

***UNDERWRITING***  
**COMES FIRST**

***EFFECTIVELY BALANCE***  
**RISK AND RETURN**

***OPERATING NIMBLY***  
**THROUGH THE CYCLE**

**Lancashire Holdings Limited**  
**table of contents**

1	introduction
2	summary consolidated underwriting segment results - half year reporting
4	summary consolidated underwriting segment results - full year reporting

# Lancashire Holdings Limited

## Introduction

### **Segmental reporting**

Management and the Board of Directors review the Group's business primarily by its five principal segments: Property and casualty reinsurance, Property and casualty insurance, Aviation, Energy and Marine. These segments are therefore deemed to be the Group's operating segments for the purposes of segmental reporting. Further sub-classes of business are underwritten within each operating segment. Operating segment performance is measured by the net underwriting profit or loss and the combined ratio.

All amounts reported are transactions with external parties or associates. There are no significant inter-segmental transactions and there are no significant insurance or reinsurance contracts that insure or reinsure domestic risks in Bermuda, the Group's country of domicile.

The Group's operating segments for the purposes of segmental reporting have been revised in the current year. The revenue and expenses from the property terrorism, property direct and facultative and property political risk classes of business previously reported within the Property segment are now reported within the Property and casualty insurance segment.

The financial supplement includes summary consolidated underwriting segment results for each of the last three financial years. These have been re-presented in conformity with the current year view of operating segments and sub-classes.

**Lancashire Holdings Limited**  
**summary consolidated underwriting segment results - half year**

For the six months ended 30 June 2021	Property and casualty reinsurance \$m	Property and casualty insurance \$m	Aviation \$m	Energy \$m	Marine \$m	Total \$m
Gross premiums written	377.0	106.5	58.4	107.6	47.7	697.2
Outwards reinsurance premiums	(131.1)	(51.6)	(25.0)	(46.8)	(14.8)	(269.3)
Change in unearned premiums	(173.3)	(16.9)	12.6	(28.7)	(4.3)	(210.6)
Change in unearned premiums on premiums ceded	56.5	21.1	(8.3)	22.3	6.4	98.0
<b>Net premiums earned</b>	<b>129.1</b>	<b>59.1</b>	<b>37.7</b>	<b>54.4</b>	<b>35.0</b>	<b>315.3</b>
Insurance losses and loss adjustment expenses	(81.0)	(5.3)	(13.4)	(21.0)	(15.5)	(136.2)
Insurance losses and loss adjustment expenses recoverable	1.1	(2.3)	9.1	6.9	0.3	15.1
Insurance acquisition expenses	(26.6)	(17.0)	(11.6)	(14.3)	(12.8)	(82.3)
Insurance acquisition expenses ceded	5.4	1.9	7.1	0.7	0.1	15.2
<b>Net underwriting profit (loss)</b>	<b>28.0</b>	<b>36.4</b>	<b>28.9</b>	<b>26.7</b>	<b>7.1</b>	<b>127.1</b>
Net unallocated income and expenses						(73.0)
<b>Profit before tax</b>						<b>54.1</b>
Net loss ratio	61.9 %	12.9 %	11.4 %	25.9 %	43.4 %	38.4 %
Net acquisition cost ratio	16.4 %	25.5 %	11.9 %	25.0 %	36.3 %	21.3 %
Expense ratio	—	—	—	—	—	21.0 %
<b>Combined ratio</b>	<b>78.3 %</b>	<b>38.4 %</b>	<b>23.3 %</b>	<b>50.9 %</b>	<b>79.7 %</b>	<b>80.7 %</b>

  

For the six months ended 30 June 2020	Property and casualty reinsurance \$m	Property and casualty insurance \$m	Aviation \$m	Energy \$m	Marine \$m	Total \$m
Gross premiums written	217.9	82.2	50.2	91.7	53.5	495.5
Outwards reinsurance premiums	(97.8)	(35.8)	(19.6)	(44.5)	(15.3)	(213.0)
Change in unearned premiums	(97.9)	(5.6)	14.1	(25.5)	(14.4)	(129.3)
Change in unearned premiums on premiums ceded	47.5	10.6	(9.0)	21.3	7.2	77.6
<b>Net premiums earned</b>	<b>69.7</b>	<b>51.4</b>	<b>35.7</b>	<b>43.0</b>	<b>31.0</b>	<b>230.8</b>
Insurance losses and loss adjustment expenses	(36.7)	(38.9)	(29.6)	(28.8)	(25.2)	(159.2)
Insurance losses and loss adjustment expenses recoverable	(19.8)	20.6	14.0	12.5	(0.5)	26.8
Insurance acquisition expenses	(14.9)	(15.2)	(12.8)	(15.4)	(12.4)	(70.7)
Insurance acquisition expenses ceded	3.1	1.7	6.0	0.8	0.1	11.7
<b>Net underwriting profit (loss)</b>	<b>1.4</b>	<b>19.6</b>	<b>13.3</b>	<b>12.1</b>	<b>(7.0)</b>	<b>39.4</b>
Net unallocated income and expenses						(62.4)
<b>Loss before tax</b>						<b>(23.0)</b>
Net loss ratio	81.1 %	35.6 %	43.7 %	37.9 %	82.9 %	57.4 %
Net acquisition cost ratio	16.9 %	26.3 %	19.0 %	34.0 %	39.7 %	25.6 %
Expense ratio	—	—	—	—	—	23.9 %
<b>Combined ratio</b>	<b>98.0 %</b>	<b>61.9 %</b>	<b>62.7 %</b>	<b>71.9 %</b>	<b>122.6 %</b>	<b>106.9 %</b>

**Lancashire Holdings Limited**  
**summary consolidated underwriting segment results - half year**

For the six months ended 30 June 2019	Property and casualty reinsurance \$m	Property and casualty insurance \$m	Aviation \$m	Energy \$m	Marine \$m	Total \$m
Gross premiums written	185.9	82.6	39.3	76.4	45.4	429.6
Outwards reinsurance premiums	(104.5)	(36.6)	(13.9)	(37.2)	(14.8)	(207.0)
Change in unearned premiums	(73.1)	(6.0)	1.1	(16.6)	(9.6)	(104.2)
Change in unearned premiums on premiums ceded	51.9	16.1	0.6	17.9	7.8	94.3
<b>Net premiums earned</b>	<b>60.2</b>	<b>56.1</b>	<b>27.1</b>	<b>40.5</b>	<b>28.8</b>	<b>212.7</b>
Insurance losses and loss adjustment expenses	(78.4)	(30.7)	(13.0)	(25.3)	(4.6)	(152.0)
Insurance losses and loss adjustment expenses recoverable	67.8	7.6	3.9	0.8	(1.5)	78.6
Insurance acquisition expenses	(15.7)	(19.0)	(7.8)	(11.5)	(10.4)	(64.4)
Insurance acquisition expenses ceded	1.9	1.1	1.2	0.2	0.1	4.5
<b>Net underwriting profit</b>	<b>35.8</b>	<b>15.1</b>	<b>11.4</b>	<b>4.7</b>	<b>12.4</b>	<b>79.4</b>
Net unallocated income and expenses						(38.9)
<b>Profit before tax</b>						<b>40.5</b>
Net loss ratio	17.6 %	41.2 %	33.6 %	60.5 %	21.2 %	34.5 %
Net acquisition cost ratio	22.9 %	31.9 %	24.4 %	27.9 %	35.8 %	28.2 %
Expense ratio	—	—	—	—	—	23.9 %
<b>Combined ratio</b>	<b>40.5 %</b>	<b>73.1 %</b>	<b>58.0 %</b>	<b>88.4 %</b>	<b>57.0 %</b>	<b>86.6 %</b>

  

For the six months ended 30 June 2018	Property and casualty reinsurance \$m	Property and casualty insurance \$m	Aviation \$m	Energy \$m	Marine \$m	Total \$m
Gross premiums written	168.6	79.1	28.8	76.1	39.9	392.5
Outwards reinsurance premiums	(71.2)	(32.6)	(7.9)	(35.9)	(10.9)	(158.5)
Change in unearned premiums	(64.8)	(7.9)	(1.8)	(11.9)	(1.1)	(87.5)
Change in unearned premiums on premiums ceded	35.8	14.0	1.3	15.3	5.2	71.6
<b>Net premiums earned</b>	<b>68.4</b>	<b>52.6</b>	<b>20.4</b>	<b>43.6</b>	<b>33.1</b>	<b>218.1</b>
Insurance losses and loss adjustment expenses	(6.8)	(36.1)	(4.9)	7.5	(10.8)	(51.1)
Insurance losses and loss adjustment expenses recoverable	(2.1)	18.5	1.6	0.5	(0.3)	18.2
Insurance acquisition expenses	(15.0)	(15.2)	(5.7)	(17.7)	(11.1)	(64.7)
Insurance acquisition expenses ceded	1.1	0.3	0.1	0.4	0.1	2.0
<b>Net underwriting profit</b>	<b>45.6</b>	<b>20.1</b>	<b>11.5</b>	<b>34.3</b>	<b>11.0</b>	<b>122.5</b>
Net unallocated income and expenses						(47.6)
<b>Profit before tax</b>						<b>74.9</b>
Net loss ratio	13.0 %	33.5 %	16.2 %	(18.3)%	33.5 %	15.1 %
Net acquisition cost ratio	20.3 %	28.3 %	27.5 %	39.7 %	33.2 %	28.7 %
Expense ratio	—	—	—	—	—	23.3 %
<b>Combined ratio</b>	<b>33.3 %</b>	<b>61.8 %</b>	<b>43.7 %</b>	<b>21.4 %</b>	<b>66.7 %</b>	<b>67.1 %</b>

**Lancashire Holdings Limited**  
**summary consolidated underwriting segment results - full year**

For the year ended 31 December 2020	Property and casualty reinsurance \$m	Property and casualty insurance \$m	Aviation \$m	Energy \$m	Marine \$m	Total \$m
Gross premiums written	279.8	147.1	151.0	144.7	91.5	814.1
Outwards reinsurance premiums	(106.4)	(51.5)	(71.3)	(47.7)	(17.8)	(294.7)
Change in unearned premiums	(21.3)	5.6	(18.1)	(6.7)	(11.0)	(51.5)
Change in unearned premiums on premiums ceded	(0.1)	(1.6)	8.8	1.0	(0.2)	7.9
<b>Net premiums earned</b>	<b>152.0</b>	<b>99.6</b>	<b>70.4</b>	<b>91.3</b>	<b>62.5</b>	<b>475.8</b>
Insurance losses and loss adjustment expenses	(91.0)	(68.4)	(79.6)	(85.1)	(39.5)	(363.6)
Insurance losses and loss adjustment expenses recoverable	(9.6)	24.2	47.5	18.3	(0.6)	79.8
Insurance acquisition expenses	(31.8)	(30.5)	(25.8)	(28.0)	(22.9)	(139.0)
Insurance acquisition expenses ceded	6.4	3.7	12.4	1.2	0.3	24.0
<b>Net underwriting profit (loss)</b>	<b>26.0</b>	<b>28.6</b>	<b>24.9</b>	<b>(2.3)</b>	<b>(0.2)</b>	<b>77.0</b>
Net unallocated income and expenses						(71.1)
<b>Profit before tax</b>						<b>5.9</b>
Net loss ratio	66.2 %	44.4 %	45.6 %	73.2 %	64.2 %	59.6 %
Net acquisition cost ratio	16.7 %	26.9 %	19.0 %	29.4 %	36.2 %	24.2 %
Expense ratio	—	—	—	—	—	24.0 %
<b>Combined ratio</b>	<b>82.9 %</b>	<b>71.3 %</b>	<b>64.6 %</b>	<b>102.6 %</b>	<b>100.4 %</b>	<b>107.8 %</b>

  

For the year ended 31 December 2019	Property and casualty reinsurance \$m	Property and casualty insurance \$m	Aviation \$m	Energy \$m	Marine \$m	Total \$m
Gross premiums written	236.4	145.7	119.6	128.1	76.9	706.7
Outwards reinsurance premiums	(117.6)	(49.4)	(56.7)	(43.6)	(14.7)	(282.0)
Change in unearned premiums	(6.7)	3.7	(28.2)	(0.3)	(4.3)	(35.8)
Change in unearned premiums on premiums ceded	9.1	5.3	16.5	1.3	0.6	32.8
<b>Net premiums earned</b>	<b>121.2</b>	<b>105.3</b>	<b>51.2</b>	<b>85.5</b>	<b>58.5</b>	<b>421.7</b>
Insurance losses and loss adjustment expenses	(141.9)	(43.4)	(36.2)	(27.5)	(15.5)	(264.5)
Insurance losses and loss adjustment expenses recoverable	101.3	10.2	17.6	8.5	(2.9)	134.7
Insurance acquisition expenses	(28.4)	(32.0)	(17.5)	(27.0)	(19.5)	(124.4)
Insurance acquisition expenses ceded	6.5	3.0	7.9	1.4	0.2	19.0
<b>Net underwriting profit</b>	<b>58.7</b>	<b>43.1</b>	<b>23.0</b>	<b>40.9</b>	<b>20.8</b>	<b>186.5</b>
Net unallocated income and expenses						(67.0)
<b>Profit before tax</b>						<b>119.5</b>
Net loss ratio	33.5 %	31.5 %	36.3 %	22.2 %	31.5 %	30.8 %
Net acquisition cost ratio	18.1 %	27.5 %	18.8 %	29.9 %	33.0 %	25.0 %
Expense ratio	—	—	—	—	—	25.1 %
<b>Combined ratio</b>	<b>51.6 %</b>	<b>59.0 %</b>	<b>55.1 %</b>	<b>52.1 %</b>	<b>64.5 %</b>	<b>80.9 %</b>

**Lancashire Holdings Limited**  
**summary consolidated underwriting segment results - full year**

For the year ended 31 December 2018	Property and casualty reinsurance \$m	Property and casualty insurance \$m	Aviation \$m	Energy \$m	Marine \$m	Total \$m
Gross premiums written	218.4	158.0	77.0	122.0	63.1	638.5
Outwards reinsurance premiums	(79.3)	(55.8)	(26.8)	(35.6)	(23.3)	(220.8)
Change in unearned premiums	(4.3)	(9.3)	(18.0)	5.0	6.9	(19.7)
Change in unearned premiums on premiums ceded	0.8	12.2	8.9	(6.4)	—	15.5
<b>Net premiums earned</b>	<b>135.6</b>	<b>105.1</b>	<b>41.1</b>	<b>85.0</b>	<b>46.7</b>	<b>413.5</b>
Insurance losses and loss adjustment expenses	(154.2)	(71.3)	(13.7)	18.7	(86.9)	(307.4)
Insurance losses and loss adjustment expenses recoverable	60.1	28.2	3.9	0.9	48.9	142.0
Insurance acquisition expenses	(28.1)	(33.8)	(13.2)	(36.1)	(19.8)	(131.0)
Insurance acquisition expenses ceded	2.4	1.2	0.2	0.5	0.3	4.6
<b>Net underwriting profit (loss)</b>	<b>15.8</b>	<b>29.4</b>	<b>18.3</b>	<b>69.0</b>	<b>(10.8)</b>	<b>121.7</b>
Net unallocated income and expenses						(88.1)
<b>Profit before tax</b>						<b>33.6</b>
Net loss ratio	69.4 %	41.0 %	23.8 %	(23.1)%	81.4 %	40.0 %
Net acquisition cost ratio	19.0 %	31.0 %	31.6 %	41.9 %	41.8 %	30.6 %
Expense ratio	—	—	—	—	—	21.6 %
<b>Combined ratio</b>	<b>88.4 %</b>	<b>72.0 %</b>	<b>55.4 %</b>	<b>18.8 %</b>	<b>123.2 %</b>	<b>92.2 %</b>