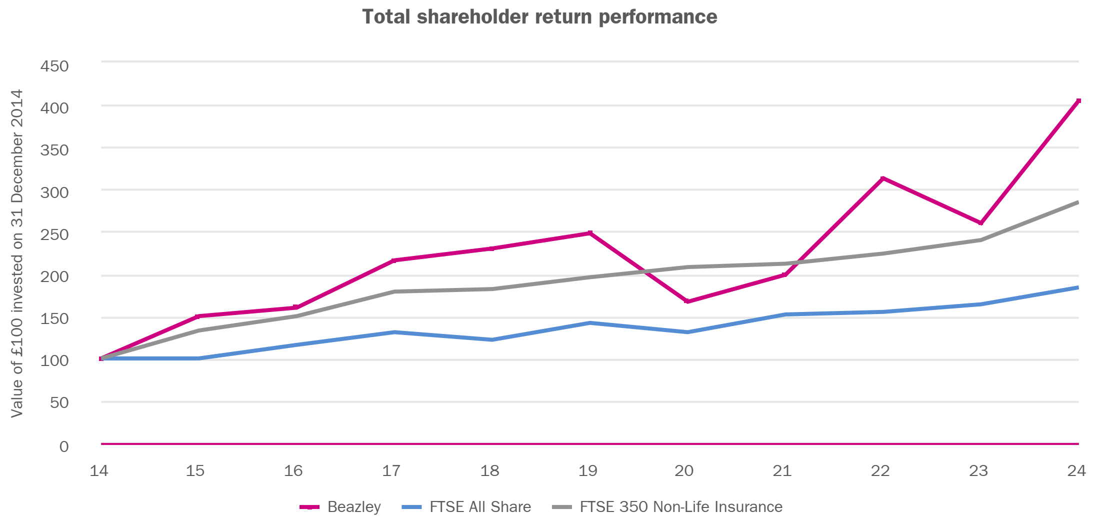
Annual remuneration report continued

The table below shows the total number of Directors' interests in shares as at 31 December 2024 or date of cessation as a director. As at 4 March 2025, there have been no changes.

Name	Number of shares owned (including by connected persons)	Conditional shares not subject to performance conditions (deferred shares and retention shares)	Nil cost options subject to performance conditions (LTIP awards)	Options over shares subject to savings contracts (SAYE)	Unexercised nil cost options	Options exercised in the year
Adrian P Cox	1,183,790	216,826	1,160,129	0	148,105	55,865
Barbara Plucnar Jensen	0	0	178,075	0	0	0
Sally M Lake	141,568	157,499	346,853	0	82,385	24,872
Clive C R Bannister	138,000	0	0	0	0	0
Rajesh K Agrawal	23,000	0	0	0	0	0
Pierre-Olivier Desaulle	27,464	0	0	0	0	0
Nicola Hodson	1,824	0	0	0	0	0
Christine LaSala	53,085	0	0	0	0	0
A John Reizenstein	21,251	0	0	0	0	0
Robert A Stuchbery	97,578	0	0	0	0	0
Fiona M Muldoon	10,000	0	0	0	0	0
Cecilia Reyes Leuzinger	26,086	0	0	0	0	0
Carolyn Johnson	0	0	0	0	0	0

Group CEO Pay versus performance

The following graph sets out Beazley's 10 year total shareholder return performance to 31 December 2024, compared with the FTSE All Share and FTSE 350 Non-Life Insurance indices. These indices were chosen as comparators as they comprise companies listed on the same exchange and, in the case of the Non-Life Insurance index, the same sector as Beazley.



Year	Group CEO single figure of total remuneration	Annual variable award (% of maximum opportunity)	Long term incentives vesting (% of maximum opportunity)
2015	£3,711,647	73%	100%
2016	£3,715,146	70%	100%
2017	£3,140,145	38%	98%
2018	£1,524,600	19%	41%
2019	£2,157,018	57%	37%
2020	£631,890	–	6.6%
2021 (D A Horton)[1]	£145,896	–	–
2021 (A P Cox as Group CEO)	£2,100,534	75%	17.8%
2022	£1,507,155	38%	17.5%
2023	£3,843,647	100%	100%
2024	£3,828,233	95%	100%

1 D A Horton stepped down as CEO on 31 March 2021 and was succeeded by A P Cox. The figures for A P Cox relate to the whole of 2021, including the portion of the year when he was Chief Underwriting Officer.

Pay ratio data

The following table provides pay ratio data in respect of the Group CEO's total remuneration compared to the 25th, median and 75th percentile UK employees.

Financial year	Method	25th percentile pay ratio	Median pay ratio	75th percentile pay ratio
2024	Option A	54:1	31:1	20:1
2023	Option A	48:1	29:1	19:1
2022	Option A	28:1	16:1	11:1
2021	Option A	39:1	21:1	14:1
2020	Option A	13:1	7:1	5:1
2019	Option A	42:1	25:1	15:1

The employees used for the purposes of the table above were identified on a full-time equivalent basis as at 31 December 2024. Option A was chosen as it is considered to be the most accurate way of identifying the relevant employees. This captures all relevant pay and benefits and aligns to how the single figure table is calculated.

The following table provides salary and total remuneration information in respect of the employees at each quartile for 2024.

Element of pay	25th percentile employee	Median employee	75th percentile employee
Salary	£47,800	£77,300	£114,400
Total remuneration	£71,142	£121,884	£191,653

Note: Salary and bonus are compared against all employees of the UK Group.

The pay ratios for 2024 have increased in-line with the Group's exceptional performance and are comparable with 2023. This is driven by strong underwriting, record incentive out-turns, significant share price growth and an upturn in investment performance.

In-line with our pay-for-performance culture a significant portion of the Group CEO's remuneration is variable and dependent on performance. Therefore there is a direct correlation between Company performance, the Group CEO's single figure and the pay ratios. The Committee is comfortable that the pay ratios for 2024 align to the pay and progression policies for employees and, that the link between individual awards, the delivery of strategy and the long-term performance of the Company through our incentive schemes drive behaviours consistent with company purpose, values and strategy and appropriately motivate and reward.

Directors' remuneration report continued
Annual remuneration report continued

Relative importance of spend on pay

The following table shows the relative spend on pay compared to distributions to shareholders:

	Overall expenditure on pay	Shareholder distributions (dividends in respect of the year)
2024	$558.0m	$201m
2023	$449.3m	$118m

Directors' share plan interests ▪

Details of share plan interests of those Directors who served during the period are as follows:

	Outstanding options at 1 Jan 2024	Options granted	Options exercised	Lapsed unvested	Outstanding options at 31 Dec 2024
Adrian P Cox					
Deferred bonus:	121,439	95,387	0	0	216,826
LTIP (see notes):	915,379	300,615	55,865	0	1,160,129
SAYE:	0	0	0	0	0
Barbara Plucnar Jensen					
Deferred bonus:	0	0	0	0	0
LTIP (see notes):	0	178,075	0	0	178,075
SAYE:	0	0	0	0	0
Sally M Lake					
Deferred bonus:	97,790	59,709	0	0	157,499
LTIP (see notes):	524,871	0	18,622	159,396	346,853
SAYE:	6,250	0	6,250	0	0

Notes to share plan interests table

Deferred bonus	Deferred bonus awards are made in the form of conditional shares that normally vest three years after the date of award.
LTIP awards	Performance conditions: all awards are subject to NAVps performance. For awards granted prior to 2023, 50% is measured over a three year period and 50% is measured over a five year period. For awards granted from 2023, 100% is measured over a three year period. NAVps < RFR+7.5% p.a. equates to 0% vesting, NAVps = RFR+7.5% p.a. equates to 10% vesting, NAVps = RFR+10% p.a. equates to 25% vesting, NAVps = or > RFR+15% p.a. equates to 100% vesting, with straight-line pro-rated vesting between these points. Awards granted from 2023 are also subject to sustainability targets.
LTIP 2017 – 3/5 year	Awards were made on 8 February 2017 at a mid-market share price of 434.33p. Awards expire in February 2027.
LTIP 2018 – 3/5 year	Awards were made on 13 February 2018 at a mid-market share price of 553.33p. Awards expire in February 2028.
LTIP 2019 – 3/5 year	Awards were made on 12 February 2019 at a mid-market share price of 510.16p. Awards expire in February 2029.
LTIP 2020 – 3/5 year	Awards were made on 11 February 2020 at a mid-market share price of 595.5p. Awards expire in February 2030.
LTIP 2021 – 3/5 year	Awards were made on 10 February 2021 at a mid-market share price of 367.0p. Awards expire in February 2031.
LTIP 2022 – 3/5 year	Awards were made on 15 February 2022 at a mid-market share price of 485.3p. Awards expire in February 2032.
LTIP 2023 – 3 year	Awards were made on 19 May 2023 at a mid-market share price of 609.67p. Awards expire in May 2033.
LTIP 2024 – 3 year	Awards were made on 12 March 2024 at a mid-market share price of 648.67p. Awards expire in March 2034.

Share prices

The market price of Beazley ordinary shares at 31 December 2024 (the last trading day of the year) was 816.5p and the range during the year was 503.0p to 840.0p.

Remuneration Committee

The Committee consists of only Non-Executive Directors and during the year the members were; Nicola Hodson, Christine LaSala, Cecilia Reyes Leuzinger, Rajesh K Agrawal and Robert A Stuchbery. Christine LaSala stepped down from the Board effective 25 April 2024. The Board views each of the Committee members as independent.

The Committee considers the individual remuneration packages of the Group CEO, Executive Directors and Executive Committee members. It also has oversight of the salary and bonus awards of individuals outside the Executive Committee who either directly report to Executive Committee members or who have basic salaries over £200,000, as well as the overall bonus pool and total incentives paid by the Group. The terms of reference of the Committee are available on the Company's website. The Committee met six times during the year. Further information on the key activities of the Committee for 2024 can be found within the Board Governance section on page 132.

During the year the Committee was advised by remuneration consultants from Deloitte LLP. Total fees in relation to Executive remuneration consulting were £127,000. Deloitte LLP also provided advice in relation to share schemes, tax, internal audit and compliance support.

Deloitte LLP was appointed by the Committee. Deloitte LLP is a member of the remuneration consultants' Group and as such voluntarily operates under a code of conduct in relation to Executive remuneration consulting in the UK. The Committee agrees each year the protocols under which Deloitte LLP provides advice, to support independence. The Committee is satisfied that the advice received from Deloitte LLP has been objective and independent.

Input was also received by the Committee during the year from the Group CEO, Chief People Officer & Head of ESG, Company Secretary and Chief Risk Officer. However, no individual plays a part in the determination of their own remuneration.

Engagement with the workforce

As part of the regular cycle, the Committee is informed of pay and employment conditions of wider employees in the Group and takes these into account when determining the remuneration for Executive Directors.

Statement of shareholder voting

The voting outcomes for the 2022 remuneration policy and 2023 annual remuneration report were as follows:

	Votes for	% for	Votes against	% against	Total votes cast	Votes withheld (abstentions)
2022 Remuneration Policy	475,662,878	95.26%	23,682,695	4.74%	499,345,573	10,187,696
2023 Annual Remuneration Report	491,842,606	98.18%	9,093,854	1.82%	500,936,460	46,732

Annual general meeting

At the forthcoming AGM to be held on 22 April 2025, a binding resolution will be proposed to approve the Directors' remuneration policy and an advisory resolution will be proposed to approve this annual remuneration report.

I am keen to encourage an ongoing dialogue with shareholders. Accordingly, if you would like to discuss any matter arising from this report or remuneration issues generally, please email Christine Oldridge at corporategovernance@beazley.com.

By order of the Board

Nicola Hodson
Remuneration Committee Chair
3 March 2025

Statement of Directors' responsibilities in respect of the annual report and financial statements

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the Group and parent company financial statements in accordance with UK adopted International Accounting Standards and the requirements of the Companies Act 2006.

Under the Financial Conduct Authority's Disclosure Guidance and Transparency Rules, Group financial statements are required to be prepared in accordance with UK adopted IFRSs and the requirements of the Companies Act 2006.

Under company law the Directors must not approve the Group financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the Company and of the profit or loss of the Group and the Company for that period.

In preparing these financial statements the Directors are required to:
- select suitable accounting policies in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Group's financial position and financial performance;
- in respect of the Group financial statements, state whether UK adopted IFRSs and the requirements of the Companies Act 2006 have been followed, subject to any material departures disclosed and explained in the financial statements;
- in respect of the parent company financial statements, state whether IFRSs in conformity with the Companies Act have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is appropriate to presume that the Company and the Group will not continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's and Group's transactions and disclose with reasonable accuracy at any time the financial position of the Company and the Group and enable them to ensure that the Company and the Group financial statements comply with Section 403 of the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

Under applicable law and regulations, the Directors are also responsible for preparing a Strategic report, Directors' report, Directors' remuneration report and Corporate Governance statement that complies with that law and those regulations.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Disclosure of information to auditor

Each of the Directors in office at the date of approval of this Directors' report confirms that, so far as they are aware, there is no relevant audit information of which the Company's Auditor is unaware; and each Director has taken all the steps that he or she ought to have taken as a Director to make himself or herself aware of any relevant audit information and to establish that the Company's Auditor is aware of that information.

Responsibility statement of the Directors in respect of the annual financial report

Each of the Directors, whose details can be found on pages 87 to 89, to the best of their knowledge confirm:
- that the consolidated financial statements, prepared in accordance with UK adopted IFRSs and the requirements of the Companies Act 2006 give a true and fair view of the assets, liabilities, financial position and profit of the parent company and undertakings included in the consolidation taken as a whole;
- that the management report includes a fair review of the development and performance of the business and the position of the Company and undertakings included in the consolidation, taken as a whole, together with a description of the principal risks and uncertainties that they face; and
- that they consider the Annual Report and Accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy.

C Bannister
Chair

B Plucnar Jensen
Chief Financial Officer

3 March 2025

Directors' report

In accordance with section 415 of the Companies Act 2006 (the Act) the Directors present their report for the year ended 31 December 2024.

Other sections of the Annual Report and Accounts are incorporated by reference into this report. As permitted by the Act, some matters required to be included in the Directors' Report have been included in the Strategic report on pages 1 to 81, as the Board considers them to be of strategic importance. These sections are included in the table at the end of this report on page 164.

In addition, the Corporate Governance report is incorporated by reference into this Directors' report.

Management report

The Directors' report, together with the Strategic report on pages 1 to 81, and the governance report on pages 82 to 108, serves as the management report for the purpose of Disclosure Guidance and Transparency Rule 4.1.8R.

Principal activity

Beazley plc (registered number 09763575) is the ultimate holding company for the Beazley Group, a global specialist risk insurance and reinsurance business. Beazley has established three distinct distribution platforms: Lloyd's Wholesale, Europe, and North America. In the UK, Beazley Furlonge Limited acts as the managing agent of seven syndicates at Lloyd's. In the US, Beazley offers insurance through its three wholly owned insurance carriers: Beazley Insurance Company, Inc., Beazley Excess and Surplus Insurance, Inc., and Beazley America Insurance Company, Inc. Additionally, Beazley Insurance dac operates as a European insurance company incorporated in Ireland and provides some of the Group's reinsurance. The Company's subsidiaries are listed in Note 30 (page 251) and the Company has no overseas branches.

Directors' responsibilities

The statement of Directors' responsibilities in respect of the annual report and financial statements is set out on page 158.

Results and dividends

The consolidated profit before taxation for the year ended 31 December 2024 amounted to $1,423.5m (2023: $1,254.4m). The Directors have approved an interim dividend of 25.0p (2023: 14.2p) payable in May 2025.

Annual General Meeting

The 2025 Annual General Meeting of the Company will be held on 22 April 2025 at 14:30. The notice of the AGM details the business to be put to shareholders.

Going concern and viability statement

The Financial review from page 17 contains details of the financial position of the Group, its prospects, its cash flows and its borrowing facilities.

After reviewing the Group's current and forecast solvency and liquidity positions, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence over a period of 12 months from the date of this report. For this reason, the Board considers it appropriate for the Group to continue to adopt the going concern basis in preparing its accounts.

Further information on the Board's assessment of the Group as a going concern, as required by UK LR 6.6.6R(3) is contained in Note 1d to the financial statements on page 185.

In accordance with the Code, the Directors have assessed the viability of the Group. The viability statement, which supports the going concern basis mentioned above, is included in the Risk management report on pages 80 to 81. The viability statement also includes the Company's assessment of its prospects, as required by LR 6.6.6R(3).

Information to be disclosed under UK Listing Rule 6.6.1R

	Location
Information on interest capitalised	Note 25 (page 223)
Details of long-term incentive schemes	Directors' Remuneration Report (page 135)

In both cases cross references to relevant disclosures are set out in the tables at the end of this report on page 164.

In addition, as required to be disclosed by UK Listing Rule 6.6.1R, the trustees of the Employee Benefit Trust have waived its rights to receive dividends on the shares it holds for Beazley's employees. This applied to all dividends paid during the period under review.

Research and development

In the ordinary course of business, the Group develops new products and services in each of its business divisions and develops IT solutions to support business requirements.

Auditor

EY has indicated its willingness to continue in office. Resolutions to reappoint EY as auditor of the Company and authorise the Audit Committee to determine their remuneration will be proposed at the 2025 AGM.

Directors' report continued

Directors

The Directors of the Company who served during 2024 and/or to the date of this report were as follows:

Adrian Cox	Group Chief Executive
Anthony (John) Reizenstein	Independent Non-Executive Director
Barbara Plucnar Jensen	Group Chief Financial Officer (appointed 21/05/2024)
Carolyn Johnson	Independent Non-Executive Director (appointed 01/03/2024)
Cecilia Reyes Leuzinger	Independent Non-Executive Director
Christine LaSala	Independent Non-Executive Director (resigned 25/04/2024)
Clive Bannister	Non-Executive Director Chair
Fiona Muldoon	Independent Non-Executive Director
Nicola Hodson	Independent Non-Executive Director
Pierre-Olivier Desaulle	Senior Independent Non-Executive Director
Rajesh Agrawal	Independent Non-Executive Director
Robert Stuchbery	Independent Non-Executive Director
Sally Lake	Group Finance Director (resigned 21/05/2024)

The Chair was independent on appointment.

The Board is complying with the provision on annual re-election of all Directors in accordance with the Code. The appointment and replacement of Directors is governed by the Company's Articles of Association (the 'Articles'), the Code, the Act and related legislation. Directors may be appointed by ordinary resolution of the Company or by the Directors. Each Director shall retire and be eligible for election or re-election at each annual general meeting. Directors appointed may be appointed to hold any employment or executive office with the Company. Directors may be removed from office by special resolution of the Company. The Articles may be amended by a special resolution of the shareholders. Subject to the Articles, the Act and any directions given by special resolution, the business of the Company will be managed by the Board which may exercise all the powers of the Company.

Directors' interests

The Directors' interests in shares of the Company, for those Directors in office at the end of the year, including any interests of a connected person (as defined in the Disclosure, Guidance and Transparency Rules of the UK's Financial Conduct Authority), can be found in the Directors' remuneration report on page 135. Details of Directors' service contracts are given in the Directors' remuneration report. The Directors' biographies are set out in the 'Board of Directors' section of the annual report on pages 87 to 89.

Directors' indemnities

The Company maintains Directors and Officers Liability insurance which gives cover for legal action taken against its Directors, subject to its terms. The Company has also granted indemnities to each of its Directors to the extent permitted by law in respect of costs of defending claims against them and third-party liabilities. A copy of the indemnity is available for inspection at the Company's registered office during normal business hours. These provisions, deemed to be 'qualifying third-party indemnity provisions' pursuant to section 234 of the Act, were in force during the year ended 31 December 2024 for the benefit of the then Directors of the Company and remain in force as at the date of this report for the current Directors of the Company. Indemnities have also been granted to Directors of five of the Company's wholly owned subsidiaries. These indemnities are also deemed to be 'qualifying third-party indemnity provisions.' There is also Directors and Officers Liability insurance in place which covers directors on all direct and indirect subsidiaries of the Beazley Group.

Conflicts of interest

The Board has established procedures for the management of potential and actual conflicts of interest of the Directors in accordance with the Act and the Articles. All Directors are responsible for notifying the Group Company Secretary and declaring at each Board meeting any new actual or potential conflicts of interest. The Directors are also responsible for declaring any existing conflicts of interest which are relevant to transactions to be discussed at the Board meeting. None of the Directors had any significant contract with the Company or with any Group undertaking during the year.

Substantial shareholdings

As at 31 December 2024, the Board had been notified of the following shareholdings of 3% or more of the Company's issued ordinary share capital, in accordance with Disclosure Guidance and Transparency Rule (DTR) 5. The information provided below was correct at the date of notification.
The Company has only disclosed those interests of which it has been notified. It should be noted that these holdings are likely to have changed since being notified to the Company. However, notification of any change is not required until the next applicable threshold is crossed.

	Number of ordinary shares	%
Wellington Management	34,357,006	5.1
BlackRock	33,587,793	5.0
MFS Investment Management	26,529,103	5.0
Fidelity Management & Research	31,366,159	4.8
Invesco	16,181,198	3.0

The Company has not been notified of any changes to these shareholdings between 1 January 2025 and 3 March 2025.

Note: All percentages are calculated at the date of notification. All interests disclosed to the Company in accordance with DTR 5 can be found in the news and alerts section of our corporate website: www.beazley.com

Share capital

As at 31 December 2024, the Company’s issued share capital comprised 639,002,140 ordinary shares of 5 pence each, representing 100% of the total issued share capital. Details of the movement in ordinary share capital during the year can be found in Note 21 on page 218. The Company also has two deferred shares of £1 in issue. The rights attached to the shares are set out in the Company's Articles. Holders of the ordinary shares are entitled to attend and speak at general meetings of the Company and to appoint one or more proxies or, if the holder of the shares is a corporation, one or more corporate representatives. On a show of hands every holder of ordinary shares shall have one vote, as shall proxies. On a poll, every holder of ordinary shares present in person or by proxy shall have one vote for every share held. There are no restrictions on the transfer of shares in the Company other than as set out in the Articles and certain restrictions which may from time to time be imposed by law and regulations.

The Directors were granted authority at the 2024 AGM to allot shares in the Company up to a maximum aggregate nominal amount of £11,209,040 (representing approximately one third of the Company's issued ordinary share capital) as well as an additional authority to allot relevant equity securities up to an aggregate nominal amount of £22,418,081 (representing approximately two thirds of the Company's issued ordinary share capital) in connection with a fully pre-emptive offer.

At the 2024 AGM, a special resolution was also passed to permit the Directors to allot shares for cash on a non pre-emptive basis up to an aggregate nominal amount of £1,681,356.

These authorities will apply until the conclusion of the 2025 AGM or the close of business on 25 July 2025, whichever is sooner. At this year's AGM shareholders will be asked to renew the authority to allot relevant securities.

Authority to purchase own shares

At the AGM on 25 April 2024 shareholders approved an authority, which will expire on 25 July 2025 or, if earlier, at the conclusion of the 2025 AGM, for the Company to repurchase up to a maximum of 67,254,244 ordinary shares (representing approximately 10% of the Company’s issued ordinary share capital at that time).

On 30 September 2024 the share repurchase programme (the Programme) announced originally on 8 March 2024 was completed. In total 37,263,583 ordinary shares of 5 pence were repurchased via open market purchases on the London Stock Exchange for an aggregate consideration of c.$325 million (c.£255 million), excluding stamp duty and expenses. This represents c.6% of the called up share capital at the date of the announcement of the completion of the Programme.

The Board continues to regard the ability to repurchase issued shares in suitable circumstances as an important part of the financial management of the Company. The rationale for the 2024 Programme is included in the section 172 statement (principle decision 1) on page 74. A resolution will also be proposed at the 2025 AGM to renew the authority for the Company to purchase its own share capital up to the specified limits for a further year. As noted in the Chair's Statement on page 6, the Company intends to use the authority this year to commence a further share repurchase programme in 2025. More detail about this proposal will be given in an announcement to the market.

Employee Benefit Trust

The Company has an Employee Benefit Trust (EBT). Details of the shares purchased by the EBT with the financial assistance of the Company during the year and held by the EBT as at 31 December 2024 are set out in Note 22. During the year shares have been released from the EBT in respect of shares schemes for employees. The trustee of the EBT does not vote using the shares it holds on behalf of employees at the AGM and waives its right to dividends on the shares.

Significant agreements – change of control

Details of an agreement to which the Company is party that alters on change of control of the Company following a takeover bid are as follows.

In 2023, we renewed the $450m multi-currency standby letter of credit and revolving credit facility. Key terms remain unchanged. The agreement, which is between the Company, other members of the Group and various banks, provides that if any person or groups of persons acting in concert gains control of the Company or another Group obligor, then: (a) the banks are thereafter not obliged to participate in any new revolving advances or issue any letter of credit; and (b) the facility agent may:

(i) require the Group obligors to repay outstanding revolving advances made to them together with accrued interest; and
(ii) ensure that the liabilities under letters of credit are reduced to zero or otherwise secured by providing cash collateral in an amount equal to the maximum actual and contingent liabilities under such letters of credit.

Furthermore, the facility agreement includes a covenant that no Group obligor (other than a wholly owned subsidiary) will, without prior consent of the banks, amalgamate, merge (within the meaning of generally accepted accounting principles in the UK), consolidate or combine by scheme of arrangement or otherwise with any other corporation or person. If this covenant should be breached without prior consent, then the facility agent may: (a) require the Group obligors to repay outstanding revolving advances made to them together with accrued interest; (b) ensure that the liabilities under letters of credit are reduced to zero or otherwise secured by providing cash collateral in an amount equal to the maximum actual and contingent liabilities under such letters of credit; (c) declare that any unutilised portion of the facility is cancelled; and (d) give a notice of non-extension to Lloyd’s in respect of any letter of credit.

Directors' report continued

Corporate, social and environmental responsibility and charitable donations

The Company's corporate, social and environmental activities are set out in the statement of the Chair on page 6, the Sustainability report on pages 26 to 31, and in the TCFD statement from pages 32 to 61. During 2024, Beazley donated $845k 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 Company's charitable works.

Employee engagement

We are committed to employee involvement across the business. We place great emphasis on open and regular communication, to ensure employees are well informed of Beazley's performance and strategy.

Active employee engagement has always been a priority and remains important due to our activity-based working policies which allow colleagues to work flexibly and as many of our teams are based across different locations. As described in the Stakeholder engagement report, during the second half of the year, all employees were invited to participate in surveys on the business and its leadership. The key findings from these surveys and actions to address these findings are discussed by the Board. Insight gained through various employee networks and via the day-today engagement of senior management with the workforce was also shared with the Board. In addition, employee views have been obtained by the Non-Executive Director nominated by the Board, Fiona Muldoon. Information on our employee engagement activities and how feedback has informed decisions can be found in the Stakeholder engagement report on pages 67 to 68. Employees are able to share financially in Beazley's success. Annual bonus payments may be awarded and relate to the performance of the Company, as well as an individual's own performance. Some of the bonus payment may be deferred into shares. The Company operates a Save-As-You-Earn scheme and in 2024 launched a Share Investment Plan to support share ownership amongst employees and provide a mechanism for all employees to share in Beazley's success. A long-term incentive plan is offered to senior employees.

Inclusion & diversity and equal opportunity

Information concerning inclusion and diversity, including statistics on the number of women in senior leadership roles, can be found in the Sustainability report on pages 26 to 31 and in the Nomination Committee report on pages 109 to 115.

Beazley aims to attract and nurture talented colleagues who champion diversity of thought. We are committed to providing equal opportunities irrespective of factors including but not limited to age, disability, gender, gender reassignment, sexuality, race, nationality or ethnic origin, religious beliefs, or socio-economic background. Having a diverse workforce leads to a more dynamic, innovative, and responsive organisation in touch with the changing world and marketplace. All applications for employment are objectively assessed on the basis of the skills and aptitudes of the applicant in light of the requirements of the role.

It is the policy of the Group that full and fair consideration is given to all job applications from disabled people, including explicitly stating that we will make reasonable adjustments to selection processes for candidates that indicate that, owing to a disability, our arrangements might otherwise disadvantage them. The policy also requires that the training, career development and promotion of disabled persons should, so far as possible, be identical to that of other employees. In the event an employee becomes disabled, every effort is made to ensure that their employment with the Group continues, and that appropriate support is arranged.

Political donations and political expenditure

It is the policy of the Beazley Group that no political donations are made by and on behalf of the Company and its subsidiaries. In line with the policy, no political expenditure was incurred by the Company and its subsidiaries during the year.

Financial instruments

Derivatives are used to manage the Group's capital position, details of these derivatives are contained in Note 18 to the financial statements. Disclosure with respect to financial risk is included in the Risk management and compliance report from page 76 and in Note 29 to the financial statements.

Carbon emissions

The following data is set out to demonstrate compliance with the Streamlined Energy and Carbon Reporting (SECR) requirements set out by HM UK Government in the Companies Act 2006 (Strategic report and Directors' report) Regulations 2013 and the Companies (Directors' report) and Limited Liability Partnerships (Energy and Carbon report) Regulations 2018.

Methodology

The scope of this reporting differs from the carbon emissions reported in the metrics section of the TCFD report, in that it only covers UK-based operations. Global comparisons for overall energy consumption are also provided for reference. Data has been collated from a number of sources. For all travel including car hire, hotels, rail, air and taxi use data has been provided from our booking agent partners, or through invoices on our accountancy system. Energy data and company car details have been sourced from utility bills and lease agreements, respectively.

Company cars

There were six company cars used across 2024 of which four are current at the end of 2024. All four cars are electric.

Electricity for utilities

The scope of reporting for SECR covers Beazley's UK operations in London and Birmingham. Global reporting covers: Dublin (Ireland), Hamburg (Germany), Munich (Germany), Paris (France), Barcelona (Spain), Zurich (Switzerland), Singapore, Atlanta (US), Boston (US), Chicago (US), Dallas (US), Denver (US), Farmington (US), Houston (US), Los Angeles (US), Miami (US), New York (US), Philadelphia (US), San Francisco (US), West Hartford (US), Vancouver (Canada), Toronto (Canada), Montreal (Canada). Beazley's offices for its US subsidiaries, Beazley Security LLC (Lewisville) and BHI Digital, LLC (Miami), are excluded.

Exclusions

Energy consumption from business travel, with the exception of company cars and hire cars, has not been included as Beazley does not operate the transport in question.

Energy report

Beazley has a total of 2,618.86 FTE staff (including contractors) as at 1 January 2025, of which are considered in scope for the global energy consumption reported in the tables below. Within the UK, Beazley has 1,397.86 FTE (including contractors). This is equivalent of 53.38% of our global workforce.

Company cars

The total estimated kWh equivalent for fuel consumption in 2024 is 16,067.60 kWh.

Energy for heating, cooling and small power

There was no direct gas use within Beazley operations in 2024, with landlords providing heating to our offices.

	Energy consumption kWh	
Electricity	2024	2023
UK	694,509.1	771,062.7
Europe	185,024.9	176,516.4
US	1,496,061.5	1,480,816.0
Rest of World	161,753.9	128,016.4
Total	2,537,349.4	2,556,411.5

We were able to procure energy from certified renewable sources for the following locations in 2024:

Office location	Energy consumption kWh
London	621,555.9
Birmingham	72,953.2
Barcelona	59,481.0
Munich	21,475.9

Car hire

The energy use from UK car hire was estimated to be 442.43 kWh. Globally energy use from car hire was estimated to be 50,326.40 kWh.

Directors' report continued

Overall energy consumption

Within the scope of the SECR, total energy consumption within the UK was 694,509.08kWh. This equates to 496.84 kWh/ FTE in 2024, down from 631.80 kWh/ FTE in 2023. This reduction is due to lower energy consumption in our two office locations, as well as an increase in FTE numbers.

For carbon emissions associated with Beazley's operations in the UK, please see the metrics section of the TCFD report for Scope 1 and Scope 2 emissions.

Target for 2025

Beazley published its transition plan in Q4 2024, and is currently in the process of setting more immediate targets for reduced GHG emissions.

Matters disclosed in the Strategic report

The Directors consider the following matters of strategic importance and have chosen to disclose these in the Strategic report to the accounts as permitted by section 414C (11) of the Companies Act 2006:

Future business developments	Group Chief Executive's statement (pages 8-9) Group Chief Underwriting Officer's report (page 10-13)
Employee engagement	Stakeholder engagement report (pages 67-73)
How the Directors have had regard to the need to foster business relationships with suppliers, customers and others, and the impact of this regard on decision-making	Stakeholder engagement report (pages 67-73) Section 172 statement (page 74-75)
Directors' service contracts	Directors' Remuneration Report (pages 135-157)

Matters disclosed elsewhere within the annual report

The following matters are disclosed in the notes to the financial statements:

Financial risk management objectives and policies including credit risk, liquidity risk	Note 29 (pages 237-250)
Details of hedge accounting and derivative financial instruments	Note 2 (page 192)
Recent developments and post balance sheet events	Note 33 (page 254)

B Plucnar Jensen
Group Chief Financial Officer
22 Bishopsgate
London
EC2N 4BQ

3 March 2025

Independent auditor's report to the members of Beazley plc

Opinion

In our opinion:

- Beazley plc's Group financial statements and parent company financial statements (the "financial statements") give a true and fair view of the state of the Group's and of the parent company's affairs as at 31 December 2024 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with UK adopted international accounting standards;
- the parent company financial statements have been prepared in accordance with UK adopted international accounting standards as applied in accordance with section 408 of the Companies Act of 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Beazley plc (the 'parent company') and its subsidiaries (the 'Group') for the year ended 31 December 2024 which comprise:

Group	Parent company
Consolidated statement of profit or loss for the year ended 31 December 2024	Company statement of financial position as at 31 December 2024
Consolidated statement of comprehensive income for the year ended 31 December 2024	Company statement of changes in equity for the year ended 31 December 2024
Consolidated statement of changes in equity for the year ended 31 December 2024	Company statement of cash flows for the year ended 31 December 2024
Consolidated statement of financial position as at 31 December 2024	Related notes 1 to 9 to the financial statements, including material accounting policy information
Consolidated statement of cash flows for the year ended 31 December 2024	
Related notes 1 to 33 to the financial statements, including material accounting policy information	

The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards and as regards the parent company financial statements, as applied in accordance with section 408 of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group and parent in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the Directors' assessment of the Group and parent company's ability to continue to adopt the going concern basis of accounting involved evaluating the reasonableness of the Group's going concern assessment. Beazley's going concern assessment period used was 12 months from the date the financial statements were authorised for issue. We verified that the Board approved the forecasts used in management's analysis and determined whether management's going concern period was appropriate. We independently stressed the assumptions used by Beazley to develop their forecast, which included liquidity projections and reviewed the clerical accuracy of Beazley's base case, as well as assessed the accuracy of management's historic forecasts to actual performance. Furthermore, management assessed the Group's solvency and liquidity position if a natural catastrophe or cyber catastrophe occurred, including potential mitigation actions that management could take. We evaluated the reasonableness and timeliness of these mitigating actions that management could put in place.

Independent auditor's report continued

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

In relation to the Group and parent company's reporting on how they have applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the Directors' statement in the financial statements about whether the Directors considered it appropriate to adopt the going concern basis of accounting.

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

Overview of our audit approach

Audit scope	• We performed an audit of the complete financial information of two components (Syndicate 2623 and Beazley Insurance Company Inc. including Beazley Newco Captive Company Inc) and audit procedures on specific balances for a further seven components (Beazley Services USA Inc, Beazley Furlonge Limited, Beazley Management Limited, Beazley plc, Syndicate 3623, Beazley Excess and Surplus Insurance Inc., Beazley Insurance Designated Activity Company) • We performed centralised procedures over IFRS 17 related accounts, investment related accounts, cash, impairment of goodwill and other indefinite life intangibles, payroll, borrowings, and taxation. • The components where we performed full or specific audit procedures accounted for 100% of Profit before tax, 100% of Insurance Revenue and 99% of Total assets.
Key Audit Matters	• Revenue recognition (Contractual Service Margin (CSM) release and experience adjustments) • Valuation of (re)insurance contract assets/liabilities
Materiality	• Overall Group materiality of $54m (2023: $27m) which represents 5% of pre-tax profits on a 3-year average. (2023: 5% of pre-tax profits on a 5-year average adjusted for Covid-19 losses in 2020 and the gain on sale of the Beazley Benefit business in 2021).

An overview of the scope of the parent company and Group audits

Tailoring the scope

In the current year our audit scoping has been updated to reflect the new requirements of ISA (UK) 600 (Revised). We have followed a risk-based approach when developing our audit approach to obtain sufficient appropriate audit evidence on which to base our audit opinion. We performed risk assessment procedures, with input from our component auditors, to identify and assess risks of material misstatement of the Group financial statements and identified significant accounts and disclosures. When identifying components at which audit work needed to be performed to respond to the identified risks of material misstatement of the Group financial statements, we considered our understanding of the Group and its business environment, the applicable financial framework, the Group's system of internal control at the entity level, the existence of centralised processes, applications and any relevant internal audit results.

In assessing the risk of material misstatement to the Group financial statements, and to ensure we had adequate quantitative coverage of significant accounts in the financial statements, of the 36 legal entities within the Group, we selected nine components covering entities within UK, Ireland and US, which represent the principal business units within the Group.

We determined that centralised audit procedures could be performed in the following audit areas:

Key audit area on which procedures were centrally performed	Component subject to central procedures
IFRS 17 Accounts: 1. Insurance contract assets 2. Insurance contract liabilities 3. Insurance revenue 4. Insurance service expenses 5. Reinsurance contract assets 6. Reinsurance contract liabilities 7. Allocation of reinsurance premiums Amounts recoverable from reinsurers	All
Investments, and Investment income	All
Cash	All
Payroll	All
Financial liabilities	All
Taxation	All

We then identified two components as individually relevant to the Group due to conditions underlying the identified significant risks, areas of higher assessed risk of material misstatement of the Group financial statements being associated and financial size of the component relative to the Group.

For those individually relevant components, we identified the significant accounts where audit work needed to be performed at these components by applying professional judgement, having considered the Group significant accounts on which centralised procedures will be performed, the reasons for identifying the financial reporting component as an individually relevant component and the size of the component's account balance relative to the Group significant financial statement account balance.

We then considered whether the remaining Group significant account balances not yet subject to audit procedures, in aggregate, could give rise to a risk of material misstatement of the Group financial statements. We selected seven components of the Group to include in our audit scope to address these risks.

Independent auditor’s report continued

Having identified the components for which work will be performed, we determined the scope to assign to each component.

Of the nine components selected, we designed and performed audit procedures over the entire financial information of two components (“full scope components”). For the remaining seven components, we designed and performed audit procedures over specific significant financial statement account balances or disclosures of the financial information of the component (“specific scope components”). Details of the nine reporting components are set out below:

Component	Auditor
Syndicate 2623	EY Component Team (UK)
Beazley Insurance Company Inc., including Beazley Newco Captive Company Inc	EY Component Team (New York)
Beazley plc	EY Primary Team
Syndicate 3623	EY Component Team (UK)
Beazley Insurance Designated Activity Company (BIDAC)	EY Component Team (Ireland)
Beazley Services USA Inc.	EY Component Team (New York)
Beazley Furlonge Limited	EY Primary Team
Beazley Management Limited	EY Primary Team & EY Component Team (New York)
Beazley Excess and Surplus Insurance	EY Component Team (New York)

Changes from the prior year

In the prior year we identified the fully-aligned Syndicates (Syndicates 2623, 3622 and 3623) as one full scope component. For the 2024 audit, we changed our approach to treat Syndicate 2623 as a full scope component and Syndicate 3623 as a specific scope component. Syndicate 3622 was deemed out of scope on the basis of size and risk.

In addition to this, we engaged EY Ireland to perform specific scope procedures over BIDAC.

Involvement with component teams

In establishing our overall approach to the Group audit, we determined the type of work that needed to be undertaken at each of the components by us, as the Group audit engagement team, or by component auditors operating under our instruction.

The Group audit team continued to follow a programme of planned visits that has been designed to ensure that the Senior Statutory Auditor visits each component teams to manage the component teams and reinforce our commitment to audit quality. During the current year’s audit cycle, visits were undertaken by the primary audit team to the component teams in the following locations:

- EY US Component team as based in New York
- EY UK Component team as based in London
- EY Ireland Component team as based in Dublin

These visits involved discussing the audit approach with the component teams and any issues arising from their work, meeting with local management, attending planning and closing meetings and reviewing relevant audit working papers on risk areas. The Group audit team interacted regularly with the component teams where appropriate during various stages of the audit, reviewed relevant working papers and were responsible for the scope and direction of the audit process. Where relevant, the section on key audit matters details the level of involvement we had with component auditors to enable us to determine that sufficient audit evidence had been obtained as a basis for our opinion on the Group as a whole.

This, together with the additional procedures performed at Group level, gave us appropriate evidence for our opinion on the Group financial statements.

Climate change

Stakeholders are increasingly interested in how climate change will impact the Group. The Group has determined that the most significant future impacts from climate change on their operations will be from underwriting, investments and operations. These are explained on pages 32 to 61 in the required Task Force On Climate Related Financial Disclosures. They have also explained their climate commitments in the Net Zero Transition plan published in Q4 of 2024. All of these disclosures form part of the "Other information," rather than the audited financial statements. Our procedures on these unaudited disclosures therefore consisted solely of considering whether they are materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appear to be materially misstated, in line with our responsibilities on "Other information".

In planning and performing our audit we assessed the potential impacts of climate change on the Group's business and any consequential material impact on its financial statements.

The Group has explained in the Statement of accounting policies how climate change has been reflected in the financial statements. Key judgements and estimates relating to climate change are included in note 2a. In notes 29 to the financial statements supplementary sensitivity disclosures of the impact of frequency and severity of natural catastrophes have been provided.

Our audit effort in considering the impact of climate change on the financial statements was focused on evaluating management's assessment of the impact of climate risk, physical and transition, their climate commitments, and the key judgements and estimates disclosed in note 2a and whether these have been appropriately reflected. As part of this evaluation, we performed our own risk assessment, supported by our climate change internal specialists, to determine the risks of material misstatement in the financial statements from climate change which needed to be considered in our audit.

We also challenged the Directors' considerations of climate change risks in their assessment of going concern and viability and associated disclosures. Where considerations of climate change were relevant to our assessment of going concern, these are described above.

Based on our work we have not identified the impact of climate change on the financial statements to be a key audit matter or to impact a key audit matter.

Independent auditor's report continued

Key audit matters

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

Risk	Our response to the risk	Key observations communicated to the Audit Committee
Revenue recognition (Contractual Service Margin ('CSM')) release ($807.3m, PY comparative $691.4m) and experience adjustments ($366.5m, PY comparative $503.7m) *Refer to the Audit and Risk Committee Reports (page 120); Accounting policies (page 191) and Note 4 of the Consolidated Financial Statements (page 198).* At initial recognition, the CSM relates to the unearned profit under (re)insurance contracts issued. As services are provided under the terms of these (re)insurance contracts, the CSM is released to the Consolidated statement of profit or loss, reflecting the profit relating to services performed in the period. There is a high degree of complexity and estimation involved in deriving the release patterns. Experience adjustments within revenue represent the difference between the estimate of future cashflows and actual cashflows which reflects a write-up/down of estimates to known quantities once cash is received. This balance is susceptible to a higher degree of judgment and uncertainty as a result of having to allocate the experience adjustments to revenue or to the CSM.	We engaged our actuaries as part of our audit team and performed the following procedures: • Performed walkthroughs of the IFRS 17 model including the determination of the CSM release and experience adjustment. We tested the design effectiveness of key controls. • We compared the appropriateness of Beazley's methodology for the release of the CSM to profit or loss to the requirements of IFRS 17. We identified unusual release patterns and challenged management on these to understand the appropriateness of the release patterns selected. • We recalculated the experience adjustment and compared this to the amount recognised in the consolidated statement of profit or loss. • We tested all out-of-model adjustments posted by management and compared to supporting documentation. • The measurement of the experience adjustment depends on complete and accurate data to be used in the IFRS 17 Calculation Engine, the most significant data source being ultimate premium. With support from our EY actuarial team, we performed independent re-projections of ultimate premium per underwriting year for the 2024 and prior underwriting years, applying our own assumptions and comparing these to the Group's booked ultimate premium on a class of business basis. Where there were significant variances, we challenged management's assumptions used for bias and consistency in approach from prior year. • For a sample of policy estimates in respect of the 2024 underwriting year, we corroborated the estimated premium for polices such as binders and inward reinsurance to supporting evidence such as signed slips. Additionally, to corroborate estimates, including for coverholder business, where similar policies and binders have been written previously, we performed back testing of historical estimated premium income compared to actual premium signed.	Based on our procedures performed we are satisfied that revenue has been recognised in-line with the requirements of the standard.

Risk	Our response to the risk	Key observations communicated to the Audit Committee
Valuation of (re)insurance contract assets and liabilities (Insurance Contract Assets: $20.2m, PY comparative $101.5m); Insurance Contract Liabilities: $8,814.3m, PY comparative $7,992.2m; Reinsurance Contract Assets: $2,666.6m, PY comparative $2,426.7m; Reinsurance Contract Liabilities: $297.1m, PY comparative $333.5m)		

Refer to the Audit and Risk Committee Reports (page 120); Accounting policies (pages 186 to 191) and Note 27 of the Consolidated Financial Statements (pages 225 to 235).

One of the most significant financial statement risk areas from both a business and an audit perspective is the valuation of the insurance and reinsurance contract assets and liabilities held by the Group. These accounts contain the present value for future cash flows and risk adjustment for non-financial risk which builds up the Contractual Service Margin ("CSM"). This involves highly complex calculations and data inputs that are susceptible to a higher degree of estimation i.e., estimated premium income. These balances are inherently uncertain and subjective by nature and therefore are more susceptible to fraud or error than other financial statement balances.

We have split the risk relating to the valuation of insurance liabilities into the following component parts:
- Actuarial Assumptions used and the method of calculation of the (re)insurance contract assets/liabilities.
- Data used in the calculation of the (re)insurance contract assets/liabilities.

Risk	Our response to the risk	Key observations communicated to the Audit Committee
Actuarial Assumptions used and the method of the calculation of the (re)insurance contract assets and liabilities The actuarial assumptions used to develop the (re)insurance contract assets / liabilities involve a significant degree of judgement and estimation uncertainty. The most significant assumptions being: • Discount Rates; • Risk Adjustment; and • Gross and Reinsurance Initial Expected Loss Ratios ('IELRs') and Ultimate Loss Ratios ('ULRs').	To obtain sufficient audit evidence to conclude on the appropriateness of the actuarial assumptions used in the calculation of the (re)insurance contract assets and liabilities, with support from our actuaries as part of the audit team, we performed the following procedures: • Obtained an understanding of the calculation performed by the IFRS 17 model, using data from underlying source systems e.g., policy administration and claims systems and tested the design effectiveness of key controls. *Discount rates:* • Compared the approach to calculating the illiquidity premium for consistency across periods; whilst comparing against industry benchmarks. • Compared the changes in yield curves against our expectations which consists of comparison to the movement in the risk free rates. *Risk Adjustment:* • Read the latest internal model validation reports and considered the effects of model changes. • To validate key components of the Group's Solvency II internal capital model, which are key input into the risk adjustment calculation, we compared the model outputs against industry benchmarks. • Tested the application of the methodology used to calculate the risk adjustment and compared the consistency of the methodology across periods. *Gross and Reinsurance Initial Expected Loss Ratios ('IELRs') and Ultimate Loss Ratios ('ULRs'):* • Assessed the reserving methodology on a gross and net of reinsurance basis. This also involved comparing the group's reserving methodology with industry practice. • Performed independent re-projections of ULRs and IELRs by applying our own assumptions, across all attritional classes of business and comparing these to management's results. Assessed whether the assumptions, applied to key areas of uncertainty were appropriate based on our knowledge of the Group, industry practice and regulatory and financial reporting requirements. • Benchmarked catastrophe and large losses and assumptions used in inherently uncertain classes against other comparable industry participants.	Based on our procedures performed we are satisfied that the assumptions used in the valuations of the insurance and reinsurance contract assets and liabilities are reasonable.

Independent auditor's report continued

Risk	Our response to the risk	Key observations communicated to the Audit Committee
Data used in the calculation of the (re)insurance contract assets and liabilities The valuation of (re)insurance contract assets and liabilities depends on complete and accurate data to be used in the IFRS 17 Calculation Engine. This data is often highly subjective and subject to a higher degree of estimation uncertainty and includes: • Estimated Premium Income ('EPI') source data; • Claims paid and outstanding source data; and • Reinsurance data.	To obtain sufficient audit evidence to conclude on the appropriateness of data used in the calculation of the (re)insurance contract assets and liabilities, we performed the following procedures: • Obtained an understanding of the process and tested the design and operating effectiveness of key controls over management's source data collection, extraction, and validation process. • For a sample of policy estimates in respect of the youngest underwriting year, we corroborated the estimated premium to supporting evidence such as signed slips. Additionally, to corroborate estimates, we performed back testing of historical estimated premium income compared to actual premium signed. • We compared a sample of paid and outstanding claims, used in determining management's loss ratios, to underlying supporting evidence. For paid claims this included authorisation requests and bank statements. • Compared material data which are input into the model to source information. • For a sample of outstanding claims, we held discussions with claims handlers to further understand the background of the claims and assess the reasonableness of the assumptions made in setting the reserve. We also obtained supporting evidence, where relevant, including third-party reports to corroborate the year end balances. • Tested the completeness and accuracy of the claims, reinsurance data and premium data used within the reserving process by reconciling the data used in the actuarial projections to the underlying policy administration, reinsurance, and finance systems.	Based on our procedures performed we are satisfied that the data used in the valuations of the insurance and reinsurance contract assets and liabilities are reasonable.

In the prior year, our auditor's report included a key audit matter in relation to Transition to IFRS 17 and Valuation of level 3 investments. In the current year, we have removed these as Beazley is no longer transitioning to IFRS 17, and we do not consider valuation of Level 3 investments to be an area that has a relative allocation of audit effort significant enough to be considered a Key Audit Matter.

Our application of materiality

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

Materiality

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

We determined materiality for the Group to be $54 million (2023: $27 million), which is 5% (2023: 5%) of pre-tax profits on a 3-year average (2023: 5-year average adjusted for Covid-19 losses of $34 million and gain on sale of the Beazley Benefits business of $54.4 million). This materiality basis is in line with our approach taken in the prior year, albeit we have chosen to use a three-year average as opposed to a five-year average. This is because there are now three years of reported pre-tax profits on a consistent IFRS 17 basis. We consider that adjusted pre-tax profits is the most relevant performance measure used by investors, regulators and other stakeholders when assessing the Group. Given the nature of risks underwritten by Beazley, we believe the use of a three-year average profit is appropriate as the profitability of the Group is expected to fluctuate from period to period. We did not identify any events which require an adjustment to normalise the pre-tax profits on a 3-year average. Where we normalise operating results, we are careful that the level of normalised results is set at such a level that it is reasonable to expect that the entity's profit will reach that level in the short-term.

During the course of our audit, we reassessed initial materiality and updated for the actual pre-tax profit for 2024 in our calculation of the 3-year average.

We determined materiality for the Parent Company to be $14.0 million (2023: $15.2 million), which is 1% (2023: 1%) of equity. The Parent company primarily holds the investment in Group entities and, therefore, net assets is considered to be the key focus for users of the financial statements.

Performance materiality

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

On the basis of our risk assessments, together with our assessment of the Group's overall control environment, our judgement was that performance materiality was 50% (2023: 50%) of our planning materiality, namely $27 million (2023: $13.5 million). We have set performance materiality at this percentage as our understanding of the entity and past experience with the audit indicate a higher risk of misstatements.

Audit work was undertaken at component locations for the purpose of responding to the assessed risks of material misstatement of the Group financial statements. The performance materiality set for each component is based on the relative scale and risk of the component to the Group as a whole and our assessment of the risk of misstatement at that component. In the current year, the range of performance materiality allocated to components was between $5 million to $27 million (2023: $4.2 million to $12.2 million).

Reporting threshold

An amount below which identified misstatements are considered as being clearly trivial.

We agreed with the Audit Committee that we would report to them all uncorrected audit differences in excess of $2.7m (2023: $1.25m), which is set at 5% of planning materiality, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds.

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

Other information

The other information comprises the information included in the annual report set out on pages 1 to 264 other than the financial statements and our auditor's report thereon. The Directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Independent auditor's report continued

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, the part of the Directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.

In our opinion, based on the work undertaken in the course of the audit:
- the information given in the strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the Directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:
- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Corporate Governance Statement

We have reviewed the Directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the Group and company's compliance with the provisions of the UK Corporate Governance Code specified for our review by the UK Listing Rules.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements or our knowledge obtained during the audit:
- Directors' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on page 159;
- Directors' explanation as to its assessment of the Company's prospects, the period this assessment covers and why the period is appropriate set out on pages 80 to 81;
- Director's statement on whether it has a reasonable expectation that the Group will be able to continue in operation and meets its liabilities set out on pages 80 to 81;
- Directors' statement on fair, balanced and understandable set out on page 119;
- Board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on pages 77 to 79;
- The section of the annual report that describes the review of effectiveness of risk management and internal control systems set out on page 124; and;
- The section describing the work of the audit committee set out on pages 116 to 124.

Responsibilities of Directors

As explained more fully in the Directors' responsibilities statement set out on page 158, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Group and parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the company and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Group and determined that the most significant are permissions and supervisory requirements of the Central Bank of Ireland ('CBI'), the Corporation of Lloyd's, the Prudential Regulation Authority ('PRA') and the Financial Conduct Authority ('FCA')), the State of Connecticut Insurance Department.
- We understood how the Group is complying with those frameworks by making enquiries of management, internal audit and those responsible for legal and compliance matters. We also reviewed correspondence between the Group and regulatory bodies, reviewed minutes of the Executive Committee, Risk Committee and attended the Audit Committees and gained an understanding of the Group's approach to governance demonstrated by The Board's approval of the Group's governance framework.
- We assessed the susceptibility of the Group's financial statements to material misstatement, including how fraud might occur by considering the controls that the Group has established to address risks identified by the entity, or that otherwise seek to prevent, deter or detect fraud. We also considered areas of significant judgement, including complex transactions, performance targets, external pressures and the impact these have on the control environment and their potential to influence management to manage earnings or influence the perceptions of investors and stakeholders. Where this risk was considered to be higher, within Revenue recognition (CSM release and experience adjustments), and valuation of (re)insurance contract assets/liabilities, we performed audit procedures to address the identified fraud risk as detailed in the respective key audit matters above. We made enquiries with management in person and via the use of video conferencing and performed analytical review procedures to assess for unusual movements throughout the year. Our procedures to address the risk identified also incorporated unpredictability into the nature, timing and/or extent of our testing; challenging assumptions, significant judgements and estimates made by management. Additionally, we tested year-end manual journals to provide reasonable assurance that the financial statements were free from fraud or error.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved making enquiry of those charged with governance and senior management for their awareness of any non-compliance of laws or regulations; inquiring about the policies that have been established to prevent non-compliance with laws and regulations by officers and employees both at a Group and component level; inquiring about the Group's methods of enforcing and monitoring compliance with such policies; inspecting significant correspondence with the CBI, the Corporation of Lloyd's, the FCA and the PRA, and the State of Connecticut Insurance Department; involvement of relevant specialists, including forensics specialists and inquiring about the appointment of external advisers, including legal counsel.
- The Group operates in the insurance industry which is a highly regulated environment. As such the Senior Statutory Auditor considered the experience and expertise of the engagement team to ensure that the team had the appropriate competence and capabilities, which included the use of specialists where appropriate. The procedures over identification of any instances of non-compliances with laws and regulations are conducted centrally for the Group. However, we instructed our audit component teams that, should they be made aware of such instances of non-compliance, they are required to communicate them to the EY Primary Team.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Independent auditor's report continued

Other matters we are required to address

- Following the recommendation from the Audit Committee, we were appointed by the Company on 23 May 2019 to audit the financial statements for the year ending 31 December 2019 and subsequent financial periods.
- The period of total uninterrupted engagement including previous renewals and reappointments is six years, covering the years ending 31 December 2019 to 31 December 2024.
- The audit opinion is consistent with the additional report to the Audit Committee.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Robert Bruce (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London
3 March 2025

Financial statements

Consolidated statement of profit or loss

for the year ended 31 December 2024

	Note	2024 $m	2023 $m
Insurance revenue	4	5,678.1	5,442.4
Insurance service expenses	5	(3,933.0)	(3,592.6)
Allocation of reinsurance premium	6	(764.9)	(1,127.3)
Amounts recoverable from reinsurers for incurred claims	6	255.8	528.5
Insurance service result		**1,236.0**	**1,251.0**
Net investment income	7	574.4	480.2
Net finance expense from insurance contracts issued	7	(89.1)	(169.3)
Net finance income from reinsurance contracts held	7	33.2	15.9
Net insurance and financial result		**1,754.5**	**1,577.8**
Other income	8	106.0	78.5
Operating expenses	9	(388.6)	(365.8)
Foreign exchange (losses)/gains		(9.1)	4.5
Results from operating activities		**1,462.8**	**1,295.0**
Finance costs	11	(39.3)	(40.6)
Profit before tax		**1,423.5**	**1,254.4**
Tax expense	12	(293.2)	(227.6)
Profit after tax for the year		**1,130.3**	**1,026.8**
Earnings per share (cents per share):			
Basic	13	175.1	154.7
Diluted	13	170.4	151.4
Earnings per share (pence per share):			
Basic	13	137.0	124.8
Diluted	13	133.3	122.1

Consolidated statement of comprehensive income

for the year ended 31 December 2024

	Note	2024 $m	2023 $m
Profit after tax for the year		1,130.3	1,026.8
Items that will never be reclassified to profit or loss:			
Loss on remeasurement of retirement benefit obligations	16	(0.6)	(0.1)
Tax (expense)/credit on defined benefit obligation		(0.2)	0.7
Items that may be reclassified subsequently to profit or loss:			
Foreign exchange translation gains		1.2	5.7
Total other comprehensive income		0.4	6.3
Total comprehensive income recognised		**1,130.7**	**1,033.1**

Consolidated statement of changes in equity

for the year ended 31 December 2024

	Note	Share capital $m	Share premium $m	Foreign currency translation reserve $m	Other reserves $m	Retained earnings $m	Total $m
Balance as at 01 January 2023		**46.6**	**9.7**	**(109.8)**	**(7.6)**	**3,015.1**	**2,954.0**
Total comprehensive income		—	—	5.7	—	1,027.4	1,033.1
Dividend paid	14	—	—	—	—	(107.7)	(107.7)
Issue of shares	21	0.1	0.9	—	—	—	1.0
Equity settled share-based payments	22	—	—	—	36.2	—	36.2
Acquisition of own shares held in trust	22	—	—	—	(33.6)	—	(33.6)
Tax on share option vestings	22	—	—	—	0.7	(1.6)	(0.9)
Transfer of shares to employees	22	—	—	—	(8.5)	8.5	—
Balance at 31 December 2023		**46.7**	**10.6**	**(104.1)**	**(12.8)**	**3,941.7**	**3,882.1**
Total comprehensive income		—	—	1.2	—	1,129.5	1,130.7
Dividend paid	14	—	—	—	—	(120.5)	(120.5)
Share buyback[1]	21	(2.4)	—	—	2.4	(330.0)	(330.0)
Issue of shares	21	0.3	7.3	—	—	—	7.6
Equity settled share-based payments	22	—	—	—	40.5	—	40.5
Acquisition of own shares held in trust	22	—	—	—	(14.0)	—	(14.0)
Tax on share option vestings[2]	22	—	—	—	7.1	3.3	10.4
Transfer of shares to employees	22	—	—	—	(11.4)	11.4	—
Balance at 31 December 2024		**44.6**	**17.9**	**(102.9)**	**11.8**	**4,635.4**	**4,606.8**

1 Refer to Note 21 for further details of the share buyback and to Note 22 for the value of the capital redemption reserve as at 31 December 2024.

2 The aggregate amount of tax recognised directly through equity is a credit of $10.4m (2023: expense of 0.9m), comprised of $7.1m of deferred tax credit (2023: 0.9m deferred tax expense) and $3.3m of current tax credit (2023: nil).

Consolidated statement of financial position

as at 31 December 2024

	Note	31 December 2024 $m	31 December 2023 $m
Intangible assets	15	198.0	165.3
Plant and equipment		28.9	15.9
Right-of-use assets	26	49.8	59.4
Deferred tax asset	24	191.8	46.9
Retirement benefit asset	16	4.0	4.5
Insurance contract assets	27	20.2	101.5
Reinsurance contract assets	27	2,666.6	2,426.7
Financial assets at fair value	17	10,610.6	9,665.5
Other assets	19	681.4	354.2
Current tax asset		85.6	13.2
Cash and cash equivalents	20	882.1	812.3
Total assets		**15,419.0**	**13,665.4**
Share capital	21	44.6	46.7
Share premium		17.9	10.6
Foreign currency translation reserve		(102.9)	(104.1)
Other reserves	22	11.8	(12.8)
Retained earnings		4,635.4	3,941.7
Total equity		**4,606.8**	**3,882.1**
Deferred tax liability	24	387.2	202.2
Financial liabilities	17	576.0	554.6
Lease liabilities	26	66.9	76.6
Insurance contract liabilities	27	8,814.3	7,992.2
Reinsurance contract liabilities	27	297.1	333.5
Current tax liability		27.9	13.7
Other liabilities	28	642.8	610.5
Total liabilities		**10,812.2**	**9,783.3**
Total equity and liabilities		**15,419.0**	**13,665.4**

The financial statements were authorised for issue by the Board of Directors on 3 March 2025 and were signed on its behalf by:

C Bannister
Chair

B Plucnar Jensen
Group Chief Financial Officer

3 March 2025

Consolidated statement of cash flows

for the year ended 31 December 2024

	Note	2024 $m	2023 $m
Cash flows from operating activities:			
Profit before tax		**1,423.5**	**1,254.4**
Adjustments for non-cash items:			
Interest and dividends receivable on financial assets	7	(313.2)	(215.3)
Finance costs payable	11	39.3	40.6
Net fair value gains on financial assets	7	(227.3)	(325.2)
Other non-cash items[1]		99.2	45.7
Changes in operational assets and liabilities:			
Increase in net insurance and reinsurance contract liabilities	27	627.1	545.9
Increase in other liabilities	28	32.3	86.5
Increase in other assets	19	(327.2)	(150.0)
Purchases of investments		(8,598.9)	(7,115.9)
Proceeds from sale of investments		7,870.0	6,129.8
Repayment of syndicate loans	17	7.7	—
Interest and dividends received on financial assets	7	303.6	207.4
Tax paid		(301.2)	(110.7)
Net cash inflows from operating activities		**634.9**	**393.2**
Cash flows from investing activities:			
Purchase of plant and equipment		(17.8)	(4.3)
Expenditure on software development and other intangible assets	15	(45.0)	(50.9)
Net cash outflows from investing activities		**(62.8)**	**(55.2)**
Cash flows from financing activities:			
Acquisition of own shares in trust	22	(14.0)	(33.6)
Principal paid on lease liabilities	26	(11.8)	(8.9)
Interest paid on lease liabilities	11	(2.9)	(3.1)
Share buyback	21	(330.0)	—
Other finance costs paid	11	(36.4)	(37.5)
Dividend paid	14	(120.5)	(107.7)
Net cash inflows from financing activities		**(515.6)**	**(190.8)**
Net increase in cash and cash equivalents		56.5	147.2
Opening cash and cash equivalents		812.3	652.5
Effect of exchange rate changes on cash and cash equivalents		13.3	12.6
Closing cash and cash equivalents	20	**882.1**	**812.3**

1 Other non-cash items includes amounts relating to depreciation, amortisation and foreign exchange differences.

Notes to the financial statements

Notes to the financial statements

1 General information

1a Nature of operations

Beazley plc (registered number 09763575) is a public company incorporated in England and Wales. The Company's registered address is 22 Bishopsgate, London, EC2N 4BQ, United Kingdom. The principal activity of the Company and its subsidiaries ("the Group") is to participate as a specialist insurer which transacts primarily in commercial lines of business through its subsidiaries and Lloyd's syndicates. The Group's consolidated financial statements for the year ended 31 December 2024 comprise the parent company, its subsidiaries and the Group's interest in associates. For the separate parent company financial statements, refer to page 255.

1b Basis of preparation

The Group's consolidated financial statements have been prepared in accordance with UK adopted International Accounting Standards (IAS) and the requirements of Companies Act 2006. These are prepared on the historical cost basis, with the exception of financial assets and derivative financial instruments which are stated at their fair value, and the defined benefit pension asset which is measured at the fair value of plan assets less the present value of the defined benefit pension obligation. All amounts are presented in US dollars and millions unless stated otherwise.

1c Amendments to existing standards

In the current year, the Group has applied several amendments to International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and endorsed by the UK Endorsement Board (UKEB) that are mandatorily effective for accounting periods beginning on or after 01 January 2024. None of these amendments have had a material impact on the Group on adoption:

- Amendment to IAS 1 – Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants.
- Amendments to IFRS 16 – Lease Liability in a Sale and Leaseback.
- Amendments to IAS 7 and IFRS 7 – Disclosures: Supplier Finance Arrangements.

The IASB has issued the following new standards which are not yet effective at the reporting date. Once endorsed by the UKEB, these will be applied from their effective date of 01 January 2027:

- IFRS 18 – Presentation and Disclosure in Financial Statements. The Group is currently working to assess the impact of the new standard; however, this is expected to be material to the presentation of the financial statements and notes.
- IFRS 19 – Subsidiaries without Public Accountability: Disclosures. As the Group's equity instruments are publicly traded, it is not eligible to elect to apply IFRS 19. No impact is therefore expected.

In addition, the following minor amendments to existing standards have been issued but are not yet effective at the reporting date. None of these are expected to materially impact the Group on their adoption:

- Amendment to IAS 21 – Lack of Exchangeability (endorsed, effective date 01 January 2025).
- Amendments to IFRS 9 and IFRS 7 – Classification and Measurement of Financial Instruments (not yet endorsed, effective date 01 January 2026).
- Annual Improvements to IFRS Accounting Standards – Volume 11 (not yet endorsed, effective date 01 January 2026).
- Amendments to IFRS 10 and IAS 28 – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (not yet endorsed, effective date postponed indefinitely).

1 General information continued

1d Going concern

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

In assessing the Group's going concern position as at 31 December 2024, the Directors have considered a number of factors, including:

- the current statement of financial position and in particular the adequacy of the estimate of the liability for incurred claims;
- the Group's strategic and financial plan, taking account of possible changes in trading performance and funding retention;
- the Group's capital forecast, which takes into account the capital requirements of major subsidiaries and their current external credit rating and outlook;
- the Group's liquidity at both a Group and material Subsidiary level;
- stress testing and scenario analysis assessing the impact of natural and cyber catastrophe events on the Group's capital and liquidity positions and reverse stress test scenarios designed to render the business model unviable; and
- other qualitative factors, such as the market environment, the Group's ability to raise additional capital and/or liquidity, and climate change.

For further details, refer to the viability statement on page 80 of this Annual Report and Accounts.

As a result of the assessment, no material uncertainty in relation to going concern has been identified. As at its most recent regulatory submission, the Group's capital ratios and its total capital resources are comfortably in excess of regulatory solvency requirements, and internal stress testing indicates that the Group can withstand severe economic and competitive stresses.

Based on the going concern assessment performed, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence over a period of 12 months from the date of this report being authorised for issue, and therefore believe that the Group is well placed to manage its business risks successfully. Accordingly, they continue to adopt the going concern basis in preparing the consolidated financial statements.

Notes to the financial statements continued

2 Statement of accounting policies

2a Use of key judgements and estimates

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

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

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

Information about the Group's key judgements and estimates has been disclosed below. Key judgements made by management in applying its accounting policies are those that have the most significant effect on the amounts recognised in the financial statements. Key estimates are those that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next 12 months. The Group's key judgements and estimates are reassessed at each reporting period and updated within the financial statements. The impairment assessment of goodwill has been removed as a key judgement in the current year.

i. Key judgements

Measurement of insurance contract liabilities

Judgement has been applied in the following areas when determining the Group's results on an IFRS 17 basis:

- Management has exercised judgement in determining an appropriate level of aggregation in the measurement of insurance contracts. Contracts are aggregated into portfolios based on shared risk and management characteristics (i.e. by type of cover, classes covered, and the reinsurer). These are then split into two groups representing contracts which are onerous and those which are non-onerous on initial recognition. The latter category is broken down further based on whether there is a significant possibility of contracts becoming onerous in the future. Further details are included in the accounting policies at Note 2b(iii).
- Under IFRS 17, discount rates are applied to expected future cash flows in measuring insurance contract liabilities. Management has applied judgement in determining that the "bottom-up" estimation technique should be used in calculating these rates.
- Management has also applied judgement in determining an appropriate calculation basis for the risk adjustment. The Cost of Capital (CoC) approach has been applied as this is consistent with the basis on which the risk margin is calculated under Solvency II, meaning work in this area could be leveraged. The main difference between the two methods is that the CoC is prescribed by EIOPA under Solvency II, whereas under IFRS 17 this is calculated in line with the Group's view of the required return.
- Judgement has been applied by management in determining the amount of contractual service margin (CSM) that should be released into the profit or loss in each period. This process is carried out by identifying the coverage units in the group of contracts based on straight-line earnings patterns, allocating the CSM to coverage units, and then assessing at each reporting date the amount of CSM to be amortised and recognised as profit.
- Finally, the Group has applied the IFRS 17 expense principles by allocating costs to the "insurance service expense" line based on those which are deemed to be "directly attributable" to fulfilling insurance contracts. The amount recognised as insurance service expenses is determined by excluding certain costs as prescribed by IFRS 17, breaking down the balance by classes of expense (administrative, other acquisition, claims handling and brokerage), and then applying percentages representing amounts that are directly attributable. These proportions are calculated with references to both forecast and historical figures.

For further details on the accounting for insurance and reinsurance contracts under IFRS 17, refer to the policies set out at section (b)(iii) below. For details of the estimates applied in the calculation of discount rates and the risk adjustment, refer to section (ii) below.

2 Statement of accounting policies continued

ii. Key estimates

Measurement of insurance contract liabilities – Future cash flows

The Group has estimated the amount, timing and probability of future cash flows. Estimates are formed by applying assumptions about past events, current conditions and forecasts of future conditions. These have been outlined below:

- Future expected premium cash flows are based on data entered into underwriting systems. These have a level of estimate embedded for certain contracts, with payment/settlement patterns used to determine timing.
- Gross and reinsured claims payments are determined using an approach whereby cash flows are set at a year of account and reserving class level based on the latest quarterly reserving exercise.
- Expenses are deemed to be within the contract boundary, and therefore included in the cash flows, when these are directly attributable to fulfilling insurance contracts.
- Lapses/cancellations are projected by applying assumptions determined through statistical measures based on the Group's experience. These vary by product type, policy duration and sales trends.

For carrying values of insurance contracts by measurement component (including future cash flows), refer to Note 27(a).

Measurement of insurance contract liabilities – Discount rates

The discount rates applied to expected future cash flows in measuring insurance contract liabilities have been determined using the bottom-up approach. This method takes the risk-free rates and adjusts for an illiquidity premium.

- Risk-free rates are derived using government yield curves denominated in the same currency as the product being measured, which are sourced from Moody's. These are based on quarter-start and quarter-end rates.
- The Group's illiquidity premium is also sourced from Moody's and adjusted to reflect the Group's own asset portfolio. This represents the differences in the liquidity characteristics between the financial assets used to derive the risk-free yield and the insurance contract liability characteristics. The illiquidity premium applied by management is a flat percentage which varies by currency. For the USD discount rate, which is the dominant currency of the Group, as at 31 December 2024 this was 0.3% (2023: 0.4%).

The discount rates applied in discounting the Group's insurance and reinsurance assets/liabilities are as follows.

31 December 2024	1 year	3 year	5 year
USD	4.5 %	4.6 %	4.7 %
CAD	3.4 %	3.3 %	3.4 %
GBP	4.6 %	4.6 %	4.6 %
EUR	2.4 %	2.3 %	2.5 %

31 December 2023	1 year	3 year	5 year
USD	5.1 %	4.5 %	4.3 %
CAD	5.3 %	4.4 %	4.1 %
GBP	4.9 %	4.0 %	3.8 %
EUR	3.5 %	2.7 %	2.6 %

For carrying values of insurance contract liabilities, refer to Note 27. For an explanation of how amounts may move in the year as a result of changes in cash flows and amounts recognised in profit or loss, refer to Note 2. Current year movements include an accrual for additional premiums and a reduction of recoveries contributing to an overall expense on the amount recoverable from reinsurers for incurred claims following a change in accounting estimate in relation to one of our major reinsurance contracts in the Specialty Risks division. Sensitivities to a change in interest rate against the carrying value of insurance contract liabilities are included in Note 29(b)(iii).

Notes to the financial statements continued

2 Statement of accounting policies continued

Measurement of insurance contract liabilities – Risk adjustment

Estimation of the risk adjustment for non-financial risk is based on various inputs and assumptions, particularly relating to non-financial risk components of the SCR from the Solvency II internal model which captures all material exposure elements for the Group. IFRS 17 does not prescribe a specific methodology for the calculation of the risk adjustment for non-financial risk and the Group has elected to use a CoC approach. This is determined by comparing the required return by each class of business within the internal model. Our overall cross cycle return on capital target is 15%. Projected capital amounts are derived from the annual business plan, with adjustments made to factor in emerging risks and uncertainties. The risk adjustment therefore differs between portfolios depending on the inherent risk associated with each. Diversification is considered between business types (to allow for negative/positive correlation between risks) and between years (to allow for the different kind of risk written across years).

The risk adjustment calculations as defined above are performed on a net basis, and the resulting risk adjustment percentage is then applied separately to insurance contracts issued and reinsurance contracts held.

The reserve confidence level determined by the actuarial department is considered as part of a quarterly reserve review exercise. These meetings are attended by senior management, senior underwriters, and representatives from actuarial, claims and finance. The reserve confidence level was deemed to be at the 84th percentile for the 2024 year end as per output from the latest governed reserve review (2023: 85th percentile) at the balance sheet date. This is in line with the preference that the Group maintains a reserve confidence level in the 80th to 90th percentile range. The carrying values of insurance contracts by measurement component (including risk adjustment) are disclosed in Note 27(a). For sensitivities to a change in risk adjustment, refer to Note 29(a)(iv).

Valuation of level 3 financial assets

The Group holds syndicate loans, illiquid assets and a share of its collateralised loan obligations at level 3 within the fair value hierarchy. This means that fair values are estimated using model valuations which incorporate both observable and unobservable market inputs and assumptions. For further details on the methodologies, inputs and assumptions used by the Group, in addition to carrying values of level 3 financial assets, refer to Note 17. For the sensitivity of level 3 financial assets to price risk, refer to Note 29(b)(iv).

2 Statement of accounting policies continued

2b Material accounting policies

i. Subsidiary undertakings

Subsidiary undertakings are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiary companies where the Group has control are consolidated within these financial statements.

Certain Group subsidiaries underwrite as corporate members of Lloyd's on syndicates managed by Beazley Furlonge Limited. In view of the several and direct liability of underwriting members at Lloyd's for the transactions of syndicates in which they participate, only attributable shares of transactions, assets and liabilities of those syndicates are included in the Group financial statements. The Group continues to conclude that it remains appropriate to consolidate its share of the result of these syndicates and accordingly, as the Group is the sole provider of capacity on syndicates 2623, 3622 and 3623, these financial statements include 100% of the economic interest in these syndicates. Please refer to the financial review on page 18 for a Group structure chart.

The Group provides 10% of capacity on syndicate 4321 for the 2022 to 2023 years of account, and approximately 18% and 20% of capacity on syndicate 5623 for the 2023 and 2024 years of account respectively. In addition, it provides 9% of capacity in 623 for all open years of account via Beazley Staff Underwriting Limited (BSUL) in order to facilitate a staff participation plan. These syndicates are managed by Beazley Furlonge Limited. These financial statements include the corresponding economic interest in these syndicates for the relevant years of account and show the Group's share of the transactions, assets and liabilities of these syndicates. For the remaining capacity of these syndicates (including, for 5623, the 2022 year of account where capital was solely provided by third parties), the Group's economic interest in the form of agency fees and profit commission attributable to non group capital providers is included within these financial statements.

Beazley Furlonge Limited is also the managing agent of syndicate 6107. Capacity for this syndicate is provided entirely by third parties to the Group, and these financial statements reflect Beazley's economic interest in the form of agency fees and profit commission to which it is entitled.

ii. Foreign currency translation

The Group financial statements are presented in US dollars, being the functional and presentational currency of the parent and its main trading subsidiaries, as the majority of trading assets and insurance premiums are denominated in US dollars.

Foreign currency transactions are translated into the functional currency using average exchange rates applicable to the period in which the transactions take place. Foreign exchange gains and losses resulting from the settlement of such transactions and from translation at the period end of monetary assets, and liabilities denominated in foreign currencies are recognised in the statement of profit or loss. Non-monetary items recorded at historical cost in foreign currencies are translated using the exchange rate on the date of the initial transaction.

The Group has subsidiaries with different functional currencies, the results and financial position of which are translated into the USD presentational currency as follows:

- assets and liabilities are translated at the closing rate as at the statement of financial position date;
- income and expenses are translated at average exchange rates for the reporting period where this is determined to be a reasonable approximation of the actual transaction rates; and
- all resulting exchange differences are recognised in other comprehensive income and as a separate component of equity (the foreign currency translation reserve).

iii. Insurance and reinsurance contracts

Recognition and measurement

The Group applies IFRS 17 to all insurance contracts issued and reinsurance contracts held. These are defined respectively as contracts under which the Group accepts significant insurance risk by agreeing to compensate a policyholder/cedant if they are adversely affected by an insured event, and contracts which are issued by a reinsurer to compensate the Group as cedant for claims arising from underlying contracts. Insurance risk is considered in further detail in Note 29. The Group has elected to apply the General Measurement Model (GMM) to all insurance and reinsurance contracts that it issues, and applies the GMM with certain modifications to all reinsurance contracts that it holds. This is the default approach under IFRS 17 – the optional simplified Premium Allocation Approach has not been applied. Under the GMM, insurance contracts issued are aggregated into groups. Contracts are then recognised at the earliest of (i) the beginning of the coverage period of the group; (ii) the date when first payment from a policyholder/cedant in the group is due; or (iii) where applicable, when the group becomes onerous. The Group measures its reinsurance contracts held separately from the underlying contracts to which the arrangement relates. For proportional reinsurance contracts, these are recognised at the later of the date on which the first underlying contract is initially recognised, or the date into which the reinsurance is entered. Non-proportional reinsurance contracts are typically recognised at the beginning of the coverage period of the group of reinsurance contracts. However if the underlying group is determined to be onerous, then the reinsurance contract is recognised on the date at which this assessment took place.

Notes to the financial statements continued

2 Statement of accounting policies continued

Level of aggregation

The Group is required under IFRS 17 to allocate its insurance contracts into groups. These are first aggregated into portfolios at a granular level based on whether they share similar risk characteristics and are managed together. Generally, all insurance contracts within a product line are considered by management to represent a portfolio of contracts. These are then aggregated further into groups based on profitability characteristics. The three categories are as follows:

- contracts that are onerous on initial recognition, meaning the expected costs of meeting contractual obligations will exceed the expected economic benefits;
- contracts that are not onerous on initial recognition but have a significant possibility of becoming onerous subsequently; and
- contracts that are not onerous on initial recognition and have no significant possibility of becoming onerous subsequently.

The majority of the Group's insurance contracts are deemed not to be onerous on initial recognition with a possibility of becoming onerous subsequently.

Finally, these are aggregated into annual cohorts with contracts issued more than one year apart separated out. These groups represent the level of aggregation at which insurance contracts are initially recognised and measured. Such groupings are not subsequently reconsidered.

Components of insurance and reinsurance contracts

Insurance and reinsurance contracts included within the Group's statement of financial position comprise of the following components:

- The present value of future cash flows. Cash flows comprise of future expected premium which is based on data entered into underwriting systems, gross and reinsured claims payments derived from the latest quarterly reserving exercise, expenses deemed to be within the contract boundary, and lapses/cancellations which are projected by applying assumptions determined through statistical measures based on the Group's experience. Cash flows also include amounts due to and from insureds, brokers and reinsurers. An allowance is made for default by these parties. The future cash flows are discounted using a rate derived by applying the "bottom-up" estimation technique. As referenced in Note 2a, the future cash flows and their discounting are both sensitive to changes in accounting estimates.
- A risk adjustment for non-financial risk. This represents the compensation that the Group requires for bearing uncertainty around the amount and timing of the cash flows that arise from non-financial risk. IFRS 17 does not prescribe a specific approach, therefore the Group has opted to apply the CoC approach. Under this method, the risk adjustment is calculated by applying a cost of capital rate to the present value of the projected capital for non-financial risk. The risk adjustment changes as cash flows crystallise on existing business, new business is recognised, and any changes to the cost of capital are applied.
- The contractual service margin. This represents the unearned profit that the Group will recognise as it provides services in the future. If the contract is not deemed to be onerous on initial recognition, the CSM is measured as the equal and opposite of the sum of its related cash flows and risk adjustment. If deemed to be onerous, then the full CSM is immediately recognised as a loss in the statement of profit or loss, and included within the loss component on subsequent measurement. The Group has elected to calculate its CSM on a period-to-period basis. In recognising a group of insurance contracts in a reporting period, estimates for the discount rates are made at the date of initial recognition and the coverage units provided in that period. The Group uses a weighted-average discount rate and revisions to the rate are applied from the start of the reporting period in which the new contracts are added to the group. Groups of insurance contracts, including the CSM, that generate cash flows in a foreign currency are treated as monetary items. As the Group measures fulfilment cash flows based on the four major transactional currencies (US dollars, sterling, euros and Canadian dollars), the Group maintains the CSM based on these respective currencies.

Coverage units

Management is required to identify coverage units in order to determine the amount of CSM that should be released into the profit or loss in each period. Coverage units are determined at a policy level by considering the quantity of the benefits provided and the expected coverage duration. For insurance contracts issued and proportional reinsurance contracts held, the number of coverage units in a group reflects the expected pattern of underwriting of the contracts, as the level of service provided depends on the number of contracts in force. Once management has determined the number of coverage units included in a group of insurance contracts, CSM is allocated to each coverage unit. An assessment is then made quarterly as to how much of the CSM should be released and recognised as profit. For non-proportional reinsurance contracts held, the CSM is amortised on a straight-line basis over the life of the policy, as benefits are received evenly over the coverage period.

Liability for remaining coverage (LRC) and liability for incurred claims (LIC)
The LRC represents the Group's obligation for insurance contracts written where insured events have not yet occurred. The LIC represents the Group's obligation to pay claims for insured events that have already occurred, including events that have occurred but for which claims have not been reported. Insurance contracts issued comprise the LRC, which includes a loss component, and the LIC. Reinsurance contracts held comprise of the asset for remaining coverage (ARC), containing a loss recovery component, and an asset for incurred claims (AIC). Note that the LRC and ARC include an element of the present value of future cash flows (PVFCF), a risk adjustment for non-financial risk, and the CSM. The LIC and AIC include the remainder of the PVFCF and a risk adjustment for non-financial risk.

Amounts recognised in profit or loss
- Insurance revenue in each reporting period represents the changes in the LRC that relate to services for which the Group expects to receive consideration, in addition to an allocation of premiums that relate to the recovery of insurance acquisition cash flows. Changes in the LRC include claims and expenses incurred in the period measured at the amounts expected at the beginning of the period, changes in the risk adjustment for non-financial risk, amounts recognised as profit through release of the CSM for insurance contract services provided, and other amounts including experience adjustments (which represent the difference between the expected present value of future cash flows versus the actual cash flows generated, and any resultant second order impacts).
- Insurance service expenses are comprised of incurred claims and other directly attributable expenses, changes that relate to past service, losses on onerous contracts and reversal of those losses, and the amortisation of insurance acquisition cash flows.
- Income/expenses from reinsurance contracts are presented separately from income/expenses from underlying insurance contracts. The Group has elected to present its net expenses from reinsurance contracts in the statement of profit or loss as the allocation of reinsurance premium and amounts recoverable from reinsurers for incurred claims.
- Finance income/expense from insurance contracts issued and reinsurance contracts held shows the interest accreted and the effect of changes in discount rates and other financial assumptions.
- Changes in the risk adjustment for non-financial risk are disaggregated between insurance service expenses and insurance finance income/expenses.
- Insurance and reinsurance contract amounts denominated in foreign currencies are translated to the Group's reporting currency at the balance sheet date, with any translation differences recognised in the statement of profit or loss.

Disaggregation of disclosures
Income statement figures, including details of insurance revenue and insurance service expense by segment, are disclosed in Note 3. The maturity of insurance and reinsurance contract liabilities by segment is disclosed in Note 29(d). Reconciliations of insurance and reinsurance assets and liabilities in Note 27 have not been disclosed by segment because a single measurement model (GMM) is applied to all contracts and the nature of the business is to underwrite only property and casualty insurance. In management’s view, disaggregating the balance sheet reconciliations (Note 27) by reporting segment or geography would result in the disclosure of large amounts of insignificant detail and would obscure useful information.

iv. Financial instruments
Financial instruments are recognised in the statement of financial position at such time as the Group becomes a party to the contractual provisions of the financial instrument. Purchases and sales of financial assets are recognised on the trade date, which is the date the Group commits to purchase or sell the asset. A financial asset is derecognised when the contractual rights to receive cash flows from the financial assets expire, or where the financial assets have been transferred, together with substantially all the risks and rewards of ownership. Financial liabilities are derecognised if the Group’s obligations specified in the contract expire, are discharged or are cancelled.

Classification
The Group is required to classify its financial instruments into one of the following categories on subsequent measurement: fair value through profit or loss, fair value through other comprehensive income, or amortised cost. Classification is based on the business model in which these are managed and the characteristics of the associated contractual cash flows. Almost all of the Group’s financial assets are measured at FVTPL (mandatory) under IFRS 9. This is with the exception of cash and cash equivalents, amounts due from managed syndicates, and other receivables, all of which are measured at amortised cost.
The Group’s financial liabilities are held at amortised cost, with the exception of its derivative financial liabilities and a potential profit uplift commission payment, both of which are held at FVTPL (mandatory) under IFRS 9.

Other receivables
Other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, and are carried at amortised cost less any expected credit losses (ECLs). Other receivables are included within "Other assets" on the face of the consolidated statement of financial position.

Notes to the financial statements continued

2 Statement of accounting policies continued

Hedge funds, equity funds and illiquid assets

The Group invests in a number of hedge funds, equity funds and illiquid assets for which there are no available quoted market prices. The valuation of these assets is based on fair value techniques as described in Note 17. The fair value of our hedge fund and illiquid asset portfolio is calculated by reference to the underlying net asset values (NAV) of each of the individual funds. Consideration is also given to adjusting such NAV valuations for any restriction applied to distributions, the existence of side pocket provisions and the timing of the latest available valuations. At certain times, the Group will have uncalled unfunded commitments in relation to its illiquid assets and these are are actively monitored by the Group. These amounts are not shown on the consolidated statement of financial position, and any additional investment into the illiquid asset portfolio is recognised on the date that this funding is provided by the Group. Further information is included in Note 17 to the financial statements.

Other payables

Other payables are stated at amortised cost determined according to the effective interest rate method. Other payables are included within "Other liabilities" on the face of the consolidated statement of financial position.

Derivative financial instruments

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. The best evidence of fair value of a derivative at initial recognition is the transaction price. The method of recognising the resulting fair value gains or losses depends on whether the derivative is designated as a hedging instrument and, if so, the nature of the item being hedged. The Group does not hold any derivatives designated as fair value hedges, cash flow hedges or net investment hedges and therefore all fair value movements are recorded through profit or loss. 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.

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

Impairment of financial assets

The ECLs model is applied to the Group’s financial assets measured at amortised cost. This requires an entity to calculate an allowance for credit losses by taking the sum of various probability weighted outcomes. The general approach is the default method which management applies in determining the ECLs against its cash and cash equivalents. A simplified approach is permitted for trade receivables, contract assets and lease receivables where there is no significant financing component. This results in an entity recognising an ECL that is always equal to a lifetime ECL, rather than assessing periodically whether there has been an increase in credit risk. The amount of expected credit losses recognised by the Group in 2023 and 2024 was not material.

Cash and cash equivalents

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 a maturity of three months or less from the date of acquisition. Cash and cash equivalents are measured at amortised cost under IFRS 9.

v. Intangible assets

Goodwill

Goodwill is carried at cost less accumulated impairment losses. It has an indefinite useful life and is tested annually for impairment. The carrying value is allocated between cash-generating units (CGUs) and is impaired when the net carrying amount of the relevant CGU exceeds its recoverable amount, being its value in use. Value in use is defined as the present value of the future cash flows expected to be derived from the CGU.

Syndicate capacity

The syndicate capacity represents the cost of purchasing the Group’s participation in the combined syndicates. The capacity is capitalised at cost in the statement of financial position. It has an indefinite useful life and is carried at cost less accumulated impairment. It is annually tested for impairment by reference to the latest auction prices provided by Lloyd’s.

IT development costs

Costs that are directly associated with the development of identifiable and unique software products and that are anticipated to generate economic benefits exceeding costs beyond one year, are recognised as intangible assets. Costs include external consultants’ fees, certain qualifying internal staff costs and other costs incurred to develop software programs. The Group does not routinely capitalise costs relating to software products hosted in the cloud. Costs are amortised over their estimated useful life, usually three years, on a straight-line basis. Amortisation commences when the asset becomes operational. Other non-qualifying costs are expensed as incurred.

vi. Share-based compensation

The grant date fair value of share-based payment awards granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees become unconditionally entitled to the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

When options are exercised and new shares are issued, the proceeds received, net of any transaction costs, are credited to share capital (nominal value) with the excess amount going to share premium. For other plans, when no proceeds are received, the nominal value of shares issued is to share capital and debited to retained earnings. When the options are exercised and the shares are granted from the employee share trust, the proceeds received, net of any transaction costs, and the value of shares held within the trust, are credited to retained earnings.

vii. Taxation

The tax expense recognised by the Group comprises both current and deferred taxes.

Current tax is the expected tax payable on the taxable income for the year using tax rates enacted or substantively enacted at the year-end reporting date and any adjustments to tax payable in respect of prior periods.

Deferred tax is provided, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the reporting date.

Deferred tax assets are recognised in the statement of financial position to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Notes to the financial statements continued

3 Segmental reporting

3a Reporting segments

Segmental information is presented based on the Group's management and internal reporting structures which represent the level at which financial information is reported, performance is analysed and resources are allocated by the Group's Executive Committee, being the chief operating decision-maker as defined by IFRS 8.

Segment results include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Foreign exchange gains/losses, other operating expenses and other income are allocated to each segment in proportion to their respective percentage of total insurance revenue. The reporting segments do not cross-sell business to each other.

Finance costs and taxation have not been allocated to operating segments as these items are determined at a consolidated level and do not relate to operating performance.

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 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, as well as healthcare, lawyers and international financial institutions.

3 Segmental reporting continued

3b Segmental information

2024	Year ended 31 December 2024 Cyber Risks $m	Digital $m	MAP Risks $m	Property Risks $m	Specialty Risks $m	Total $m
Insurance revenue	1,156.7	234.7	917.4	1,518.1	1,851.2	5,678.1
Insurance service 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	—	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**
Claims ratio	39.4 %	28.7 %	44.2 %	41.9 %	47.5 %	43.1 %
Expense ratio	25.0 %	45.6 %	36.7 %	31.0 %	31.7 %	31.7 %
Combined ratio	64.4 %	74.3 %	80.9 %	72.9 %	79.2 %	74.8 %

The calculation bases for the claims, expense and combined ratios are disclosed within the APMs section on page 263.

Notes to the financial statements continued

3 Segmental reporting continued

	Year ended 31 December 2023					
	Cyber Risks	Digital	MAP Risks	Property Risks	Specialty Risks	Total
2023	$m	$m	$m	$m	$m	$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 held	(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**
Claims ratio	42.2 %	23.4 %	40.6 %	35.4 %	41.9 %	39.4 %
Expense ratio	26.1 %	44.9 %	37.9 %	29.8 %	30.8 %	31.6 %
Combined ratio	68.3 %	68.3 %	78.5 %	65.2 %	72.7 %	71.0 %

3 Segmental reporting continued

3c Information about geographical areas

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 (Beazley Insurance Company, Inc., Beazley Excess and Surplus Insurance, Inc. and Beazley America Insurance Company, Inc); and
- European insurance revenue represents all risks placed at the Group’s European insurance company (Beazley Insurance dac).

	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
Total insurance revenue	**5,678.1**	**5,442.4**

Provided below is a geographical split of a portion of the Group's non-current assets, namely intangible assets, plant and equipment, right-of-use assets, and investments in associates. This excludes financial instruments, deferred tax assets, pension assets and insurance/reinsurance contract assets.

	2024 $m	2023 $m
UK	214.0	186.7
US	60.5	51.4
Europe	2.4	2.8
Total non-current assets	**276.9**	**240.9**

3d Total revenue

The table below sets out the Group's total revenue, being insurance revenue, interest on cash and cash equivalents at amortised cost and other income.

	2024 $m	2023 $m
Insurance revenue	5,678.1	5,442.4
Interest on cash and cash equivalents at amortised cost	43.5	16.8
Other income	106.0	78.5
Total revenue	**5,827.6**	**5,537.7**

Notes to the financial statements continued

4 Insurance revenue

Insurance revenue represents the total changes in the liability for remaining coverage that relate to services for which the Group expects to receive consideration. This includes the difference between the claims and other expenses expected at the beginning of the year versus those actually incurred (per Note 5), after the loss component allocation.

	2024 $m	2023 $m
Amounts relating to changes in the liability for remaining coverage:		
Expected incurred claims and other expenses after loss component allocation	3,223.6	3,015.7
Change in risk adjustment for non-financial risk for the risk expired after loss component allocation	271.5	316.8
CSM recognised in profit or loss for services provided	807.3	691.4
Other amounts including experience adjustments	366.5	503.7
Insurance acquisition cash flows recovery	1,009.2	914.8
Total insurance revenue	**5,678.1**	**5,442.4**

5 Insurance service expenses

The table below shows the insurance service expenses recognised on groups of insurance contracts issued by the Group. These are recognised in the consolidated statement of profit or loss as they are incurred.

	2024 $m	2023 $m
Incurred claims and other directly attributable expenses	3,330.1	2,911.6
Changes that relate to past service – adjustments to the LIC	(401.2)	(232.0)
Losses on onerous contracts and reversal of those losses	(5.1)	(1.8)
Insurance acquisition cash flows amortisation	1,009.2	914.8
Total insurance service expense	**3,933.0**	**3,592.6**

6 Net expenses from reinsurance contracts held

The table below shows the net expenses from reinsurance contracts held, comprising the allocation of reinsurance premium and amounts recoverable from reinsurers for incurred claims.

	2024 $m	2023 $m
Amounts relating to changes in the remaining coverage:		
– Expected claims and other expenses recovery	(494.5)	(740.5)
– Changes in the risk adjustment recognised for the risk expired	(54.0)	(105.2)
– CSM recognised for the services received	(173.1)	(290.8)
– Other amounts including experience adjustments	(43.3)	9.2
Allocation of reinsurance premium	**(764.9)**	**(1,127.3)**
Effect of changes in the risk of reinsurers non-performance	(1.8)	4.2
Claims recovered	516.9	680.1
Other incurred directly attributable expenses	(4.4)	(3.6)
Changes that relate to past service – adjustments to incurred claims recovery	(254.9)	(152.2)
Amounts recoverable from reinsurers for incurred claims	**255.8**	**528.5**
Total net expenses from reinsurance contracts held	**(509.1)**	**(598.8)**

7 Net financial result

Finance income/expense from insurance contracts issued and reinsurance contracts held represents the interest accreted and the effect of changes in discount rates and other financial assumptions. The net financial result comprises the Group's net investment income and its net insurance finance expense.

	2024 $m	2023 $m
Interest and dividends on financial assets at fair value	313.2	215.3
Interest on cash and cash equivalents at amortised cost	43.5	16.8
Net realised fair value gains/(losses) on financial assets at FVTPL	131.8	(69.2)
Net unrealised fair value gains on financial assets at FVTPL	95.5	325.2
Investment income from financial assets	584.0	488.1
Investment management expenses	(9.6)	(7.9)
Net investment income	**574.4**	**480.2**
Interest accreted	(372.5)	(379.1)
Effect of changes in financial assumptions	283.4	209.8
Net finance expense from insurance contracts issued	(89.1)	(169.3)
Interest accreted	80.4	84.4
Effect of changes in financial assumptions	(47.2)	(68.5)
Net finance income from reinsurance contracts held	33.2	15.9
Net insurance finance expense	**(55.9)**	**(153.4)**
Net financial result	**518.5**	**326.8**

Investment income by category of financial asset

The tables below show the Group's investment income, split by category of financial asset. "Other financial assets" includes cash and cash equivalents and derivative financial instruments.

2024	Debt securities and syndicate loans $m	Capital growth assets $m	Other financial assets $m	Total $m
Interest and dividends received	308.8	4.4	43.5	356.7
Net realised gains	39.6	87.6	4.6	131.8
Net unrealised fair value gains/(losses)	84.2	28.4	(17.1)	95.5
Total investment income from financial assets	**432.6**	**120.4**	**31.0**	**584.0**

2023	Debt securities and syndicate loans $m	Capital growth assets $m	Other financial assets $m	Total $m
Interest and dividends received	208.4	3.7	20.0	232.1
Net realised (losses)/gains	(117.8)	52.6	(4.0)	(69.2)
Net unrealised fair value gains	291.2	34.0	—	325.2
Total investment income from financial assets	**381.8**	**90.3**	**16.0**	**488.1**

Notes to the financial statements continued

8 Other income

	2024 $m	2023 $m
Commissions received by Beazley service companies	17.0	42.8
Profit commissions and other income received from syndicates	68.3	29.9
Managing agent fees from third-party syndicates	11.3	3.6
Other income	9.4	2.2
Total other income	**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 and other income received 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.

9 Operating expenses

	2024 $m	2023 $m
Staff costs	656.8	527.6
Other administrative expenses	504.4	401.2
Total administrative expenses	1,161.2	928.8
Recharged to third party syndicates	(129.9)	(115.5)
Expenses reclassified within the insurance service result	(642.7)	(447.5)
Total operating expenses	**388.6**	**365.8**

Included within other administrative expenses is depreciation of $16.5m (2023: $17.1m) and amortisation of $11.1m (2023: $16.2m).

Net staff costs

	2024 $m	2023 $m
Wages and salaries	302.2	259.8
Short-term incentive payments	235.3	167.5
Social security	53.8	45.3
Share-based remuneration	40.1	33.8
Costs relating to defined contribution pension schemes	25.4	21.2
Staff costs	**656.8**	**527.6**
Recharged to third-party syndicates	(98.8)	(78.2)
Net staff costs	**558.0**	**449.4**

Average number of employees

A breakdown by category of employee is disclosed below.

	2024	2023
Directors	11	11
Senior managers	157	145
Other employees	2,324	1,988
Total average number of employees	**2,492**	**2,144**

Notes to the financial statements continued

10 Auditor's remuneration

	2024 $m	2023 $m
Operating expenses include amounts receivable by the Group's auditor in respect of:		
– audit of the Group's Annual Report and Accounts	4.0	6.5
– audit of subsidiaries pursuant to legislation	4.4	3.6
– audit-related assurance services	1.5	1.1
– other non-audit services	1.1	0.9
Total auditor's remuneration	**11.0**	**12.1**

Other than the fees disclosed above, no other fees were paid to the Company's auditor. Audit-related assurance services primarily comprise the review and audit of regulatory reporting pursuant to legislation and review of the Group's condensed interim financial statements. Fees incurred for other non-audit services primarily relate to reporting required by Regulators and additional assurance work performed on material included within the Annual Report.

11 Finance costs

	2024 $m	2023 $m
Interest expense on financial liabilities	31.6	31.6
Interest expense on lease liabilities	2.9	3.1
Interest and charges related to letters of credit	4.8	5.9
Total finance costs	**39.3**	**40.6**

12 Tax expense

	2024 $m	2023 $m
Current tax expense		
Current tax expense	219.3	121.8
Prior year adjustment	14.2	1.5
Pillar Two tax expense*	13.1	—
	246.6	123.3
Deferred tax expense		
Origination and reversal of temporary differences	50.8	97.3
Difference between current and deferred tax rates	—	6.8
Prior year adjustments	(4.2)	0.2
	46.6	104.3
Tax expense	**293.2**	**227.6**

* Pillar Two tax expense relates to Qualified Domestic Minimum Top-Up Tax in Ireland.

Reconciliation of tax expense

The Group makes the majority of its profit in Ireland, the UK and the US. The weighted average of statutory tax rates based on the profits earned in each country in which the Group operates is 18.6% (2023: 17.6%), whereas the tax charged for the year ended 31 December 2024 as a percentage of profit before tax is 20.6% (2023: 18.1%). The reasons for the difference are explained below:

	2024 $m	2024 %	2023 $m	2023 %
Profit before tax	1,423.5		1,254.4	
Tax calculated at the weighted average of statutory tax rate	264.6	18.6	221.4	17.6
Effects of:				
– non-deductible/(non-taxable) expenses	1.9	0.1	(2.0)	(0.2)
– losses not previously recognised	—	—	(1.2)	(0.1)
– tax charge/(relief) on remuneration	1.4	0.1	0.9	0.1
– under/(over) provided in prior years	10.1	0.7	1.7	0.1
– difference between current and deferred tax rates	—	—	6.8	0.6
– effect of tax rates in foreign jurisdictions	2.1	0.2	—	—
– Pillar Two tax expense	13.1	0.9	—	—
Tax expense for the year	**293.2**	**20.6**	**227.6**	**18.1**

Global minimum tax rate

The Organisation for Economic Co-Operation and Development Pillar Two framework seeks to ensure that large multi-national enterprises pay a minimum corporate income tax rate of 15% on the income arising in each jurisdiction where they operate. In 2023, the UK enacted legislation to implement these new rules in respect of accounting periods beginning on or after 31 December 2023.

The Group mainly operates in jurisdictions with a statutory tax rate above 15%. The main impact for the Group is in Ireland where the tax rate is 12.5%. This is due to Beazley Insurance dac, a wholly owned subsidiary acting as an internal group reinsurer and writing business directly in Europe, being based in Ireland. In December 2023, Ireland enacted a Qualified Domestic Minimum Top-Up Tax such that in-scope businesses pay at least a 15% effective tax rate on their profits.
The impact of the top-up tax on the current tax charge is set out in the above disclosure.

13 Earnings per share

	2024	2023
Profit after tax ($m)	1,130.3	1,026.8
Weighted average number of shares in issue (m)[1]	645.5	663.8
Adjusted weighted average number of shares in issue (m)	663.3	678.3
Basic (cents)	175.1c	154.7c
Diluted (cents)	170.4c	151.4c
Basic (pence)	137.0p	124.8p
Diluted (pence)	133.3p	122.1p

1 Decreased in the year due to the share buyback programme. Refer to Note 21 for further details.

Basic earnings per share (EPS) is calculated by dividing profit after tax of $1,130.3m (2023: $1,026.8m) by the weighted average number of shares in issue during the year of 645.5m (2023: 663.8m).

Diluted earnings per share is calculated by dividing profit after tax of $1,130.3m (2023: $1,026.8m) by the adjusted weighted average number of shares of 663.3m (2023: 678.3m) in issue. This assumes conversion of dilutive potential ordinary shares, being shares from equity settled employee compensation schemes. Share options with performance conditions attaching to them have been excluded from the weighted average number of shares to the extent that these conditions have not been met at the reporting date.

Further details of equity compensation plans can be found in Note 23 as well as in the Directors' remuneration report on pages 135 to 157.

Note that both calculations exclude the shares held in the Employee Share Options Plan of 9.1m (2023: 9.8m) until such time as they vest unconditionally with the employees.

14 Dividends per share

On 3 March 2025 the Board approved the payment of an interim dividend of 25.0p per share covering the whole of 2024 (2023: 14.2p per share) which will be paid on 2 May 2025 to Beazley plc shareholders registered on 21 March 2025. The Group expects the total amount to be paid in respect of the interim dividend to be approximately £157.5m (2023: £94.2m). These financial statements do not provide for the interim dividend as a liability.

15 Intangible assets

	Goodwill $m	Syndicate capacity $m	Licences $m	IT development costs $m	Total $m
Opening cost at 01 January 2024	72.0	31.3	9.3	148.7	261.3
Derecognition	—	—	—	(11.2)	(11.2)
Additions	—	—	—	45.0	45.0
Foreign exchange gain	—	—	—	0.4	0.4
Closing cost at 31 December 2024	**72.0**	**31.3**	**9.3**	**182.9**	**295.5**
Opening amortisation and impairment at 01 January 2024	(10.0)	—	—	(86.0)	(96.0)
Amortisation	—	—	—	(11.1)	(11.1)
Derecognition	—	—	—	11.2	11.2
Foreign exchange loss	—	—	—	(1.6)	(1.6)
Closing amortisation and impairment at 31 December 2024	**(10.0)**	**—**	**—**	**(87.5)**	**(97.5)**
Carrying amount at 31 December 2024	**62.0**	**31.3**	**9.3**	**95.4**	**198.0**

	Goodwill $m	Syndicate capacity $m	Licences $m	IT development costs $m	Total $m
Opening cost at 01 January 2023	72.0	13.7	9.3	125.3	220.3
Derecognition	—	—	—	(13.2)	(13.2)
Additions	—	17.6	—	33.3	50.9
Foreign exchange gain	—	—	—	3.3	3.3
Closing cost at 31 December 2023	**72.0**	**31.3**	**9.3**	**148.7**	**261.3**
Opening amortisation and impairment at 01 January 2023	(10.0)	—	—	(81.5)	(91.5)
Amortisation	—	—	—	(16.2)	(16.2)
Derecognition	—	—	—	13.2	13.2
Foreign exchange loss	—	—	—	(1.5)	(1.5)
Closing amortisation and impairment at 31 December 2023	**(10.0)**	**—**	**—**	**(86.0)**	**(96.0)**
Carrying amount at 31 December 2023	**62.0**	**31.3**	**9.3**	**62.7**	**165.3**

Notes to the financial statements continued

15 Intangible assets continued

Impairment tests

Goodwill, syndicate capacity and US insurance authorisation licences are deemed to have indefinite useful lives as they are expected to have a recoverable amount that does not erode or become obsolete over the course of time. Consequently, these intangible assets are not amortised but are instead annually tested for impairment. For the purpose of impairment testing, they are allocated to the following cash-generating units (CGUs):

2024	Cyber Risks $m	Digital $m	MAP Risks $m	Property Risks $m	Specialty Risks $m	Total $m
Goodwill	1.7	0.3	31.9	25.7	2.4	62.0
Syndicate capacity	5.7	0.7	6.7	9.2	9.0	31.3
Licences	2.8	0.6	—	1.9	4.0	9.3
Total	**10.2**	**1.6**	**38.6**	**36.8**	**15.4**	**102.6**

2023	Cyber Risks $m	Digital $m	MAP Risks $m	Property Risks $m	Specialty Risks $m	Total $m
Goodwill	1.7	0.3	31.9	25.7	2.4	62.0
Syndicate capacity	5.7	0.7	6.7	9.2	9.0	31.3
Licences	2.8	0.6	—	1.9	4.0	9.3
Total	**10.2**	**1.6**	**38.6**	**36.8**	**15.4**	**102.6**

Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group’s share of the fair value of the identifiable assets, liabilities and contingent liabilities of the acquired subsidiary at the date of acquisition. Goodwill is carried at cost less accumulated impairment losses.

The Group determines the recoverable amount of its indefinite useful life intangible assets using the value in use (VIU). This is estimated by discounting the CGUs expected future cash flows sourced from financial budgets approved by management which cover a five-year period. These cash flows give consideration to the Group's capital requirements, ensuring that a suitable solvency range is maintained. A discount rate based on weighted average cost of capital of 10.6% (2023: 16.6%) has been applied to determine the present value of projected future cash flows. In the prior year this was calculated using an internal discounted dividend model, whereas in the current year this has been calculated using a market observable weighted average cost of capital. We believe this is more reflective of the Group’s risk profile relative to the market.

The Group has performed the following sensitivity analysis to ensure that the key assumptions used in deriving the VIU for each CGU considers the potential adverse effects of any changes in economic or regulatory environments. As a result, management has determined that a reasonably possible change in any of the key assumptions outlined above would not have a material impact on the outcome of impairment testing.

- **Projected cash flows** – The Group has used projected cash flows generated from operating profit consistent with five-year financial forecasts. Sensitivity testing has been performed to model the impact of reasonably possible changes in these profits (5% and 10% fall) when compared with the base impairment analysis and headroom. Within these ranges, the recoverable amounts remain supportable.
- **Future market conditions** – To test each CGU's sensitivity to variances in forecast profits, the discount rate has been flexed to 5% above and 5% below the central assumption. Within this range, the recovery of goodwill was stress tested and remains supportable across all CGUs. Headroom was calculated in respect of the VIU of all of the Group’s other intangible assets.
- **Premium growth rates/Retention rates** – The Group has used a terminal growth rate of 0% (2023: 0%) to extrapolate projections beyond the covered five-year period.

The impairment test for goodwill is carried out annually and confirms that the recoverable amount exceeds the carrying amount, therefore no impairment or reversal of impairment is required.

15 Intangible assets continued

Syndicate capacity

The syndicate capacity represents the cost of purchasing the Group's participation in the combined syndicates. The capacity is capitalised at cost in the statement of financial position. It has an indefinite useful life and is carried at cost less accumulated impairment. It is annually tested for impairment by reference to the latest auction prices provided by Lloyd's. The Group's intangible assets relating to syndicate capacity is allocated across all CGUs.

During the year, the Group did not purchase any syndicate capacity (2023: £35.5m capacity on syndicates 623/2623 purchased at a cost of $17.6m).

Based upon the latest market prices, management has concluded that the fair value exceeds the carrying amount and, as such, no impairment or reversal of impairment is necessary.

Licences

US insurance authorisation licences represent the privilege to write insurance business in particular states in the US. Licences are allocated to the relevant CGU. There is no active market for licences, therefore the recoverable amount is estimated as the present value of projected future cash flows which are sourced from management approved budgets. Key assumptions are consistent with those outlined in the Goodwill section above. Licences are annually tested for impairment and based upon all available evidence, the results of the testing indicate that no impairment or reversal of impairment is required.

Notes to the financial statements continued

16 Retirement benefit asset

	2024 $m	2023 $m
Present value of funded obligations	(31.8)	(34.9)
Fair value of plan assets	35.8	39.4
Retirement benefit asset in the statement of financial position	**4.0**	**4.5**
Amounts recognised in the statement of profit or loss:		
Interest cost	(1.6)	(1.5)
Expected return on plan assets	1.7	1.7
Retirement benefit return recognised in the statement of profit or loss	**0.1**	**0.2**

Beazley Furlonge Limited operates a defined benefit pension scheme ("the Beazley Furlonge Limited Pension Scheme"), whichclosed to new entrants in 2002 and to future accrual in 2006.

The scheme is administered by a trust that is legally separated from the Group.

The pension scheme trustees completed a transaction that insures all of the scheme's liabilities to a third party via a bulk annuity buy-in with an external insurance company in 2022. The annuity contracts meet the criteria to be classified as qualifying insurance policies as defined in IAS 19 as the cash flows match the timing and value of the benefits payable to members that they cover. These annuities are thus valued at the present value of the obligations insured.

At the reporting date, the trustees and the Company retain all obligations to ensure benefits due to scheme members are paid. Following the buy-in transaction the Group expects to make no further contributions to the scheme.

Historically, the scheme exposed the Group to additional actuarial, interest rate and market risk. However, as a result of the buy-in transaction in 2022, these risks are now borne by the insurance company to which liabilities have been insured. The buy-in transaction does expose the Group to additional credit risk with regard to the insurance company from whom the annuities were purchased. This counterparty has an investment grade credit rating and therefore the Group considers the credit risk to be minimal.

During the year, the scheme paid an additional $0.6m to the insurance company as a true-up payment relating to the buy-in transaction.

16 Retirement benefit asset continued

Included below is a reconciliation from opening to closing of the present value of funded obligations and the fair value of plan assets. The amount recognised in the statement of comprehensive income is the net position of the actuarial gains/losses due to changes in financial assumptions and the loss/gain on asset return.

	2024 $m	2023 $m
Movement in present value of funded obligations recognised in the statement of financial position		
Balance at 1 January	**34.9**	**31.1**
Interest cost	1.6	1.5
Actuarial (gain)/loss due to changes in financial assumptions	(4.3)	2.0
Benefits paid	(0.8)	(0.5)
Foreign exchange loss	0.4	0.8
Balance at 31 December	**31.8**	**34.9**

	2024 $m	2023 $m
Movement in fair value of plan assets recognised in the statement of financial position		
Balance at 1 January	**39.4**	**35.7**
Expected return on plan assets	1.7	1.7
(Loss)/gain on asset return	(4.8)	1.9
Administrative expenses	(0.3)	(0.3)
Benefits paid	(0.8)	(0.5)
Foreign exchange gain	0.6	0.9
Balance at 31 December	**35.8**	**39.4**

	2024 $m	2023 $m
Plan assets comprise as follows:		
Insurance policy	31.8	34.9
Cash	4.0	4.5
Total	**35.8**	**39.4**

Notes to the financial statements continued

17 Financial assets and liabilities

17a Carrying values of financial assets and liabilities

Financial assets – carrying values

Set out below are the carrying values of the Group's "financial assets at fair value" per the statement of financial position. These amounts exclude the following financial assets, which are carried at amortised cost and presented separately:

- cash and cash equivalents (Note 20); and
- amounts due from managed syndicates and other receivables (Note 19).

	2024 $m	2023 $m
Debt securities:		
– Government issued	4,289.1	4,469.1
– Corporate bonds		
– Investment grade	3,862.3	3,578.3
– High-yield	662.4	489.0
– Securitised		
– Collateralised loan obligations	480.0	—
Syndicate loans	29.5	34.1
Total debt securities and syndicate loans	9,323.3	8,570.5
Equity funds	348.7	282.7
Hedge funds	752.0	582.2
Illiquid assets	175.4	220.1
Total capital growth assets	1,276.1	1,085.0
Total financial investments at fair value through statement of profit or loss	**10,599.4**	**9,655.5**
Derivative financial assets	11.2	10.0
Total financial assets at fair value	**10,610.6**	**9,665.5**

Investment grade corporate bonds are rated BBB-/Baa3 or higher by at least one major rating agency, high-yield corporate bonds have lower credit ratings, while collateralised loan obligations have a wider credit spread. Our collateralised loan obligation holdings are in the highest rated AAA/AA tranches. Equity funds are investment vehicles which invest in equity securities and provide diversified exposure to global equity markets. Hedge funds are investment vehicles pursuing alternative investment strategies, structured to have minimal correlation to traditional asset classes. Illiquid assets are investment vehicles that predominantly target private lending opportunities, often with longer investment horizons. The fair value of these assets at 31 December 2024 excludes an unfunded commitment of $33.6m (2023: $32.0m).

Financial liabilities – carrying values

Set out below are the carrying values of the Group's "financial liabilities" per the statement of financial position. These amounts exclude lease liabilities (Note 26) and other payables (Note 28), which are carried at amortised cost and presented separately.

	2024 $m	2023 $m
Tier 2 subordinated debt (2026)	249.7	249.5
Tier 2 subordinated debt (2029)	299.0	298.8
Derivative financial liabilities	27.3	6.3
Total financial liabilities	**576.0**	**554.6**

The Group has given a fixed and floating charge over certain of its investments and other assets to secure obligations to Lloyd’s in respect of its corporate member subsidiary. Further details are provided in Note 32.

For a maturity analysis showing the financial assets and liabilities due within and after one year of the reporting date, refer to Note 29d.

17 Financial assets and liabilities continued

17b Valuation hierarchy

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy described as follows. If the inputs used to measure the fair value of an asset or a liability could be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

Fair value is the price at which an orderly transaction to sell an asset or to transfer a liability would take place between market participants at the measurement date. Fair value is a market-based measure and in the absence of observable market prices in an active market, it is measured using the assumptions that market participants would use when pricing the asset or liability.

The best evidence of the fair value of a financial instrument at initial recognition is the transaction price, i.e. the fair value of the consideration given or received, unless the fair value of that instrument is evidenced by comparison with other observable current market transactions in the same instrument (i.e. without modification or repackaging) or based on a valuation technique whose variables include only data from observable markets. When the transaction price provides the best evidence of fair value at initial recognition, the financial instrument is initially measured at the transaction price and any difference between this price and the value initially obtained from a valuation model is subsequently recognised in profit or loss depending on the individual facts and circumstances of the transaction but before the valuation is supported wholly by observable market data or the transaction is closed out.

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.

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, directly or indirectly (e.g. interest rates and exchange rates). Level 2 inputs include:

- quoted prices for similar assets and liabilities in active markets;
- quoted prices for identical or similar assets and liabilities in markets that are not active, the prices are not current, or price quotations vary substantially either over time or among market makers, or in which little information is released publicly;
- inputs other than quoted prices that are observable for the asset or liability (for example, interest rates and yield curves observable at commonly quoted intervals, implied volatilities and credit spreads); and
- market corroborated inputs.

Included within level 2 are government bonds and treasury bills, equity funds and corporate bonds which are not actively traded, hedge funds, collateralised loan obligations and senior secured loans.

Level 3 – Valuations based on inputs that are unobservable or for which there is limited market activity against which to measure fair value. The availability of financial data can vary for different financial assets and is affected by a wide variety of factors, including the type of financial instrument, whether it is new and not yet established in the marketplace, and other characteristics specific to each transaction. To the extent that valuation is based on models or inputs that are unobservable in the market, the determination of fair value requires more judgement. Accordingly, the degree of judgement exercised by management in determining fair value is greatest for instruments classified in level 3. The Group uses prices and inputs that are current as of the measurement date for valuation of these instruments.

Notes to the financial statements continued

17 Financial assets and liabilities continued

Valuation approach – level 2 instruments

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

b) For our hedge funds, the pricing and valuation of each fund is undertaken by administrators in accordance with each underlying fund’s valuation policy. Individual fund prices are communicated by the administrators to all investors via the monthly investor statements. The fair value of the hedge fund portfolios are calculated by reference to the underlying net asset values of each of the individual funds. Our hedge funds are managed by Falcon Money Management Holdings Limited, an associate of the Group.

c) Subordinated debt fair value is based on quoted market prices.

Valuation approach – level 3 instruments

a) Our illiquid fund investments are generally closed ended limited partnerships or open ended funds. The Group relies on a third-party fund manager to manage these investments and provide valuations. Note that while the funds report with full transparency on their underlying investments, the investments themselves are predominantly in private and unquoted instruments. The valuation techniques used by the fund managers to establish the fair values therefore require a degree of estimation. For example, these may incorporate discounted cash flow models or a more market-based approach, whilst the main inputs might include discount rates, fundamental pricing multiples, recent transaction prices, or comparable market information to create a benchmark multiple.

b) Syndicate loans are non-tradeable instruments provided by our Group syndicates to the Central Fund at Lloyd’s in respect of the 2019 (repaid by Lloyd's during the year) and 2020 underwriting years. These are valued internally using discounted cash flow models provided by Lloyd's to the market, designed to appropriately reflect the credit and illiquidity risk of the instruments. Valuation outputs are then validated using a control model, with the following inputs and assumptions. Note that these internally valued instruments are deemed by management to be inherently more subjective than external valuations.

- Cash flows comprise the notional cost of the loans, annual interest income, and the final repayment of the loans at the end of the five-year term. The weighted average interest rate applicable across all syndicate loans is 3.8% (2023: 3.8%).
- A discount rate of 8.3% (2023: 7.0%) is applied. This is calculated using a combination of the long-term treasury bond risk-free rate, the industry/geographic average regression beta, and a selected risk premium.

c) Certain collateralised loan obligation securities have been classified within level 3. These represent instruments which were issued late in 2024 and have been priced at par, predominantly as these had not settled at the balance sheet date. As this is deemed to be an unobservable input these have been classified within level 3. We expect these instruments to move into level 2 in the near term as these begin to be priced by our pricing vendors using models with observable market inputs.

There were no changes in the valuation techniques during the year compared with those described in the Group's 2023 Annual Report and Accounts.

17 Financial assets and liabilities continued

17c Fair values of financial assets and liabilities

The following table shows the fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. The fair value of the Group's subordinated debt excludes any accrued interest to allow comparability with the carrying value in the Group's financial statements. The Group's cash and cash equivalents, other receivables, lease liabilities, and other payables have been excluded from these tables. These instruments are measured at amortised cost and their carrying values are deemed to be reasonable approximations of fair values at the reporting date.

2024	Level 1 $m	Level 2 $m	Level 3 $m	Total $m
Financial assets carried at fair value				
Fixed and floating rate debt securities				
– Government issued	3,235.9	1,053.2	—	4,289.1
– Corporate bonds				
– Investment grade	1,819.5	2,042.8	—	3,862.3
– High-yield	662.4	—	—	662.4
– Securitised				
– Collateralised loan obligations	—	395.4	84.6	480.0
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
Total financial assets carried at fair value	**6,077.7**	**4,243.4**	**289.5**	**10,610.6**
Financial liabilities carried at fair value				
Derivative financial liabilities	27.3	—	—	27.3
Total financial liabilities carried at fair value	**27.3**	**—**	**—**	**27.3**
Fair value of financial liabilities carried at amortised cost				
Tier 2 subordinated debt (2026)	—	250.6	—	250.6
Tier 2 subordinated debt (2029)	—	294.0	—	294.0
Total fair value of financial liabilities carried at amortised cost	**—**	**544.6**	**—**	**544.6**

2023	Level 1 $m	Level 2 $m	Level 3 $m	Total $m
Financial assets carried at fair value				
Fixed and floating rate debt securities				
– Government issued	3,291.9	1,177.2	—	4,469.1
– Corporate bonds				
– Investment grade	1,596.7	1,981.6	—	3,578.3
– High-yield	488.1	0.9	—	489.0
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
Total financial assets carried at fair value	**5,669.4**	**3,741.9**	**254.2**	**9,665.5**
Financial liabilities carried at fair value				
Derivative financial liabilities	6.3	—	—	6.3
Total financial liabilities carried at fair value	**6.3**	**—**	**—**	**6.3**
Fair value of financial liabilities carried at amortised cost				
Tier 2 subordinated debt (2026)	—	241.7	—	241.7
Tier 2 subordinated debt (2029)	—	271.9	—	271.9
Total fair value of financial liabilities carried at amortised cost	**—**	**513.6**	**—**	**513.6**

Notes to the financial statements continued

17 Financial assets and liabilities continued

17d Transfers

The Group determines whether transfers have occurred between levels in the fair value hierarchy by assessing categorisation at the end of the reporting period. The following transfers between levels 1 and 2 for the period ended 31 December 2024 reflect the level of trading activities, including frequency and volume derived from market data obtained from an independent external valuation tool. There were no transfers into or out of level 3 in the year to 31 December 2024 (2023: no transfers).

31 December 2024 vs 31 December 2023 transfer from level 2 to level 1	Level 1 $m	Level 2 $m
– Corporate Bonds – Investment grade	666.3	(666.3)

31 December 2024 vs 31 December 2023 transfer from level 1 to level 2	Level 1 $m	Level 2 $m
– Corporate Bonds – Investment grade	(624.9)	624.9

The values shown in the transfer tables above are translated using spot foreign exchange rates as at 31 December 2024.

17e Level 3 investment reconciliations

The table below shows a reconciliation from the opening balances to the closing balances of level 3 fair values. All realised and unrealised gains/(losses) are recognised through net investment income in the statement of profit or loss (refer to Note 7).

	2024 $m	2023 $m
Opening position as at 01 January	254.2	255.4
Purchases	118.7	21.8
Sales	(69.2)	(37.4)
Repayment of syndicate loans	(7.7)	—
Realised gain	18.6	20.2
Unrealised loss	(25.6)	(6.6)
Foreign exchange gain	0.5	0.8
Closing position as at 31 December	**289.5**	**254.2**

17 Financial assets and liabilities continued

17f Unconsolidated structured entities

A structured entity is defined as an entity that has been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity, such as when any voting rights relate to administrative tasks only, or when the relevant activities are directed by means of contractual arrangements.

As part of its standard investment activities, the Group holds fixed interest investments in high-yield bond funds and collateralised loan obligation instruments, as well as capital growth investments in equity funds, hedge funds and illiquid assets which, in accordance with IFRS 12, are classified as unconsolidated structured entities. The Group does not sponsor any of the unconsolidated structured entities. The assets classified as unconsolidated structured entities are held at fair value on the statement of financial position. As at 31 December, the investments comprising the Group's unconsolidated structured entities are as follows:

	2024 $m	2023 $m
Collateralised loan obligations	480.0	—
High-yield bond funds	662.4	489.0
Equity funds	348.7	282.7
Hedge funds	752.0	582.2
Illiquid assets	175.4	220.1
Investments through unconsolidated structured entities	**2,418.5**	**1,574.0**

Most of our unconsolidated structured entity exposures fall within our capital growth assets. The capital growth assets are held in investee funds managed by asset managers who apply various investment strategies to accomplish their respective investment objectives. The Group's investments in investee funds are subject to the terms and conditions of the respective investee fund's offering documentation and are susceptible to market price risk arising from uncertainties about future values of those investee funds. Investment decisions are made after extensive due diligence on the underlying fund, its strategy and the overall quality of the underlying fund's manager and assets.

The right to sell or request redemption of investments in high-yield bond funds, collateralised loan obligations, equity funds and hedge funds ranges in frequency from daily to semi-annually. The Group did not sponsor any of the respective structured entities. The Group's maximum exposure to loss from its interests in investee funds is equal to the total fair value of its investments in investee funds and unfunded commitments.

Notes to the financial statements continued

17 Financial assets and liabilities continued

17g Currency exposures

The currency exposures of our financial assets held are detailed below:

2024	UK £ $m	CAD $ $m	EUR € $m	Other[1] $m	Sub total $m	US $ $m	Total $m
Financial assets at FVTPL:							
– Fixed and floating rate debt securities	653.8	428.0	—	—	1,081.8	8,212.0	9,293.8
– Syndicate loans	29.5	—	—	—	29.5	—	29.5
– Equity linked funds	—	—	—	—	—	348.7	348.7
– Hedge funds	—	—	—	—	—	752.0	752.0
– Illiquid assets	13.5	—	36.0	—	49.5	125.9	175.4
– Derivative financial assets	—	—	—	—	—	11.2	11.2
Cash and cash equivalents	110.6	41.6	80.9	16.3	249.4	632.7	882.1
Amounts due from managed syndicates and other receivables	216.7	12.8	69.9	—	299.4	298.8	598.2
Total	**1,024.1**	**482.4**	**186.8**	**16.3**	**1,709.6**	**10,381.3**	**12,090.9**

1 Primarily comprises Swiss franc.

2023	UK £ $m	CAD $ $m	EUR € $m	Other[1] $m	Sub total $m	US $ $m	Total $m
Financial assets at FVTPL:							
– Fixed and floating rate debt securities	789.6	432.5	—	—	1,222.1	7,314.3	8,536.4
– Syndicate loans	34.1	—	—	—	34.1	—	34.1
– Equity linked funds	—	—	—	—	—	282.7	282.7
– Hedge funds	—	—	—	—	—	582.2	582.2
– Illiquid assets	6.4	—	45.9	—	52.3	167.8	220.1
– Derivative financial assets	—	—	—	—	—	10.0	10.0
Cash and cash equivalents	125.8	51.5	93.5	12.3	283.1	529.2	812.3
Amounts due from managed syndicates and other receivables	27.6	9.4	51.4	—	88.4	209.1	297.5
Total	**983.5**	**493.4**	**190.8**	**12.3**	**1,679.9**	**9,095.3**	**10,775.3**

1 Primarily comprises Swiss franc.

18 Derivative financial instruments

Derivative financial instruments are utilised by the Group to manage its exposure to currency risk on existing assets and liabilities. Over-the-counter foreign exchange forward agreements are used to economically hedge the balance sheet's net assets by currency exposure.

The assets and liabilities of these contracts are detailed below. The Group has the right and intention to settle each contract on a net basis.

	2024		2023	
	Notional contract amount $m	Market value of derivative position $m	Notional contract amount $m	Market value of derivative position $m
Contract assets	536.0	11.2	648.8	10.0
Contract liabilities	900.0	(27.3)	436.4	(6.3)
Total derivative financial instruments		**(16.1)**		**3.7**

19 Other assets

	2024 $m	2023 $m
Investment in associates	0.2	0.3
Prepayments and accrued income	83.0	56.4
Due from syndicate 623	79.5	19.1
Due from syndicate 4321	7.8	6.3
Due from syndicate 5623	26.7	—
Other receivables[1]	484.2	272.1
Total other assets	**681.4**	**354.2**

1 Includes $110.8m of investment receivables (2023: $56.3m) and $71.9m of accrued investment income (2023: $64.1m).

Amounts are due within one year of the reporting date, with the exception of the Group's investment in associates and $43.3m (2023: $13.7m) of other assets which are due after one year from the reporting date.

Investment in associates

The Group's investments in associates are accounted for using the equity method and consist of the following:

2024	Country/region of incorporation	% interest held
Falcon Money Management Holdings Limited (and subsidiaries)	Malta[1]	25 %
Pegasus Underwriting Limited	Hong Kong[2]	33 %
CyberAcu View LLC	US[3]	14 %

1 B2 Industry Street, Qormi, QRM 3000, Malta.
2 Suite 126, 12/F Somptuex Central, 52–54 Wellington Street, Hong Kong.
3 8 The Green, Ste A, Dover, DE 19901.

The Group has the ability to appoint a member to the Board of CyberAcuView LLC to represent its interest, therefore the Group is deemed to have significant influence and this investment is recognised as an associate.

A share of loss on associates of $nil (2023: $0.1m) has been recognised in profit or loss for the year.

20 Cash and cash equivalents

	2024 $m	2023 $m
Cash at bank and in hand	841.3	812.3
Cash equivalents	40.8	—
Total cash and cash equivalents	**882.1**	**812.3**

Included within Cash and cash equivalents held by the Group are balances totalling $273.6m (2023: $132.6m) not available for immediate use by the Group outside of the Lloyd's syndicate within which they are held. Additionally, $57.3m (2023: $73.1m) is pledged cash held against Funds at Lloyd's, and $56.1m (2023: $13.3m) is held in Lloyd's Singapore trust accounts which are only available for use by the Group to meet local claim and expense obligations.

21 Share capital

	2024 No. of shares (m)	2024 $m	2023 No. of shares (m)	2023 $m
Ordinary shares of 5p each				
Issued and fully paid	639.0	44.6	672.5	46.7
Balance at 01 January	**672.5**	**46.7**	**671.2**	**46.6**
Issue of shares to satisfy employee share schemes	3.8	0.3	1.3	0.1
Share buyback[1]	(37.3)	(2.4)	—	—
Balance at 31 December	**639.0**	**44.6**	**672.5**	**46.7**

1 For further information on the share buyback, please see Note 22 Other reserves.

There are no limits to the authorised share capital of the Company.

On 07 March 2024, Beazley plc announced to the market its intention to return surplus capital to its shareholders through a share repurchase programme ("the buyback"). The buyback completed on 30 September 2024, with 37.3m ordinary shares repurchased for a total consideration of $327.8m. At 31 December 2024, there were 639.0m ordinary shares in issue.

The purchase price of shares and directly attributable transaction costs of $2.2m (such as stamp duty, commissions, legal costs and registrar fees) are recognised through retained earnings. On their cancellation, the nominal value of the ordinary shares is deducted from share capital and the equivalent amount is recognised within the capital redemption reserve (refer to Note 22).

22 Other reserves

	Employee share options reserve $m	Employee share trust reserve $m	Capital redemption reserve[1] $m	Total $m
Balance at 01 January 2023	**28.6**	**(36.2)**	**—**	**(7.6)**
Share-based payments	36.2	—	—	36.2
Tax on share option vestings	0.7	—	—	0.7
Acquisition of own shares held in trust	—	(33.6)	—	(33.6)
Transfer of shares to employees	(14.8)	6.3	—	(8.5)
Balance at 31 December 2023	**50.7**	**(63.5)**	**—**	**(12.8)**
Share-based payments	40.5	—	—	40.5
Tax on share option vestings	7.1	—	—	7.1
Acquisition of own shares held in trust	—	(14.0)	—	(14.0)
Transfer of shares to employees	(27.1)	15.7	—	(11.4)
Share buyback	—	—	2.4	2.4
Balance at 31 December 2024	**71.2**	**(61.8)**	**2.4**	**11.8**

1 The price of shares purchased as part of the buyback scheme is recognised through retained earnings. On their cancellation, the nominal value of the ordinary shares is deducted from share capital and the equivalent amount is recognised within the capital redemption reserve.

The employee share options reserve is held in accordance with IFRS 2 Share-based Payment. For awards satisfied by the employee share trust (EBT), shares are purchased on the market with the financial assistance of Beazley plc and are carried at cost. For further information, refer to Note 23. A reconciliation of the amounts included within the EBT reserve is provided below.

	2024 Number (m)	2023 Number (m)
Balance at 01 January	9.8	5.7
Additions	1.8	5.1
Transfer of shares to employees	(2.5)	(1.0)
Balance at 31 December	**9.1**	**9.8**

Notes to the financial statements continued

23 Equity compensation plans

The Group offers the following equity compensation plans: long-term incentive plan (LTIP), Save-As-You-Earn (SAYE) plan, deferred share plan, and retention share plan. Provided vesting conditions are met, the methods of settlement for each plan are as follows:

- LTIP – share options which entitle executives and senior management to acquire shares in the Company, satisfied either through new issue or the EBT.
- SAYE – share options which entitle the Group's employees to buy shares at a set option price. These are satisfied through new issue.
- Deferred awards – conditional awards granted to employees in the form of shares, satisfied through the EBT.
- Retention shares – conditional awards granted to senior management in the form of shares, satisfied through the EBT. Almost all of these had vested by the balance sheet date, with less than 0.1m still outstanding.

The terms and conditions of the grants are as follows:

Equity compensation plans	No. outstanding (m)	Vesting conditions	Contractual life
LTIP (3-year)	11.7	Three years' service + NAVps + minimum shareholding + sustainability	10 years
LTIP (5-year)	4.8	Five years' service + NAVps + minimum shareholding	10 years
SAYE (UK)	1.8	Three years' service	6 months
SAYE (US)	0.2	Two years' service	3 months
SAYE (others)	0.2	Two years' service	Various
Total options outstanding	**18.7**		
Deferred share plan	6.4	Three years' service	n/a
Total outstanding	**25.1**		

In summary, the vesting conditions are defined as follows:

- Two, three, five or six years' service – an employee has to remain in employment until the second, third, fifth or sixth anniversary respectively from the grant date.
- NAVps – the net asset value per share (NAVps) growth, after adjusting for the effect of dividends, is greater than the risk-free rate of return plus a premium per year.
- The Group CEO and Group CFO ("the Executive Directors") must hold and maintain a shareholding of 300% and 200% respectively of base salary. The Executive Directors must maintain 100% of their shareholding requirement for two years post-departure. Other executive management and senior management of the business are expected to hold and maintain a shareholding of 150% and 100% respectively of base salary.
- Sustainability requirements – starting from 2023, the Group must reduce its carbon emissions and increase its female and people of colour representation at the Board and senior manager level.

Further details can be found in the Directors' remuneration report on pages 135 to 157. The total gain on Directors' exercises of share option plans during the year was £0.5m (2023: £0.5m).

Number of options and exercise prices

The following table summarises the number of options outstanding at the balance sheet date, the weighted average remaining contractual life of these options, and the weighted average share price at exercise of options exercised during the year.

	2024		2023	
	Weighted average exercise price (pence per share)	No. of options (m)	Weighted average exercise price (pence per share)	No. of options (m)
Outstanding at 01 January	**58.0**	**18.0**	**56.5**	**15.9**
Forfeited during the year	70.0	(1.1)	40.9	(2.2)
Exercised during the year[1]	106.0	(4.7)	76.6	(1.4)
Granted during the year	92.3	6.5	57.8	5.7
Outstanding at 31 December[2]	**56.9**	**18.7**	**58.0**	**18.0**
Exercisable at 31 December	—	—	—	—

1 The weighted average share price at the point of exercise of these options was 694.8p (2023: 610.2p).
2 The weighted average remaining contractual life for the outstanding options at end of the year was 1.10 years (2023: 1.33 years).

23 Equity compensation plans continued

The range of exercise prices for options outstanding at the end of the year were as follows:

Exercise prices (pence per option)	2024 No. outstanding (m)	2023 No. outstanding (m)
0–100	16.5	15.0
201–300	—	1.6
301–400	0.5	0.6
401–500	0.5	0.7
501–570	1.2	0.1
Total options outstanding	**18.7**	**18.0**

Fair values

The fair values of the LTIP and SAYE plans are measured using the Black Scholes model, taking into account the terms and conditions upon which the options were granted.

For these plans, amounts are recognised in the profit or loss as an employee expense over the period in which the employees become unconditionally entitled to the options, with a corresponding increase in the employee share options reserve. The amount recognised as an expense is adjusted to reflect the actual number once vested. The below table is a summary of the assumptions used to calculate the fair value of share options awarded during the year ended 31 December 2024.

	2024	2023
Share options charge to employee share options reserve ($m)	**40.1**	**33.8**
LTIP		
Weighted average share price (pence per option)	674.8	614.0
Weighted average fair value (pence per option)	674.7	613.9
Weighted average exercise price (pence per option)	—	—
Average expected life of options (years)	2.9yrs	2.9yrs
Expected volatility	30.2 %	35.0 %
Expected dividend yield	— %	— %
Average risk-free interest rate	4.3 %	3.9 %
SAYE		
Weighted average share price (pence per option)	646.1	582.5
Weighted average fair value (pence per option)	199.3	184.2
Weighted average exercise price (pence per option)	530.9	480.1
Average expected life of options (years)	3.3yrs	3.3yrs
Expected volatility	30.2 %	34.8 %
Expected dividend yield	2.4 %	2.5 %
Average risk-free interest rate	4.6 %	3.8 %

The expected volatility is based on historic volatility over a period of at least two years.

For the deferred share plan and retention share plan, fair values are determined based on the share price at date of grant. Amounts are recognised in the statement of profit or loss on a straight-line basis over a period of three years and six years respectively.

Notes to the financial statements continued

24 Deferred tax

	2024 $m	2023 $m
Deferred tax asset	191.8	46.9
Deferred tax liability	(387.2)	(202.2)
Net deferred tax liability	**(195.4)**	**(155.3)**

An overview of the nature of the deferred tax assets/(liabilities) is set out below.

	Balance 01 Jan 24 $m	Recognised in total comprehensive income $m	Recognised in equity $m	FX translation differences $m	Balance 31 Dec 24 $m
Plant and equipment	(1.1)	(1.8)	—	—	(2.9)
Intangible assets	(1.3)	(6.3)	—	—	(7.6)
Underwriting profits	(94.2)	(11.8)	—	—	(106.0)
Deferred acquisition costs	—	—	—	—	—
Tax losses carried forward	9.7	(9.7)	—	—	—
Share-based payments	9.0	0.4	7.1	—	16.5
Unrealised gains/(losses) on investments	(1.2)	11.3	—	—	10.1
IFRS 17 adjustments	(87.1)	(44.2)	—	—	(131.3)
Other	10.9	15.3	—	(0.4)	25.8
Net deferred tax (liability)/asset	**(155.3)**	**(46.8)**	**7.1**	**(0.4)**	**(195.4)**

	Balance 01 Jan 23 $m	Recognised in total comprehensive income $m	Recognised in equity $m	FX translation differences $m	Balance 31 Dec 23 $m
Plant and equipment	(0.8)	(0.3)	—	—	(1.1)
Intangible assets	(1.8)	0.5	—	—	(1.3)
Underwriting profits	7.4	(101.6)	—	—	(94.2)
Deferred acquisition costs	1.7	(1.7)	—	—	—
Tax losses carried forward	4.0	5.7	—	—	9.7
Share-based payments	8.4	1.5	(0.9)	—	9.0
Unrealised gains/(losses) on investments	9.9	(11.1)	—	—	(1.2)
IFRS 17 adjustments	(83.7)	(3.4)	—	—	(87.1)
Other	6.5	6.8	—	(2.4)	10.9
Net deferred tax liability	**(48.4)**	**(103.6)**	**(0.9)**	**(2.4)**	**(155.3)**

Geographical analysis

Deferred tax assets and deferred tax liabilities relating to the same tax authority are presented net in the Group's balance sheet. A geographical analysis has been included below.

	2024 $m	2023 $m
UK	(245.1)	(152.8)
US	191.8	46.7
Ireland	(98.5)	(38.7)
Other[1]	(43.6)	(10.5)
Net deferred tax (liability)	**(195.4)**	**(155.3)**

1 Includes Canada, France, Germany, Spain and Switzerland.

24 Deferred tax continued

Under IFRS 17, the timing of the recognition of the Group's profits differs significantly from the basis on which corporate taxes are levied in the tax jurisdictions where the Group operates. None of the Group's material profit-making entities pay corporate taxes based on IFRS 17 profits and therefore significant temporary differences arise. In some jurisdictions, such as the UK and Ireland, profits are recognised earlier under IFRS 17 and thus a deferred tax liability is recognised. The Group expects this to unwind over time as profits are recognised (offset by new profits on an IFRS 17 basis). In the US, profits are recognised more slowly on an IFRS 17 basis than under the US Stat basis on which tax is determined, with the Group recognising a deferred tax asset of $148.2m (2023: $23.2m). The Group is of the view that sufficient future profits will arise on an IFRS 17 basis to realise this deferred tax asset.

The Group has no deferred tax assets relating to trading losses (2023: $9.7m). The Group also has no unrecognised trading losses as at 31 December 2024 (2023: nil) and has unrecognised capital losses of $2.5m (2023: $4.0m).

The Group has applied the temporary mandatory exemption from accounting for deferred taxes under the Pillar Two rules. Therefore, no deferred taxes have been recognised in relation to these rules as at 31 December 2024.

25 Subordinated liabilities

In November 2016, the Group issued $250m of subordinated Tier 2 notes due in 2026. Annual interest, at a fixed rate of 5.875%, is payable in May and November each year. In September 2019, the Group issued $300m of subordinated Tier 2 notes due in 2029. Annual interest, at a fixed rate of 5.5% is payable in March and September each year.

The subordinated liabilities are subject to a covenant that requires the Group to notify the lender of any default (late payment of principal by 7 days or late payment of interest by 14 days) on an annual basis or where otherwise requested. Compliance with the covenant is tested annually until the maturity of the subordinated liabilities. The Group has no indication that it will have difficulty complying with this covenant.

The carrying amounts of the subordinated liabilities are as follows. The total fair value of the Group's subordinated liabilities is $544.6m (2023: $513.6m).

	Tier 2 subordinated debt (2029) $m	Tier 2 subordinated debt (2026) $m	Total $m
Opening balance at 01 January 2023	298.6	249.4	548.0
Amortisation of capitalised borrowing costs	0.2	0.1	0.3
Closing balance at 31 December 2023	**298.8**	**249.5**	**548.3**
Amortisation of capitalised borrowing costs	0.2	0.2	0.4
Closing balance at 31 December 2024	**299.0**	**249.7**	**548.7**

The annual interest expense on the Group's subordinated liabilities is included in Note 11. Accrued interest of $7.4m (2023: $7.4m) is included within Other liabilities (see Note 28).

Notes to the financial statements continued

26 Leases

The Group leases offices and IT equipment. The leased offices are in several locations and the leases of large offices such as London and New York typically run for a period of 10 years, with an option to renew the lease after that date or continue on a rolling month-by-month basis. Lease payments are renegotiated as agreed in the lease contracts. Information about leases for which the Group is a lessee are presented below. Note that the right-of-use assets do not meet the definition of investment property as per IAS 40.

Right-of-use assets

	Offices $m	IT equipment $m	Total $m
Balance at 01 January 2023	**53.3**	**7.2**	**60.5**
Depreciation	(9.6)	(3.3)	(12.9)
Additions	10.9	—	10.9
Foreign exchange gain	0.8	0.1	0.9
Balance at 31 December 2023	**55.4**	**4.0**	**59.4**
Depreciation	(8.2)	(3.3)	(11.5)
Additions	1.5	—	1.5
Foreign exchange gain	0.4	—	0.4
Balance at 31 December 2024	**49.1**	**0.7**	**49.8**

Lease liabilities

	Offices $m	IT equipment $m	Total $m
Balance at 01 January 2023	**65.4**	**7.3**	**72.7**
Lease payments	(8.5)	(3.5)	(12.0)
Interest on lease liabilities and dilapidation provision	3.1	0.2	3.3
Additions to lease portfolio	10.9	—	10.9
Foreign exchange gain	1.5	0.2	1.7
Balance at 31 December 2023	**72.4**	**4.2**	**76.6**
Lease payments	(11.0)	(3.7)	(14.7)
Interest on lease liabilities and dilapidation provision	2.7	0.2	2.9
Additions to lease portfolio	1.5	—	1.5
Foreign exchange gain	0.6	—	0.6
Balance at 31 December 2024	**66.2**	**0.7**	**66.9**

The amount falling due within 12 months is $11.6m (2023: $13.5m). For a detailed maturity analysis, refer to Note 29d.

27 Insurance and reinsurance contracts

27a Reconciliations by measurement component

This section shows how the net carrying amounts of insurance contracts issued and reinsurance contracts held by the Group have changed during the year, as a result of changes in cash flows and amounts recognised in profit or loss.

i) Insurance contracts issued

The tables below set out the estimated present value of future cash flows, the risk adjustment for non-financial risk and the CSM for insurance contracts issued.

31 December 2024	Present value of future cash flows $m	Risk adjustment for non-financial risk $m	CSM $m	Total $m
Opening insurance contract assets	103.8	(1.2)	(1.1)	101.5
Opening insurance contract liabilities	(6,874.5)	(774.8)	(342.9)	(7,992.2)
Net insurance contract liabilities at 01 January 2024	**(6,770.7)**	**(776.0)**	**(344.0)**	**(7,890.7)**
CSM recognised in profit or loss for services provided	—	—	807.3	807.3
Changes in the risk adjustment for non-financial risk for risk expired	—	271.5	—	271.5
Experience adjustments	494.2	(234.2)	—	260.0
Total changes relating to current service	494.2	37.3	807.3	1,338.8
Changes in estimates that adjust the CSM	163.8	5.1	(168.9)	—
Changes in estimates that result in onerous contract losses or reversal of such losses	0.8	(0.1)	9.7	10.4
Contracts initially recognised in the period	1,079.8	(268.7)	(816.4)	(5.3)
Total changes relating to future service	1,244.4	(263.7)	(975.6)	5.1
Total changes relating to past service – adjustments to the LIC	205.0	196.2	—	401.2
Recognised in insurance service result	**1,943.6**	**(30.2)**	**(168.3)**	**1,745.1**
Finance (expenses)/income from insurance contracts issued	(112.1)	(7.8)	30.8	(89.1)
Foreign exchange gains	27.9	1.2	1.0	30.1
Other amounts recognised in total comprehensive income	**(84.2)**	**(6.6)**	**31.8**	**(59.0)**
Premiums received net of insurance acquisition cash flows	(5,148.1)	—	—	(5,148.1)
Claims and other directly attributable expenses paid	2,558.6	—	—	2,558.6
Total cash flows	**(2,589.5)**	**—**	**—**	**(2,589.5)**
Closing insurance contract assets	24.5	(3.9)	(0.4)	20.2
Closing insurance contract liabilities	(7,525.3)	(808.9)	(480.1)	(8,814.3)
Net insurance contract liabilities at 31 December 2024	**(7,500.8)**	**(812.8)**	**(480.5)**	**(8,794.1)**

Notes to the financial statements continued

27 Insurance and reinsurance contracts continued

31 December 2023	Present value of future cash flows $m	Risk adjustment for non-financial risk $m	CSM $m	Total $m
Opening insurance contract assets	123.5	(12.9)	(26.5)	84.1
Opening insurance contract liabilities	(6,324.0)	(711.3)	(314.5)	(7,349.8)
Net insurance contract liabilities at 01 January 2023	**(6,200.5)**	**(724.2)**	**(341.0)**	**(7,265.7)**
CSM recognised in profit or loss for services provided	—	—	691.4	691.4
Changes in the risk adjustment for non-financial risk for risk expired	—	316.8	—	316.8
Experience adjustments	893.3	(285.5)	—	607.8
Total changes relating to current service	893.3	31.3	691.4	1,616.0
Changes in estimates that adjust the CSM	135.0	(19.1)	(115.9)	—
Changes in estimates that result in onerous contract losses or reversal of such losses	6.0	(1.1)	7.5	12.4
Contracts initially recognised in the period	870.2	(264.2)	(616.6)	(10.6)
Total changes relating to future service	1,011.2	(284.4)	(725.0)	1.8
Total changes relating to past service – adjustments to the LIC	16.2	215.8	—	232.0
Recognised in insurance service result	**1,920.7**	**(37.3)**	**(33.6)**	**1,849.8**
Finance income/(expenses) from insurance contracts issued	(190.2)	(13.9)	34.8	(169.3)
Foreign exchange gains/(losses)	1.9	(0.6)	(4.2)	(2.9)
Other amounts recognised in total comprehensive income	**(188.3)**	**(14.5)**	**30.6**	**(172.2)**
Premiums received net of insurance acquisition cash flows	(4,526.4)	—	—	(4,526.4)
Claims and other directly attributable expenses paid	2,223.8	—	—	2,223.8
Total cash flows	**(2,302.6)**	**—**	**—**	**(2,302.6)**
Closing insurance contract assets	103.8	(1.2)	(1.1)	101.5
Closing insurance contract liabilities	(6,874.5)	(774.8)	(342.9)	(7,992.2)
Net insurance contract liabilities at 31 December 2023	**(6,770.7)**	**(776.0)**	**(344.0)**	**(7,890.7)**

27 Insurance and reinsurance contracts continued

ii) Reinsurance contracts held

The tables below set out the estimates of the present value of future cash flows, risk adjustment for non-financial risk and CSM for reinsurance contracts held.

31 December 2024	Present value of future cash flows $m	Risk adjustment for non-financial risk $m	CSM $m	Total $m
Opening reinsurance contract assets	2,143.4	166.2	117.1	2,426.7
Opening reinsurance contract liabilities	(404.4)	58.4	12.5	(333.5)
Net reinsurance contract assets at 01 January 2024	**1,739.0**	**224.6**	**129.6**	**2,093.2**
CSM recognised in profit or loss for the services provided	—	—	(173.1)	(173.1)
Changes in the risk adjustment for non-financial risk for the risk expired	—	(54.0)	—	(54.0)
Experience adjustments	(71.3)	46.0	—	(25.3)
Total changes relating to current service	(71.3)	(8.0)	(173.1)	(252.4)
Changes in estimates that adjust the CSM	159.0	(42.0)	(117.0)	—
Contracts initially recognised in the period	(498.9)	96.6	402.3	—
Total changes relating to future service	(339.9)	54.6	285.3	—
Adjustments to incurred claims recovery	(157.8)	(97.1)	—	(254.9)
Effect of changes in the risk of reinsurers' non-performance	(1.8)	—	—	(1.8)
Total changes relating to past service	(159.6)	(97.1)	—	(256.7)
Recognised in insurance service result	**(570.8)**	**(50.5)**	**112.2**	**(509.1)**
Finance income/(expenses) from reinsurance contracts held	38.6	1.7	(7.1)	33.2
Foreign exchange losses	(2.8)	(0.4)	(0.1)	(3.3)
Other amounts recognised in total comprehensive income	**35.8**	**1.3**	**(7.2)**	**29.9**
Premiums paid net of ceding commissions and other directly attributable expenses paid	1,254.7	—	—	1,254.7
Recoveries from reinsurance	(499.2)	—	—	(499.2)
Total cash flows	**755.5**	**—**	**—**	**755.5**
Closing reinsurance contract assets	2,309.7	160.4	196.5	2,666.6
Closing reinsurance contract liabilities	(350.2)	15.0	38.1	(297.1)
Net reinsurance contract assets at 31 December 2024	**1,959.5**	**175.4**	**234.6**	**2,369.5**

Notes to the financial statements continued

27 Insurance and reinsurance contracts continued

31 December 2023	Present value of future cash flows $m	Risk adjustment for non-financial risk $m	CSM $m	Total $m
Opening reinsurance contract assets	1,853.3	184.6	137.4	2,175.3
Opening reinsurance contract liabilities	(193.8)	12.7	19.9	(161.2)
Net reinsurance contract assets at 01 January 2023	**1,659.5**	**197.3**	**157.3**	**2,014.1**
CSM recognised in profit or loss for the services provided	—	—	(290.8)	(290.8)
Changes in the risk adjustment for non-financial risk for the risk expired	—	(105.2)	—	(105.2)
Experience adjustments	(139.0)	84.2	—	(54.8)
Total changes relating to current service	(139.0)	(21.0)	(290.8)	(450.8)
Changes in estimates that adjust the CSM	91.6	(16.1)	(75.5)	—
Contracts initially recognised in the period	(436.3)	84.2	352.1	—
Total changes relating to future service	(344.7)	68.1	276.6	—
Adjustments to incurred claims recovery	(110.9)	(41.3)	—	(152.2)
Effect of changes in the risk of reinsurers' non-performance	4.2	—	—	4.2
Total changes relating to past service	(106.7)	(41.3)	—	(148.0)
Recognised in insurance service result	**(590.4)**	**5.8**	**(14.2)**	**(598.8)**
Finance income/(expense) from reinsurance contracts held	24.0	5.7	(13.8)	15.9
Foreign exchange (losses)/gains	(20.6)	15.8	0.3	(4.5)
Other amounts recognised in total comprehensive income	**3.4**	**21.5**	**(13.5)**	**11.4**
Premiums paid net of ceding commissions and other directly attributable expenses paid	1,080.4	—	—	1,080.4
Recoveries from reinsurance	(413.9)	—	—	(413.9)
Total cash flows	**666.5**	**—**	**—**	**666.5**
Closing reinsurance contract assets	2,143.4	166.2	117.1	2,426.7
Closing reinsurance contract liabilities	(404.4)	58.4	12.5	(333.5)
Net reinsurance contract assets at 31 December 2023	**1,739.0**	**224.6**	**129.6**	**2,093.2**

27 Insurance and reinsurance contracts continued

27b Analysis of the liability for remaining coverage and the liability for incurred claims

i) Insurance contracts issued

The tables below analyse insurance contract assets and liabilities between the liability for remaining coverage (LRC) and the liability for incurred claims (LIC) for insurance contracts issued.

	LRC			
	Excluding loss component	Loss component	LIC	Total
31 December 2024	$m	$m	$m	$m
Opening insurance contract assets	101.7	—	(0.2)	101.5
Opening insurance contract liabilities	(848.8)	(8.3)	(7,135.1)	(7,992.2)
Net insurance contract liabilities at 01 January 2024	**(747.1)**	**(8.3)**	**(7,135.3)**	**(7,890.7)**
Insurance revenue	5,678.1	—	—	5,678.1
Insurance service expenses:				
– Incurred claims and other directly attributable expenses	(80.8)	—	(3,249.3)	(3,330.1)
– Changes that relate to past service – adjustments to the LIC	—	—	401.2	401.2
– Losses on onerous contracts and reversal of those losses	—	5.1	—	5.1
– Insurance acquisition cash flows amortisation	(1,009.2)	—	—	(1,009.2)
Recognised in insurance service result	**4,588.1**	**5.1**	**(2,848.1)**	**1,745.1**
Finance income/(expenses) from insurance contracts issued	96.7	—	(185.8)	(89.1)
Foreign exchange gains	19.2	—	10.9	30.1
Other amounts recognised in total comprehensive income	**115.9**	**—**	**(174.9)**	**(59.0)**
Premiums received net of insurance acquisition cash flows	(5,148.1)	—	—	(5,148.1)
Claims and other directly attributable expenses paid	—	—	2,558.6	2,558.6
Total cash flows	**(5,148.1)**	**—**	**2,558.6**	**(2,589.5)**
Closing insurance contract assets	52.4	—	(32.2)	20.2
Closing insurance contract liabilities	(1,243.6)	(3.2)	(7,567.5)	(8,814.3)
Net insurance contract liabilities at 31 December 2024	**(1,191.2)**	**(3.2)**	**(7,599.7)**	**(8,794.1)**

Notes to the financial statements continued

27 Insurance and reinsurance contracts continued

31 December 2023	LRC Excluding loss component $m	LRC Loss component $m	LIC $m	Total $m
Opening insurance contract assets	87.2	—	(3.1)	84.1
Opening insurance contract liabilities	(824.7)	(10.1)	(6,515.0)	(7,349.8)
Net insurance contract liabilities at 01 January 2023	**(737.5)**	**(10.1)**	**(6,518.1)**	**(7,265.7)**
Insurance revenue	5,442.4	—	—	5,442.4
Insurance service expenses:				
– Incurred claims and other directly attributable expenses	(86.3)	—	(2,825.3)	(2,911.6)
– Changes that relate to past service – adjustments to the LIC	—	—	232.0	232.0
– Losses on onerous contracts and reversal of those losses	—	1.8	—	1.8
– Insurance acquisition cash flows amortisation	(914.8)	—	—	(914.8)
Recognised in insurance service result	**4,441.3**	**1.8**	**(2,593.3)**	**1,849.8**
Finance income from insurance contracts issued	70.8	—	(240.1)	(169.3)
Foreign exchange gains/(losses)	4.7	—	(7.6)	(2.9)
Other amounts recognised in total comprehensive income	**75.5**	**—**	**(247.7)**	**(172.2)**
Premiums received net of insurance acquisition cash flows	(4,526.4)	—	—	(4,526.4)
Claims and other directly attributable expenses paid	—	—	2,223.8	2,223.8
Total cash flows	**(4,526.4)**	**—**	**2,223.8**	**(2,302.6)**
Closing insurance contract assets	101.7	—	(0.2)	101.5
Closing insurance contract liabilities	(848.8)	(8.3)	(7,135.1)	(7,992.2)
Net insurance contract liabilities at 31 December 2023	**(747.1)**	**(8.3)**	**(7,135.3)**	**(7,890.7)**

27 Insurance and reinsurance contracts continued

ii) Reinsurance contracts held

The tables below analyse reinsurance contract assets and liabilities between the asset for remaining coverage (ARC) and asset for incurred claims (AIC) for reinsurance contracts held.

31 December 2024	ARC[1] $m	AIC $m	Total $m
Opening reinsurance contract assets	758.4	1,668.3	2,426.7
Opening reinsurance contract liabilities	(1,080.3)	746.8	(333.5)
Net reinsurance contract assets/(liabilities) at 01 January 2024	**(321.9)**	**2,415.1**	**2,093.2**
Allocation of reinsurance premium	(764.9)	—	(764.9)
Amounts recoverable from reinsurers for incurred claims:			
– Effect of changes in the risk of reinsurers' non-performance	—	(1.8)	(1.8)
– Claims recovered	—	516.9	516.9
– Other incurred directly attributable expenses	—	(4.4)	(4.4)
– Changes that relate to past service – adjustments to incurred claims recovery	—	(254.9)	(254.9)
Net expenses from reinsurance contracts held	**(764.9)**	**255.8**	**(509.1)**
Finance (expenses)/income from reinsurance contracts held	(27.3)	60.5	33.2
Foreign exchange losses	(0.9)	(2.4)	(3.3)
Other amounts recognised in total comprehensive income	**(28.2)**	**58.1**	**29.9**
Premiums paid net of ceding commissions and other directly attributable expenses paid	1,254.7	—	1,254.7
Recoveries from reinsurance	—	(499.2)	(499.2)
Total cash flows	**1,254.7**	**(499.2)**	**755.5**
Closing reinsurance contract assets	573.8	2,092.8	2,666.6
Closing reinsurance contract liabilities	(434.1)	137.0	(297.1)
Net reinsurance contract assets at 31 December 2024	**139.7**	**2,229.8**	**2,369.5**

1 Includes loss recovery component of $0.9m at 01 January 2024 and $0.2m at 31 December 2024.

Notes to the financial statements continued

27 Insurance and reinsurance contracts continued

31 December 2023[1]	ARC[2] $m	AIC $m	Total $m
Opening reinsurance contract assets	24.9	2,150.4	2,175.3
Opening reinsurance contract liabilities	(254.7)	93.5	(161.2)
Net reinsurance contract assets/(liabilities) at 01 January 2023	**(229.8)**	**2,243.9**	**2,014.1**
Allocation of reinsurance premium	(1,127.3)	—	(1,127.3)
Amounts recoverable from reinsurers for incurred claims:			
– Effect of changes in the risk of reinsurers' non-performance	—	4.2	4.2
– Claims recovered	—	680.1	680.1
– Other incurred directly attributable expenses	—	(3.6)	(3.6)
– Changes that relate to past service – adjustments to incurred claims recovery	—	(152.2)	(152.2)
Net expenses from reinsurance contracts held	**(1,127.3)**	**528.5**	**(598.8)**
Finance (expenses)/income from reinsurance contracts held	(40.9)	56.8	15.9
Foreign exchange losses	(4.3)	(0.2)	(4.5)
Other amounts recognised in total comprehensive income	**(45.2)**	**56.6**	**11.4**
Premiums paid net of ceding commissions and other directly attributable expenses paid	1,080.4	—	1,080.4
Recoveries from reinsurance	—	(413.9)	(413.9)
Total cash flows	**1,080.4**	**(413.9)**	**666.5**
Closing reinsurance contract assets	758.4	1,668.3	2,426.7
Closing reinsurance contract liabilities	(1,080.3)	746.8	(333.5)
Net reinsurance contract assets/(liabilities) at 31 December 2023	**(321.9)**	**2,415.1**	**2,093.2**

1 A presentational error was identified in the version of this disclosure included in the 2023 Annual Report and Accounts. The disclosure above has been restated to correct these errors. There was no impact to the carrying value of any item in the statement of financial position, amounts recognised through the income statement or the opening and closing balances in this disclosure. Certain amounts had been incorrectly classified between the asset for incurred claims and the asset for remaining coverage. Specifically: an allocation of reinsurance premium of $763.5m had been classified as a movement in the AIC when it should have been included in the ARC; movement in the ARC of $1.3m for the effect of changes in the risk of reinsurers non-performance, $767.1m for claims recovered and $0.5m for other directly attributable expenses should have been included as movements relating to amounts recoverable from reinsurers in the AIC; and $1.8m relating to foreign exchange is consequently required to be recognised as a movement in AIC, not the ARC.

2 Includes loss recovery component of $3.8m at 01 January 2023 and $0.9m at 31 December 2023.

27 Insurance and reinsurance contracts continued

27c New business

i) Impact of insurance contracts issued in the year

The following tables show the impact of new insurance contracts issued in the period. These are broken down by contracts which were/were not deemed to be onerous on initial recognition.

Year ended 31 December 2024	Non-onerous contracts originated $m	Onerous contracts originated $m	Total $m
Estimated present value of future cash outflows:			
– Insurance acquisition cash flows	(949.7)	(20.7)	(970.4)
– Claims and other directly attributable expenses	(2,864.4)	(61.5)	(2,925.9)
Estimated present value of future cash inflows	4,890.2	85.9	4,976.1
Risk adjustment for non-financial risk	(259.7)	(9.0)	(268.7)
Contractual service margin	(816.4)	—	(816.4)
Net increase in insurance contract liabilities	**—**	**(5.3)**	**(5.3)**

Year ended 31 December 2023	Non-onerous contracts originated $m	Onerous contracts originated $m	Total $m
Estimated present value of future cash outflows:			
– Insurance acquisition cash flows	(759.3)	(68.1)	(827.4)
– Claims and other directly attributable expenses	(2,489.8)	(176.7)	(2,666.5)
Estimated present value of future cash inflows	4,115.0	249.1	4,364.1
Risk adjustment for non-financial risk	(249.3)	(14.9)	(264.2)
Contractual service margin	(616.6)	—	(616.6)
Net increase in insurance contract liabilities	**—**	**(10.6)**	**(10.6)**

ii) Impact of reinsurance contracts held in the year

The following table shows the impact of new reinsurance contracts initially recognised in the period which were not deemed to originate with a loss recovery component. Contracts originating with a loss recovery component were $0.3m (2023: $0.3m).

	2024 $m	2023 $m
Estimated present value of future cash outflows	(1,035.3)	(1,253.5)
Estimated present value of future cash inflows	536.4	817.2
Risk adjustment for non-financial risk	96.6	84.2
Contractual service margin	402.3	352.1
Net increase in reinsurance contract assets	**—**	**—**

Notes to the financial statements continued

27 Insurance and reinsurance contracts continued

27d Future CSM release

The tables below show when the Group expects to release the closing CSM to the profit or loss in appropriate future time bands. It is presented for both insurance contracts issued and reinsurance contracts held.

Insurance contracts issued	2024 $m	2023 $m
Number of years until expected to be recognised		
1	421.7	299.0
2	20.1	14.7
3	13.6	10.5
4	8.7	7.6
5	5.5	5.1
6–10	10.9	7.1
Total	**480.5**	**344.0**

Reinsurance contracts held	2024 $m	2023 $m
Number of years until expected to be recognised		
1	151.7	118.7
2	49.7	3.7
3	26.2	2.6
4	2.5	1.8
5	1.4	1.2
6–10	3.1	1.6
Total	**234.6**	**129.6**

27 Insurance and reinsurance contracts continued

27e Claims development

The following tables show the estimates of cumulative ultimate claims for each successive underwriting year from six years prior to the reporting date, reconciled back to LIC. This information has been provided on a gross of reinsurance basis and separately for reinsurance contracts held. Claims development information has only been disclosed from the 2019 underwriting year onward (being five years before the end of the annual reporting period in which IFRS 17 was first applied by the Group). In the below tables, historic periods have been revalued using current exchange rates. The cumulative estimate of claims and recoveries comprises expected claims, reinsurance recovery cash flows and directly attributable expenses. It does not include the risk adjustment, premiums or acquisition costs.

				Underwriting year			
Insurance contracts issued	2019	2020	2021	2022	2023	2024	Total
2024	$m	$m	$m	$m	$m	$m	$m
At end of underwriting year	1,711.5	2,309.2	2,696.2	3,122.6	3,110.9	3,403.8	
1 year later	2,207.2	2,696.9	2,968.1	3,036.1	3,215.1		
2 years later	2,240.9	2,804.3	2,787.7	2,912.8			
3 years later	2,237.1	2,652.0	2,620.0				
4 years later	2,228.1	2,582.6					
5 years later	2,258.2						
Cumulative gross estimate of claims	2,258.2	2,582.6	2,620.0	2,912.8	3,215.1	3,403.8	16,992.5
Cumulative payments to date	(1,871.3)	(1,982.9)	(1,615.0)	(1,405.8)	(1,105.7)	(254.1)	(8,234.8)
Carrying amount relating to 2018 and prior underwriting years							752.1
Less liability for remaining coverage claims only							(1,923.7)
Impact of discounting (LIC)							(666.6)
LIC risk adjustment for non-financial risk							680.2
Gross discounted LIC							**7,599.7**

				Underwriting year			
Reinsurance contracts held	2019	2020	2021	2022	2023	2024	Total
2024	$m	$m	$m	$m	$m	$m	$m
At end of underwriting year	(290.6)	(455.6)	(699.3)	(932.5)	(519.8)	(472.9)	
1 year later	(412.4)	(635.6)	(708.1)	(882.8)	(553.1)		
2 years later	(377.0)	(701.1)	(707.8)	(841.2)			
3 years later	(396.1)	(578.1)	(647.6)				
4 years later	(424.9)	(586.9)					
5 years later	(468.0)						
Cumulative gross estimate of claims recoveries	(468.0)	(586.9)	(647.6)	(841.2)	(553.1)	(472.9)	(3,569.7)
Cumulative payments to date	315.3	411.6	253.8	159.3	55.2	9.5	1,204.7
Carrying amount relating to 2018 and prior underwriting years							(305.2)
Less asset for remaining coverage claims only							394.3
Impact of discounting (AIC)							186.9
AIC risk adjustment for non-financial risk							(140.8)
Reinsurance discounted AIC							**(2,229.8)**

Notes to the financial statements continued

28 Other liabilities

	2024 $m	2023 $m
Accrued expenses including staff bonuses	79.1	98.9
Due to syndicate 5623	106.6	217.7
Due to syndicate 6107	74.6	86.6
Other payables	382.5	207.3
Total other liabilities	**642.8**	**610.5**

All other liabilities are payable within one year of the reporting date, with the exception of $22.1m which is due after one year.

Profit uplift payment

The Group has agreed a potential profit uplift commission payment to the Members of Syndicate 623 on the 2023 year of account contingent upon the underwriting profit recognised in certain entities in the 2025 to 2028 financial years, which would become payable in 2029.

29 Risk and sensitivity analysis

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

29a Insurance risk

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

i. Underwriting risk

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.

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.

29 Risk and sensitivity analysis continued

One of the largest types of event exposure relates to natural catastrophe events such as windstorms or earthquakes, with the increasing risk from climate change impacting the frequency and severity of natural catastrophes. The Group continues to monitor its exposure in this area. Where possible, the Group measures geographic accumulations and uses its knowledge of the business, historical loss behaviour and commercial catastrophe modelling software to assess the expected range of losses at different return periods. Upon application of the reinsurance coverage purchased, the key gross and net exposures are calculated on the basis of extreme events at a range of return periods. The Group's catastrophe risk appetite is set by the risk management function and approved by the Board, and the business plans of each team are determined within these parameters. The Board may adjust these limits over time as conditions change. In 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) $m	Modelled PML[1] (after reinsurance) $m
Lloyd's prescribed natural catastrophe event (total incurred losses)		
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) $m	Modelled PML[1] (after reinsurance) $m
Lloyd's prescribed natural catastrophe event (total incurred losses)		
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.

29 Risk and sensitivity analysis 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, which is set using a 1-in-250 net probabilistic appetite of $775m for 2024. 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.

†
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 $187m. 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 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/Equity[1]		Profit after tax/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 equity.

Notes to the financial statements continued

29 Risk and sensitivity analysis continued

ii. 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 page 245. 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.

iii. 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.

iv. 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. 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/Equity[1]		Profit after tax/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 equity.

29 Risk and sensitivity analysis continued

29b Market risk

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

i. 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.

ii. 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. 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.

Notes to the financial statements continued

29 Risk and sensitivity analysis continued

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, categorised by its main currencies. For a breakdown of financial assets by currency, refer to Note 17(g).

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**

Sensitivity analysis

Fluctuations in the Group's trading currencies against the US dollar would result in a change in profit after tax and equity. 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		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)

29 Risk and sensitivity analysis continued

iii. 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.

2024	<1 yr $m	1-2 yrs $m	2-3 yrs $m	3-4 yrs $m	4-5 yrs $m	5-10 yrs $m	Total $m
Financial assets at FVTPL:							
- 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**

2023	<1 yr $m	1-2 yrs $m	2-3 yrs $m	3-4 yrs $m	4-5 yrs $m	5-10 yrs $m	Total $m
Financial assets at FVTPL:							
- 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**

Notes to the financial statements continued

29 Risk and sensitivity analysis 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/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 equity.

	Profit after tax/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 equity.

iv. 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 (refer to Note 17). 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.

29 Risk and sensitivity analysis continued

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.

	Profit after tax/Equity[1]	
	2024 $m	2023 $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 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)).

29c 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

Notes to the financial statements continued

29 Risk and sensitivity analysis 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.

29 Risk and sensitivity analysis continued

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.

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

29d 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 237 to 239). 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 Note 25. Further information on the Group's capital resources is contained on pages 17 to 18.

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). 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**

Notes to the financial statements continued

29 Risk and sensitivity analysis continued

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.

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). 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**

29 Risk and sensitivity analysis continued

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
Financial liabilities:	—	—	—	—	—	—	—
- Derivative financial liabilities	27.3	—	—	—	—	—	27.3
- Subordinated debt	31.2	278.9	16.5	16.5	311.4	—	654.5
Lease liabilities	11.6	10.5	9.3	8.7	7.5	28.6	76.2
Other liabilities	642.8	—	—	—	—	—	642.8
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
Financial liabilities:	—	—	—	—	—	—	—
- Derivative financial liabilities	6.3	—	—	—	—	—	6.3
- Subordinated debt	31.2	31.2	278.9	16.5	16.5	311.4	685.7
Lease liabilities	13.5	10.3	9.2	8.2	7.7	32.6	81.5
Other liabilities	610.5	—	—	—	—	—	610.5
Total liabilities	**2,881.8**	**1,822.7**	**1,425.7**	**715.3**	**422.9**	**886.3**	**8,154.7**

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 and other receivables	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**

Notes to the financial statements continued

29 Risk and sensitivity analysis continued

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.

29e Capital management

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 has several requirements for capital, including the following:

- To support underwriting at Lloyd’s through the syndicates in which it participates, being 623 (via BSUL), 2623, 3622, 3623, 5623 and 4321. This is based on the Group’s own individual capital assessment. It may be provided in the form of either the Group’s cash, investments, debt facilities, or letters of credit.
- To support underwriting in Beazley Excess and Surplus Insurance, Inc., Beazley Insurance Company, Inc., Beazley America Insurance Company, Inc., and Beazley NewCo Captive Company, Inc. in the US.
- To support underwriting in Beazley Insurance dac in Europe.
- To support strategic acquisitions and investments.

All entities within the Group have been in compliance with externally imposed capital requirements during the year. The Group uses letters of credit (LOC) available under a syndicated short-term banking facility led by Lloyds Banking Group plc to support Funds at Lloyd’s (FAL) requirements. Lloyd’s of London applies certain criteria to banks issuing LOC as FAL, including minimum credit rating requirements and counterparty limits. Should any of the banks on the existing LOC facility breach Lloyd’s of London requirements, the Group might be asked to replace the LOC provided with alternative eligible issuer(s) and/or assets meeting Lloyd’s requirements. The creditworthiness of the counterparties on the facility is monitored by the Group on an ongoing basis.

The Group considers Shareholders' Funds, Tier 2 subordinated debt and letters of credit to be the primary sources of capital for the Group. For more detail on the value of capital managed and how its value has changed in the year, please see pages 17 to 18.

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

The Group operates a progressive dividend strategy, intending to grow the dividend each year. When considering the dividend for 2024, the Board took into account the fact that the Group has grown significantly in recent years. To reflect this growth and the Group's confidence in the sustainability of its results, the Board decided to rebase the ordinary dividend by 76% to 25p.

When determining the level of the dividend, the Board considers the Group's capital position, future investment and growth opportunities and its 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 which makes it possible to take advantage of growth opportunities which may arise. Where surplus capital cannot be profitably deployed, it will be returned to shareholders.

30 Subsidiary undertakings

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 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 for registered addresses.

Notes to the financial statements continued

30 Subsidiary undertakings continued

The following is a list of the Group's registered office locations:

Address	City	Postcode	Country/region
United Kingdom and Continental Europe			
22 Bishopsgate	London	EC2N 4BQ	England
2 Northwood Avenue	Dublin	D09 X5N9	Ireland
22 Grenville Street	Saint Helier	JE4 8PX	Jersey
North America			
1209 Orange Street*	Wilmington, Delaware	19801	USA
65 Memorial Road**	West Hartford, Connecticut	06107	USA
160 Greentree Drive, Suite 101***	Dover, Delaware	19904	USA
100 King Street West, Suite 4530	Toronto, Ontario	M5X 1E1	Canada
Asia			
138 Market Street, 03-04 Capita Green	Singapore	048946	Singapore
Kensington Gardens, No. U1317, Lot 7616, Jalan Jumidar Buyong	Labuan	87000	Malaysia

31 Related party transactions

The Group has related party relationships with syndicates 623, 5623, 4321 and 6107, in addition to its subsidiaries, associates and Directors. All amounts shown below exclude amounts attributable to Group entities.

31a Syndicates 623, 5623, 4321 and 6107

Syndicate 623
The Group received management fees and profit commissions for providing a range of management services to syndicate 623. The total amount due from 623 at 2024 year end was $79.5m (2023: $19.1m). During the year, the Group began reinsuring a portion of Property Treaty business from syndicate 623. Insurance revenue of $22.7m was recognised in the year, and the amount due at the period end was $3.1m. The Group provides 9% of capital to 623 on all open years of account in order to facilitate the staff participation plan.

Syndicate 5623
The Group has historically ceded certain business to 5623. This has led to an allocation of reinsurance premium due of $33.6m (2023: $27.0m). The Group also receives management fees and profit commissions from syndicate 5623. The amount due at the 2024 year end was $26.7m (2023: nil). The total amount due from the Group to the syndicate at the year end was $106.6m (2023: $217.7m). The Group provides approximately 18% and 20% of capital to 5623 for the 2023 and 2024 years of account respectively.

Syndicate 4321
The total amount due from 4321 at 2024 year end was $7.8m (2023: $6.3m). The Group provides 10% of the capital for syndicate 4321 for the 2022 and 2023 years of account.

Syndicate 6107
The Group ceded portions of a group of insurance policies to syndicate 6107, which has led to an allocation of reinsurance premium due of $34.7m (2023: $40.4m). The amount due from the Group to the syndicate at 2024 year end was $74.6m (2023: $86.6m). The participants on syndicate 6107 are solely third-party capital providers.

31b Key management compensation

	2024 $m	2023 $m
Salaries and other short-term benefits	40.9	38.4
Pension costs	0.6	0.6
Share-based remuneration	15.4	11.9
	56.9	**50.9**

Key management includes Executive and Non-Executive Directors and other senior management.

The total number of Beazley plc ordinary shares held by key management is 2.5m (2023: 2.5m). Apart from the transactions listed in the table above, there were no further related party transactions involving key management or a close member of their family. Further details of Directors’ shareholdings and remuneration can be found in the Directors’ remuneration report on pages 135 to 157.

31c Other related party transactions

At 31 December 2024, the Group had purchased services from Falcon Money Management Holdings Limited of $3.4m (2023: $3.1m) throughout the year. All transactions with the associates and subsidiaries are priced on an arm’s length basis.

Notes to the financial statements continued

32 Contingencies

Funds at Lloyd's (FAL)

The following amounts are held in trust by Lloyd's to secure underwriting commitments:

	2024 $m	2023 $m
Financial assets at fair value and cash[1]	1,469.7	1,277.8
Letters of credit (LOC)	225.0	225.0
Total Funds at Lloyd's	**1,694.7**	**1,502.8**

1 Included within "financial assets at fair value" and "cash and cash equivalents" on the statement of financial position.

The funds are held in trust and can be used to meet claims liabilities should syndicates fail to meet their claim liabilities. The funds can be only used to meet claim liabilities of the relevant member.

Letters of credit (FAL)

The Group has a syndicated short-term banking facility which was renewed on 25 May 2023, under which $450.0m may be utilised as 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 these 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.

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, Beazley Insurance Company Inc. (BICI) and Beazley NewCo Captive Company Inc. These amounts are guaranteed by Beazley plc. In addition, BICI and Beazley Excess and Surplus Insurance, Inc. (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).

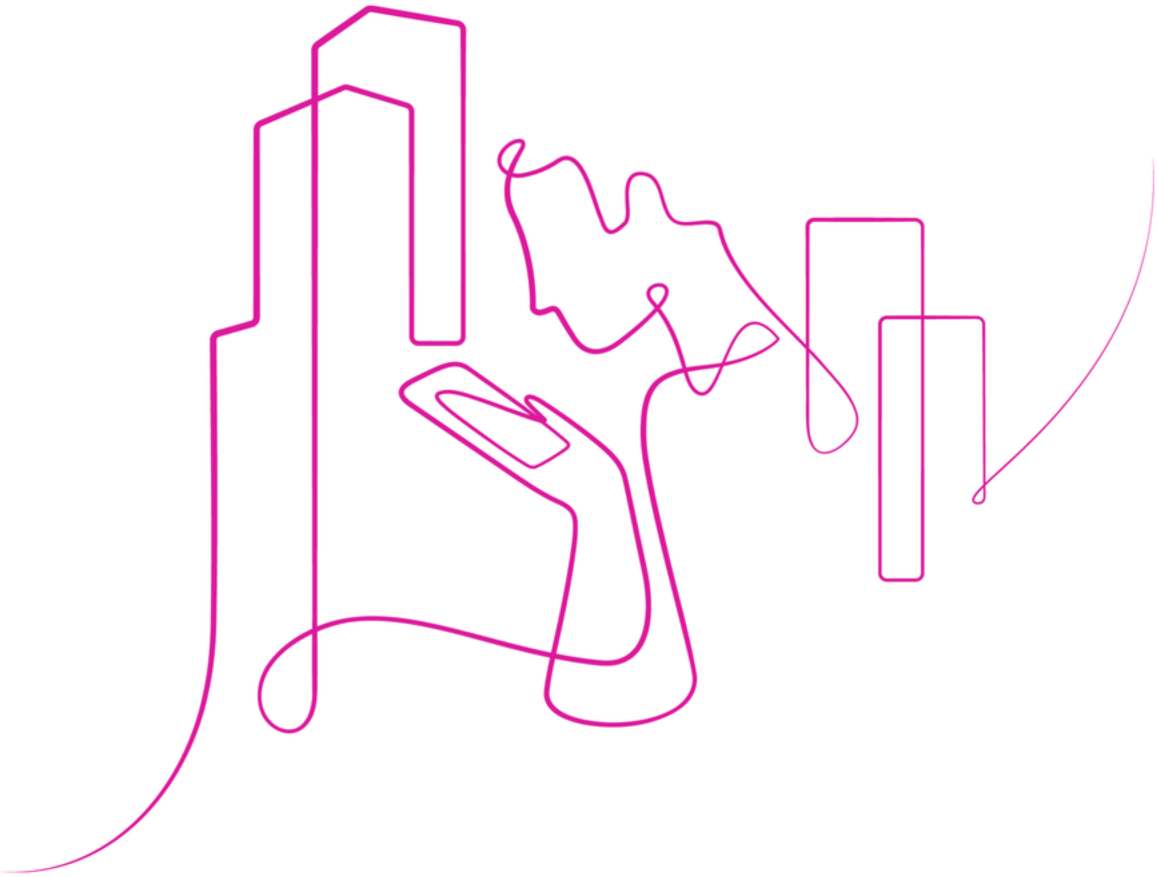
33 Subsequent events

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).

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 which is expected to commence on 5 March 2025. The buyback will reduce the Group's net asset value by approximately $500m.

For details of dividends declared after the end of the reporting period please refer to note 14.

Company financial statements



Company statement of financial position

as at 31 December 2024

	Notes	2024 $m	2023 $m
Investment in subsidiaries	7	724.6	724.6
Other receivables		690.5	799.3
Current tax asset		5.2	4.3
Cash and cash equivalents		0.8	0.9
Total assets		**1,421.1**	**1,529.1**
Share capital	5	44.6	46.7
Share premium		17.9	10.6
Merger reserve		55.4	55.4
Foreign currency translation reserve		0.7	0.7
Other reserves	6	(2.7)	(20.2)
Retained earnings		1,288.5	1,431.9
Total equity		**1,404.4**	**1,525.1**
Other liabilities		16.7	4.0
Total liabilities		**16.7**	**4.0**
Total equity and liabilities		**1,421.1**	**1,529.1**

No statement of profit or loss is presented for the parent company as permitted by section 408 of the Companies Act 2006. The result after tax of the parent company for the year was a profit of $295.7m (2023: loss of $14.0m).

The financial statements were approved by the Board of Directors on 3 March 2025 and were signed on its behalf by:

C Bannister
Chair

B Plucnar Jensen
Group Chief Financial Officer

3 March 2025

Company statement of changes in equity

for the year ended 31 December 2024

	Notes	Share capital $m	Share premium $m	Merger reserve[1] $m	Foreign currency translation reserve $m	Other reserves $m	Retained earnings $m	Total $m
Balance at 01 January 2023		**46.6**	**9.7**	**55.4**	**0.7**	**(14.3)**	**1,545.1**	**1,643.2**
Total comprehensive loss		—	—	—	—	—	(14.0)	(14.0)
Dividend paid	4	—	—	—	—	—	(107.7)	(107.7)
Issue of shares	5	0.1	0.9	—	—	—	—	1.0
Equity settled share-based payments	6	—	—	—	—	36.2	—	36.2
Acquisition of own shares held in trust	6	—	—	—	—	(33.6)	—	(33.6)
Transfer of shares to employees	6	—	—	—	—	(8.5)	8.5	—
Balance at 31 December 2023		**46.7**	**10.6**	**55.4**	**0.7**	**(20.2)**	**1,431.9**	**1,525.1**
Total comprehensive income		—	—	—	—	—	295.7	295.7
Dividend paid	4	—	—	—	—	—	(120.5)	(120.5)
Share buyback[2]	5	(2.4)	—	—	—	2.4	(330.0)	(330.0)
Issue of shares	5	0.3	7.3	—	—	—	—	7.6
Equity settled share-based payments	6	—	—	—	—	40.5	—	40.5
Acquisition of own shares held in trust	6	—	—	—	—	(14.0)	—	(14.0)
Transfer of shares to employees	6	—	—	—	—	(11.4)	11.4	—
Balance at 31 December 2024		**44.6**	**17.9**	**55.4**	**0.7**	**(2.7)**	**1,288.5**	**1,404.4**

1 A merger reserve was created through a scheme of arrangement on 13 April 2016, in which Beazley plc became the parent company of the Group.
2 Refer to Note 21 of the Group's consolidated financial statements for further details and to Note 22 of the Group's consolidated financial statements for the value of the capital redemption reserve as at 31 December 2024.

Company statement of cash flows

for the year ended 31 December 2024

	2024 $m	2023 $m
Cash flows from operating activities:		
Profit/(loss) before tax	**294.5**	**(18.0)**
Adjustments for non-cash items:		
Interest and dividends receivable	(300.1)	(0.1)
Finance costs payable	4.1	5.9
Equity settled share based compensation	40.5	36.2
Other non-cash items	2.7	3.0
Changes in operational assets and liabilities:		
Increase in other receivables[1]	(56.7)	(21.4)
Increase/(decrease) in other liabilities	12.7	(0.2)
Interest received on financial assets	0.1	0.1
Net cash (out)/inflows from operating activities	**(2.2)**	**5.5**
Cash flows from investing activities:		
Dividend received from subsidiaries	300.0	—
Decrease in loan to subsidiary[1]	165.6	141.2
Net cash inflows from investing activities	**465.6**	**141.2**
Cash flows from financing activities:		
Acquisition of own shares in trust	(14.0)	(33.6)
Share buyback	(330.0)	—
Finance costs paid	(4.1)	(5.9)
Dividend paid	(120.5)	(107.7)
Net cash outflows from financing activities	**(468.6)**	**(147.2)**
Net decrease in cash and cash equivalents	(5.2)	(0.5)
Opening cash and cash equivalents	0.9	3.4
Effect of exchange rate changes on cash and cash equivalents	5.1	(2.0)
Closing cash and cash equivalents	**0.8**	**0.9**

1 Loan to subsidiary is included within Other receivables on the Company balance sheet.

Notes to the financial statements

1 General information

Nature of operations

Beazley plc ("the Company", registered number 09763575) is a public company incorporated in England and Wales. The Company's registered address is 22 Bishopsgate, London, EC2N 4BQ, United Kingdom. The principal activity of the Company is to act as a holding company for the Beazley group of companies.

Basis of preparation

The separate financial statements of the Company have been prepared in accordance with UK adopted International Accounting Standards and the requirements of Companies Act 2006. The exemption under section 408 of the Companies Act 2006 from presenting its own profit and loss account has been applied. The Company financial statements are prepared on the historical cost basis. All amounts presented are in US dollars and millions, unless stated otherwise.

New standards and amendments to existing standard

In the current year, the Company has applied new standards and amendments to IFRS issued by the International Accounting Standards Board ("IASB") and endorsed by the UK Endorsement Board ("UKEB") that are mandatorily effective for accounting periods beginning on or after 01 January 2024. These amendments are consistent with those set out in Note 1 of the Group financial statements. None of the amendments issued by the IASB and endorsed by the UKEB have had a material impact on the Company.

Going concern

The basis of the assessment for going concern as set out in Note 1 of the Group's consolidated financial statements also applies to the Company. The Directors consider it appropriate to continue to adopt the going concern basis of accounting in preparing these financial statements for the year ended 31 December 2024.

2 Material accounting policies

Foreign currency translation

The Company financial statements are presented in US dollars, being its functional and presentational currency.

Subsidiary undertakings

Equity financial investments made by the Company in subsidiary undertakings and associates are stated at cost and are reviewed for impairment when events or changes in circumstances indicate the carrying value may be impaired.

Other receivables

Other receivables primarily relate to amounts due from other Group companies and are carried at amortised cost less any impairment losses. Under IFRS 9, expected credit losses are recognised for all financial assets held at amortised cost. The amount of expected credit losses recognised by the Company on a standalone basis in 2023 and 2024 was not material. The carrying values of the Group's other receivables are deemed to be reasonable approximations of fair values at the reporting date.

Other reserves

The employee share options reserve is held in accordance with IFRS 2 Share-based payment. The Company accounting policy follows that of the Group which is detailed within Note 2 of the Group's consolidated financial statements.

Dividends paid

Dividend distributions to the shareholders of the Company are recognised in the period in which the dividends are paid.

Notes to the financial statements continued

3 Risk and sensitivity analysis – Company risk

Foreign exchange risk

The functional and presentational currency of Beazley plc is US dollars. As a result, the Company 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.

Exposure and risk concentrations by currency

The following table summarises the carrying value of total assets and total liabilities categorised by the Company's main currencies:

2024	EUR € $m	UK £ $m	US $ $m	Total $ $m
Investment in subsidiaries	—	724.6	—	724.6
Other receivables	—	47.9	642.6	690.5
Current tax asset	—	5.2	—	5.2
Cash and cash equivalents	0.4	0.3	0.1	0.8
Total	**0.4**	**778.0**	**642.7**	**1,421.1**
Other liabilities	0.3	0.8	15.6	16.7
Total	**0.3**	**0.8**	**15.6**	**16.7**

2023	EUR € $m	UK £ $m	US $ $m	Total $ $m
Investment in subsidiaries	—	724.6	—	724.6
Other receivables	(1.2)	(136.5)	937.0	799.3
Current tax asset	—	4.3	—	4.3
Cash and cash equivalents	0.5	0.4	—	0.9
Total	**(0.7)**	**592.8**	**937.0**	**1,529.1**
Other liabilities	—	3.4	0.6	4.0
Total	**—**	**3.4**	**0.6**	**4.0**

Other receivables are due within one year of the reporting date aside from $354.1m due after one year (2023: nil). All other liabilities are payable within one year of the reporting date.

Credit risk

Credit risk arises where counterparties fail to meet their financial obligations in full as they fall due. The other receivables in 2024 consist of amounts owed from other entities within the Group. The maximum exposure to credit risk has been assessed within Note 8 of the Company financial statements and is not material to the Company. All other receivables are intergroup in nature and the Directors are of the view that the Group companies have sufficient liquidity and assets to pay all loans as and when they fall due.

4 Dividends per share

A dividend of 25.0p per share (2023: 14.2p per share) will be payable on 2 May 2025, as described in Note 14 of the Group consolidated financial statements.

5 Share capital

Details of the ordinary shares in issue at 31 December 2024 are set out in Note 21 of the Group consolidated financial statements. This includes further information on the share buyback programme which took place during the year.

6 Other reserves

	Employee share options reserve $m	Employee share trust reserve $m	Capital redemption reserve[1] $m	Total $m
Balance at 01 January 2023	**0.2**	**(14.5)**	**—**	**(14.3)**
Share-based payments	36.2	—	—	36.2
Acquisition of own shares held in trust	—	(33.6)	—	(33.6)
Transfer of shares to employees	(14.8)	6.3	—	(8.5)
Balance at 31 December 2023	**21.6**	**(41.8)**	**—**	**(20.2)**
Share-based payments	40.5	—	—	40.5
Acquisition of own shares held in trust	—	(14.0)	—	(14.0)
Transfer of shares to employees	(27.1)	15.7	—	(11.4)
Share buyback	—	—	2.4	2.4
Balance at 31 December 2024	**35.0**	**(40.1)**	**2.4**	**(2.7)**

1 The price of shares purchased as part of the buyback scheme is recognised through retained earnings. On their cancellation, the nominal value of the ordinary shares is deducted from share capital and the equivalent amount is recognised within the capital redemption reserve.

The employee shares are held in accordance with IFRS 2 Share-based payment. For more information refer to Notes 22 & 23 of the Group's consolidated financial statements.

7 Subsidiary undertakings

Beazley plc holds a 100% ownership interest in Beazley Ireland Holdings plc. All other entities in the Group are held directly or indirectly as subsidiaries of that entity. For a full list of subsidiary undertakings of the Company at 31 December 2024, refer to Note 30 of the Group’s consolidated financial statements.

8 Related party transactions

Beazley plc lends funds to subsidiary entities to help meet group working capital and liquidity requirements. Such loans are repayable on demand and no interest is payable. A summary of amounts due to Beazley plc from other group entities is set out below:

	2024 $m	2023 $m
Due from Beazley Furlonge Holdings Limited	192.5	192.6
Due from Beazley Management Limited	88.6	58.9
Due from Beazley Underwriting Limited	354.1	519.7
Due from other Group companies	54.8	28.3
Total due from Group companies	**690.0**	**799.5**
Due to other Group Companies	16.0	—
Total due to Group companies	**16.0**	**—**

The key management of Beazley plc as a standalone entity is deemed to be the same as that of the wider Beazley Group. Further details of related party relationships can be found within Note 31 of the Group's consolidated financial statements.

9 Subsequent events

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 which is expected to commence on 5 March 2025. The buyback will reduce the Group's net asset value by approximately $500m.

For details of dividends declared after the end of the reporting period please refer to note 14 of the Group's consolidated financial statements.

Alternative performance measures (APMs)

Beazley plc uses APMs to help explain its financial performance and position. These measures are not defined under IFRS. The Group is of the view that the use of these measures enhances the usefulness of our financial reporting and allows for improved comparison with industry peers.

Information on APMs used by the Group is set out below. Unless otherwise stated, amounts are disclosed in millions of dollars ($m).

Insurance written premiums & net insurance written premiums

Insurance written premiums ($m) is calculated by deducting the reinstatement premiums and profit commissions from the gross premiums written. Net insurance written premiums ($m) is calculated by adding insurance ceded premiums to this result. These APMs represent management's view of premiums written in each period. The primary difference between insurance written premiums and insurance revenue relates to the deferral and earning of income over the period in which coverage is provided.

	2024 $m	2023 $m
Insurance written premiums[1]	6,164.1	5,601.4
Earnings adjustment	(486.0)	(159.0)
Insurance revenue	**5,678.1**	**5,442.4**

	2024 $m	2023 $m
Insurance ceded premiums[1]	(1,011.8)	(905.2)
Earnings adjustment	246.9	(222.1)
Allocation of reinsurance premiums	**(764.9)**	**(1,127.3)**

	2024 $m	2023 $m
Insurance written premiums[1]	6,164.1	5,601.4
Add insurance ceded premiums	(1,011.8)	(905.2)
Net insurance written premiums	**5,152.3**	**4,696.2**

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.

Contractual Service Margin (CSM) sustainability index

The CSM reflects the expected profit of contracts within the liability for remaining coverage. The sustainability index ratio is calculated by dividing the closing CSM at 31 December by the opening CSM at 1 January. A ratio of 1 and above shows that the expected profit within the LRC is higher than the previous valuation.

	Gross 2024	Net 2024	Gross 2023	Net 2023
Closing CSM	480.5	245.9	344.0	214.4
Divided by opening CSM	344.0	214.4	341.0	183.7
CSM sustainability index	**1.40**	**1.15**	**1.01**	**1.17**

Claims, expense & combined ratios

Claims ratio (%) is calculated as insurance service expenses less directly attributable expenses, net of reinsurance recoveries, divided by insurance revenue net of reinsurance ceded revenue. Expense ratio (%) is calculated as the sum of insurance acquisition cash flows amortisation and other directly attributable expenses, divided by insurance revenue net of reinsurance ceded revenue. Combined ratio (%) is calculated as insurance service expenses net of reinsurance recoveries, divided by the insurance revenue net of reinsurance ceded revenue. This is also the sum of the claims and expense ratios. The combined ratio below is shown both before and after the impact of discounting.

	2024	2023
Insurance service expenses ($m)	3,933.0	3,592.6
Less directly attributable expenses ($m)[1]	(1,558.1)	(1,362.6)
Amounts recoverable from reinsurers for incurred claims ($m)	(255.8)	(528.5)
Net claims ($m)	2,119.1	1,701.5
Insurance revenue ($m)	5,678.1	5,442.4
Allocation of reinsurance premium ($m)	(764.9)	(1,127.3)
Divided by net insurance revenue ($m)	4,913.2	4,315.1
Claims ratio	**43.1%**	**39.4%**
Directly attributable expenses ($m)[1]	1,558.1	1,362.6
Divided by net insurance revenue ($m)	4,913.2	4,315.1
Expense ratio	**31.7%**	**31.6%**
Combined ratio	**74.8%**	**71.0%**
Removal of impact of discounting	4.2%	3.0%
Combined ratio (undiscounted)	**79.0%**	**74.0%**

1 Directly attributable expenses are comprised of insurance acquisition cash flows amortisation, other directly attributable expenses, and reinsurers share of expenses and other amounts per Note 3.

Net assets per share & net tangible assets per share

Net assets per share ("NAVps") is the ratio (in pence and cents) calculated by dividing the net assets or total equity of the Group by the number of shares in issue at the end of the period, excluding those held by the employee benefits trust. Net tangible assets per share excludes intangible assets from net assets in the above calculation.

	2024	2023
Net assets ($m)	4,606.8	3,882.1
Less intangible assets ($m)	(198.0)	(165.3)
Net tangible assets ($m)	4,408.8	3,716.8
Divided by the shares in issue at the period end (millions)[1]:	629.9	662.7
Net assets per share (cents)	**731.4**	**585.8**
Net tangible assets per share (cents)	**699.9**	**560.9**
Converted at spot rate:	0.78	0.80
Net assets per share (pence)	**570.5**	**468.6**
Net tangible assets per share (pence)	**545.9**	**448.7**

1 Shares in issue at the period end exclude those held by the employee benefits trust of 9.1m (2023: 9.8m).

Net assets per share growth

Net assets per share growth (%) is calculated as the NAVps at the end of the reporting period ("closing"), less the NAVps five years prior to the start of the reporting period ("opening"), divided by the NAVps at opening. The NAVps has been calculated on an IFRS 17 basis for the 2022 and subsequent periods, and on an IFRS 4 basis for the 2021 and prior periods.

	2024	2023
Net assets per share (cents) at opening	309.6	280.4
Net assets per share (cents) at closing	731.4	585.8
Movement	421.8	305.4
Net assets per share growth (%)	**136 %**	**109 %**

Alternative performance measures ("APMs") continued

Return on equity ("ROE")

Return on equity (%) is calculated by dividing the consolidated profit after tax by the average equity for the period (using an average of the opening and closing equity positions).

	2024	2023
Profit after tax ($m)	1,130.3	1,026.8
Divided by average total equity ($m)	4,244.5	3,418.6
Return on equity	**26.6 %**	**30.0 %**

Average return on equity

Average return on equity (%) is calculated as the straight average of the ROE over a period of five and ten years years from the end of the reporting period. The ROE has been calculated on an IFRS 17 basis for the 2022 and subsequent periods, and on an IFRS 4 basis for the 2021 and prior periods.

	2024	2023
31 December 2014	—	17.0 %
31 December 2015	19.0 %	19.0 %
31 December 2016	18.0 %	18.0 %
31 December 2017	9.0 %	9.0 %
31 December 2018	5.0 %	5.0 %
31 December 2019	15.0 %	15.0 %
31 December 2020	(3.0)%	(3.0)%
31 December 2021	16.0 %	16.0 %
31 December 2022	19.0 %	19.0 %
31 December 2023	30.0 %	30.0 %
31 December 2024	26.6 %	—
Average ROE over 5 years	**17.7 %**	**15.4 %**
Average ROE over 10 years	**15.5 %**	**14.5 %**

Investment return

Investment return (%) is calculated by dividing the net investment income by the average financial assets at fair value and cash and cash equivalents held by the Group over the period.

	2024	2023
Net investment income ($m)	574.4	480.2
Opening invested assets:		
Financial assets at fair value ($m)	9,665.5	8,345.6
Cash and cash equivalents ($m)	812.3	652.5
Invested assets at the beginning of the period ($m)	**10,477.8**	**8,998.1**
Closing invested assets:		
Financial assets at fair value ($m)	10,610.6	9,665.5
Cash and cash equivalents ($m)	882.1	812.3
Invested assets at the end of the period: ($m)	**11,492.7**	**10,477.8**
Divided by average invested assets ($m)	**10,985.3**	**9,738.0**
Investment return	**5.2 %**	**4.9 %**

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Beazley online Annual Report and Accounts 2024

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and so it continues...

beazley