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REG - Beazley PLC -Beazley plc results for period ended 30 June 2022

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Beazley PLC
22 July 2022

Beazley delivers best half year combined ratio since 2015

London, 22 July 2022

Beazley plc results for period ended 30 June 2022

- Profit before tax of $22.3m (30 June 2021: $167.3m)
- Return on equity (annualised) of 1% (30 June 2021: 15%)
- Gross premiums written increased by 26% to $2,554.9m (30 June 2021: $2,035.3m)
- Combined ratio of 87% (30 June 2021: 94%)
- Rate increase on renewal portfolio of 18% (30 June 2021: increase of 20%)
- Prior year reserve releases of $92.6m (30 June 2021: $95.7m)
- Reserve surplus stands at 5.9% above actuarial estimates (30 June 2021: 6.6%)
- Net investment loss of $193.0m (30 June 2021: gain of $83.6m)

	Period ended 30 June 2022	**Period ended 30 June 2021**	**% movement**
Gross premiums written ($m)	**2,554.9**	**2,035.3**	26%
Net premiums written ($m)	**1,795.9**	**1,442.1**	25%
Profit before tax ($m)	**22.3**	**167.3**	(87%)
Earnings per share (pence)	**1.7**	**16.7**	(90%)
Net assets per share (pence)	**274.9**	**229.4**	20%
Net tangible assets per share (pence)	**258.8**	**214.6**	21%
Earnings per share (cents)	**2.3**	**23.0**	(90%)
Net assets per share (cents)	**333.5**	**323.1**	3%

Net tangible assets per share (cents)	**314.0**	**302.2**	4%

Adrian Cox, Chief Executive Officer, said:

"We have maintained the momentum of the second half of 2021 with gross premiums increasing by 26% alongside better than expected claims experience. A challenging investment environment has impacted profit; however I'm delighted that we have achieved our best combined ratio at a half year since 2015.

We continue to manage actively for inflation and recession and our estimate for the war in Ukraine remains unchanged. Given the positive experience in the first half of this year we are in a position to update our combined ratio guidance to high 80s for 2022 assuming average claims experience for the second half of the year."

Webcast

We will be hosting a webcast for analysts at 10am this morning, please join using the webcast link below:

https://www.investis-live.com/beazley/62bafc48d94380140009e46b/zxcv

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Note to editors:
Beazley plc (BEZ.L), is the parent company of specialist insurance businesses with operations in Europe, North America, Latin America and Asia. Beazley manages seven Lloyd's syndicates and, in 2021, underwrote gross premiums worldwide of $4,618.9 million. All Lloyd's syndicates are rated A by A.M. Best.

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

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

Beazley is a market leader in many of its chosen lines, which include professional indemnity, cyber liability, property, marine, reinsurance, accident and life, and political risks and contingency business.

Interim results statement

Overview

Beazley achieved strong growth of 26% with gross premiums increasing to $2,554.9m (2021: $2,035.3m) in the first half of 2022. However, investment losses of $193.0m meant that profit before tax was subdued at $22.3m (2021: $167.3m).

We continue to execute in line with our vision to grow across all key business lines and in the first half we made significant strides forward, delivering increased gross premiums written of $2,554.9m despite further shocks in the form of war in Europe and sharply rising inflation. This growth has been supported by a buoyant rating environment, with premium rate change of 18% seen on average across the business.

During the last six months, we have streamlined our underwriting structure, launched Lloyd's first dedicated ESG syndicate and have realigned our digital business to be managed under one segment.

As a business diversified across consolidated products, platforms and geographies our aim is to deploy our expertise and add value and innovate, seeking out opportunities in markets where growth rates are high. This focus has led to Beazley proudly holding a track record of high underwriting performance which continued in the first half of 2022, with us delivering our best half year combined ratio in seven years.

Geopolitical turbulence

When we announced our full year results on 10 February, a full-scale war in Europe still seemed unlikely. As events have moved rapidly our role as a leading sustainable specialty insurer has been, and continues to be, to provide meaningful support to our clients as we all face a significant change in the geopolitical status quo. Tragically, the impacts of the war in Ukraine go far beyond the financial, and we have all witnessed the devastating human toll being inflicted and our thoughts are with those impacted. We have had to date a small number of claims notified.

We have reviewed all areas of our underwriting portfolio to identify those classes that we believe may be directly impacted by the conflict. The relevant exposures are within our Political Violence, Trade Credit, Aviation and Marine books. Our review was predicated on the current scope of the conflict, and therefore does not contemplate further escalation. Our estimate of incurred losses within these classes is $50m net of reinsurance, which is unchanged from our initial estimate.

The number above does not allow for potential claims for aircraft stranded in Russia as no losses have been incurred. Whilst the environment remains complex and the outcome uncertain, were we to include these potential exposures our combined ratio guidance would remain unchanged. We have also not included potential second order impacts, on products such as D&O, within this estimate.

The war, which has fuelled an unusual combination of excess demand and supply constraints, impacted the financial markets, leading to an unusual trading environment. As a result of this the Group has registered an investment loss of $193.0m or 5.0% annualised.

The conflict has accelerated the inflationary pressures already in place due to the pandemic. As an insurance business we have been focused on this issue for some time, carefully monitoring the twin risks of rising social and financial inflation, baking the potential impact into our underwriting strategy and our reserving and capital to price for and accrue appropriately for this exposure. However, we also remain conscious of the impact these issues are causing our clients and wider society alike and are particularly focused on careful management of rising prices. To ease the financial burden on staff in June this year we made a one-off payment of up to £3,000 (or equivalent currency) to eligible team members.

Positioning Beazley for growth

To support our growth ambitions, in March we updated our underwriting team structure. Four new underwriting divisions have been created: Cyber Risks, headed by Paul Bantick, MAP Risks, under the leadership of Tim Turner, Property Risks which Richard Montminy heads up and Specialty Risks, led by Bethany Greenwood. The divisions will be interconnected, able to operate at scale and will generate efficiencies and deliver innovation that will benefit Beazley's clients and brokers.

We have also set up a new Digital division under the leadership of Ian Fantozzi which consolidates all the digital business written across Beazley into one segment.

Below you will be able to find out more about the performance of each division in the first half of 2022 and their plans for the future.

Cyber Risks

Cyber Risks has taken advantage of the favourable rating environment in the first half of 2022, almost doubling its premium to $472.7m from $267.1m in the first half of 2021. This has aided the delivery of a profit before tax of $64.8m (2021: $22.1m) and a combined ratio of 74% (2021: 96%).

Our suite of flagship cyber products and services supports businesses from mid-market to multinationals and offers specialist cover for technology and media businesses. Whilst many others fled the market in the face of ransomware, Beazley has stood firm, committed to investing in cyber and building clients' resilience through the development of our cyber ecosystem. This multistrand ecosystem encompasses threat intelligence from government agencies and specialists, data and analytics and incident response services and its positive impact on the frequency and scale of attacks is playing out in our results.

We are pleased with the improvements we achieved in ransomware frequency since we launched our new cyber underwriting ecosystem in October 2020. The latest data shows frequency reductions since Q4 2020 of 30% per policy, and 70% when premium rate changes are also allowed for.

Digital

Digital has made a good start to the year, delivering gross premiums written of $98.0m (2021: $84.1m) a combined ratio of 85% (2021: 79%) and a profit before tax of $3.6m (2021: $17.2m).

Our Digital segment underwrites a variety of marine, contingency and SME liability risks through Digital channels such as e-trading platforms and broker portals. We see great opportunities and synergies from combining our digital trading offerings into one segment and by strengthening our digital strategy we can provide end to end solutions which are effective and efficient at delivering for our business clients and brokers, freeing them from unnecessary risk to focus on what they do best.

Marine, Accident and Political (MAP) Risks

Our MAP Risks team has taken the brunt of our Ukraine exposure, as marine, aviation and political risk have all been impacted by the conflict. As a result the division recorded a combined ratio of 98% for the first half of 2022 (2021: 86%). Due to losses on the investment portfolio the division registered a loss before tax of $17.3m (2021: profit of $55.6m). Remedial action has been taken to mitigate the loss potential and the impact of sanctions, but our focus has been on supporting our clients with exposures in the region to work through this significant shift in geopolitics.

MAP Risks has a mature product set, where we lead approximately 60% of the business we underwrite, with the vast majority placed at Lloyd's. Significant growth comes from the development of new niches within existing classes where we are the experts and opportunities are in response to changing conditions or technological advances such as our specialist marine cyber product or the introduction of telematics into our portfolio. We see Space as an area where we can leverage our expertise to create global firsts, such as our recent underwriting of the first insurance product for a lunar landing vehicle or in early efforts to create an insurance solution for the development of data centres on the moon.

Property Risks

The start to 2022 has seen relatively low frequency of natural catastrophes resulting in our Property Risks division recording a combined ratio of 77% (2021: 101%) which contributed to the division delivering a profit of $44.1m (2021: $20.8m).

Earlier this year we combined our Property and Reinsurance teams into one and by aligning our property exposure we will further enhance our collaboration across the teams, optimise the underwriting of catastrophe exposures and better coordinate the management of our risk appetite. As climate change makes underwriting property more complex, and therefore less commoditised, this combined property book will be able to respond more effectively. We are well positioned to grow the business, particularly in the United States where we are focused on building a broad and diversified portfolio that balances business which has large natural catastrophe exposure against risks which do not, particularly outside onshore US property.

Specialty Risks

Specialty Risks made a strong start to 2022, delivering premium growth of 19% buoyed by a rate change of 4%.
The division made a loss before tax of $53.6m due to investment losses despite registering a combined ratio of 94% (2021: 96%).

This new division brings together all our global Executive Risk, Financial Lines and E&O underwriting in one place, allowing us to leverage our long-term proposition and harness our strong market position in D&O. A key value-add of the division is its ability to continue to cross sell and collaborate with Cyber Risks. With a global portfolio of around $2bn, a diversified product set and an ability to write admitted and non-admitted business, Beazley is becoming a market of choice for these long-tail risks for our clients across the globe.

The following table shows the cumulative rate changes (%) since 2017 by business division.

	2017	2018	2019	2020	2021	2022HY
Cyber Risks	100%	98%	99%	106%	200%	342%
Digital	100%	95%	98%	98%	107%	124%
MAP Risks	100%	101%	107%	119%	129%	136%
Property Risks	100%	109%	119%	135%	149%	162%
Specialty Risks	100%	102%	111%	136%	152%	158%
All divisions	100%	103%	109%	126%	156%	184%

Platform and product strength

Beazley's strategy is to achieve a successful intersection of platforms and products and we believe that a mix of international, wholesale and domestic business will deliver better access to the highest quality risks in markets where
we can add real value.

Our platform strategy comprises three core tenets - our North America platform, European platform and our wholesale platforms. These represent 33%, 7% and 60% of our 2022 half year premium respectively.

Our wholesale platforms in London, Singapore and Miami continue to perform well, and seize growth opportunities as they emerge. In the domestic markets we see substantial opportunities for growth, where we are at different development stages of building significant domestic platforms in the two largest North America and Europe.

Our US domestic business now stands at $1.6bn of gross premiums written and 744 staff; there remains plenty of opportunities for growth and I am confident that we have the right infrastructure and product suite in the team to capitalise on them.

In Europe, the business is at an earlier stage of development, however, we strongly believe that having more direct access to risk which provides us with a more diverse portfolio and less volatile results is an investment worth making.

This platform strength is complemented by a product set focused on markets such as technology, healthcare, environmental, political risks, events and cyber, that have key attributes we covet such as specialism, long term demand growth and where we have pricing power.

By investing over time in strengthening our position from both a platform and product perspective we believe we have ensured we are primed for growth and are confident in our ability to achieve it.

Innovation

Innovation has long been the key differentiator for our business and in the first half of the year we brought to the market a diverse range of projects that exemplified this innovative spirit.

Our Incubation underwriting team, which is charged with exploring new markets, products and ways of doing business, partnered with Lloyd's Lab alumnus Gaia to offer a solution for individuals undertaking IVF treatment. The result is multi-dimensional with an insurance element at its heart, and crucially is responsive to the needs of new and evolving ways in which we live today.

Partnership was also key to creating the first insurance solution for a commercial vehicle on the moon. Working with a small group of peer insurers, we deployed our market leading space expertise to create not just the world's first but perhaps the galaxy's first commercial lunar insurance product.

In June we launched CryptoGuard which provides D&O cover to the rapidly expanding and maturing crypto currency market, which, as it moves mainstream, needs sustainable support from specialist insurers to provide stability and risk management if it is to become a fully integrated part of the global economy.

In all of these differing innovations consistent themes emerge. These are projects with lengthy development periods where Beazley leverages its expert teams to address the new challenges clients face, and which represent opportunities for us to deploy our capital into markets with the potential to see sustained and increasing growth over time.

ESG

I have commented before on Beazley's commitment to being a responsible business and doing the right thing is central to our long-term success. To deliver on our commitment we are taking a series of measurable and bold steps to incorporate ESG into every aspect of our business and during the first half of 2022, we made significant strides forward.

Firstly, focusing on supporting our clients to transition, our ESG consortium and syndicate 4321 started underwriting in January and is already achieving significant interest from brokers and their clients, who are keen to enhance their ESG credentials by gaining additional capacity via the syndicate.

Secondly, to manage the threat climate change poses to the physical and litigation environment we are investing in external modelling and our own models of physical climate impacts at a location level to span over 25 years. We are also creating deterministic scenarios for the threat of climate related litigation in our D&O book around a perceived 'failure to act' or a charge of 'greenwashing'. We believe we will need to continue to invest as new challenges emerge in the ESG arena.

Thirdly, we are engaged in a project to assess how we can embed ESG right through our underwriting process. One step we have taken is by hiring a Head of Financial Climate Risk who joined us in the first half of the year.

And finally, we continue to take direct action on improving and upgrading the ESG credentials of our business. With progress made on our targets to reduce carbon emissions as well as improve gender and race diversity across the business.

Board changes

On behalf of the Board I would like to thank Catherine Woods for her excellent service to Beazley as a non-executive director, having stepped down following the conclusion of two three-year terms in May this year. On 31 May 2022, the Board appointed two new independent non-executive directors, Fiona Muldoon and Cecilia Reyes. Fiona will become a member of the Audit & Risk committee and Cecilia a member of the Audit & Risk committee and the Remuneration committee and we are already grateful to them both for the insight and advice their experienced voices bring to the Board.

As announced on 21 July 2022, after nearly five years as Chair of Beazley plc, David Roberts will be stepping down from the Board in Autumn 2022 to take a new role as Chair of the Court of the Bank of England.

Inflation

Within both our best estimate and actuarial reserves, we have applied an excess inflation load since 2021. This is over and above the normal economic and social inflation already allowed for in our reserves. During the first half of 2022 we have increased these loads further to reflect expectations around both the increased levels and duration of inflation. We have also taken the same approach when considering our capital as part of the Solvency II balance sheet.

IFRS 17

With 2023 less than six months away now, our preparations for the implementation of IFRS 17 continued in the first half of 2022. We launched a series of training videos and lecture series across the company available to all employees, with targeted training provided to certain groups of individuals where required. The plan for the second half of 2022 sees a further escalation of our communication, with engagement expected with a wider set of stakeholders, both internal and external to the company.

Reserving

With the move to IFRS 17 from IFRS 4, we are taking the opportunity to revisit our reserving strategy. What is currently allowed to be held under IFRS 4 will change under the new regime. The main changes will be how we will set and disclose the level of reserve margin (known as risk adjustment for non-financial risk under IFRS 17) and that the insurance liabilities will be discounted.

Currently, compliant with IFRS 4, Beazley has an approach of setting reserves within a preferred range of 5-10% above the actuarial estimate. The actuarial estimate itself has a level of prudence already embedded, and is significantly higher than the corresponding best estimate reserve. Under IFRS 17, we will change to a confidence level range, which will be disclosed. This will show a percentile giving an indication about where the reserves sits compared to the best estimate (or 50% percentile) and the capital requirement (99.5% percentile).

IFRS 17 requires that the level of this additional amount, known as the risk adjustment needs to be justified. Whilst this has a number of principles associated with this justification, there are two dominant ones. First, the level needs to be consistent with how risk is managed, contracts are priced and the portfolios are managed. The second principle states that the risk adjustment level should make the firm neutral to running-off the obligations or selling them. On transition to IFRS 17 any change to reserve at this point will be taken as a one off adjustment to equity.

There are a number of methods emerging in the market for the approach to the calculation of the risk adjustment. In addition, there is ongoing discussion as to the acceptable confidence level. Whilst we have yet to finalise on our reserving policy under IFRS 17, we are expecting that the allowable range of risk adjustment under IFRS 17 will be lower than the current range of reserve margin held under IFRS 4. As a result of this we have taken the decision to hold our reserve margin at the lower end of our traditional 5-10% above actuarial estimates at 5.9% for the 2022 half year. It is important to note that the actuarial estimates used here already allow for the excess inflation loadings described above.

Investments

Our investments returned a loss of $193.0m, or 2.5%, in the first half of 2022 (2021: $83.6m gain, 1.2%). This adverse outcome reflects very unusual market conditions. Short-dated US Treasury yields rose by 2.25 percentage points in this period, increasing at the fastest rate for more than forty years. This movement generated significant mark to market losses on the fixed income securities which form the largest element of our investments. Widening credit spreads on our corporate debt holdings added to fixed income losses. Equities also suffered and global indices had lost more than 20% of their value by the end of this volatile period.

We made a number of adjustments to our portfolio to reduce losses during the first half of 2022. Fixed income duration was maintained significantly below usual levels for much of the period, inflation-protected fixed income holdings were increased and equity exposures were reduced to be less than 1% of our investments. Each of these actions helped to improve our return, while our hedge fund portfolio has performed well in this difficult period. When we consider the impact of these market conditions on a Solvency II capital position, we see benefit from rising yields reducing the present value of insurance liabilities. This aspect is not reflected in our financial statements, although it will be from 2023, with the introduction of IFRS 17.

We continue to manage the duration of our fixed income investments, using derivatives where appropriate. The following duration and yield information incorporates the impact of our derivative instruments we are using to temporarily adjust the duration of our portfolio. By the end of June we had extended duration to 2.2 years, from 1 year at 31 March. This change has helped to improve the yield of our fixed income portfolio, which was 3.6% at 30 June, up from 1.3% at 31 March. The higher yields now available are a good indication of the improved investment returns which we anticipate going forward. However, the uncertain background which created volatility in the first half of 2022 remains: war in Ukraine has accelerated inflationary pressures already in place following the pandemic, central banks are expected to be robust in tightening monetary policy and recession is an increasingly likely consequence.

Investment by asset type

	30 June 2022 $m	**30 June 2022 %**	**30 June 2021 $m**	**30 June 2021 %**
Cash and cash equivalents	629.0	7.9	451.3	6.4
Fixed and floating rate debt securities				
- Government	4,344.2	54.8	3,374.5	48.1
- Corporate bonds				
- Investment grade	1,811.2	22.8	1,960.8	27.9
- High yield	304.9	3.8	310.6	4.4
Syndicate loans	32.2	0.4	41.9	0.6
Derivative financial assets	20.0	0.3	1.2	0.1
Core portfolio	**7,141.5**	**90.0**	**6,140.3**	**87.5**
Equity funds	63.7	0.8	186.6	2.7
Hedge funds	482.6	6.0	455.6	6.5
Illiquid credit assets	250.8	3.2	230.2	3.3
Capital growth assets	**797.1**	**10.0**	**872.4**	**12.5**

Investment portfolio total	**7,938.6**	**100.0**	**7,012.7**	**100.0**

Investment performance

	30 June 2022 $m	30 June 2022 annualised return %	30 June 2021 $m	30 June 2021 annualised return %
Core portfolio	(177.7)	(5.1)	14.2	0.5
Capital growth assets	(15.3)	(3.5)	69.4	15.9
Overall return	**(193.0)**	**(5.0)**	**83.6**	**2.4**

Expenses

The expense ratio for the first half of 2022 stood at 33% (2021: 37%). In times of significant growth, we aim to grow our expenses at a lower rate than our premium. Whilst we expect to see an improvement year on year, the expense ratio for the first half year is lower than we expect the full year expense ratio to be. This is because we expect premium growth to moderate in the second half of 2022, as well as some expense phasing being weighted towards the second half of the year. We have also seen our GBP expense base benefitting from the weakening sterling.

Capital

We remain well capitalised and strongly positioned to deploy our capital in areas where we can make the most of market opportunities. We estimate our capital surplus to be 28% at 31 December 2022 (31 December 2021: 27%). The Lloyd's capital requirements shown are based on the initial view of the 2023 business plan, and thus already take into account the additional growth in the mid-teens expected next year. The surplus capital ratio also takes into account adjustments made under Solvency II. We continue to utilise $225m of the $450m banking facility as a letter of credit to support our Funds at Lloyd's (FAL). Our capital surplus is higher than our preferred range after allowing for our initial view of the business plan for 2023, and the Board will consider whether to declare a dividend payment at year end after taking into account the 2022 results as a whole.

	30 June 2022 $m	30 June 2021 $m
Shareholders' funds	2,014.1	1,957.7
Tier 2 subordinated debt (2029)	298.5	298.3
Tier 2 subordinated debt (2026)	249.3	249.1
Utilisation of letter of credit	225.0	225.0
Total	**2,786.9**	**2,730.1**

The following table sets out the Group's capital requirements of our Lloyd's and US businesses.

	Projected 31 December 2022 $m	31 December 2021 $m
Lloyd's economic capital requirement (ECR)	2,639.4	2,225.3
Capital for US insurance company	258.7	247.8
Total	**2,898.1**	**2,473.1**

Outlook

As we reflect on the first half of 2022, no one can be in any doubt that we are in the middle of an uncertain and complex risk environment, where unpredictability is a dominant feature. In these circumstances it is our responsibility to do the right thing, supporting our clients to navigate through, offering them relevant insurance protection and capacity, matched by first-rate risk management and loss prevention strategies. Beazley will continue to deliver in line with our vision for the remainder of 2022 and beyond and I look forward to reporting a successful set of full year results to you in February 2023 where our current expectation is a combined ratio in the high 80s assuming an average claims experience for the second half of the year.

Adrian Cox

Chief Executive Officer

Condensed consolidated statement of profit or loss for the six months ended 30 June 2022

	6 months ended 30 June 2022 $m	6 months ended 30 June 2021 $m	Year to 31 December 2021 $m
Gross premiums written	2,554.9	2,035.3	4,618.9
Written premiums ceded to reinsurers	(759.0)	(593.2)	(1,106.5)
Net premiums written	**1,795.9**	**1,442.1**	**3,512.4**
Change in gross provision for unearned premiums	(207.5)	(202.9)	(545.0)
Reinsurer's share of change in the provision for unearned premiums	218.0	151.0	179.9
Change in net provision for unearned premiums	**10.5**	**(51.9)**	**(365.1)**
Net earned premiums	**1,806.4**	**1,390.2**	**3,147.3**
Net investment (loss)/income	(193.0)	83.6	116.4
Other income	22.4	10.9	28.2
Gain from sale of business	-	-	54.4
	(170.6)	**94.5**	**199.0**
Revenue	**1,635.8**	**1,484.7**	**3,346.3**
Insurance claims	1,528.3	1,094.3	2,734.3
Insurance claims recovered from reinsurers	(558.7)	(297.3)	(908.1)
Net insurance claims	**969.6**	**797.0**	**1,826.2**
Expenses for the acquisition of insurance contracts	454.8	376.8	821.8
Administrative expenses	149.6	132.2	283.0
Foreign exchange loss/(gain)	20.2	(9.6)	7.2
Operating expenses	**624.6**	**499.4**	**1,112.0**
Expenses	**1,594.2**	**1,296.4**	**2,938.2**
Results of operating activities	**41.6**	**188.3**	**408.1**
Finance costs	(19.3)	(21.0)	(38.9)
Profit before income tax	**22.3**	**167.3**	**369.2**
Income tax expense	(8.4)	(27.8)	(60.5)
Profit after income tax - all attributable to equity shareholders	**13.9**	**139.5**	**308.7**
Earnings per share (cents per share):			
Basic	2.3	23.0	50.9
Diluted	2.3	22.8	50.3
Earnings per share (pence per share):			
Basic	1.7	16.7	37.0
Diluted	1.7	16.6	36.5

Condensed consolidated statement of comprehensive income for the six months ended 30 June 2022

	6 months ended	6 months ended	Year to

	30 June 2022 $m	30 June 2021 $m	31 December 2021 $m
Profit after income tax	13.9	139.5	308.7
Other comprehensive income			
Items that will never be reclassified to profit or loss:			
(Loss)/gain on remeasurement of retirement benefit obligations	(2.5)	8.5	13.0
Income tax credit/(charge) on defined benefit obligation	0.2	(1.7)	(1.8)
Items that may be reclassified subsequently to profit or loss:			
Foreign currency translation differences	(13.1)	1.5	(5.9)
Total other comprehensive (expense)/income	(15.4)	8.3	5.3
Total comprehensive (expense)/income recognised	**(1.5)**	**147.8**	**314.0**

Condensed consolidated statement of changes in equity for the six months ended 30 June 2022

	Share capital $m	Share premium $m	Foreign currency translation reserve $m	Other reserves $m	Retained earnings $m	Total $m
Balance as at 1 January 2021	**42.9**	**5.3**	**(91.3)**	**(9.4)**	**1,862.0**	**1,809.5**
Total comprehensive income recognised	-	-	1.5	-	146.3	147.8
Equity settled share-based payments	-	-	-	4.2	-	4.2
Tax on share option vestings	-	-	-	-	(3.9)	(3.9)
Transfer of shares to employees	-	-	-	(1.9)	2.0	0.1
Balance as at 30 June 2021	**42.9**	**5.3**	**(89.8)**	**(7.1)**	**2,006.4**	**1,957.7**
Total comprehensive income/(expense) recognised	-	-	(7.4)	-	173.6	166.2
Equity settled share-based payments	-	-	-	6.8	-	6.8
Tax on share option vestings	-	-	-	(3.9)	3.9	-
Transfer of shares to employees	-	-	-	0.2	(0.1)	0.1
Balance as at 31 December 2021	**42.9**	**5.3**	**(97.2)**	**(4.0)**	**2,183.8**	**2,130.8**
Total comprehensive (expense)/income recognised	-	-	(13.1)	-	11.6	(1.5)
Dividends paid	-	-	-	-	(103.0)	(103.0)
Equity settled share-based payments	-	-	-	5.3	-	5.3
Acquisition of own shares held in trust	-	-	-	(17.8)	-	(17.8)
Transfer of shares to employees	0.1	-	-	(4.1)	4.3	0.3
Balance as at 30 June 2022	**43.0**	**5.3**	**(110.3)**	**(20.6)**	**2,096.7**	**2,014.1**

Condensed consolidated statement of financial position as at 30 June 2022

	30 June 2022 $m	30 June 2021 $m	31 December 2021 $m
Assets			
Intangible assets	118.0	126.7	123.5
Plant and equipment	16.3	22.4	19.2
Right of use assets	65.5	83.6	75.5
Deferred tax asset	28.5	18.8	16.3
Investments in associates	0.4	0.3	0.6
Deferred acquisition costs	526.9	431.2	477.8

Reinsurance assets	2,911.7	2,033.4	2,386.4
Retirement benefit asset	14.4	15.4	18.1
Current income tax asset	3.7	19.1	11.9
Financial assets at fair value	7,309.6	6,561.4	7,283.5
Insurance receivables	1,910.5	1,587.2	1,696.1
Other receivables	155.7	131.8	106.7
Cash and cash equivalents	629.0	451.3	591.8
Total assets	**13,690.2**	**11,482.6**	**12,807.4**
Equity			
Share capital	43.0	42.9	42.9
Share premium	5.3	5.3	5.3
Foreign currency translation reserve	(110.3)	(89.8)	(97.2)
Other reserves	(20.6)	(7.1)	(4.0)
Retained earnings	2,096.7	2,006.4	2,183.8
Total equity	**2,014.1**	**1,957.7**	**2,130.8**
Liabilities			
Insurance liabilities	9,512.1	7,890.6	8,871.8
Financial liabilities	565.4	552.2	554.7
Lease liabilities	75.6	88.8	84.3
Current income tax liabilities	19.7	23.2	24.5
Other payables	1,503.3	970.1	1,141.3
Total liabilities	**11,676.1**	**9,524.9**	**10,676.6**
Total equity and liabilities	**13,690.2**	**11,482.6**	**12,807.4**

Condensed consolidated statement of cash flows for the six months ended 30 June 2022

	6 months ended 30 June 2022 $m	**6 months ended 30 June 2021 $m**	**Year to 31 December 2021 $m**
Cash flow from operating activities			
Profit before income tax	**22.3**	**167.3**	**369.2**
Adjustments for:			
Amortisation of intangibles	6.9	9.9	20.5
Equity settled share based compensation	5.3	4.3	11.0
Net fair value loss/(gain) on financial investments	239.5	(45.8)	(45.8)
Depreciation of plant and equipment	2.2	2.5	4.9
Depreciation of right of use assets	6.1	7.4	15.0
Impairment of reinsurance assets recognised/(written back)	2.6	4.3	(3.3)
Increase in insurance and other liabilities	1,002.3	748.4	1,900.8
Increase in insurance, reinsurance and other receivables	(788.7)	(517.7)	(950.1)
Increase in deferred acquisition costs	(49.1)	(46.3)	(92.9)
Financial income	(41.6)	(41.1)	(76.5)
Finance expense	17.7	21.0	38.9
Income tax paid	(18.1)	(1.5)	(22.2)
Net cash from operating activities	**407.4**	**312.7**	**1,169.5**
Cash flow from investing activities			
Purchase of plant and equipment	(0.3)	(3.9)	(4.5)
Expenditure on software development	4.2	(9.7)	(17.7)
Purchase of investments	(3,199.7)	(4,731.0)	(7,979.1)

Proceeds from sale of investments	2,922.3	4,555.3	7,037.1
Proceeds from sale of business	-	-	54.4
Interest and dividends received	38.3	41.1	70.6
Net cash used in investing activities	**(253.2)**	**(148.2)**	**(839.2)**
Cash flow from financing activities			
Acquisition of own shares in trust	(17.8)	-	-
Finance costs	(17.8)	(19.2)	(35.2)
Payment of lease liabilities	(5.6)	(6.7)	(12.8)
Dividends paid	(103.0)	-	-
Net cash (used in) financing activities	**(144.2)**	**(25.9)**	**(48.0)**
Net increase in cash and cash equivalents	**28.0**	**138.6**	**282.3**
Cash and cash equivalents at beginning of period	591.8	309.5	309.5
Effect of exchange rate changes on cash and cash equivalents	9.2	3.2	-
Cash and cash equivalents at end of period	**629.0**	**451.3**	**591.8**

1 Statement of accounting policies

Beazley plc is a company incorporated in England and Wales and is resident for tax purposes in the United Kingdom. The condensed consolidated interim financial statements of the Group for the six months ended 30 June 2022 comprise the parent company, its subsidiaries and the Group's interest in associates.

The preparation of condensed consolidated interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at, and for the year ended, 31 December 2021.

The information in these interim condensed consolidated financial statements is unaudited and does not constitute annual accounts within the meaning of Section 434 of the Companies Act 2006 (the Act).

The external auditor's report on the Group's Annual report and accounts for the year ended 31 December 2021 was unqualified, did not include a reference to any matters to which the auditors drew attention by way of emphasis without qualifying their report and did not include a statement under s.498(2) or (3) of the Companies Act 2006.

The 2021 annual financial statements of the Group were prepared in accordance with UK adopted International Financial Reporting Standards (IFRS). As required by the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority, the condensed set of financial statements have:

- aside from the change in reporting segments noted below, been prepared applying the accounting policies and presentation that were applied in the preparation of the company's published consolidated financial statements for the year ended 31 December 2021; and
- been prepared in accordance with UK adopted International Accounting Standard 34, 'Interim Financial Reporting'.

During the period, the Group reassessed the composition of its reporting segments in line with the requirements of IFRS 8. Further details are given in note 2, Segmental analysis.

Changes to accounting standards

In the current year, the Group has applied amendments to IFRS issued by the IASB and UKEB that are mandatorily effective for an accounting period that begins on or after 1 January 2022. None of the amendments issued by the IASB and UKEB have had a material impact to the Group.

Significant changes in accounting policy not yet effective

International Financial Reporting Standard 17, Insurance Contracts ("IFRS 17")

IFRS 17, Insurance Contracts, was issued by the International Accounting Standards Board ("IASB") in May 2017 and was approved for adoption in the United Kingdom by the UK Endorsement Board on 16 May 2022. IFRS 17 is effective for accounting periods beginning on or after 1 January 2023.

The Group intends to make the following accounting policy choices when applying IFRS 17. The Group will:

- measure all insurance contracts within the scope of IFRS 17 using the general measurement model;
- align its portfolios of (re)insurance contracts with its existing product and distribution channel groupings. Portfolios of insurance contracts are used in IFRS 17 to aggregate the measurement and presentation of similar risks managed together;
- discount future cash flows using the "bottom-up" approach, based on a risk-free discount rate that is then adjusted with an illiquidity premium. Subsequent changes in discount rates on remeasurement will be accounted for through the statement of profit or loss; and
- apply the fully retrospective transition approach on adoption, with an adjustment to equity on the date of transition (1 January 2022). The amount of this adjustment is being determined.

The Group is well progressed in its implementation of IFRS 17 and is on track to be able to report IFRS 17 results for the first time in 2023.

Over the past six months, the Group's IFRS 17 programme has continued its work on testing and stabilising systems and processes, as well as making progress on deriving an opening balance sheet as at 1 January 2022. In the second half of the year, the team will finalise the opening balance sheet position, together with producing comparative results through a set of dry runs and parallel runs.

The Group intends to provide further updates to investors and other stakeholders in the second half of 2022 and in the Group's 2022 Annual report and accounts.

International Financial Reporting Standard 9, Financial Instruments ("IFRS 9")
IFRS 9 was issued by the IASB in July 2014 and became effective for accounting periods beginning on or after 1 January 2018. The IASB issued amendment to IFRS 4, Insurance Contracts in September 2016 and June 2020 which exempts eligible entities from applying IFRS 9 for accounting periods beginning before 1 January 2023. As disclosed in the Group's 2021 Annual report and accounts, the Group remains eligible to apply the exemption in IFRS 4 and thus will begin to apply IFRS 9 for accounting periods beginning on 1 January 2023.

The Group expects the impact of IFRS 9 on the valuation of financial assets to be immaterial at transition as these assets are already held at fair value through profit or loss in accordance with IAS 39. This practice will continue under IFRS 9 as the Group does not manage its investments using a "hold to collect" or "hold to collect and sell" business model and therefore is required to measure its investments at fair value through profit or loss. Certain receivable balances will continue to be measured at amortised cost and will have an expected credit loss applied on adoption of IFRS 9. The Group will continue to measure borrowings at amortised cost. The Group is not required to apply IFRS 9 retrospectively and the new standard will be applied prospectively from 1 January 2023.

Principal risks and uncertainties
The Group's principal risks and uncertainties are outlined on pages 66 to 68 in the risk management and compliance section of the Group's annual report and accounts 2021 and have not changed since the last reporting date. Additionally, further discussion of climate change risk, and how it interacts with the principal risks and uncertainties is discussed in the Group's annual report and accounts 2021, within the Task Force on Climate-related Financial Disclosures section on pages 38 and 39. The principal risks are:

- Insurance risk;
- Strategic risk; and
- Other risks including Market, Operational, Credit, Regulatory and Legal, Liquidity and Group Risks.

Going concern
The directors considered analysis on going concern and viability assessment conducted for the Group's annual report and accounts 2021, which was considered still to be relevant. This included, among other analysis, scenario analysis covering the impact of Natural Catastrophe and Cyber loss events on the Group's capital and liquidity positions. We have also considered reverse stress testing scenarios designed to render the Group insolvent and the impact of climate change on Group's viability. The testing identified that even under stressed scenarios the Group had more than adequate liquidity and capital headroom. It was also concluded that impact of climate change does not lead to unviability.

The Interim going concern assessment performed at the as at 30 June 2022 did not identify any factors that could change the conclusions made at the annual assessment and concluded that therefore the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for at least the next 12 months from the date of preparation of the Interim Report. Accordingly, they continue to adopt the going concern basis in preparing these interim condensed consolidated financial statements.

2 Segmental analysis

Reporting Segments
Segment 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 in IFRS 8.

In March 2022, the Group updated its underwriting team structure with the creation of four underwriting divisions: Cyber Risks, Marine, Accident and Political ("MAP") Risks, Property Risks and Specialty Risks.

From January 2022, the Group began separately reporting the performance of the Digital division, following the creation of that team in 2021.

Accordingly the Group has determined that its reporting segments are now as follows:

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.

Segment information
Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Those items that are allocated on a reasonable basis are split based on each segment's capital requirements which is taken from the Group's most up to date business plan. The reporting segments do not cross-sell business to each other. Whilst the performance of individual business lines may be seasonal, particularly with respect to exposure to insurance claims, the Group does not consider its overall result to be impacted by seasonality.

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.

As a result of the changes in reporting segments, prior period comparative information has been re-presented in accordance with the requirements of IFRS 8.

30 June 2022	**Cyber Risks $m**	**Digital $m**	**MAP Risks $m**	**Property Risks $m**	**Specialty Risks $m**	**Total $m**
Gross premiums written	472.7	98.0	547.2	478.0	959.0	2,554.9
Net premiums written	322.0	83.4	358.2	347.0	685.3	1,795.9
Net earned premiums	362.4	82.3	316.9	312.6	732.2	1,806.4
Net investment loss	(33.2)	(8.2)	(21.8)	(27.9)	(101.9)	(193.0)
Other income	5.7	0.9	1.8	4.3	9.7	22.4
Revenue	**334.9**	**75.0**	**296.9**	**289.0**	**640.0**	**1,635.8**
Net insurance claims	176.8	39.8	171.2	131.4	450.4	969.6
Expenses for the acquisition of insurance contracts	72.1	22.3	106.0	75.6	178.8	454.8
Administrative expenses	17.1	8.4	33.5	34.4	56.2	149.6
Foreign exchange loss	4.1	0.9	3.5	3.5	8.2	20.2
Expenses	**270.1**	**71.4**	**314.2**	**244.9**	**693.6**	**1,594.2**
Segment result	**64.8**	**3.6**	**(17.3)**	**44.1**	**(53.6)**	**41.6**
Finance costs						(19.3)
Profit before income tax						**22.3**
Income tax expense						(8.4)
Profit after income tax						**13.9**
Claims ratio	49%	48%	54%	42%	62%	54%
Expense ratio	25%	37%	44%	35%	32%	33%
Combined ratio	74%	85%	98%	77%	94%	87%

Segment assets and liabilities						
Segment assets	2,541.4	462.2	2,169.6	2,184.4	6,332.6	13,690.2
Segment liabilities	(1,966.7)	(358.8)	(1,933.4)	(1,820.8)	(5,596.4)	(11,676.1)
Net assets	**574.7**	**103.4**	**236.2**	**363.6**	**736.2**	**2,014.1**

30 June 2021 (re-presented)	**Cyber Risks $m**	**Digital $m**	**MAP Risks $m**	**Property Risks $m**	**Specialty Risks $m**	**Total $m**
Gross premiums written	267.1	84.1	437.7	438.1	808.3	2,035.3
Net premiums written	187.9	72.4	312.8	246.1	622.9	1,442.1
Net earned premiums	204.5	66.4	282.2	216.6	620.5	1,390.2
Net investment income	11.0	2.0	13.1	17.6	39.9	83.6
Other income	1.7	0.6	0.9	2.6	5.1	10.9
Revenue	**217.2**	**69.0**	**296.2**	**236.8**	**665.5**	**1,484.7**
Net insurance claims	136.9	25.9	111.4	117.7	405.1	797.0
Expenses for the acquisition of insurance contracts	44.7	19.1	102.8	70.1	140.1	376.8
Administrative expenses	14.7	7.3	27.9	30.2	52.1	132.2
Foreign exchange gain	(1.2)	(0.5)	(1.5)	(2.0)	(4.4)	(9.6)
Expenses	**195.1**	**51.8**	**240.6**	**216.0**	**592.9**	**1,296.4**
Segment result	**22.1**	**17.2**	**55.6**	**20.8**	**72.6**	**188.3**
Finance costs						(21.0)
Profit before income tax						**167.3**
Income tax expense						(27.8)
Profit after income tax						**139.5**
Claims ratio	67%	39%	40%	55%	65%	57%
Expense ratio	29%	40%	46%	46%	31%	37%
Combined ratio	96%	79%	86%	101%	96%	94%
Segment assets and liabilities						
Segment assets	1,939.9	388.2	1,720.2	2,075.2	5,359.1	11,482.6
Segment liabilities	(1,432.9)	(287.7)	(1,495.1)	(1,675.8)	(4,633.4)	(9,524.9)
Net assets	**507.0**	**100.5**	**225.1**	**399.4**	**725.7**	**1,957.7**

31 December 2021 (re-presented)	**Cyber Risks $m**	**Digital $m**	**MAP Risks $m**	**Property Risks $m**	**Specialty Risks $m**	**Total $m**
Gross premiums written	814.3	190.8	897.5	812.6	1,903.7	4,618.9
Net premiums written	624.8	166.2	671.5	573.1	1,476.8	3,512.4
Net earned premiums	499.7	149.3	613.3	521.7	1,363.3	3,147.3

Net investment income	14.5	3.6	17.0	22.6	58.7	116.4	
Other income	4.6	1.9	2.7	7.5	11.5	28.2	
Gain from sale of business[1]	-	-	54.4	-	-	54.4	
Revenue	**518.8**	**154.8**	**687.4**	**551.8**	**1,433.5**	**3,346.3**	
Net insurance claims	326.9	56.1	252.5	335.4	855.3	1,826.2	
Expenses for the acquisition of insurance contracts	100.7	42.2	206.8	149.4	322.7	821.8	
Administrative expenses	29.0	15.6	59.2	66.9	112.3	283.0	
Foreign exchange loss	1.2	0.3	1.4	1.3	3.0	7.2	
Expenses	**457.8**	**114.2**	**519.9**	**553.0**	**1,292.3**	**2,938.2**	
Segment result	**61.0**	**40.6**	**167.5**	**(1.2)**	**140.2**	**408.1**	
Finance costs						(38.9)	
Profit before income tax						**369.2**	
Income tax expense						(60.5)	
Profit after income tax						**308.7**	
Claims ratio	65%	38%	41%	64%	63%	58%	
Expense ratio	26%	39%	43%	42%	32%	35%	
Combined ratio	91%	77%	84%	106%	95%	93%	
Segment assets and liabilities							
Segment assets	2,289.7	432.1	1,844.6	2,244.5		5,996.5	12,807.4
Segment liabilities	(1,737.8)	(322.7)	(1,599.6)	(1,809.8)		(5,206.7)	(10,676.6)
Net assets	**551.9**	**109.4**	**245.0**	**434.7**		**789.8**	**2,130.8**

1 The gain from sale of business relates to the sale of the Beazley Benefits business in the second half of 2021. Further details can be found in Note 5b of Beazley's 2021 Annual report and accounts.

3 Net Investment (loss)/income

	6 months ended 30 June 2022 $m	**6 months ended 30 June 2021 $m**	**Year to 31 December 2021 $m**
Interest and dividends on financial investments at fair value through profit or loss	41.6	41.1	76.5
Net realised gains on financial investments at fair value through profit or loss	8.3	60.9	79.8
Net unrealised fair value (losses) on financial investments at fair value through profit or loss	(239.5)	(15.0)	(34.0)
Investment (loss)/income from financial investments	**(189.6)**	**87.0**	**122.3**
Investment management expenses	(3.4)	(3.4)	(5.9)
	(193.0)	**83.6**	**116.4**

4 Other income

	6 months ended 30 June 2022	**6 months ended 30 June 2021**	**Year to 31 December 2021**

	$m	$m	$m
Commission income	15.5	7.9	19.4
Profit commissions	4.8	1.1	3.8
Agency fees	2.1	1.9	3.9
Other income	-	-	1.1
	22.4	**10.9**	**28.2**

5 Finance costs

	6 months ended 30 June 2022 $m	6 months ended 30 June 2021 $m	Year to 31 December 2021 $m
Interest expense on financial liabilities	17.7	19.1	35.2
Interest expense on lease liabilities	1.6	1.9	3.7
	19.3	**21.0**	**38.9**

6 Earnings per share

	6 months ended 30 June 2022 $m	6 months ended 30 June 2021 $m	Year to 31 December 2021 $m
Basic (cents)	2.3	23.0	50.9
Diluted (cents)	2.3	22.8	50.3
Basic (pence)	1.7	16.7	37.0
Diluted (pence)	1.7	16.6	36.5

Basic

Basic earnings per share are calculated by dividing profit after income tax of $13.9m (30 June 2021: profit of $139.5m; 31 December 2021: profit of $308.7m) by the weighted average number of shares in issue during the six months of 604.7m (30 June 2021: 606.0m; 31 December 2021: 606.0m). The shares held in the Employee Share Options Plan (ESOP) of 5.0m (30 June 2021: 3.2m; 31 December 2020: 3.2m) have been excluded from the calculation until such time as they vest unconditionally with the employees.

Diluted

Diluted earnings per share are calculated by dividing profit after income tax of $13.9m (30 June 2021: profit of $139.5m; 31 December 2021: profit of $308.7m) by the adjusted weighted average number of shares of 613.5m (30 June 2021: 611.1m; 31 December 2021: 614.3m). The adjusted weighted average number of shares assumes conversion of dilutive potential ordinary shares, being shares from the SAYE (Save As You Earn), retention and deferred share schemes. The shares held in the ESOP of 5.0m (30 June 2021: 3.2m; 31 December 2021: 3.2m) have been excluded from the calculation until such time as they vest unconditionally with the employees.

7 Dividends

As disclosed in the Group's 2021 Annual report and accounts, the Group will assess whether to declare and pay a dividend at the time of the Group's full year results. Accordingly no dividend has been declared in respect of the 6 months ended 30 June 2022 (2021: nil).

An interim dividend of 12.9p per ordinary share was paid to eligible shareholders on 30 March 2022 in respect of the year ended 31 December 2021.

8 Income tax expense

	6 months ended 30 June 2022 $m	6 months ended 30 June 2021 $m	Year to 31 December 2021 $m
Current tax expense			
Current year	23.1	25.9	64.0
Prior year adjustments	(2.6)	0.1	(7.5)
	20.5	26.0	56.5

Deferred tax expense			
Origination and reversal of temporary differences	(13.5)	4.2	4.4
Impact of change in UK tax rates	-	(1.3)	(0.6)
Prior year adjustments	1.4	(1.1)	0.2
	(12.1)	1.8	4.0
Income tax expense	**8.4**	**27.8**	**60.5**

Reconciliation of tax expense
The weighted average of statutory tax rates applied to the profits/(losses) earned in each country in which the Group operates is 37.4% (30 June 2021: 17.0%), whereas the tax charged for the period ending 30 June 2022 as a percentage of profit/(loss) before tax is 37.8% (30 June 2021: 16.6%). The change in the applicable tax rate reflects the change in the geographic composition of the profit before tax and the impact of state and other local taxes. The higher than usual weighted average of statutory tax rates is due to the impact of investment losses in the first six months, which we expect to not recur in the remained of the year. The reasons for the difference are explained below:

	6 months ended 30 June 2022 $m	6 months ended 30 June 2022 %	6 months ended 30 June 2021 $m	6 months ended 30 June 2021 %	Year to 31 December 2021 $m	Year to 31 December 2021 %
Profit before tax	**22.3**		**167.3**		**369.2**	
Tax calculated at the weighted average of statutory tax rates	8.3	37.4	28.4	17.0	63.3	17.2
Effects of:						
Non-deductible expenses	-	-	1.8	1.0	3.5	1.0
Tax relief on remuneration	(0.6)	(2.9)	(0.1)	(0.1)	1.6	0.4
Over provided in prior years	(1.3)	(5.5)	(1.0)	(0.6)	(7.3)	(2.0)
Change in UK tax rates[1]	2.0	8.8	(1.3)	(0.7)	(0.6)	(0.2)
Charge for the period	**8.4**	**37.8**	**27.8**	**16.6**	**60.5**	**16.4**

1 The Finance Act 2021, which provides for an increase in the UK corporation tax rate from 19% to 25% effective from 1 April 2023 received Royal Assent on 10 June 2021. This tax rate change to 25% will increase the Group's future current tax charge. It has also been reflected in the calculation of the deferred tax balances as at 30 June 2021 for temporary differences expected to reverse on or after 1 April 2023.

The Tax Act (the Tax Cuts and Jobs Act) was signed into law in the US in December 2017. The Tax Act includes base erosion anti-avoidance tax provisions (the "BEAT"). We have performed an assessment for our intra-group transactions potentially in scope of BEAT. The application of this new BEAT legislation is still uncertain for some types of transaction and we are keeping developments under review. With support from external advisors, we believe that the BEAT impact on the Group is not significant. As at 30 June 2022, and in line with the prior period, no amount was provided in the Group accounts for BEAT liabilities. The ultimate outcome may differ and if any additional amounts did fall within the scope of the BEAT, incremental tax at 10% might arise on some or all of those amounts.

Amounts recognised directly in equity
Aggregate current and deferred tax arising in the reporting period and not recognised in net profits or loss or other comprehensive income but directly debited or credited to equity:

	30 June 2022 $m	30 June 2021 $m	31 December 2021 $m
Current tax: share based payments	-	-	-
Deferred tax: share based payments	-	3.9	3.9
	-	**3.9**	**3.9**

9 Financial assets and liabilities

	30 June 2022 $m	30 June 2021 $m	31 December 2021 $m

Financial assets at fair value			
Government issued	4,344.2	3,374.5	4,008.1
Corporate bonds			
- Investment grade	1,811.2	1,960.8	1,861.9
- High yield	304.9	310.6	402.3
Syndicate loans	32.2	41.9	37.9
Total fixed and floating rate debt securities and syndicate loans	**6,492.5**	**5,687.8**	**6,310.2**
Equity funds	63.7	186.6	209.6
Hedge funds	482.6	455.6	478.2
Illiquid credit assets	250.8	230.2	277.9
Total capital growth assets	**797.1**	**872.4**	**965.7**
Total financial investments at fair value through statement of profit or loss	**7,289.6**	**6,560.2**	**7,275.9**
Derivative financial assets	20.0	1.2	7.6
Total financial assets at fair value	**7,309.6**	**6,561.4**	**7,283.5**

Investment grade corporate bonds are rated BBB-/Baa3 or higher by at least one major rating agency, while high yield corporate bonds have lower credit ratings. Hedge funds are investment vehicles pursuing alternative investment strategies, structured to have minimal correlation to traditional asset classes. Equity funds are investment vehicles which invest in equity securities and provide diversified exposure to global equity markets. Illiquid credit assets are investment vehicles that predominantly target private lending opportunities, often with longer investment horizons. The fair value of these assets at 30 June 2022 excludes an unfunded commitment of $40.3m (30 June 2021: $46.6m). Syndicate loans have been introduced and collected by Lloyd's of London to support underwriting at Lloyd's Brussels on the 2019 and 2020 years of account.

The amount expected to mature before and after one year are:	**30 June 2022 $m**	**30 June 2021 $m**	**31 December 2021 $m**
Within one year	1,443.1	1,244.3	1,409.4
After one year	5,069.4	4,444.7	4,908.4
Total	**6,512.5**	**5,689.0**	**6,317.8**

Our capital growth assets have no defined maturity dates and have thus been excluded from the above maturity table. However, $63.7m (30 June 2021: $186.6m) of equity funds could be liquidated within two weeks, $380.8m (30 June 2021: $356.6m) of hedge fund assets within six months and the remaining $101.8m (30 June 2021: $99.0m) of hedge fund assets within 18 months, in normal market conditions. Illiquid credit assets are not readily realisable and principal will be returned over the life of these assets, which may be up to 12 years.

Financial liabilities	**30 June 2022 $m**	**30 June 2021 $m**	**31 December 2021 $m**
Tier 2 subordinated debt (2029)	298.5	298.3	298.4
Tier 2 subordinated debt (2026)	249.3	249.1	249.2
Derivative financial liabilities	17.6	4.8	7.1
Total financial liabilities	**565.4**	**552.2**	**554.7**

The amounts expected to mature before and after one year are:	**30 June 2022 $m**	**30 June 2021 $m**	**31 December 2021 $m**
Within one year	17.6	4.8	7.1
After one year	547.8	547.4	547.6
Total	**565.4**	**552.2**	**554.7**

Valuation hierarchy

The Group determines the estimated fair value of each individual security utilising the highest-level inputs available. Prices for the Group's investment portfolio are provided via a third-party pricing vendor whose pricing processes and the controls thereon are subject to an annual audit on both the operation and the effectiveness of those controls. Various recognised reputable pricing transparency fields are used including pricing vendors and broker-dealers. The pricing sources use directly observable prices where available, otherwise indicative prices are quoted based on observable market trade data.

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.

The Group has an established control framework and valuation policy with respect to the measurement of fair values.

The fair value of securities in the Group's investment portfolio is estimated using the following techniques:

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 (e.g. interest rates and exchange rates).

(i) Debt securities

For the Group's level 2 debt securities 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 engines and calibrated with the pricing models to calculate spread to benchmarks, as well as other pricing assumptions such as weighted average life, discount margins, default rates, and recovery and prepayments assumptions for mortgage securities.

(ii) Hedge funds

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.

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.

(i) Illiquid credit assets

Within the Group's level 3 investments we have a diversified portfolio of illiquid credit fund investments managed by third party managers (generally closed ended limited partnerships or open ended funds). While the funds provide full transparency on their underlying investments, the investments themselves are predominantly in private and unquoted instruments and are therefore classified as level 3 investments. Closed-ended funds that are still in their investment period continue to draw down capital, whilst funds that are in their harvest period distribute capital as the underlying investments are realised.

The valuation techniques used by the fund managers to establish the fair value of the underlying private/unquoted investments 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.

(ii) Syndicate loans

These are loans provided by our Group syndicates to the Central Fund at Lloyd's in respect of the 2019 and 2020 underwriting years. These instruments are not tradeable and their fair value is determined using discounted cash flow models, designed to appropriately reflect the credit and illiquidity risk of the instruments. The syndicate loans have been classified as Level 3 investments because the valuation approach includes significant unobservable inputs and an element of subjectivity in determining appropriate credit and illiquidity spreads.

The following table shows the fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

30 June 2022	Level 1 $m	Level 2 $m	Level 3 $m	Total $m
Financial assets carried at fair value				
Government issued	3,498.4	845.8	-	4,344.2
Corporate bonds				
- Investment grade	1,288.7	522.5	-	1,811.2
- High yield	34.2	270.7	-	304.9
Syndicate loans	-	-	32.2	32.2

Equity funds	63.7	-	-	63.7
Hedge funds	-	482.6	-	482.6
Illiquid credit assets	-	-	250.8	250.8
Derivative financial assets	20.0	-	-	20.0
Total financial assets carried at fair value	**4,905.0**	**2,121.6**	**283.0**	**7,309.6**
Financial liabilities carried at fair value				
Derivative financial liabilities	(17.6)	-	-	(17.6)
Financial liabilities not carried at fair value				
Tier 2 subordinated debt (2029)	-	281.3	-	281.3
Tier 2 subordinated debt (2026)	-	247.6	-	247.6
Total financial liabilities not carried at fair value	**-**	**528.9**	**-**	**528.9**

30 June 2021	**Level 1 $m**	**Level 2 $m**	**Level 3 $m**	**Total $m**
Financial assets carried at fair value				
Government issued	2,652.4	722.1	-	3,374.5
Corporate bonds				
- Investment grade	1,436.1	524.7	-	1,960.8
- High yield	119.7	190.9	-	310.6
Syndicate loans	-	-	41.9	41.9
Equity funds	186.6	-	-	186.6
Hedge funds	-	455.6	-	455.6
Illiquid credit assets	-	-	230.2	230.2
Derivative financial assets	1.2	-	-	1.2
Total financial assets carried at fair value	**4,396.0**	**1,893.3**	**272.1**	**6,561.4**
Financial liabilities carried at fair value				
Derivative financial liabilities	4.8	-	-	4.8
Financial liabilities not carried at fair value				
Tier 2 subordinated debt (2029)	-	331.9	-	331.9
Tier 2 subordinated debt (2026)	-	278.1	-	278.1
Total financial liabilities not carried at fair value	**-**	**610.0**	**-**	**610.0**

31 December 2021	**Level 1 $m**	**Level 2 $m**	**Level 3 $m**	**Total $m**
Financial assets carried at fair value				
Government issued	3,513.2	494.9	-	4,008.1
Corporate bonds				
- Investment grade	802.8	1,059.1	-	1,861.9
- High yield	82.1	320.2	-	402.3
Syndicate loans	-	-	37.9	37.9
Equity funds	209.6	-	-	209.6
Hedge funds	-	478.2	-	478.2
Illiquid credit assets	-	-	277.9	277.9
Derivative financial assets	7.6	-	-	7.6
Total financial assets carried at fair value	**4,615.3**	**2,352.4**	**315.8**	**7,283.5**
Financial liabilities carried at fair value				
Derivative financial liabilities	7.1	-	-	7.1

Financial liabilities not carried at fair value				
Tier 2 subordinated debt (2029)	-	334.6	-	334.6
Tier 2 subordinated debt (2026)	-	279.0	-	279.0
Total financial liabilities not carried at fair value	**-**	**613.6**	**-**	**613.6**

The table above does not include financial assets and liabilities that are, in accordance with the Group's accounting policies, recorded at amortised cost, if the carrying amount of these financial assets and liabilities approximates their fair values at the reporting date. Cash and cash equivalents have not been included in the table above; however, the full amount of cash and cash equivalents would be classified under level 2 in both the current and prior year.

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 & 2 for the period ended 30 June 2022 reflect the level of trading activities including frequency and volume derived from market data obtained from an independent external valuation tool:

30 June 2022 vs 31 December 2021 transfer from level 1 to level 2	**Level 1 $m**	**Level 2 $m**
- Investment grade	(126.9)	126.9
- Government issued	(237.9)	237.9

30 June 2021 vs 30 June 2020 transfer from level 2 to level 1	**Level 1 $m**	**Level 2 $m**
- Investment grade	467.0	(467.0)

The values shown in the transfer tables above are translated at foreign exchange rate as at 30 June 2022.

Level 3 investment reconciliations

The table below shows a reconciliation from the opening balances to the closing balances of level 3 fair values. The total net unrealised losses recognised in profit or loss of $2.4m (30 June 2021: income of $13.2m) is included in the net investment loss total of $193.0m (30 June 2021: income of $83.6m) shown in the condensed consolidated statement of profit or loss.

	30 June 2022 $m	**30 June 2021 $m**	**31 December 2021 $m**
As at 1 January	315.8	268.5	268.5
Purchases	3.7	21.3	87.1
Sales	(34.0)	(30.9)	(60.2)
Total net unrealised (losses)/gains recognised in profit or loss	(2.4)	13.2	20.4
As at period end	**283.0**	**272.1**	**315.8**

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 investments in high yield bond funds, equity funds, hedge funds and illiquid credit 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.
The investments comprising the Group's unconsolidated structured entities are as follows:

	30 June 2022 $m	**30 June 2021 $m**	**31 December 2021 $m**
High yield	304.9	310.6	402.3
Equity funds	63.7	186.6	209.6
Hedge funds	482.6	455.6	478.2
Illiquid credit assets	250.8	230.2	277.9
Investments through unconsolidated structured entities	**1,102.0**	**1,183.0**	**1,368.0**

Currency exposures

The currency exposures of our financial assets held at fair value are detailed below:

30 June 2022	UK £ $m	CAD $ $m	EURO € $m	Subtotal $m	US $ $m	Total $m
Financial assets at fair value						
Fixed and floating rate debt securities	510.3	400.1	-	910.4	5,549.9	6,460.3
Syndicate loans	32.2	-	-	32.2	-	32.2
Equity funds	-	-	-	-	63.7	63.7
Hedge funds	-	-	-	-	482.6	482.6
Illiquid credit assets	0.1	-	38.1	38.2	212.6	250.8
Derivative financial assets	-	-	-	-	20.0	20.0
Total	**542.6**	**400.1**	**38.1**	**980.8**	**6,328.8**	**7,309.6**

30 June 2021	UK £ $m	CAD $ $m	EURO € $m	Subtotal $m	US $ $m	Total $m
Financial assets at fair value						
Fixed and floating rate debt securities	434.4	321.0	-	755.4	4,890.5	5,645.9
Syndicate loans	41.9	-	-	41.9	-	41.9
Equity funds	-	-	-	-	186.6	186.6
Hedge funds	-	-	-	-	455.6	455.6
Illiquid credit assets	1.8	-	37.3	39.1	191.1	230.2
Derivative financial assets	-	-	-	-	1.2	1.2
Total	**478.1**	**321.0**	**37.3**	**836.4**	**5,725.0**	**6,561.4**

31 December 2021	UK £ $m	CAD $ $m	EURO € $m	Subtotal $m	US $ $m	Total $m
Financial assets at fair value						
Fixed and floating rate debt securities	465.0	341.4	-	806.4	5,465.9	6,272.3
Syndicate loans	37.9	-	-	37.9	-	37.9
Equity funds	-	-	-	-	209.6	209.6
Hedge funds	-	-	-	-	478.2	478.2
Illiquid credit assets	0.5	-	39.8	40.3	237.6	277.9
Derivative financial assets	-	-	-	-	7.6	7.6
Total	**503.4**	**341.4**	**39.8**	**884.6**	**6,398.9**	**7,283.5**

The above qualitative and quantitative disclosures along with the risk management disclosure included in note 2 of the annual report for the year ending 31 December 2021, enables more comprehensive evaluation of Beazley's exposure to risks arising from financial instruments.

10 Cash and cash equivalents

	30 June 2022 $m	30 June 2021 $m	31 December 2021 $m
Cash at bank and in hand	629.0	451.3	591.8
	629.0	**451.3**	**591.8**

Total cash and cash equivalents include $59.6m (30 June 2021: $26.6m, 31 December 2021: $35.6m) held in Lloyd's Singapore trust accounts. These funds are only available for use by the Group to meet local claim and expense obligations.

11 Insurance claims

The processes undertaken by management in estimating insurance liabilities are consistent with the processes applied for the year ended 31 December 2021 and further detail is available in note 24 of the Group's 2021 annual Report and Accounts. These processes include performing liability adequacy tests at each reporting date.

Gross insurance liabilities as at 30 June 2022 of $9,512.1m (30 June 2021: $7,890.6m; 31 December 2021: $8,871.8m) did not include an unexpired risk reserve (30 June 2021: $12.8m; 31 December 2021: $nil). Reinsurance assets as at 30 June 2022 of $2,911.7m (30 June 2021: $2,033.4m; 31 December 2021: $2,386.4m) also did not include reinsurers' shares of the unexpired risk reserve (30 June 2021: $1.6m; 31 December 2021: $nil).

The loss development tables below provide information about historical claims development by the five segments - Cyber Risks, Digital, MAP Risks, Property Risks and Specialty Risks. The loss ratios on prior years have been re-presented to align with the Group's revised operating segments.

While the information in the tables provide a historical perspective on the adequacy of the claims liabilities established in previous years, users of these financial statements are cautioned against extrapolating past redundancies or deficiencies on current claims liabilities. The Group believes that the estimates of total claims liabilities as at 30 June 2022 are adequate. However, due to inherent uncertainties in the reserving process, it cannot be assured that such balances will ultimately prove to be adequate.

Gross ultimate claims	2012ae	2013 %	2014 %	2015 %	2016 %	2017 %	2018 %	2019 %	2020 %	2021 %	2022 %	Total
Cyber Risks												
12 months		67.8	62.9	60.7	57.5	55.1	56.7	57.7	79.9	65.6		
24 months		68.3	61.9	60.8	58.0	55.2	57.7	74.6	91.2			
36 months		69.5	55.6	52.8	52.8	45.8	53.0	79.0				
48 months		74.3	60.3	44.4	48.3	42.0	54.8					
60 months		74.1	68.4	42.4	47.8	42.5						
72 months		71.7	64.9	41.2	45.7							
84 months		69.0	65.3	41.0								
96 months		71.5	64.9									
108 months		71.8										
Position at 30 June 2022		67.8	66.5	39.8	43.8	40.8	51.4	79.4	100.7	60.3		
Digital												
12 months		71.5	64.9	64.1	60.1	55.2	62.0	61.6	65.9	64.6		
24 months		72.2	59.4	64.2	59.8	56.3	60.8	70.4	70.6			
36 months		48.8	36.7	26.9	32.5	41.5	50.5	50.6				
48 months		24.7	28.7	24.2	21.5	31.2	40.6					
60 months		23.2	25.4	22.3	20.9	27.1						
72 months		20.3	25.4	21.8	19.8							
84 months		18.0	23.1	21.6								
96 months		17.5	23.2									
108 months		17.5										
Position at 30 June 2022		17.5	23.2	21.5	19.7	27.3	44.2	45.7	66.8	63.1		
MAP Risks												
12 months		57.7	58.5	58.4	60.7	63.9	61.0	60.0	81.0	58.9		
24 months		51.5	49.0	56.8	63.5	56.9	62.8	93.0	80.1			
36 months		44.8	47.6	52.6	58.4	55.1	76.0	87.7				
48 months		43.3	48.4	51.9	56.9	54.2	76.6					
60 months		43.5	54.0	49.0	55.2	51.5						
72 months		42.9	52.4	48.2	53.8							
84 months		42.1	52.2	48.0								
96 months		41.3	52.6									
108 months		41.1										
Position at 30 June 2022		41.1	52.1	48.0	53.9	51.6	77.3	90.9	88.1	82.0		
Property Risks												
12 months		55.8	56.0	58.5	62.3	92.6	75.3	70.4	72.0	72.6		
24 months		47.1	42.7	43.5	58.8	100.1	84.2	64.6	75.7			
36 months		44.0	37.6	38.7	60.2	106.0	84.5	58.3				

48 months		43.6	35.9	37.9	61.0	106.7	81.9					
60 months		42.5	35.2	37.1	60.7	106.1						
72 months		43.5	35.4	38.5	60.3							
84 months		42.8	35.1	38.1								
96 months		43.0	35.3									
108 months		43.1										
Position at 30 June 2022		43.1	35.0	38.0	60.5	106.2	81.6	55.5	74.8	71.0		
Specialty Risks												
12 months		74.7	70.0	69.6	68.7	67.3	69.4	68.2	68.0	66.8		
24 months		74.3	70.6	70.1	68.5	69.1	70.3	69.1	68.6			
36 months		74.7	69.6	71.1	69.7	71.6	70.2	64.2				
48 months		70.0	66.5	70.8	71.7	71.1	69.0					
60 months		64.8	64.4	74.7	70.2	73.9						
72 months		62.0	63.0	83.1	70.7							
84 months		62.5	62.2	87.5								
96 months		61.0	63.3									
108 months		59.6										
Position at 30 June 2022		59.1	63.3	87.8	71.2	75.6	70.1	63.5	68.6	66.0		
Total												
12 months		63.6	62.1	62.6	63.3	70.4	66.8	65.1	73.2	66.1		
24 months		59.3	55.9	58.5	63.0	71.5	69.7	74.1	75.7			
36 months		56.4	52.7	54.5	60.8	71.4	71.1	69.7				
48 months		54.4	51.7	52.7	60.2	70.1	70.0					
60 months		52.4	53.2	52.8	59.2	70.4						
72 months		51.4	51.9	55.6	58.6							
84 months		50.8	51.5	56.8								
96 months		50.4	52.0									
108 months		50.0										
Position at 30 June 2022		49.5	52.0	56.8	58.6	70.7	70.1	69.3	78.3	68.8		
Estimated total ultimate losses ($m)	8,576.4	890.1	978.7	1,128.9	1,237.9	1,700.6	1,848.6	2,116.7	2,812.2	3,114.3	3,193.7	27,598.1
Less paid claims ($m)	(8,335.4)	(827.8)	(923.4)	(957.3)	(1,040.9)	(1,306.6)	(1,285.1)	(1,101.9)	(976.5)	(294.7)	(7.0)	(17,056.6)
Less unearned portion of ultimate losses ($m)	-	-	-	-	-	-	-	-	(120.5)	(622.7)	(2,954.1)	(3,697.3)
Gross claims liabilities ($m)	241.0	62.3	55.3	171.6	197.0	394.0	563.5	1,014.8	1,715.2	2,196.9	232.6	6,844.2

Net ultimate claims	2012ae	2013 %	2014 %	2015 %	2016 %	2017 %	2018 %	2019 %	2020 %	2021 %	2022 %	Total
Cyber Risks												
12 months		63.6	60.4	56.9	54.8	53.7	53.5	55.6	80.2	64.6		
24 months		64.1	59.4	57.1	55.5	53.1	55.6	71.3	79.0			
36 months		61.7	53.6	50.3	51.0	44.0	54.0	72.7				
48 months		65.8	56.0	41.7	46.6	41.1	53.3					
60 months		64.5	62.4	38.7	42.9	40.1						
72 months		62.6	58.5	34.2	41.3							

84 months	59.7	59.3	33.6						
96 months	61.6	58.3							
108 months	61.8								
Position at 30 June 2022	57.3	61.0	32.6	39.6	37.9	47.3	73.1	78.5	58.5
Digital									
12 months	65.7	62.9	60.5	57.8	54.1	59.7	60.8	65.2	63.0
24 months	66.8	56.9	60.8	57.7	54.9	59.9	68.8	69.0	
36 months	47.2	36.8	25.0	31.7	40.8	49.5	49.1		
48 months	22.8	28.9	22.4	21.6	30.9	38.7			
60 months	21.4	25.0	20.5	20.7	27.0				
72 months	18.9	24.9	20.0	19.6					
84 months	16.6	22.6	19.9						
96 months	16.1	22.7							
108 months	16.0								
Position at 30 June 2022	16.0	22.7	19.7	19.6	27.1	41.9	43.8	65.0	61.6
MAP Risks									
12 months	57.2	56.9	57.5	58.7	57.5	58.2	55.3	67.6	51.5
24 months	52.8	49.4	54.7	59.1	56.2	60.8	78.3	63.7	
36 months	47.6	46.5	51.5	56.6	54.6	72.5	73.1		
48 months	45.6	47.6	51.0	55.5	53.5	73.6			
60 months	45.3	48.4	48.9	54.0	51.4				
72 months	44.9	47.6	48.4	52.8					
84 months	43.6	47.4	47.5						
96 months	43.5	47.1							
108 months	43.2								
Position at 30 June 2022	43.2	46.6	47.8	52.4	51.1	73.6	71.5	65.1	58.4
Property Risks									
12 months	56.0	56.0	57.0	58.9	86.6	71.1	65.6	73.2	64.2
24 months	54.4	47.5	45.9	60.7	94.8	76.2	67.0	79.9	
36 months	50.6	41.4	40.4	61.8	99.5	76.3	61.3		
48 months	48.9	39.5	38.9	62.1	98.8	73.6			
60 months	47.5	38.8	38.8	61.8	99.6				
72 months	48.6	39.4	40.1	61.5					
84 months	48.4	39.0	38.8						
96 months	48.6	38.8							
108 months	48.2								
Position at 30 June 2022	48.3	38.6	38.7	62.0	100.2	73.5	57.6	78.0	62.9
Specialty Risks									
12 months	70.8	67.4	65.7	66.4	65.3	67.2	66.3	65.0	64.9

24 months		70.3	68.2	66.2	66.3	66.7	68.9	65.2	63.4			
36 months		71.1	68.4	67.0	66.1	69.8	69.5	60.9				
48 months		65.3	63.8	63.1	65.7	68.1	67.8					
60 months		60.5	62.4	65.6	62.7	69.1						
72 months		58.4	62.1	69.3	62.6							
84 months		59.0	61.1	73.7								
96 months		57.5	62.6									
108 months		56.3										
Position at 30 June 2022		55.8	62.4	73.4	63.3	70.5	65.2	60.0	62.3	63.9		
Net ultimate claims												
12 months		62.0	60.7	60.1	60.8	66.2	63.7	62.1	69.5	62.1		
24 months		60.2	56.4	56.9	61.3	68.1	66.4	69.3	69.1			
36 months		57.4	53.1	53.0	59.1	68.1	68.1	64.7				
48 months		54.4	51.4	50.0	57.8	66.1	66.6					
60 months		52.2	51.6	49.9	55.7	65.7						
72 months		51.5	51.0	50.7	55.0							
84 months		50.9	50.5	51.7								
96 months		50.6	50.8									
108 months		50.1										
Position at 30 June 2022		49.5	50.9	51.5	55.0	65.9	64.6	63.1	68.2	61.6		
Estimated total ultimate losses ($m)	6,384.2	757.7	821.1	861.0	978.5	1,332.4	1,435.2	1,643.1	1,960.2	2,170.3	2,101.9	20,445.6
Less paid claims ($m)	(6,174.2)	(707.9)	(775.0)	(780.2)	(859.6)	(1,050.5)	(1,035.7)	(873.5)	(724.9)	(236.3)	(1.4)	(13,219.2)
Less unearned portion of ultimate losses ($m)	-	-	-	-	-	-	-	-	(82.4)	(462.4)	(1,981.4)	(2,526.2)
Net claims liabilities ($m)	210.0	49.8	46.1	80.8	118.9	281.9	399.5	769.6	1,152.9	1,471.6	119.1	4,700.2

Analysis of movements in loss development tables

We have updated our loss development tables to show the interim ultimate loss ratios as at 30 June 2022 for each underwriting year. As such, care should be taken when comparing these half year movements to the full year movements shown within the body of the table.

Cyber Risks

The 2020 underwriting year has strengthened gross of reinsurance in response to adverse claims development on existing claims. The impact is reduced net of reinsurance as this year is recovering under aggregate excess of loss reinsurance programmes. Favourable developments have been recognised on the 2018 and 2021 underwriting years.

Digital

The deterioration on the 2018 underwriting year arises from adverse claims experience on the tech & media private enterprise class. Favourable attritional claims development, together with the expiry of risk, has led to releases on recent underwriting years.

MAP Risks

The 2019 to 2021 underwriting years have been impacted by the recent Russian invasion of Ukraine. The impact is lower net of reinsurance as a result of the excess of loss reinsurance programmes in place.

Property Risks

Favourable developments on attritional claims and established catastrophe events have led to releases on the recent underwriting years.

Specialty Risks

The 2017 and 2018 underwriting years have seen claims development gross of reinsurance in excess of expectations predominantly driven by the healthcare book. Both these years are recovering under aggregate excess of loss reinsurance programmes, so the impact is lower net of reinsurance. Recent underwriting years continue to improve as the risk expires.

Claims releases

The table below analyses our net insurance claims between current year claims and adjustments to prior year net claims reserves. These have been broken down by segment and period.

Reserve releases for the six months up to 30 June totalled $92.6m (2021: $95.7m), with releases seen across all of our divisions. Our 2019 and earlier underwriting years are representing a large release of $50.9m, driven by Cyber Risks releasing $32.2m following positive claims development across the Tech & Media (TMB) and Errors & Omissions (E&O) books. We also saw a significant release on the 2020 underwriting year as a result of favourable attritional claims experience and expiry of risk, with a relatively equal split between MAP risks, Property Risks and Specialty Risks at $10.3m, $11.4m and $10.1m respectively. On the 2021 Underwriting year we have seen an overall release of $4.7m with a release of $9.0m on MAP risks, being offset by strengthening on Cyber Risks, Digital and Property Risks of $1.9m, $0.9m and $4.2m respectively. Favourable attritional movements in Aviation and an improved claims environment in the US Accident & Health class have contributed to the $9.0m MAP risks release.

Historically our reserves have been within the range of 5-10% above our actuarial estimates, which themselves include some margin for uncertainty. The margin held above actuarial estimate was 5.9% at 30 June 2022 (30 June 2021: 6.6%). Further discussion on our reserving strategy can be found within the reserving section of the interim management statement within this announcement.

The movements shown on 2019 and earlier are absolute claim movements and are not impacted by any current year movements on premium on those underwriting years.

6 months ended 30 June 2022	**Cyber Risks $m**	**Digital $m**	**MAP Risks $m**	**Property Risks $m**	**Specialty Risks $m**	**Total $m**
Current year	207.3	46.0	198.9	156.4	453.6	1,062.2
Prior year						
- 2019 and earlier	(32.2)	(2.1)	(8.4)	(17.8)	9.6	(50.9)
- 2020 underwriting year	(0.2)	(5.0)	(10.3)	(11.4)	(10.1)	(37.0)
- 2021 underwriting year	1.9	0.9	(9.0)	4.2	(2.7)	(4.7)
	(30.5)	(6.2)	(27.7)	(25.0)	(3.2)	(92.6)
Net insurance claims	176.8	39.8	171.2	131.4	450.4	969.6

6 months ended 30 June 2021(re-presented)	**Cyber Risks $m**	**Digital $m**	**MAP Risks $m**	**Property Risks $m**	**Specialty Risks $m**	**Total $m**
Current year	157.0	44.4	140.4	140.7	410.2	892.7
Prior year						
- 2018 and earlier	(13.5)	(12.4)	(7.2)	(8.6)	8.3	(33.4)
- 2019 underwriting year	(3.0)	(6.6)	(21.7)	(13.2)	(9.1)	(53.6)
- 2020 underwriting year	(3.6)	0.5	(0.1)	(1.2)	(4.3)	(8.7)
	(20.1)	(18.5)	(29.0)	(23.0)	(5.1)	(95.7)
Net insurance claims	136.9	25.9	111.4	117.7	405.1	797.0

Year to 31 December 2021 (re-presented)	**Cyber Risks $m**	**Digital $m**	**MAP Risks $m**	**Property Risks $m**	**Specialty Risks $m**	**Total $m**
Current year	353.1	95.8	315.4	394.6	877.1	2,036.0
Prior year						
- 2018 and earlier	(38.3)	(21.2)	(15.6)	(19.5)	11.0	(83.6)
- 2019 underwriting year	20.2	(19.5)	(36.6)	(31.1)	(30.6)	(97.6)
- 2020 underwriting year	(8.2)	1.0	(10.8)	(8.5)	(2.1)	(28.6)
	(26.3)	(39.7)	(63.0)	(59.1)	(21.7)	(209.8)
Net insurance claims	326.8	56.1	252.4	335.5	855.4	1,826.2

12 Related party transactions

The related party transactions of the Group are consistent in nature and scope with those disclosed in note 30 of the Group's consolidated financial statements for the year ended 31 December 2021.

On 1 January 2022, syndicate 4321 at Lloyd's began underwriting in a follow capacity as part of an ESG consortium led by syndicates 623 and 2623 at Lloyd's. Syndicate 4321 is managed by the Group's Lloyd's managing agent, Beazley Furlonge Limited, and 10% of the syndicate's capacity is provided by the Group's wholly owned subsidiary, Beazley Corporate Member (No. 3) Limited. Remaining capacity is provided by third parties.

13 Foreign exchange rates

The Group used the following exchange rates to translate foreign currency assets, liabilities, income and expenses into US dollars, being the Group's presentation currency:

	6 months ended 30 June 2022 $m	6 months ended 30 June 2021 $m	Year to 31 December 2021 $m
Average			
Pound sterling	0.76	0.73	0.73
Canadian dollar	1.27	1.23	1.25
Euro	0.90	0.83	0.84
Spot			
Pound sterling	0.82	0.71	0.76
Canadian dollar	1.29	1.22	1.27
Euro	0.96	0.82	0.88

14 Subsequent events

There have been no events that have occurred since the reporting date which require adjustment to or disclosure in these Interim Financial Statements.