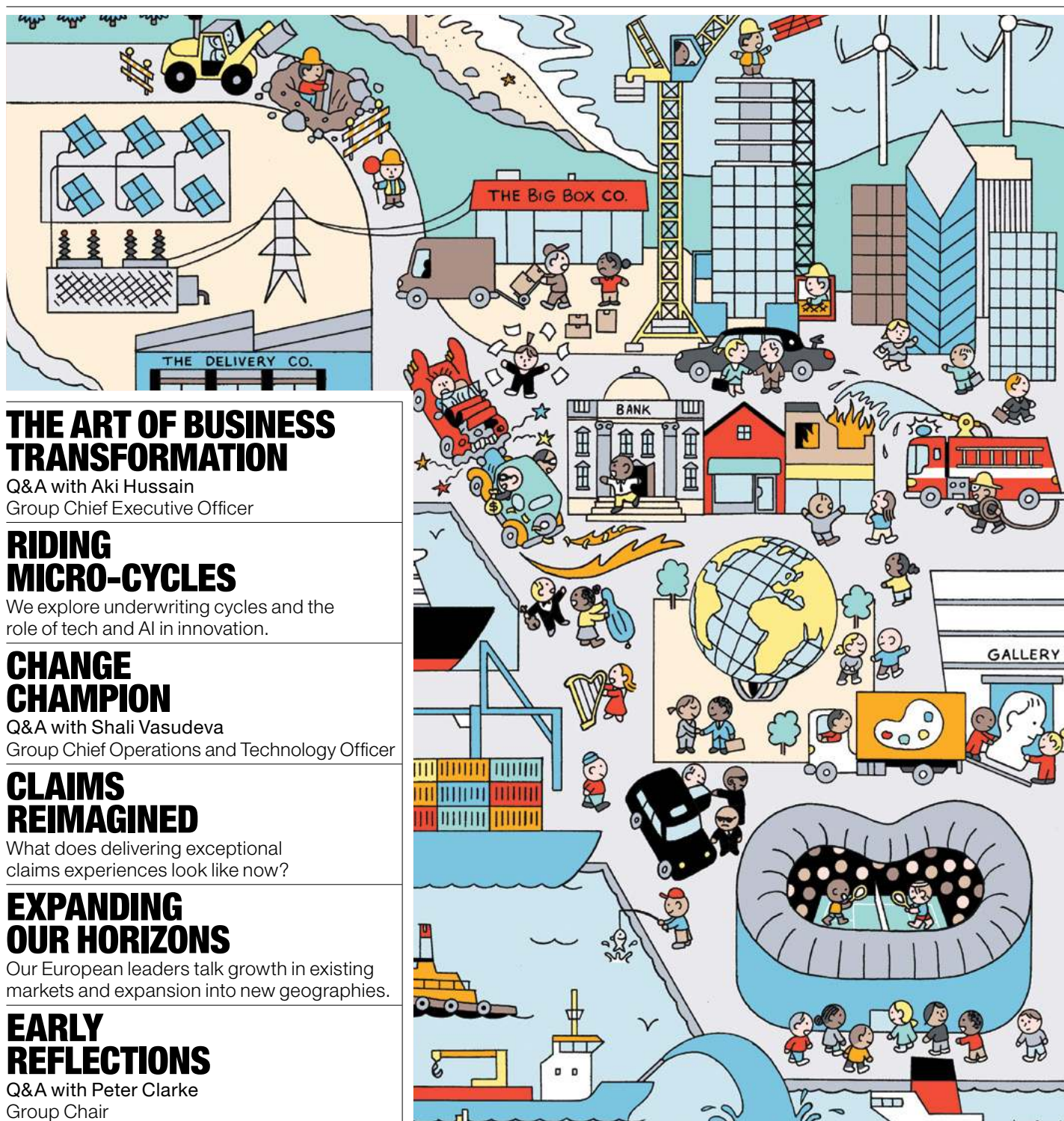


YearEnd 25



Hiscox Ltd
Report and Accounts 2025



THE ART OF BUSINESS TRANSFORMATION

Q&A with Aki Hussain
Group Chief Executive Officer

RIDING MICRO-CYCLES

We explore underwriting cycles and the role of tech and AI in innovation.

CHANGE CHAMPION

Q&A with Shali Vasudeva
Group Chief Operations and Technology Officer

CLAIMS REIMAGINED

What does delivering exceptional claims experiences look like now?

EXPANDING OUR HORIZONS

Our European leaders talk growth in existing markets and expansion into new geographies.

EARLY REFLECTIONS

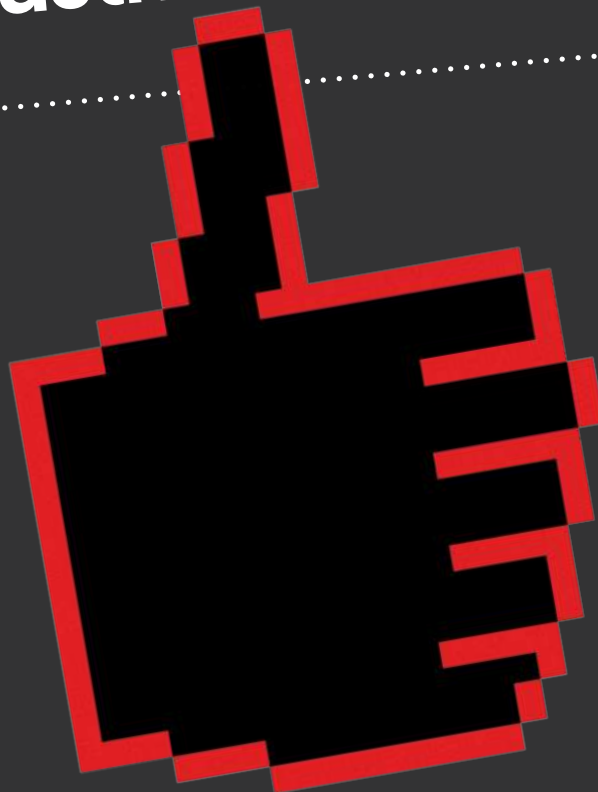
Q&A with Peter Clarke
Group Chair

Sure! Here's a revised headline for the print campaign in the Hiscox tone of voice – let me know if you want any adjustments.

If your client accuses you of negligence, Hiscox could help protect you.

The story of your business underwritten by

**HISCOX**
Business Insurance



We are a growing, global business, offering everything from small business insurance to insurance-linked investment strategies, but united by our common purpose and values and a shared growth ambition.

Writing our next chapter

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CLAIMS REIMAGINED

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As a Bermuda-incorporated company, Hiscox is not subject to the UK Companies Act. However, the material provisions of Section 172 of the UK Companies Act are substantively covered by the Bermuda Companies Act, which is the applicable legislation that the Company is required to comply with under Bermuda law. As a company listed on the London Stock Exchange, we comply with the requirements set out in the UK Corporate Governance Code 2024 and the Listing Rules and Disclosure & Transparency Rules of the UK Financial Conduct Authority. Our remuneration report is consistent with UK regulations.

Any additional disclosures over and above these requirements, have been made for the benefit of shareholders, on a voluntary basis.

For more information about this report visit hiscoxgroup.com

To view our interactive online Annual Report and Accounts, or to download all, or portions of, the full report, please scan the QR code or visit: hiscoxgroup.com/investors/report-and-accounts-2025

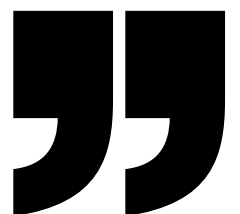




THE ART OF BUSINESS TRANSFORMATION

Q&A with Aki Hussain
Group Chief Executive Officer

Aki discusses the next stage of the Hiscox story and why the distinctive Hiscox culture remains so important.





Q&A with Aki Hussain
Group Chief Executive Officer

Q: Hiscox is pursuing ambitious growth and a significant programme of business transformation. How do you make sure you drive both successfully?

A: We built our business on making bold choices, and we’ve continuously reinvented ourselves to better serve our customers and to reflect the evolving risk landscape. So really, our current transformation programme is just the latest chapter in a story that’s now 125 years old.

Defining our growth targets and setting out the scale of our ambition to the market in May last year was an important moment in that story, and we’ve come a long way since then. We’ve brought in new expertise in transformation, data, technology, and outsourcing which is collectively supporting a comprehensive and aligned programme. We’ve also introduced new skills and capabilities to our existing teams, who have gone above and beyond to deliver for our customers and drive growth while we’re building our future state.

We’re making material progress against both our growth and transformation goals. Balancing both means being ready to respond to changing needs, and to flex our approach as situations change. That can mean establishing new skills or enhancing existing ones; being open to new information and ready to pivot, fast-fail and learn from experience. It also means more frequent, deliberate and transparent communication with colleagues across the business. This is a journey we’re going on together, and it’s incredibly important to me that every single person in Hiscox understands the importance of their role in delivering our transformation and growth agenda.

Q: What changes will Hiscox’s customers and business partners see as that journey continues?

A: The reality is they’re already experiencing it. We’ve launched more new products this year than during the previous five years, and our acquisition of a digital platform in Italy marks our expansion into a new country for the first time in over a decade. We’ve also deepened our presence in the USA through the acquisition of an insurtech which has accelerated our US roadmap, expanded our reach into new specialist customer segments, and supports the ongoing digitisation of our US broker platform.

At the same time, our technology investments are making the process of buying insurance from us much more frictionless, whether you’re doing it directly or through a broker. For example, the AI model we’ve introduced in our UK high net worth business is helping to quickly assess broker submissions, categorising them by risk appetite, and streamlining the workflow for underwriters. This means brokers get faster responses and customers get an improved service and more tailored products.

The same principles apply in our big-ticket businesses, where for instance in Hiscox Re we’re automating the classification of broker emails which is speeding up our response times around key renewal periods. In Hiscox London Market, we’ve also extended our collaboration with Google Cloud to broaden our use of generative AI in our underwriting and risk modelling, having started with one product line in 2024 – sabotage and terrorism



DELIVERING OUR TRANSFORMATION AND GROWTH AGENDA

We’ve launched more new products this year than during the previous five years, and our acquisition of a digital platform in Italy marks our expansion into a new country for the first time in over a decade.



– and since expanded to others including major property during 2025.

We've also entered new lines during the year in our London Market business, including SME cargo and middle-market property – areas that were previously inaccessible to us because of the economics, but where our AI platform has enabled us to reduce our cost structure sufficiently.

Q: How will the Group's transformation and growth ambitions impact Hiscox's distinctive culture?

A: Our culture is defined by our values – ownership, integrity, courage, connected and being human in our approach. Those remain constant, even as how we operate evolves, in much the same way as being known for our entrepreneurial spirit and specialty focus remain hallmarks of Hiscox.

The transformation we're undertaking is about changing how we do things, not who we are. It means moving from manual processes to digitisation and AI, which is something we're doing in every single part of the business. It also means encouraging even greater collaboration across business units and functions, so that we're truly operating as 'One Hiscox'.

The unique composition of our business means that working collectively is becoming a superpower for us, especially as we focus on unlocking new opportunities and strengthening our existing capabilities.

Q: Hiscox held its first Capital Markets Day in 2025. What was the motivation behind it and what impact did it have?

A: 2025 was the right moment for us to

share more on our strategy, our culture, and our transformation plans, and to highlight the amount of momentum we have in the business. It was also a chance for us to lift the lid further on our specialist retail business, where the multi-market opportunities for us in areas such as high net worth personal lines and small business insurance are huge.

The feedback from the day itself was extremely positive. Shareholders met more of our senior management team, they saw our depth of talent, and now they better understand our ambition; and it was a boost for colleagues to see our story resonate so well externally.

Q: You've talked about building a data-first culture – what does that look like and how will it impact colleagues?

A: A data-first culture means even sharper and more evidence-based decision-making. We're taking some of the strong data practices we already have, in areas such as underwriting and claims, and embedding them across every part of the business.

Data fluency is something we are beginning to build in every Hiscox colleague. Every role, at every level, is evolving in some way because of AI and data-driven decision-making, and we want our people to be ready. One of the ways we supported colleagues with this in 2025 was by introducing a new data fluency assessment. This provided each person in the business with a data persona – I'm a data storyteller – and tailored data coaching and training based on their assessment. That's a pretty advanced approach and it gives us a consistency of data language and confidence that we'll need as we scale.

Q: Turning to 2026, what excites you most about the next phase for Hiscox?

A: It has to be the size of the opportunity ahead of us. We've come a long way in the last few years, and the momentum in our business transformation will accelerate even further during 2026. Personally, I find that incredibly exciting.

In our big-ticket businesses, market conditions are generally moderating as pricing comes down and competition intensifies. We'll remain disciplined in our cycle management while continuing to seek out new and interesting opportunities as we expand our horizons; but in retail, our growth engine is just getting started.

There's a huge amount of pace and energy in the business. We have a great range of new products and propositions coming to market over the next 12-18 months, and we're laser-focused on serving more customers with more products by addressing emerging, evolving and in some cases unmet insurance needs. It's a great time to be at Hiscox. ■

HIGHLIGHTS OF THE YEAR

Financial performance



Our strong performance during 2025 is testament to a sharpened focus on growth and innovation, and to leveraging the power of the Hiscox Group. We are delivering on the ambitious plans we have set out and our change programme remains on track, having successfully achieved a P&L benefit of \$29 million in 2025.

Paul Cooper
Group Chief Financial Officer

\$4,979.0m*

Insurance contract written premium of \$4,979.0 million (2024: \$4,703.7 million).

\$732.7m

Profit before tax of \$732.7 million (2024: \$685.4 million).

\$743.8m*

Adjusted operating profit before tax of \$743.8 million (2024: \$683.3 million).

87.8%*

Undiscounted combined ratio of 87.8% (2024: 89.2%).

20.9%*

Operating return on tangible equity of 20.9% (2024: 24.1%).

17.1%*

Return on equity of 17.1% (2024: 19.8%).

*Represents alternative performance measure (APM) used by the Group. APM definitions used by the Group are included within the consolidated financial statements on page 231.

Non-financial achievements



76

A retail claims transactional net promoter score (NPS)[†] for 2025 that reflects customers' high satisfaction with our claims experience (2024: 72). For more information, see page 21.

82%

High global employee engagement score maintained for the fourth consecutive year (2024: 82%).

[†]As measured by an independent third party across the UK, Europe and US retail businesses.

Key moments in 2025



January

Shali Vasudeva appointed as Group Chief Operations and Technology Officer.

[Read more on pages 34 to 37.](#)



May

First Capital Markets Day held, focused on Hiscox Retail and announcing new operating and efficiency targets.

Hiscox Europe expanded into Italy, the Group's first new country in over a decade.

[Read more on pages 62 to 63.](#)

July

Hiscox UK went live with its largest distribution deal in recent years, highlighting our capability to write large scale deals in the UK retail market.

Hiscox London Market announced a new partnership with X (formerly Google X) and became the first London Market insurer to use its Bellwether wildfire prediction tool to increase the availability of homeowners' insurance in California.

[Read more on page 16.](#)

September

Hiscox Europe signed a new deal with one of the largest German broker consolidators, which will support growth in 2026.



November

Announced the selection of a new IT services provider, opening access to an advanced service management platform that will automate and streamline business processes.

February

Announced \$175 million share buyback programme.

April

Hiscox Innovation Accelerator went live, enhancing our product and proposition capabilities across the Group.

June

Peter Clarke joined Hiscox as new Group Chair.

Celebrated 30 years of Hiscox France and Hiscox Germany, in addition to 20 years of Hiscox Spain during 2025.

[Read more on pages 62 to 63.](#)



August

Announced increase in share buyback programme to \$275 million.

Hiscox London Market establishes new alternative risk transfer offering.

Announced acquisition of a US-based specialist insurtech, expanding existing distribution channels to serve more customers.

[Read more on page 103.](#)

October

Signed a multi-year collaboration with Google Cloud, deepening a relationship that pioneered an AI-enhanced lead underwriting solution in Hiscox London Market.

Launched the Hiscox Data Navigator, creating a Group-wide repository of data and data management tools.

AT A GLANCE

About us



Hiscox is a global, specialty insurer, listed on the London Stock Exchange and headquartered in Bermuda. We have grown from our roots as a niche Lloyd’s of London underwriter into a diversified international insurance group operating across direct-to-consumer, broker and partner-distributed retail insurance; large and complex commercial insurance; reinsurance and insurance-linked strategies. We have a distinctive brand, energised and ambitious teams, a strong balance sheet, and plenty of room to grow in each of our chosen markets and lines of business.

Where we are



We currently employ over 3,000 people worldwide across 13 countries and 31 offices. We serve over 1.7 million retail customers across the UK, Europe and the USA, and we remain one of the largest and longest-standing Lloyd’s of London syndicates.

13
countries

31
offices

1. Belgium
2. Bermuda
3. France
4. Germany
5. Guernsey
6. Ireland
7. Italy
8. Luxembourg
9. The Netherlands
10. Portugal
11. Spain
12. UK
13. USA

3,000+
employees

1.7m
retail customers



Our purpose



We embrace the unique risks of many, to unlock progress for more. Our focus is on bringing both our deep expertise in specific sectors and professions, and our specialist products and services to more people and businesses over time. Success is measured in our reputation, financial performance, and our ability to attract customers.

Our vision



For Hiscox to be a leading specialist insurer in our chosen lines and geographies. We want to be known by customers for being true to our word, by our employees as a great place to work and grow for those who are ambitious and talented, and as an industry leader in growth, profits and value creation.

Our values



Human

Clear, fair and inclusive.

Connected

Together, build something better.

Integrity

Do the right thing, however hard.

Ownership

Passionate, commercial and accountable.

Courage

Dare to take a risk.

A DIFFERENTIATED OFFERING

Hiscox Retail

Read more on pages 27 to 29. 🔗

Our retail operations focus on specialist areas of personal lines, such as high-value homes and fine art, and commercial lines including emerging professions, media and tech, and small business insurance. We aim to be available however customers choose to purchase – whether that’s through a broker, via our website or over the phone. With each of our retail operations at different stages of maturity, we are focused on building scale as the size of our addressable markets is huge, and we continue to invest in our brand, distribution and technology.

Hiscox London Market

Read more on pages 28 to 29. 🔗

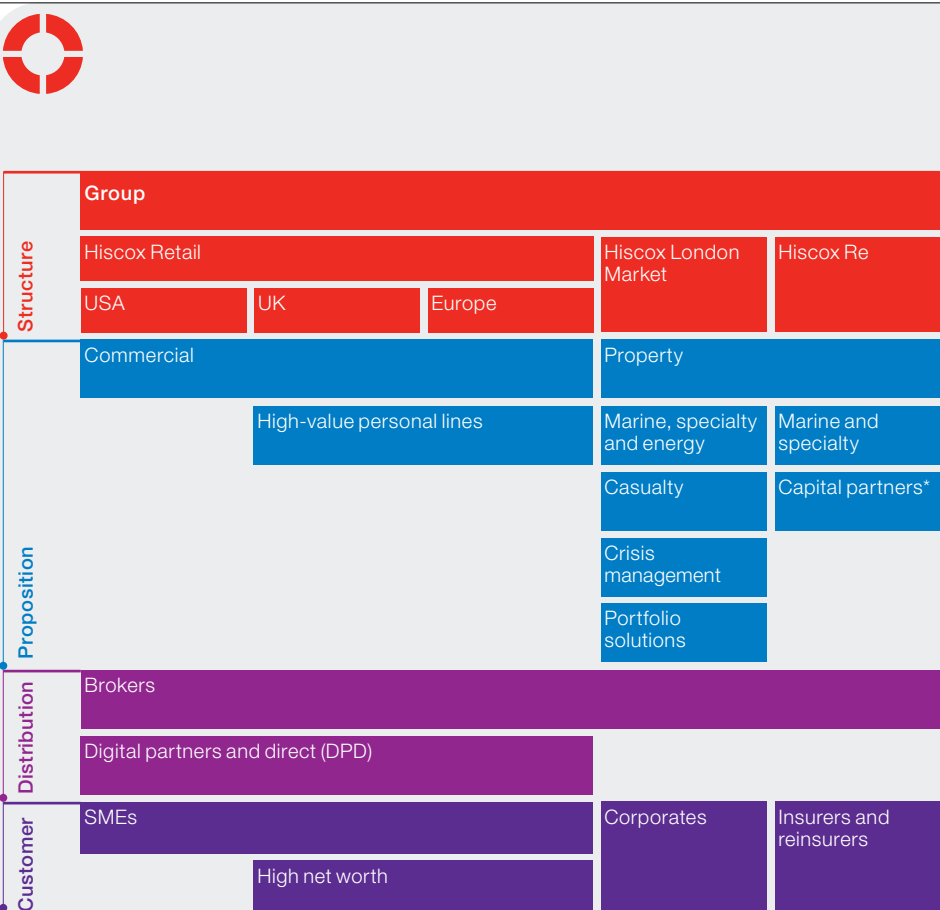
Our big-ticket insurance business uses the global licences, distribution network and credit rating of Lloyd’s of London to insure clients throughout the world with large, and often complex, insurance needs. This business is written through a number of our syndicates including Syndicate 33, one of the largest syndicates at Lloyd’s of London. Our product range includes property, marine and energy, casualty and other specialty insurance lines, and our combination of underwriting and digital expertise differentiates us.

Hiscox Re

Read more on pages 29 to 30. 🔗

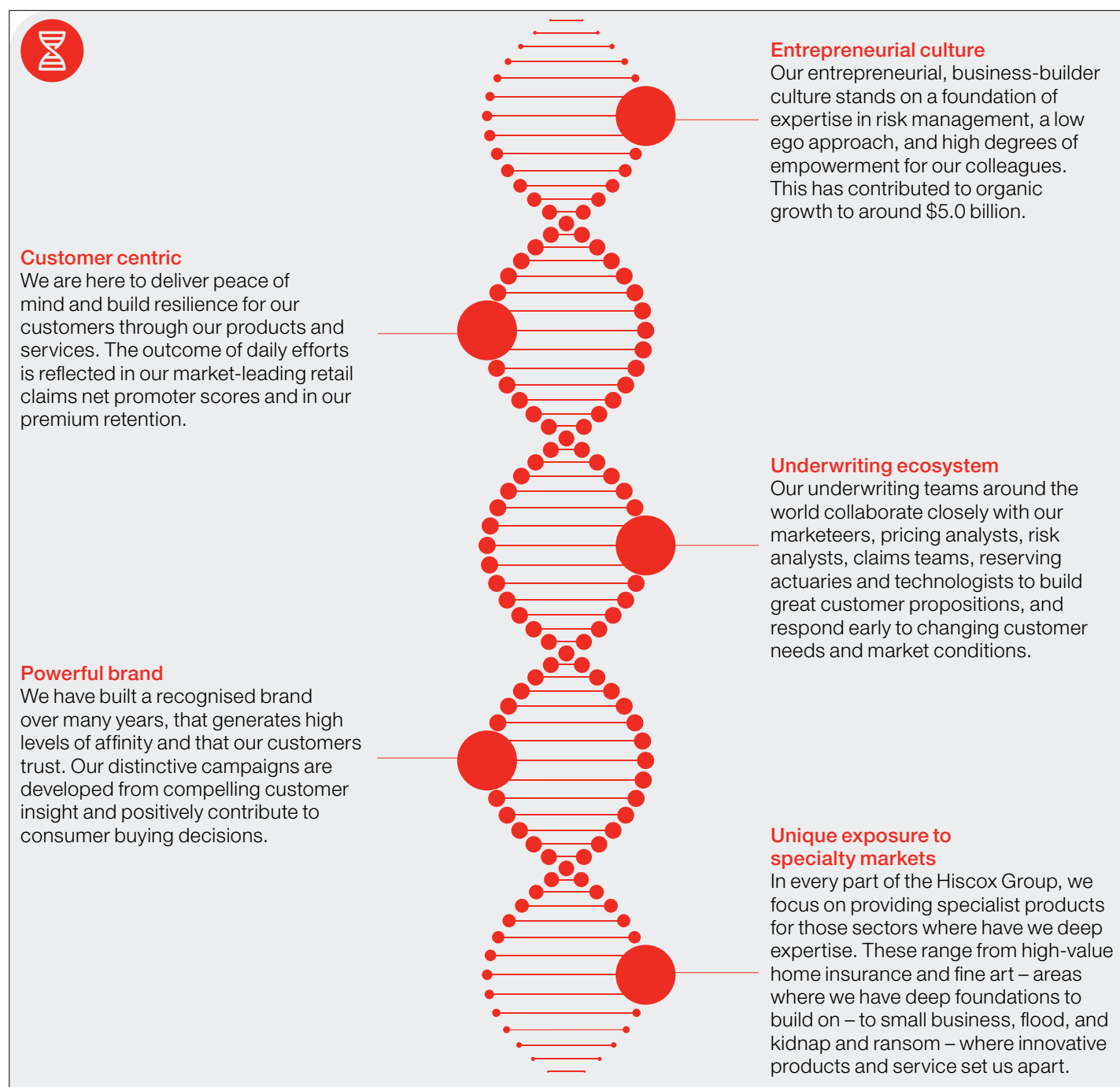
Hiscox Re comprises the Group’s reinsurance business and third-party capital platform. Reinsurance is written through both our Bermuda and London platforms, while Hiscox Capital Partners offers third-party capital providers access to our underwriting expertise and risk selection through both insurance-linked securities (ILS) and quota-share partnerships.

Structure



*Includes ILS and cat bond funds, sidecars and quota-share partnerships.

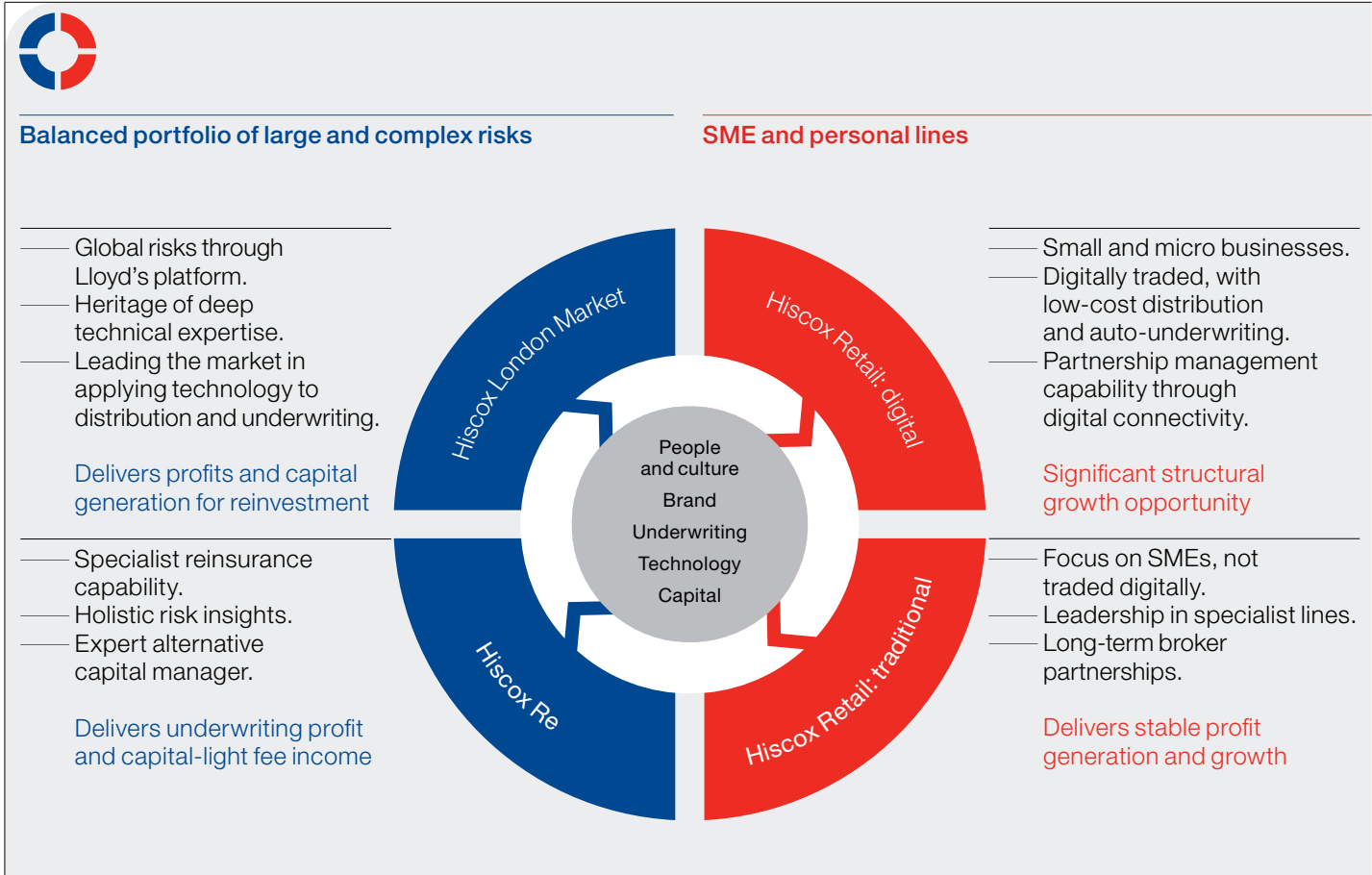
Our Hiscox DNA



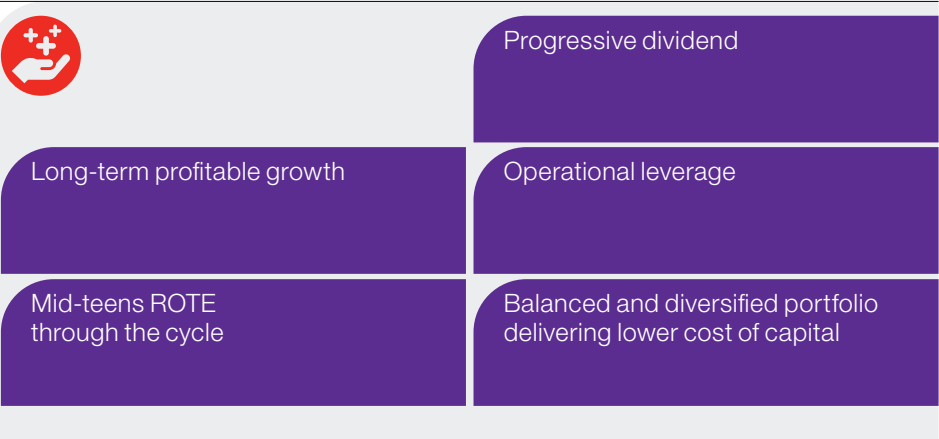
A STRATEGY THAT CREATES VALUE

We have a diversified business

The Hiscox Group comprises three business units facing different opportunities and challenges, but with a common set of capabilities and the capital support required for success.



Attractive and sustainable returns for shareholders



We achieve growth through the cycle

We underwrite and have often pioneered the coverage of complex risks, targeting underserved niches with growth potential and serving carefully selected customer groups.

Hiscox is a specialist underwriter offering (re)insurance solutions which cover the idiosyncratic risks our customers face. Our approach is very targeted and we do not write mass market products. In retail, we provide policies for very small businesses and high net worth individuals, while in big-ticket, we focus on high-quality corporates and cedents.

Specialist underwriting requires deep expertise across the entire underwriting ecosystem. This includes marketeers, pricing and risk analysts, underwriters, claims teams, reserving actuaries and technologists, who work together to build tailored customer propositions, responding early to evolving customer needs and changing market conditions. Our underwriting expertise is backed by our best-in-class data and analytics. We have leveraged these capabilities to digitise our underwriting where the nature of the risk permits, with 68% of our retail policies now auto-underwritten.

Our unique business model allows the Group to grow profitably through the insurance cycle as we benefit from both the structural growth opportunities in retail and the cyclical growth opportunities in big-ticket. In retail, we operate in large, underpenetrated markets with immense headroom to grow, giving us the opportunity to deliver compounding growth year after year. Combined with our digital capabilities, this unlocks increased operating leverage and margin expansion. In Hiscox London Market

and Hiscox Re, we nimbly manage the insurance cycle, capturing cyclical growth opportunities.

While managing a diverse portfolio of risks across multiple geographies, we benefit from strong synergies, including capital diversification and the buying power of outward reinsurance. The genesis of our underwriting expertise is in our big-ticket businesses, and our retail businesses often benefit from product design and underwriting know-how that originated in big-ticket. Equally, our retail business, which underwrites policies that average around \$1,500, has pioneered the digital underwriting capabilities required to service policies of this size profitably, and lessons learned from building and continuously optimising this technology are now being used in our London Market business to reach markets that others in Lloyd's cannot, such as the US private flood market and SME cargo.

Through the reach and diversity of the Hiscox Group, we are a partner of choice for global brokers to write business across borders, across asset classes and for a wide range of clients. Our significant growth opportunities, increasing operating leverage, underwriting discipline and the diversified nature of the business allows the Group to deliver attractive, sustainable returns through the cycle. This translates into strong capital generation which funds growth, underpins our progressive dividend policy and allows us to return surplus capital to shareholders when appropriate. Over the last three years, the Group has announced returns to shareholders through dividends and buybacks totalling over \$1.1 billion and delivered a total shareholder return of 52%*.

We create value for all our stakeholders



\$2bn

paid out to customers in claims in 2025.

Over \$1.1bn[†]

announced returns to shareholders through dividends and buybacks over the last three years.

82%

High global employee engagement score maintained for the fourth consecutive year.

\$3m

Supported over 300 good causes in 2025 though over 1,100 hours of volunteering and charitable donations of over \$3 million.

*Consistent with the methodology used for remuneration purposes; the three-month average daily closing share price up to the beginning of, and at the end of, the reference period.

[†]Comprises the interim and final dividends and share buybacks announced in respect of 2023, 2024 and 2025.

SEIZING THE RETAIL OPPORTUNITY

Retail strategy

A focus on high-quality growth in specialist markets is underpinned by a set of core competencies

Our retail strategy is unique, multi-country, and omni-channel. Built over 30 years, our retail operations currently reach across the UK, USA, and Europe. This positions us well for cross-market opportunities and ensures that best practices and successes in one market are quickly replicated in others. In each of our retail markets, our market shares remain small and the opportunity for growth is huge. Our customer propositions are designed to meet the complex, current and emerging risk management needs of particular sectors and professions, and our omni-channel distribution platform means that customers can access our expertise in the way they want.

Read more on pages 27 to 29. [📄](#)



Market share*

Leading in specialist sectors with unique risks



18%
Marketing, media and creative

17%
Tech

14%
High net worth, art and collections



24%
Tech[†]

20%
Cyber

10%
Entertainment and media professional indemnity



9%
Digital direct[‡]

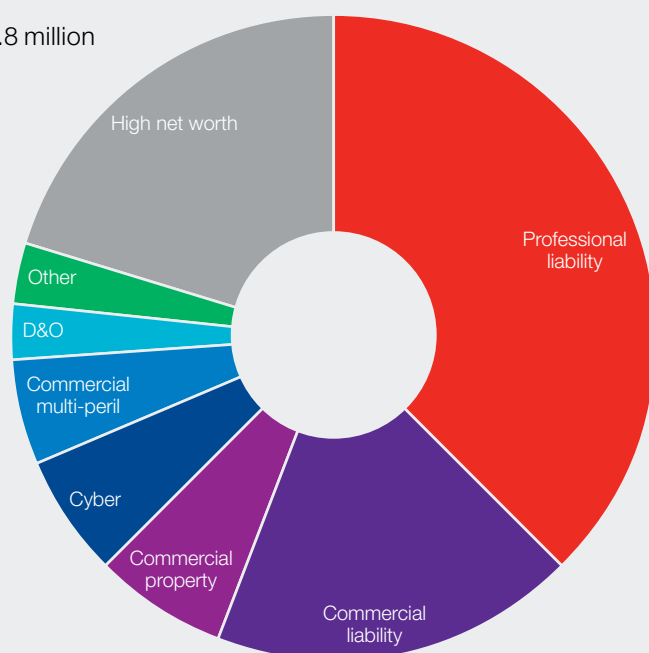
^{*}Market share of serviceable addressable market (SAM). Sources: McKinsey Global Insurance Pools, Finaccord (Aon), management estimates.
[†]Based on management liability, professional indemnity, employers' liability and general liability.
[‡]Nano/micro SMEs only for direct and partnerships.

Our retail products

Our specialist insurance solutions cover risks that others may not, such as the no-show of a star to a photoshoot in our media E&O policy, or offering affirmative AI cover in our tech E&O policy. We build solutions to address specific customer needs – which drives us to explore and innovate, and means we empower and have impact.

Through our omni-channel distribution approach, customers can buy our policies in a way that works for them, be it direct online, through a partner or via a broker. We are here to deliver peace of mind and build resilience for our customers, and we provide an outstanding claims service that gets customers back on their feet quickly. By knowing and understanding our customers well, we can resolve claims quickly and, across Hiscox Retail, we pay out on over two-thirds of claims made.

Specialty products
2025 premium \$2,634.8 million

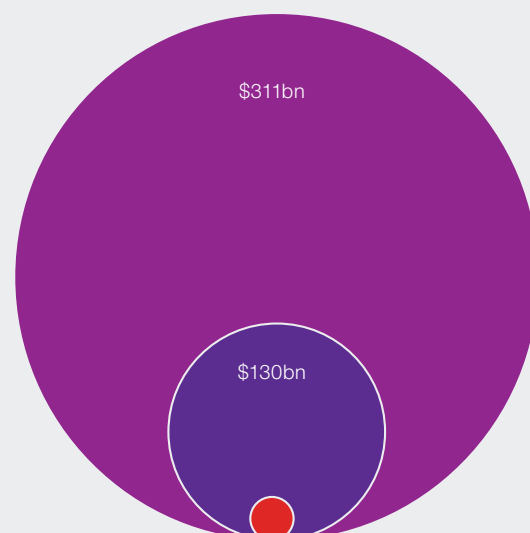


The structural growth opportunity

Hiscox Retail benefits from an immense structural growth opportunity underpinned by long-term secular tailwinds. Our markets are still underpenetrated and underserved, especially at the nano/micro end, although product adoption is growing. Customer purchasing preferences are increasingly digital and we have built market-leading digital platforms and capabilities in each of our markets and across channels. Our target addressable market is over \$300 billion of annual premiums, projected to grow at 6% per annum through to 2030, and half of this market is already serviceable today with our current products and distribution. We have vast opportunities in the USA and continental Europe, and ample remaining room to grow in the UK, and we continue to innovate and expand our distribution network to narrow the gap between target and serviceable markets.

Large addressable SME markets across the UK, USA and Europe

- Total addressable market (TAM)*
- Serviceable addressable market (SAM)+
- Current market share



*TAM represents the SME element of the overall commercial P&C insurance market in countries in which we operate and for products we offer across Hiscox Retail.

+SAM is a subset adjusted for the products and sectors/verticals in that specific market.

CLEAR PRIORITIES

Business priorities 2026



Our business priorities support our goals around both growth and scale, particularly as we increase our focus on operating as One Hiscox, deepen our global broker relationships, and differentiate through our products and services, as well as our use of data and tech.

Joanne Musselle
Group Chief Underwriting Officer

1. Pursuing structural growth in retail



We remain committed to delivering sustained double-digit growth in retail in 2028, driven by a continued investment in digital capabilities and the simplification of core systems, and by bringing our specialty model to new markets. In 2025, we built further momentum across our retail businesses through accelerating product innovation, which resulted in the launch of more new products in 2025 than over the last five years; securing a record number of new distribution partnerships; and by expanding our geographical reach into Italy, our first new country in over a decade (see page 63).

We will build on this progress through 2026 by leveraging the scale and strength of the Group, deepening our presence in sectors with significant structural growth potential, and pursuing opportunities in new markets to deliver on our multi-year retail ambitions.

2. Managing evolving market conditions



In 2025, we monitored and responded to micro-cycles across our big-ticket businesses to offer opportunities for high-quality growth. In Hiscox London Market, we enhanced core segments, such as pioneering the use of Bellwether’s wildfire prediction tool built by X (formerly Google X) to help expand homeowners’ insurance in California. We are also developing new avenues for growth, including entry into US middle-market property, and building new operational capabilities through Hiscox Artificial Intelligence Laboratories. In Hiscox Re, we are continuing to diversify our portfolio in a transitioning market, supported by a strong pipeline of future potential investors in our ILS offering.

In 2026, we will continue to respond to the evolving market conditions by maintaining robust underwriting standards and investing in digital, data and AI capabilities to enhance decision-making and unlock new opportunities – including through our new portfolio solutions division in Hiscox London Market (see page 25).

3. Operational maturity



In 2025, we continued to focus on managing our expense base as we remain on track to achieving our \$200 million P&L benefits commitment in 2028, with the programme realising a P&L benefit of \$29 million in 2025. Key milestones include enhancing our fraud and recovery capabilities in claims, reducing our supplier base and launching a technology centre of excellence in Lisbon to reduce duplication and improve efficiency.

Looking ahead, we will continue to build our operational maturity by scaling our global operating model and investing in initiatives that deliver standardisation, automation and stronger cross-market coordination. We will also enhance our change management maturity, focusing on activities that create clear, measurable value and set us up for sustainable long-term growth.

4. Connected and energised teams



We are proud to have maintained a global employee engagement score of 82% since 2022 (see page 21) and are making significant progress in building the skills and capabilities needed for the future. In 2025, this included embedding high-performance standards through a new leadership framework and strengthening our data expertise through tailored data fluency programmes. We have also launched dedicated Hiscox academies, providing a highly intuitive library of digitally-enabled learning and development tools, focused on underwriting, data fluency and technology, claims, and leadership skills (see page 56).

In 2026, we will invest in diverse talent and strategic capabilities to enable growth and outstanding customer experiences. Strategic workforce planning will remain a key priority, with a clear focus on identifying and closing critical skills gaps as well as reskilling and upskilling our teams in areas such as data, technology, and change.

5. Customer centricity



Our commitment to embracing our customers' risks and helping them unlock their progress remains foundational to how we operate. In 2025, we successfully launched a set of enhanced digital portals for brokers and direct clients in France and Germany, and introduced new electronic first notice of loss capabilities, making it even easier for customers to report and track claims. Enhancing client relationship management workflows and expanding our customer insights framework have enabled more targeted engagement and improved service delivery.

In 2026, we will consider new ways to reduce friction to the customer journey. We plan to advance our use of AI and automation in both claims and underwriting, expand our digital self-service capabilities, and embed a tailored approach for customer lifetime value across our diverse markets. Through these initiatives, we aim to deliver connected, intuitive, and reliable experiences that meet evolving customer needs.

THE WORLD AROUND US

Operating environment



The environment we operate in continues to evolve at pace, and that affects not only our business but also our customers. We track those changes rigorously in order to adapt to the risks and opportunities they represent and help our customers do the same.

Shali Vasudeva
Group Chief Operations and
Technology Officer

Economic uncertainty



Economic uncertainty has persisted through the year, as US tariff policy has fluctuated and concerns have grown about fiscal vulnerabilities in a number of countries. Inflation signals are currently mixed. While markets have rapidly shaken off a number of shocks during 2025, the outlook remains unclear.

Regardless of how the macroeconomic environment develops, our geographic diversification provides resilience, and our prudent investment approach limits exposure to short-term market volatility.

Geopolitical volatility



Geopolitical tensions have remained elevated over 2025. Our big-ticket business has continued to rigorously manage the small levels of exposure to regions most impacted by conflict, such as the Middle East, while our domestic-focused retail businesses are not directly impacted by current conflicts. France, the UK and Germany are grappling with country-specific political challenges which are impacting business confidence and creating barriers to growth.

Nevertheless, we believe we still have strong opportunities to grow, given our current modest market share and our focus on serving more customers with valuable, innovative products.

The impact of a changing climate



2025 was the third warmest year of the modern era and saw record-breaking temperatures in many regions. The year included significant California wildfire losses in the first half, and an active hurricane season with three Category 5 hurricanes recorded, but insured losses were relatively low.

We have extensive history and expertise in analysing the impact of natural catastrophes, and we recognise the need to continue to develop this further as the impacts of climate change intensify. This year we have introduced a Climate Scenario Working Group, overseen by our Sustainability Steering Committee, to coordinate Group-wide data, modelling and analysis on this topic. We continue to invest in new tooling to ensure we can draw on the latest insight and analytics.

AI and data



We are focused on making the most of the efficiencies and insight AI can generate via a number of projects, as well as on upskilling our people on AI and broader data skills through our global data fluency programme.

We recognise the importance of ensuring that appropriate safeguards are in place and have introduced a new AI risk assessment process, overseen by an AI governance and ethics Board. In addition, we are closely monitoring the impact AI could have on our customers and their risk profiles as they adopt it within their own business processes.

Cyber threats

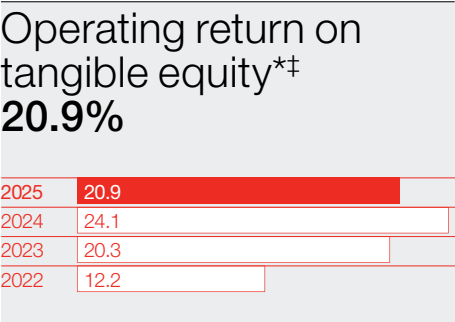
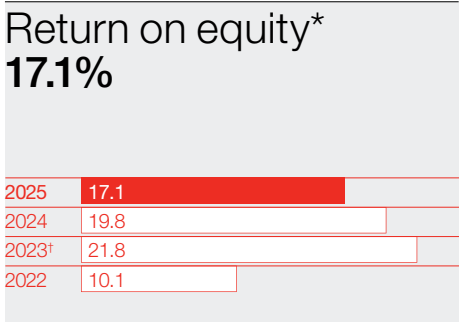
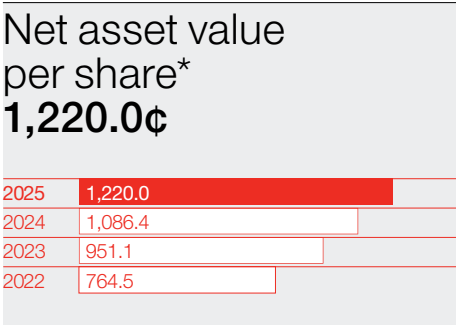
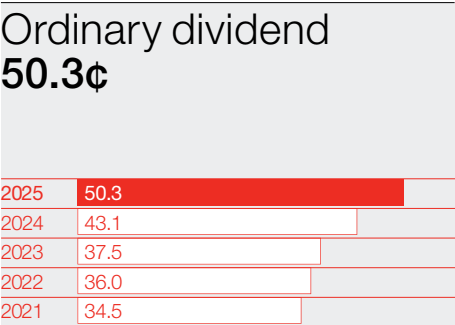
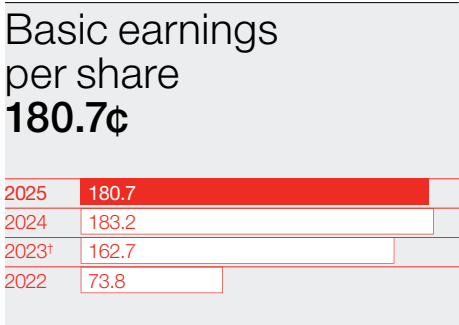
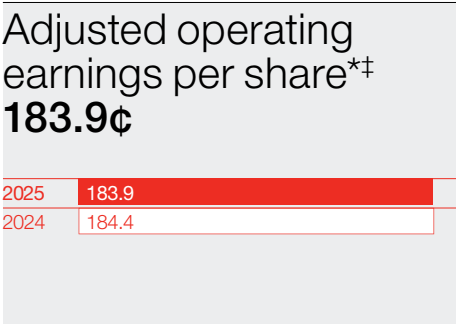
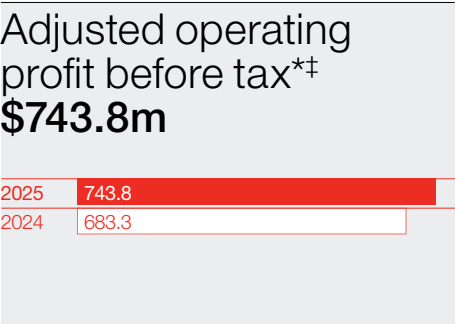
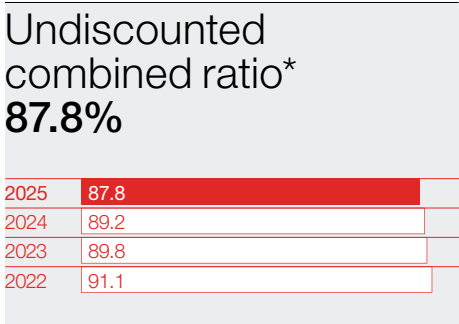
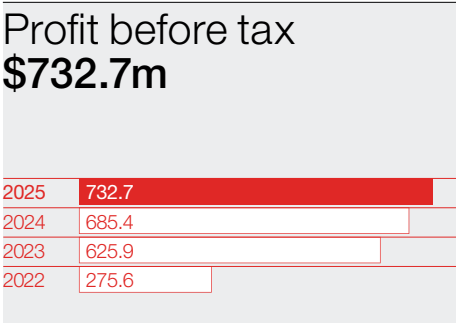
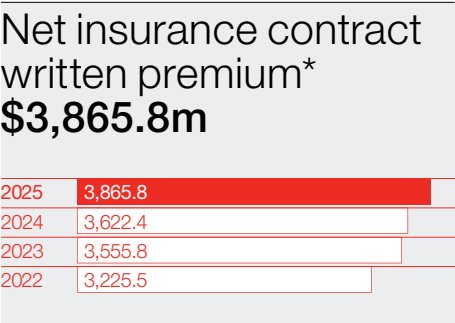
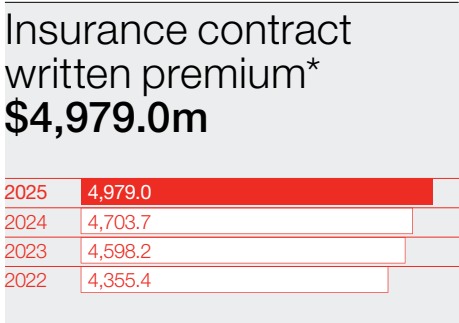


2025 has seen a surge in high-profile cyber attacks across the market, with AI amplifying the speed and scale of cyber threats. Recognising that this risk will continue to evolve rapidly, we continue to make enhancements to our own cyber defences, including a substantial investment in next-generation technologies and further development of our Cyber Fusion Centre capability.

We have also continued to evolve our cyber product offering, with a refreshed product that provides customers with enhanced risk mitigation tools, which launched in France and Germany during the year and will roll out to our other retail markets over time.

ANOTHER RECORD YEAR

Financial KPIs



*Represents alternative performance measure (APM) used by the Group. APM definitions used by the Group are included within the consolidated financial statements on page 231.
[†]2023 excludes Bermuda deferred tax asset (DTA). Including Bermuda DTA, basic earnings per share was 206.1 cents and return on equity was 27.6%.
[‡]New measure introduced during 2025. For more information, see page 231.

Non-financial performance

UK customer satisfaction **93%**

In the UK, customers who speak to one of our insurance experts in our customer experience centre in York are asked to rate their experience of Hiscox at the end of the call. Whether they have phoned for advice, a quote, to purchase a new policy or make changes to an existing one, their feedback helps us to constantly improve our service.

2025	93%
2024	94%
2023	90%
2022	92%
2021	92%

France customer satisfaction **4.9**

France was our first foothold in Continental Europe, and here we monitor customer satisfaction through recognised independent tools including Feefo. This captures customer feedback based on their experience of us and, based on Feefo's five-star rating system, we are pleased to consistently sustain very high levels of customer satisfaction.

2025	4.9
2024	4.8
2023	4.8
2022	4.7

Data only available from 2022.

US customer reviews using Feefo **4.8/5**

In the USA, we ask customers to review their experience of Hiscox post-purchase. We do this using Feefo, which has a five-star rating system, and are pleased to maintain such high scores year after year, even as the business grows.

2025	4.8
2024	4.7
2023	4.7
2022	4.6
2021	4.8

Retail claims transactional net promoter score **76**

We are in the business of paying claims, and we measure our customers' satisfaction with our claims experience across our UK, Europe and US retail businesses via a third party. Our retail claims transactional NPS is market-leading and maintaining such high scores is a strategic priority for us.

2025	76
2024	72

Data only available from 2024.

Employee engagement **82%**

We are proud to have maintained our high employee engagement score for the fourth consecutive year in 2025. Our people value our evolved listening strategy, which now includes quarterly pulse surveys that provide us with more real-time feedback on what is working well and where we may need to make a change.

2025	82%
2024	82%
2023	82%
2022	82%
2021	64%

Reducing Scope 1 and 2 emissions **-32%**

As part of our focus on being a responsible business, we have committed to achieving a 50% reduction in our Scope 1 and Scope 2 emissions by 2030, against a 2020 adjusted baseline. While this is a multi-year programme of work, and progress is unlikely to happen in a straight line, our 2025 priorities included the adoption of renewable energy in many of our offices and ongoing engagement with our landlords to realise environmental efficiencies (see pages 73 to 75).

2025	-32%
2024	-9%
2023	-16%
2022	-0.1%
2021	-11%

Table denotes reduction vs the 2020 baseline each year.

RIDING MICRO-CYCLES



Leaders in our Hiscox London Market and Hiscox Re businesses discuss managing the micro-cycles, building new lines of business, and the growing role of data and AI.

Contributors:
Monika Delekta, Head of Data Science, Hiscox London Market
Paul Lawrence, Chief Underwriting Officer, Hiscox London Market
Jonas Muir Wood, Head of Investments, Hiscox Capital Partners, Hiscox Re
Nick Orton, Head of International, Hiscox Re
Phil Withey, Chief Technology Officer, Hiscox London Market

It’s been a busy year in our big-ticket businesses. Hiscox London Market saw the introduction of a number of new product offerings in 2025 – including financial institutions, SME cargo, and middle-market property – and a new portfolio solutions division which went live in January 2026. In Hiscox Re, the team have developed a clearer market proposition for capital partners, maintained underwriting discipline in the face of market softening, and deployed technology in ways that streamline key workflows and enhance collaboration.

With each line of business exposed to a unique set of challenges and opportunities, that means navigating a complex set of micro-cycles.

Managing the micro-cycles
“It’s rare for pricing in all insurance lines to move in unison. Some may be increasing, or as we put it, hardening, while others will be decreasing, which means the market is softening,” explains Paul Lawrence, Hiscox London Market’s Chief Underwriting Officer. *“For example, directors and officers’ (D&O) liability insurance experienced a micro-cycle a few years ago, with rates spiking due to limited capacity, followed by a drop as profits attracted more capacity.”*

In 2025, most lines transitioned from positive to negative rate territory, but each did so differently. *“D&O continued to soften, and we started to see some oversupply of insurance capacity in cyber, but in US general liability we saw improvements in rates and terms and conditions due to the effects of nuclear jury verdicts and social inflation,”* says Paul. *“Property rates started the year down and softened further as the wind season passed without major events, and marine rates held steady in some areas, especially where there have been loss issues such as with transporting electric vehicles – which is almost a micro-cycle within a micro-cycle. Navigating these nuances is the priority for our underwriting team as we move into 2026.”*

This management of micro-cycles is also a feature of our Hiscox Re business. *“As we move through the cycle, we see prices fluctuate and changes in the way that reinsurance is sold in terms of structure, attachment points, terms and conditions and so on,”* explains Jonas Muir Wood, Hiscox Capital Partners’ Head of Investments. *“At the end of 2022, we saw a shortage of capital available to back reinsurance risk, while the demand for reinsurance capacity was increasing, and so we saw a big improvement in both pricing and terms*

and conditions. Fast forward to the end of 2025, and we find ourselves at a point where there is an increasing supply of capital again in the market so we’re coming off a generational peak in terms of market pricing, but the slight softening we’re seeing now is still a long way above the trough of the soft market cycle. It’s still a very healthy market with underwriting discipline still holding and pricing still being at a level where there are attractive returns to be made.”

Managing these micro-cycles also means pinpointing areas of opportunity. *“Beyond our existing product suite, we’re focused on adjacencies – so those product areas that are similar to our core business,”* says Paul. *“This year, we launched a new middle-market property offering, targeting companies with \$50-\$500 million in assets, which sits between our large corporate and small retail segments. In D&O, we expanded into financial institutions and we’re building out that portfolio. And in cargo, technology has enabled us to broaden our appetite into smaller transits which had previously been uneconomical for us to underwrite, and that’s what we call ‘SME cargo’. It’s a prime example of us reusing some of the technology innovation we already have, including from our work with Google Cloud.”*





The growing role of data and tech

Data is critical for Hiscox. *“First, on individual risks, as margins shrink, we use data more rigorously to fully understand exposures – for instance in our flood insurance book, where we use more granular data to look at the risk on an individual property basis,”* says Paul. *“Second, we aggregate data across our portfolio through our ‘market in transition’ initiative, where we track a handful of data points per risk each quarter. This gives us a heatmap of market conditions, which we supplement with underwriter surveys for more forward-looking insights. Sometimes this triggers deeper dives into specific lines if material changes are detected, but either way this process helps us make better-informed decisions.”*

“What’s clear is this more intensive and holistic use of data is revealing complex patterns and trends that aren’t visible on a case-by-case basis,” adds Monika Delekta, Hiscox London Market’s Head of Data Science. *“Our data is a goldmine of information, and it’s empowering us to uncover emerging risks or opportunities that we otherwise might not.”*

Complementary to this data-first approach is the evolution of technology and a growing use of AI across the business. *“AI is already embedded in areas like terrorism and major property, and we’re focused on scaling its use across more business lines,”* says Phil Withey, Hiscox London Market’s Chief Technology Officer. *“Our collaboration with Google Cloud keeps us at the cutting edge and means we can explore additional AI applications, for instance in*



NEW APPLICATIONS OF TECHNOLOGY

In cargo, technology has enabled us to broaden our appetite into smaller transits which had previously been uneconomical for us to underwrite, and that’s what we call ‘SME cargo’. It’s a prime example of us reusing some of the technology innovation we already have, including from our work with Google Cloud.

claims and exposure management. AI is unlocking insights that humans might miss, and new data sets are making it easier to run advanced models. Next year, we’ll continue to introduce more AI agents and assistants, always in a safe, governed environment, and measure their impact for continuous improvement.”

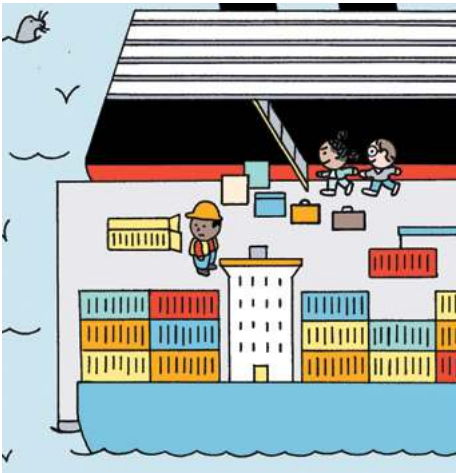
One recently implemented tool provides an AI-powered broker submission (or slip) comparison tool for underwriters that can instantly compare two insurance slips, highlight differences, and direct users to the relevant changes. *“The technology is now advanced enough to understand intent and subtle language changes, which is a game changer compared to a year ago. This saves hours of manual review and allows underwriters to focus on higher-value tasks.”*

2025 also saw the launch of ReHub, a new reinsurance workbench designed to streamline key workflows by automating the categorisation of over 20,000 emails into the team.



BROADENING APPETITE

This year, we launched a new middle-market property offering, targeting companies with \$50-\$500 million in assets, which sits between our large corporate and small retail segments.



“We saw huge benefits from bringing automation to our data entry and task management processes, particularly around the busy 1 January reinsurance renewal season when volumes increase exponentially,” says Nick Orton, Hiscox Re’s Head of International. *“It means we’re able to much more efficiently process broker submissions – plus it’s evolving how broker and underwriter data is filed and stored, which has positive longer-term implications for our data integrity.”*

But staying on the cutting edge is crucial. *“The AI models are advancing all the time, so adapting quickly to new technology is key,”* adds Monika. *“That’s why I’ve been especially pleased by the response from our underwriters; they’ve embraced the innovations we’ve delivered, and their attitude has been key to our success. It’s a team effort, and it takes that combination of data scientists, technologists, and underwriters working together for it to be as effective as we know it can be.”*

This is reflected in how the Group balances the traditional underwriter skillset with the skills of the future, such as data fluency. *“Underwriters today are increasingly tech-savvy and curious about how technology can help them do their job,”* says Paul. *“We like hiring and training people who are open to new approaches, and this will only accelerate as technology evolves.”*

Building momentum

Looking ahead, 2026 promises to deliver more innovation in the Group’s big-ticket businesses, particularly when it comes to applications of data. *“Our ability to interpret and use data is changing all the time and that’s giving us more complex analytics and helping to drive productivity,”* says Monika. *“This touches every area of our operations, including accelerating product development and product innovation, and ultimately makes us even more responsive to our customers’ needs.”*

Critically, it’s an approach that is not specific to line of business either, concludes Paul: *“Our focus is on rolling out successful innovations across all lines of business, not just isolated areas. We’re already replicating the success we had with Google Cloud in our sabotage and terrorism book in major property, and in 2026 we’ll go further. We encourage fearlessness in trying new things, accepting that failure is part of the process. The goal is to scale what works, park what doesn’t, and revisit ideas as technology evolves. The opportunities are endless.”* ■



INTRODUCING HISCOX PORTFOLIO SOLUTIONS

Hiscox London Market’s new portfolio solutions division is designed to meet rising client demand for alternative risk structures that complement traditional risk transfer, while also strengthening its support for the delegated authority sector.

Developed during 2025 and having launched in January 2026, the new division builds on existing areas of expertise, including in alternative risk – now part of portfolio solutions – where Hiscox has been marketing a developed proposition for ten years.

Hiscox Portfolio Solutions consists of four distinct but complementary components: alternative risk; beta-follow; global MGAs; and structured solutions.

Beta-follow is a new offering for Hiscox, providing capacity for every risk written within each facility regardless of its size, industry sector or class. That creates a diversified portfolio of risk that provides good returns for insurers.

Through global MGA, Hiscox works with large, sophisticated groups of managing general agents, with a deep understanding of their marketplace, to provide strategic support across their portfolios in disciplines including underwriting, pricing and exposure management.



Structured solutions are typically multi-year and/or multi-line, and are often used where traditional insurance solutions do not adequately meet a client’s individual needs or are not providing cover that is perceived to be economical, particularly for complex and evolving risks. As a more bespoke solution that typically provides longer-term stability for clients, structured solutions tend to involve significant risk-sharing features, which ensures there is a strong alignment of interest between Hiscox and its clients.

EXECUTING OUR STRATEGY

Chief Executive's report



The Group has delivered another year of strong performance, with a third consecutive year of record profits.

Aki Hussain
Group Chief Executive Officer



Strategic execution

2025 has been another year of strong performance, as the pace, energy and innovation of my colleagues across our diverse business delivered continued growth momentum and excellent profitability. The Group achieved a third consecutive year of record profit before tax of \$732.7 million and an operating ROTE of 20.9%, exceeding our through-the-cycle mid-teens target despite a 2.5 percentage point impact following the introduction of the Bermuda corporate income tax. This strong performance is driven by a record insurance service result of \$613.9 million and a record investment result of \$442.7 million. Continued strong capital generation has enabled the Board to approve a new \$300 million buyback and ratify the second consecutive year of a 20% increase to the final dividend per share.

This has been a pivotal period in the journey of Hiscox. We made strong progress on executing our strategic growth and change initiatives, building on the momentum of prior years, to establish the foundations to progress at pace. The Group has set clear ambitions to accelerate Hiscox Retail's growth to

double-digit and realise a P&L benefit of \$200 million in 2028 and onwards from our change programme, while pioneering the use of cutting-edge technologies to access new markets and drive increased operating leverage. We are firmly on track to deliver against this strategy and ambition.

In 2025, growth accelerated as we entered adjacent specialist segments, launched more products and expanded our distribution and geographic footprint.

Profitable growth through the cycle

The pace and energy across the Group, underpinned by our specialist insurance expertise, is creating substantial momentum, launching more products in 2025 than over the previous five years. In Hiscox Retail, capitalising on our expertise to underwrite emerging professions, we have, among other things, expanded our appetite to include influencers in Europe and technology start-ups in the USA. As the world rapidly evolves, we are taking the lead through innovation. In Hiscox London Market, we are leveraging the latest advanced risk modelling to meet demand from Californian homeowners and, through the use of technology,

opening up new market opportunities such as SME cargo solutions. In Hiscox Re, we have developed a climate and resilience capability to support the growing demand from emerging markets.

Across the Group, we are expanding distribution with many sizeable new deals won, including our largest two deals in the UK in recent years and new cross-market deals as we leverage the power of the Group. In 2025 we entered Italy, our first new country in over a decade, through the bolt-on acquisition of a local digital broker.

Simplifying Hiscox to deliver operating leverage

Our change programme is enabling the business to unlock profitable growth, optimise efficiency and enhance operating leverage. We are building new capabilities that will enhance our proposition to customers and partners, help us become more agile and increase our capacity to innovate. Strong progress has been made in 2025, with the programme realising a P&L benefit of \$29 million and remaining on track to deliver \$75 million in 2026, ahead of the full \$200 million in 2028.



The momentum we have generated across all markets gives us confidence that Hiscox Retail's acceleration will continue, with growth at 8.0% for full-year 2026, in constant currency, as momentum continues to build towards double-digit growth in 2028.

Hiscox Retail

Hiscox Retail

	2025	2024
Insurance contract written premium (\$m)	2,634.8	2,441.4
Net insurance contract written premium (\$m)	2,446.2	2,243.4
Insurance service result (\$m)	267.4	261.1
Profit before tax (\$m)	352.1	317.2
Combined ratio (%)	88.7	88.1
Undiscounted combined ratio (%)	92.6	92.9

Technology

In recent years, we have been building the core technology foundations for our business. Now, through the combination of new technologies and the rationalisation of applications, we are delivering better service to customers and partners, expanding distribution and connectivity, optimising marketing and improving productivity.

The accelerating pace of generative AI adoption provides Hiscox with a significant opportunity. We are deploying AI-enhanced tooling throughout the Group, often re-using tools and capabilities from one area of the business in another, delivering efficient implementation. The benefits from the Group's ecosystem are compounding as we execute on our initiatives.

Our retail business is well positioned to win in the emerging age of agentic e-commerce, with a leading global retail DPD platform, a recognised and trusted brand, market-leading claims service and a specialist underwriting ecosystem. We are optimising how AI chatbots both source and promote our brand and proposition and have commenced the deployment of agentic AI across both the customer sales and claims journey. The new business broker automation tools already deployed in our UK art and private client business, materially uplifting quote and conversion volumes, are being deployed across all UK business lines, ahead of broader deployment across all of Hiscox Retail.

In big-ticket, our London Market business has pioneered AI-augmented underwriting at Lloyd's and is now using these capabilities to expand into new markets of brokered small cargo

risks and US middle-market property. In Hiscox Re, we have rolled out a new digital workbench, enabling us to digitally ingest and process significantly more submissions at the January renewals and benefit from improved portfolio analysis, leading to more accurate risk and return assessments.

Procurement

In procurement, our new Group-wide platform has supported a further reduction in the number of suppliers by 8%. As a result, enhanced governance and transparency is enabling the Group to achieve lower supplier costs and develop strategic partnerships with core suppliers. Key milestones in the year have included: the selection of a new IT services provider, accelerating our journey to automate and streamline business processes; signing a multi-year collaboration with Google Cloud, deepening a relationship that pioneered an AI-enhanced lead underwriting solution in Hiscox London Market; and the optimisation of our real estate footprint, enhancing asset productivity.

Operational excellence

We have developed a more strategic approach to resourcing to ensure we have the skills for the future and the capacity to focus on market-facing activities. We are insourcing capabilities that reinforce our competitive advantages, and leveraging the use of lower cost locations and specialist partners to drive increased efficiency.

In Europe, we have organised our broker business into two regions, North and South, and established a pan-European digital partners and direct (DPD) operation to ensure our resources are focused as the business builds scale.

In technology, we have insourced areas such as application development at our Lisbon hub at a lower cost, while outsourcing activities like data centre support. In finance, we are transitioning certain activities to a third-party specialist. In the people function, we have created global centres of excellence, introduced data-driven recruitment and launched digital development tools to upskill our people for the future.

In claims, we have increased savings from fraud detection and recovery through the formation of a Group centre of excellence.

People and culture

This is an exciting time for Hiscox. As we execute our growth strategy and transform the way we operate our business, the energy and momentum across the Group is extremely positive. Colleagues are empowered to deliver change while nurturing what makes us Hiscox – our specialist insurance expertise, customer focus and service excellence, and our entrepreneurial culture of being business builders. Employee engagement remains at an all time high, with a score in the 80s for the fourth consecutive year, demonstrating our collective commitment to delivering our ambitious growth and change strategy.

Hiscox Retail²

Hiscox Retail comprises our retail businesses around the world: Hiscox UK, Hiscox Europe and Hiscox USA.

²Following the completion of the sale of DirectAsia in July 2025, DirectAsia is no longer included within Hiscox Retail, instead being included in the 'other' segment from 1 January 2025. 2024 financials have been restated to report on a consistent basis.



The diversity of the business and its ability to innovate has provided opportunities for new profitable growth while managing the cycle in lines of business where rates were under pressure.

Hiscox London Market

Hiscox London Market	2025	2024
Insurance contract written premium (\$m)	1,249.6	1,229.5
Net insurance contract written premium (\$m)	880.9	879.7
Insurance service result (\$m)	160.3	141.3
Profit before tax (\$m)	235.3	215.0
Combined ratio (%)	81.2	83.9
Undiscounted combined ratio (%)	85.9	88.6

In this segment, our entrepreneurial culture, specialist sector and class of business knowledge, renowned brand, and market-leading distribution platforms reinforce our strong market position in an increasingly digital world.

Hiscox Retail premiums increased by 6.3% in constant currency, in line with our guidance, continuing our multi-year volume-driven growth acceleration and second consecutive year of margin expansion. Policies-in-force increased 7.5% in the year, while rate increased by 2% on average. The momentum we have generated across all markets through new products, entering adjacent segments and expanding distribution, gives us confidence that Hiscox Retail's acceleration will continue, with growth at 8.0% for full-year 2026, in constant currency, as momentum continues to build towards double-digit growth in 2028.

Hiscox Retail's insurance service result of \$267.4 million (2024: \$261.1 million) increased 2.4% as a result of continued growth and earnings momentum, more than offsetting the impact of a lower discounting benefit.

The 30 basis points improvement in the undiscounted combined ratio of 92.6% (2024: 92.9%) is driven by early benefits from the change programme and increasing operating leverage.

Hiscox UK

Hiscox UK is a leading specialty insurer in its chosen markets of commercial and personal lines, offering a broad specialist range of covers primarily for nano- to medium-sized businesses and high-net-worth customers through deep broker relationships and a leading brand.

Hiscox UK ICWP grew by 8.4% in constant currency to \$962.4 million (2024: \$864.0 million) as the business delivered strong double-digit new business growth.

Art and private client (APC) has achieved six consecutive quarters of double-digit growth, driven by the ramp-up of recently won distribution deals and technology-enabled improvements in underwriting efficiency and productivity, as it was able to quote 40% more new business. To maintain momentum, the business has expanded its award-winning marketing campaign from its original commercial SME focus into high net worth.

Commercial is growing well, driven by policy count increases, as the business focuses on deepening and widening its specialist sectors. We continue to build out our sector-focused propositions, which has included launching direct landlords cover, expanding our cyber product into the charity sector and writing our first ever risk in the fast-growing e-sports market.

Hiscox Europe

Hiscox Europe provides specialty commercial and personal lines insurance across ten European markets. Through deep broker relationships and a leading pan-European digital platform, we offer a broad specialist range of covers for nano- to medium-sized businesses and high-net-worth customers.

Hiscox Europe grew ICWP by 6.1% in constant currency to \$710.9 million (2024: \$656.5 million) driven by strong growth across Germany and France, our two largest markets.

The business is continuing to launch new propositions tailored to the changing needs of our customers. Our German business won awards at the country's largest broker conference for our combined D&O, professional indemnity and cyber product and for our innovative freelancer personal accident cover. In France, our new cyber proposition has been well received, with strong broker feedback ahead of a wider roll-out in other European markets planned for the first half of 2026.

The business is also benefitting from recently signed distribution deals, such as our Iberian bancassurance deal which is gaining momentum. In 2025, we also signed two new distribution deals with German broker consolidators, which will support growth from 2026 onwards, with a strong pipeline of further deals developing.

Our strategy to enter more markets saw us establish a new operation in Italy in 2025 through the bolt-on acquisition of a small local player. With over four million small businesses, Italy represents an exciting opportunity for Hiscox Europe over the coming years.

Hiscox USA

Hiscox USA provides specialty commercial insurance for nano- to medium-sized businesses through a broad range of specialist covers. We serve our customers through a leading digital platform, offering access both directly to the customer and through a diverse range of partners and traditional brokers.

Hiscox USA grew by 4.4% to \$961.5 million (2024: \$920.9 million), as growth momentum continues to build from the breadth of management action taken over the last couple of years.



The insurance service result of \$189.4 million (2024: \$165.7 million) and an undiscounted combined ratio of 67.4% (2024: 69.0%) reflect the quality of risk selection, and a benign natural catastrophe loss experience in the second half of the year.

Hiscox Re

Hiscox Re

	2025	2024
Insurance contract written premium (\$m)	1,094.6	1,032.8
Net insurance contract written premium (\$m)	538.7	499.3
Insurance service result (\$m)	189.4	165.7
Profit before tax (\$m)	286.7	267.5
Combined ratio (%)	63.3	65.7
Undiscounted combined ratio (%)	67.4	69.0

US DPD grew by 7.0% to \$580.5 million (2024: \$542.7 million), driven by continued double-digit growth in digital direct, benefitting from enhancements to the customer journey and improved lead generation. In partnerships, the mid-single digit growth trajectory has been sustained but with a more positive pipeline, with 23 new partners added in 2025. In addition, one of our largest partners has recently opened our products to local agents and selected Hiscox as their preferred provider. These developments will support increasing new business production in 2026.

In US broker, we have reversed the trend and begun to grow the business again. ICWP increased by 0.7% to \$381.0 million (2024: \$378.2 million), benefitting from stronger broker relations, the implementation of initiatives to streamline workflows and improve service to brokers, and through the bolt-on acquisition of Corix, which accelerated our appetite expansion into life sciences and technology start-ups.

Hiscox London Market

Hiscox London Market offers a broad and diverse range of specialist insurance across property, casualty, crisis management and marine, energy and specialty risks. Through our flagship Syndicate 33, we use the global licences, distribution network and credit rating of Lloyd's to insure clients throughout the world.

Hiscox London Market has successfully navigated a competitive market, with ICWP increasing to \$1,249.6 million (2024: \$1,229.5 million). The diversity of the business and its ability to innovate has provided opportunities for new profitable growth while managing the cycle in lines of business where rates were under

pressure. Though rates reduced by 4% on average over the year, cumulative rates are up 67% since 2018, with the overall portfolio being well rated.

Property growth was driven by new alternative risk portfolio deals, most notably in US high net worth, and expansion into US middle market property, leveraging existing AI-enabled capabilities to accelerate quoting. These initiatives have more than offset deliberate reductions where we are managing the cycle, such as in major property and commercial lines, as competition drives double-digit rate decreases.

In casualty, we continued to reduce exposures in D&O and cyber as rates fell by a further 8% and 7% respectively. Nonetheless, because of rate tailwinds in general liability, supplemented by the launch of our new financial institutions and technology E&O products, we have achieved modest growth in casualty.

In marine, energy and specialty we have achieved strong growth in power and renewables, as Hiscox London Market capitalised on recent investments in product and capability to win new construction business. These have included taking a leading position to insure a solar panel installer in the USA, and insuring one of the world's largest battery construction projects currently underway in Europe. In crisis management, we are benefitting from our well-established position, maintaining strong retention in a competitive market, while in product recall we are managing the cycle as rates soften.

The undiscounted combined ratio of 85.9% (2024: 88.6%) marks the sixth consecutive year in the 80s, a reflection of our underwriting discipline, risk

selection and pricing as we navigate the micro-cycles across the market. Hiscox London Market achieved an insurance service result of \$160.3 million (2024: \$141.3 million), benefitting from loss ratio improvement, driven by a more favourable loss experience than in 2024.

Hiscox Re

Hiscox Re comprises the Group's reinsurance business and third-party capital platform. Reinsurance is written through both our Bermuda and London platforms, focusing on property and specialty risks, while Hiscox Capital Partners offers third-party capital providers access to our underwriting expertise and risk selection including through private insurance-linked securities (ILS) and catastrophe bond funds, sidecars and quota-share partnerships.

Hiscox Re grew net ICWP by 7.9% to \$538.7 million (2024: \$499.3 million) driven by growth in pro-rata and specialty lines, including parametric climate resilience, mortgage and surety. ICWP increased by 6.0% to \$1,094.6 million (2024: \$1,032.8 million) benefitting from net growth and increased third-party capital support.

The insurance service result of \$189.4 million (2024: \$165.7 million) and an undiscounted combined ratio of 67.4% (2024: 69.0%) reflect the quality of risk selection, and a benign natural catastrophe loss experience in the second half of the year.

Rates reduced by 5% over the year as competition increased, most notably in property catastrophe, while attachment points and terms and conditions remained broadly stable. At year-end, cumulative rate increases since 2018 were 83%.

Despite the 2025 Atlantic hurricane season being only the second year on record to see more than two Category 5 hurricanes form, insured hurricane losses were relatively low. As such, competition from both incumbent reinsurers and alternative capital resulted in rates reducing by 13% at the January 2026 renewals. Despite this, the portfolio remains rate adequate following significant rate increases since 2018.

ILS assets under management were \$1.5 billion at 1 January 2026 (1 January 2025: \$1.4 billion) as the business attracted capital inflows of over \$330 million from new and existing partners over the year, offsetting planned returns and increasing the level of deployable capital at the January renewals. The pipeline for further alternative capital inflows remains robust. In 2025, our third-party capital platform generated \$109.4 million (2024: \$128.2 million) of fee income from ILS and quota-share partners, the third consecutive year of fee income above \$100 million, with the majority from fixed fees.

Claims

Loss activity for the year has been within expectations, as the significant California wildfire losses in the first half of the year were followed by more benign weather and lower large loss experience over the second half.

The undiscounted claims ratio was 40.4% (2024: 41.9%), with the year-on-year movement reflecting the benefit of higher prior-year releases.

The Group continues to prioritise the high-quality claims service for our customers and clients. This is reflected in our market-leading retail claims NPS of 76.

Strong foundations Expenses

The Group has made a strong start to the change programme. In 2025, we realised \$29 million in savings and efficiencies, principally through optimised procurement, streamlined processes, technology efficiencies and improved fraud detection and recovery. The one-off costs to achieve of \$24 million in 2025 included investments in new technology, restructuring provisions and advisory fees. The progress to date provides confidence that the Group is on track to deliver \$75 million of P&L benefit in 2026, and \$200 million in 2028. The cost to achieve in 2026 is expected to be \$75 million.

Total Group expenses⁴ increased to \$1,991.1 million (2024: \$1,850.2 million), reflecting expense growth and inflation, higher variable compensation following another year of record profit, our change programme, as well as some one-off non-attributable expenses from small bolt-on acquisitions and the disposal of DirectAsia.

The admin expense ratio has improved by 30 basis points, reflecting more efficient premium growth as we begin to see the benefits from the change programme. This is partially offset by the impacts of higher variable compensation and a weaker US Dollar. The acquisition expense ratio increased by 40 basis points, reflecting slight changes in business mix.

Balance sheet

The Group has experienced another year of favourable reserve development, with net releases totalling \$292.7 million (2024: \$145.5 million). In line with our conservative reserving philosophy, net reserves are at a confidence

level of 86% (2024: 83%) with the risk adjustment⁵ above best estimate of \$344.9 million (2024: \$267.5 million). This is above our target range, reflecting the strength of total reserves, and over time we expect the reserve confidence level to operate in the range between 75% and 85%.

The Group, at the holding company level, continues to retain a significant level of liquidity, with fungible assets in excess of \$1 billion, comprised of liquid assets and undrawn borrowing facilities. The full-year 2025 leverage is 17.4%⁶, comfortably within the range that the Group chooses to operate in.

The Group remains well capitalised, with an estimated BSCR ratio of 233% at 31 December 2025 after having returned \$425 million over the course of 2025 through a combination of ordinary dividends and the upsized \$275 million share buyback.

The Board has ratified a final dividend of 35.9 cents per share⁷ (2024: 29.9 cents per share), a 20%

⁴Sum of acquisition costs, other attributable expenses and other operational expenses.

⁵Allows for the reclassification of LPT recoveries into claims.

⁶Leverage defined as borrowings over borrowings and shareholder equity.

⁷The record date for the dividend will be 24 April 2026 and the payment date will be 8 June 2026. The Company's Scrip Dividend Scheme has been suspended and so no Scrip Dividend alternative will be offered in respect of the final dividend. However, a Dividend Reinvestment Plan (DRIP) will be provided by the Company's registrar, Equiniti Financial Services Limited, which enables shareholders to elect to have their cash dividend payments used to purchase the Company's shares. Further details can be found on [hiscoxgroup.com/investors/dividend-information/dividend-history-calculator](https://www.hiscoxgroup.com/investors/dividend-information/dividend-history-calculator) and the last date for receipt of DRIP elections will be 18 May 2026.

Total Group insurance contract written premium* (\$m)

Big-ticket business

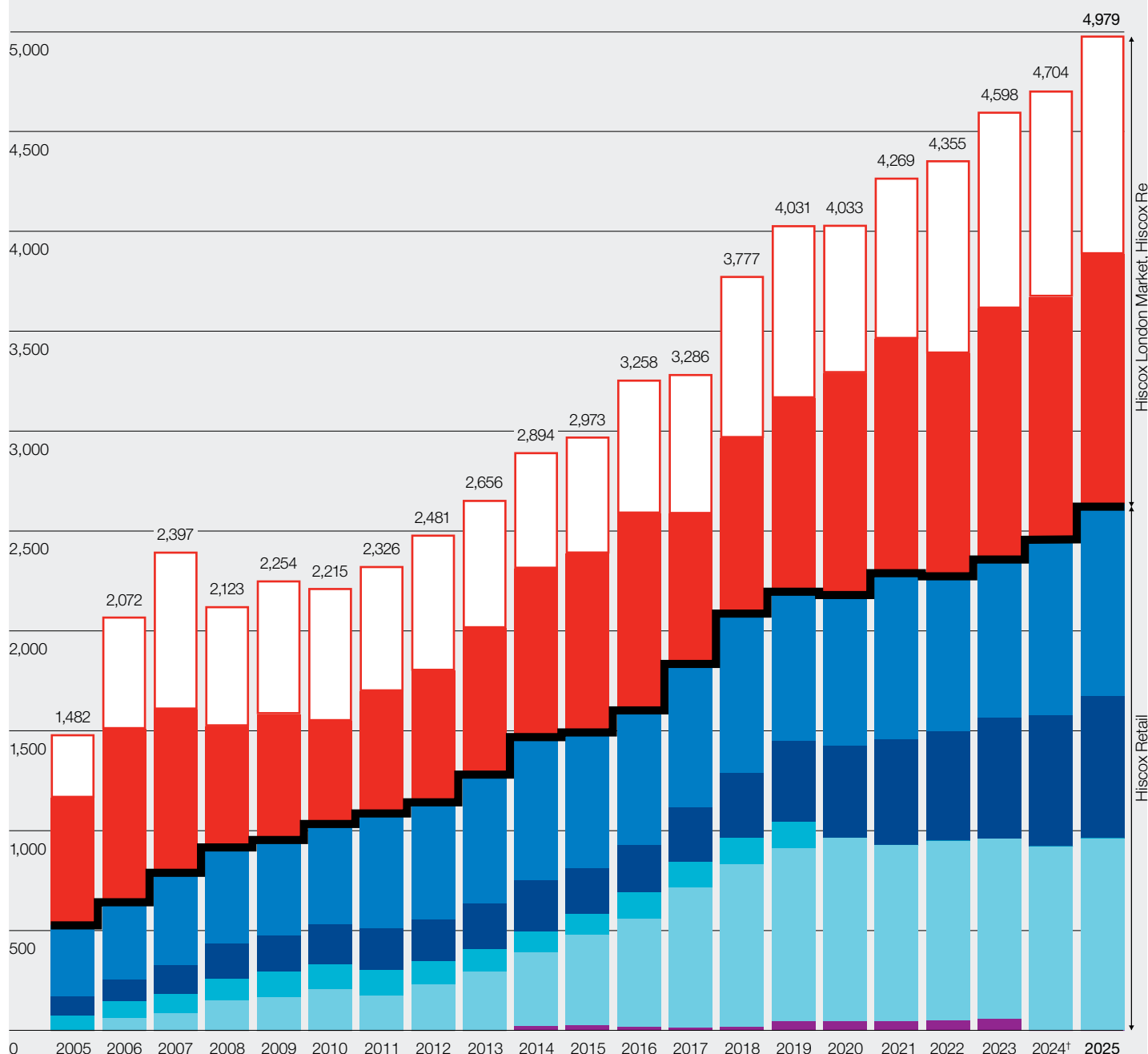
- Hiscox Re
- Hiscox London Market

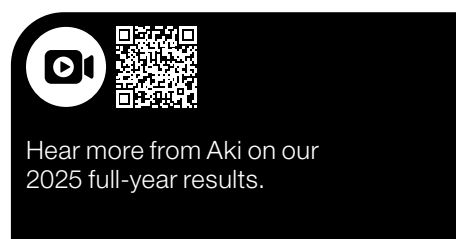
Retail business

- Hiscox UK
- Hiscox Europe
- Hiscox Special Risks
- Hiscox USA
- Hiscox Asia

*Historic amounts have not been restated for IFRS 17 but are presented as gross written premiums on an our-share basis.

†Following the completion of sale of DirectAsia in July 2025, DirectAsia is no longer included within Hiscox Retail. 2024 financials have been restated to report on a consistent basis.





increase year-on-year, reflecting the changing shape of the Group and confidence in our strategy. In addition, excellent organic capital generation over the year has allowed the Group to announce a new \$300 million buyback. In total, once completed, the Group will have returned \$725 million through share buybacks since 2023, and over \$1.1 billion including ordinary dividends.

Post the final dividend and the \$300 million share buyback announced in respect of the 2025 results, the Group's estimated BSCR is 211%, above the 190%-200% target BSCR range at this point in the cycle. The Group benefits from a diversified business model, which allows it to dynamically allocate capital to the most attractive opportunities across the market.

Investments

The investment result for the year was \$442.7 million (2024: \$383.9 million), or a return of 5.1% (2024: 4.8%). This includes \$59.8 million of unrealised fair value gains (2024: \$46.4 million) on fixed income securities carried at fair value that are excluded from adjusted operating profit. Group invested assets as at 31 December 2025 were \$9.2 billion (2024: \$8.2 billion).

While early 2025 saw heightened volatility in the financial markets due to trade tariffs and inflationary concerns, markets more than recovered by year-end as inflation was contained and growth remained firm. Attention moved away from geopolitical uncertainty and onto the wider economic outlook being supported by easing from central banks. Government bond yields and corporate bond spreads both fell, supporting investment income.

With bond yields expected to fall over the near-to-medium term, the Group is optimising liquidity in the strategic asset allocation with a greater allocation to fixed income and a corresponding reduction in cash.

Overall, our portfolio remains conservatively positioned, with over 90% of our investments held in cash and cash equivalents or investment-grade fixed income assets. The average credit rating of the fixed income assets is 'A' with a duration of 2.0 years. The reinvestment yield of the bond portfolio was 4.0% at 31 December 2025.

Tax

Bermuda's Corporate Income Tax (BCIT) came into effect on 1 January 2025, with a 15% tax rate, resulting in the Group's effective tax rate increasing to 17.6% (2024: 8.5%). In anticipation of this, the Group previously recognised a deferred tax asset (DTA) of \$154.6 million, of which \$15.2 million was amortised over the year, partially offsetting the aggregate cash tax payable.

On 15 January 2025, the OECD published guidance, advising that 80% of the DTA granted under the BCIT will not be recognised for calculating global minimum tax (GMT). As a result, the Group is likely to be obligated to pay additional tax of up to 80% of the DTA, spread over eight years, from 2027. Under current IFRS requirements, the Bermuda DTA must be maintained while it provides a tax benefit in Bermuda, but no offsetting deferred tax liability can be recognised in anticipation of future GMT payable (instead this will be booked as current tax on an arising basis).

On 21 November 2025, legislation to enact new substance-based tax credits

(SBTC) was introduced, which provides tax credits against employee costs and other expenses incurred in Bermuda for eligible Bermudian companies. The benefit has been recognised as a reduction of the related expense and is not material. These credits reduce the tax cash impact of the new BCIT rules, in a way that should not be negated by additional GMT top-up tax.

The Group continues to expect the effective tax rate to be within the range of 15%-20%.

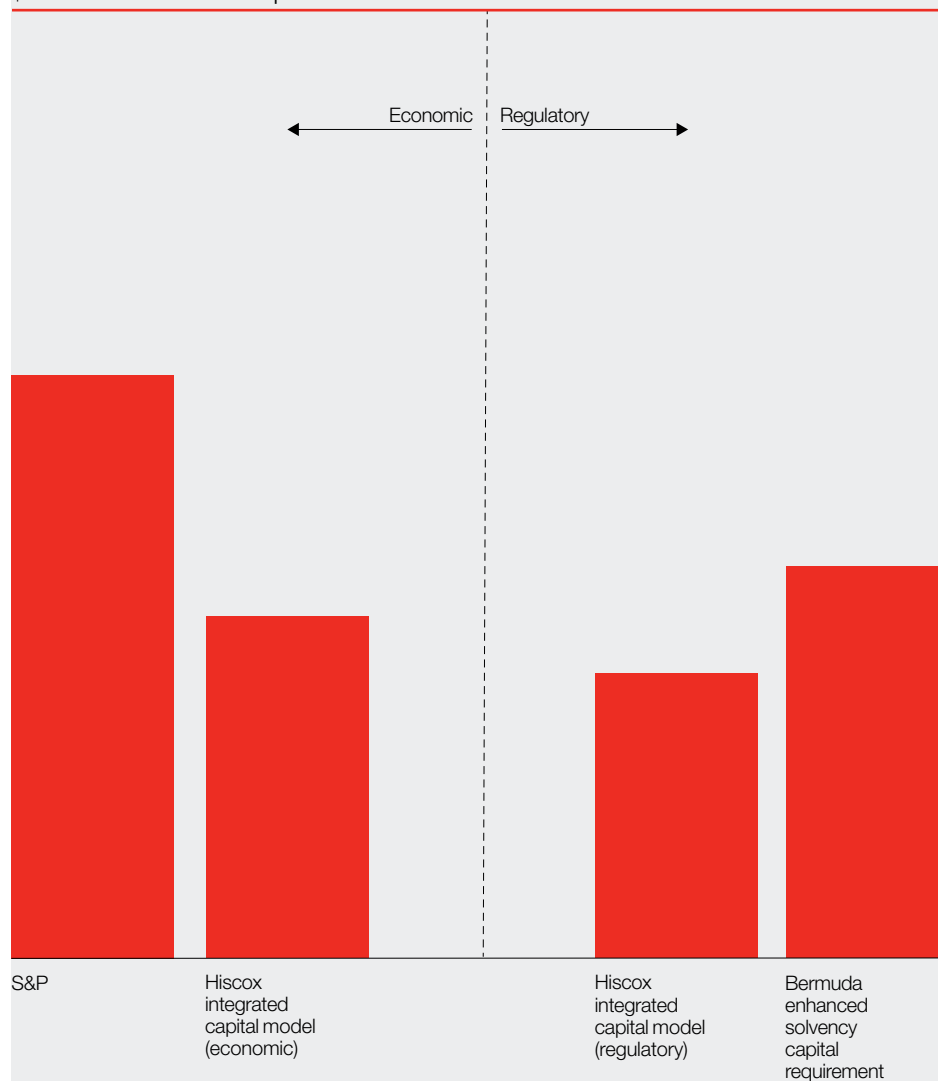
Outlook

In Hiscox Retail, we expect to see momentum continue to build through the year, with ICWP growth accelerating to 8.0% for the full-year 2026, in constant currency, underpinned by growth in customer and policy count, supplemented by momentum from new products, new distribution deals and new markets. We are on track to deliver double-digit growth in 2028. As the business increasingly benefits from our ongoing change programme, we expect Hiscox Retail's undiscounted combined ratio to improve gradually within the 89%-94% operating range. As a result of the Group's change programme, we expect to realise a P&L benefit of \$75 million in 2026, and remain on track for the full \$200 million in 2028 in line with our capital markets day guidance. The cost to achieve in 2026 is expected to be \$75 million.

In Hiscox London Market, we will continue to judiciously manage the micro-cycles as rates soften in certain areas, while leveraging our diverse portfolio and ability to innovate to find attractive new business in areas where we have

Projected capital requirement

\$3.66 billion available capital



Rating agency and BSCR assessments shown are internal Hiscox assessments of the capital requirements based on year-end 2025. Hiscox uses the internally developed Hiscox integrated capital model to assess its own capital needs on both a trading (economic) and purely regulatory basis. All capital requirements have been normalised with respect to variations in the allowable capital in each assessment for comparison to a consistent available capital figure. The available capital figure basis is reflective of IFRS 17 and comprises net tangible assets and subordinated debt. Benefit of IFRS 17 discounting is allowed for within the internal capital model position.

complementary expertise and technological advantages.

In Hiscox Re, we have successfully captured the opportunities of the hard market, with net growth of 180% over the last five years, and three consecutive years of an undiscounted combined ratio in the 60s. The portfolio remains rate adequate and in 2026 we expect to maintain our net property catastrophe exposures at a similar level. Gross premium progression will be a function of the availability of third-party capital and growth in specialty lines.

These are exciting times at Hiscox. The momentum we have generated over recent years, together with the pace, energy and innovation of my colleagues, sets us up strongly to deliver our strategic ambitions and seize the vast specialty opportunities in front of us.

Aki Hussain
 Group Chief Executive Officer
 24 February 2026

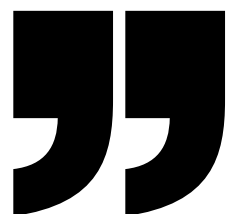


CHANGE CHAMPION

Q&A with Shali Vasudeva

Group Chief Operations and Technology Officer

Shali discusses her career as a 'Hiscox boomerang' and mobilising the business's change programme to transform the Hiscox experience for colleagues, customers and brokers.





Q&A with Shali Vasudeva
 Group Chief Operations and
 Technology Officer

Q: You're a 'Hiscox boomerang' – a former Hiscox employee who returns to the business. Can you share your journey with the Company and what enticed you back?

A: My first stint at Hiscox was from 2018 to 2019, when I was brought in to help land a number of global regulatory programmes including Brexit. I really enjoyed the culture and the entrepreneurial spirit here, so when the opportunity arose to return to Hiscox at the beginning of 2025, focusing on organisation-wide transformation, it was an easy 'yes' for me.

Q: What's changed in the business since your first time here?

A: There's an even stronger sense of a unified 'One Hiscox' mindset and that brings with it great momentum and energy. Accelerating our change agenda has brought the organisation together, with everyone supporting the same goals and outcomes as we look to scale at pace. Change can be challenging and we're thoughtful about how we manage it through the business, but we're building from a position of strength, so there's a real spark and you can feel that collective sense of purpose.

Q: What have been your priorities in your first year back?

A: My main focus has been on mobilising the accelerated transformation programme that we announced in May at our Capital Markets Day, through which we expect to deliver \$200 million in annual P&L benefit in 2028 and onwards.

Doing that means delivering change on multiple fronts – meeting our immediate commitments, designing longer-term change, building new capabilities, and upskilling or reskilling our teams. We're

“

**A UNIFIED
 'ONE HISCOX'
 MINDSET**

Accelerating our change agenda has brought the organisation together, with everyone supporting the same goals and outcomes as we look to scale at pace.



focusing on simplifying and automating processes where we can; reducing duplication across the business; improving the management of our supplier base; and using technology and AI to improve and digitise the Hiscox experience for customers and brokers, so they can engage with us in a faster and much more seamless way.

Equally important is staying true to who we are. We want to preserve the essential Hiscox DNA: our entrepreneurial culture, our deep underwriting expertise, our human touch when it matters most,

and our areas of sector specialism. These elements matter deeply to us, and they matter to our customers and brokers too.

Q: How do you balance short-term wins with longer-term transformation goals?

A: About 80% of our transformation is based on proven levers like process design and automation, technology upgrades and rationalisation, and how we organise ourselves through the use of centres of excellence and shared services. The other 20% is focused on innovation, and in particular on using AI and data to leapfrog ahead.

We've brought in new talent specifically to drive our AI and data agenda, and we're working on several initiatives that could significantly change how we operate and underwrite. These include looking at more predictive weather tooling using AI, and finding ways to help reduce the quantity of information we need from brokers and clients.

We also signed a new multi-year collaboration with Google Cloud towards the end of 2025, which deepens our existing relationship with them and will help us to lead in the AI space.

Q: What efficiency targets or metrics are you using to measure success?

A: We have specific targets against our three main areas: technology, procurement, and operational excellence. For example, in technology, we started the year with over 1,000 applications. We are now working to reduce some of this duplication and complexity so that we can right-size our requirements for an organisation of our size and scale. That means we expect to decommission about 30% of our current applications over the next three years.

On the procurement side, we've already reduced our supplier base from about 10,000 to around 3,000, and we see plenty of opportunity to reduce this further to around 2,000 so that we have fewer but much more valuable supplier relationships.

We're also looking at our balance of insourcing versus outsourcing, so for example, in late 2025 we announced the selection of a new IT services provider, which will provide us with an advanced service management platform, and strengthen our ability to automate and streamline business processes. We're also insourcing key capabilities where it makes sense, such as in technology and claims. Our Lisbon Tech Hub is a great example of this, as it's one of our major global centres of technology excellence, with a team of over 100 experts with different technology skills and competences including solution architecture, software engineering, quality assurance, and information security.



REDUCING COMPLEXITY

We've already reduced our supplier base from about 10,000 to around 3,000, and we see plenty of opportunity to reduce this further to around 2,000 so that we have fewer but much more valuable supplier relationships.

We see Lisbon as a strategic location for growing our technology, data and analytics capabilities. The talent pool there is strong and that's enabling us to bring more of these critical skills in-house.

Q: How will these changes benefit customers and brokers?

A: Flexibility, speed of response, and choice are key – and that means meeting customers where they are. While some want to call us directly to make a claim, others prefer to contact us digitally, especially for things like logging a straightforward claim or making a policy change. By digitising the front end of the customer journey, we can provide the flexibility of service that customers want and expect. This is as true for our broker partners as it is for our direct-to-consumer business: automated submissions and automated underwriting processes, for example, mean we're able to respond quicker and more efficiently, improving the broker experience and providing more choice in how they interact with us. We've already seen this in London Market, where our collaboration with Google Cloud has reduced the time to quote in our sabotage and terrorism book from days to minutes, and in claims, where our trialling of new automated coverage assessment tools have shown that we can accelerate claims processing by as much as 20%.

Q: What excites you most about the future at Hiscox?

A: I could not be more excited about what we're going to do in the next few years, especially when it comes to increasing our agility and supporting growth. We have a huge opportunity to continue to transform how we engage with customers, especially in



MEETING CUSTOMERS WHERE THEY ARE

While some want to call us directly to make a claim, others prefer to contact us digitally, especially for things like logging a straightforward claim or making a policy change. By digitising the front end of the customer journey, we can provide the flexibility of service that customers want and expect.

our retail business. We're also moving away from building large, monolithic systems and instead focusing on common microservices that can be deployed quickly and effectively across multiple business units. That means we'll see the impact of our technology investments much sooner and positions us to continue growing from a position of strength.

We're delivering on our commitments, seeing real change and setting ourselves up for continued success. It's a great moment to be part of the team. ■

MANAGING EXPECTATIONS

Risk management



Our risk management strategy positions us well to capture the upside of the risks we pursue and effectively manage the downside of the risks to which we are exposed.

Fabrice Brossart
Group Chief Risk Officer



Risk strategy

Our risk strategy is based on three key principles:

- we maintain underwriting discipline;
- we seek balance and diversification through the underwriting cycle;
- we are transparent in our approach to risk, which allows us to continually improve awareness and hone our response.

Risk management framework

The Group takes an enterprise-wide approach to managing risk. The risk management framework provides a controlled system for identifying, measuring, managing, monitoring and reporting risk across the Group. The framework includes coverage of strategic, insurance, market, credit and operational risks. It supports innovative and disciplined underwriting across many different classes of insurance by guiding our appetite and tolerance for risk.

Exposures are monitored and evaluated both within the business units and at Group level to assess the overall level of risk being taken and the mitigation approaches being used. We consider how different exposures and risk types interact, and whether these may result in correlations, concentrations or dependencies. The objective is to optimise risk-return decision-making while managing total exposure, and in doing so remain within the parameters set by the Board.

The risk management framework is underpinned by a system of internal control, which provides a proportionate and consistent system for designing, implementing, operating and assessing the controls that manage our key risks. This framework is regularly reviewed and enhanced to reflect evolving practice in risk management and governance. During 2025, we have continued to maintain and further strengthen our system of internal control.

Risk appetite

The risk appetite sets out the nature and degree of risk the Group is prepared to take to meet its strategic objectives and business plan. It forms the basis of our exposure management and is monitored throughout the year.

Our risk appetite is set out in risk appetite statements, which outline the level of risk we are willing to assume, both by type and at an aggregate level. Risk appetites, which are set for the Group as a whole and for each of our insurance carriers, are reviewed annually, enabling us to respond to internal and external factors such as the growth or reduction of an area of the business, or changes in the underwriting cycle that may have an impact on capacity and rates.



Three lines of defence

1st

Owns risk and controls

Responsible for ownership and management of risks on a day-to-day basis.

Consists of everyone at every level in the organisation, as all have responsibility for risk management at an operational level.

2nd

Assesses, challenges and advises on risk objectively

Provides independent oversight, challenge and support to the first line of defence.

Consists of the Group risk team and the compliance team.

3rd

Provides independent assurance of risk control

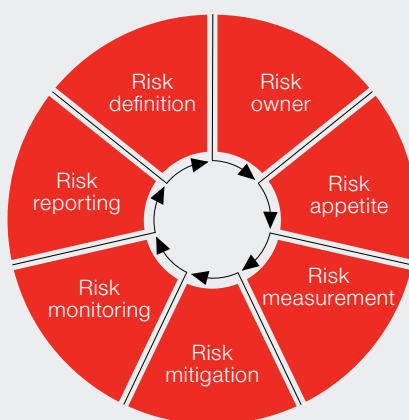
Provides independent assurance to the Board that risks are being managed in line with approved policies, appetite, frameworks and processes, and helps verify that the system of internal control is effective.

Consists of the internal audit function.



Risk management framework

Understanding and managing the significant exposures we face.



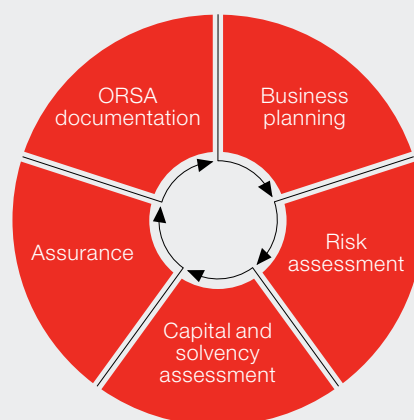
Risk management across the business

The Group coordinates risk management roles and responsibilities across three lines of defence. These are set out in the model on the left. We have Chief Risk Officers in place for each of our business units, and risk is also overseen and managed by formal and informal committees and working groups across the first and second lines of defence. These focus on specific risks such as catastrophe, cyber, casualty, sustainability, reserving, technology, investments and credit, as well as emerging risks. The Group Risk and Capital Committee and the Group Underwriting Review Committee are



Hiscox Own Risk and Solvency Assessment (ORSA) framework

The Group's ORSA process is an evolution of its long-standing risk management and capital assessment processes.



sub-committees of the Risk Committee of the Board and make wider decisions on risk. More information on these Committees can be found on pages 72 to 73.

The Own Risk and Solvency Assessment (ORSA) process

The Group's ORSA process involves a self-assessment of the risk mitigation and capital resources needed to achieve the strategic objectives of the Group and relevant insurance carriers on a current and forward-looking basis, while remaining solvent, given their risk profiles. The annual process includes multi-disciplinary teams from across the business, such as capital, finance and business planning.

Casualty extreme loss scenarios

As our casualty businesses continue to grow, we develop extreme loss scenarios to better understand and manage the associated risks. Losses in the region of \$75-\$950 million could be suffered in the following extreme scenarios:

Event		Estimated loss
Multi-year loss ratio deterioration	5% deterioration on three years' casualty premiums	\$270m
Economic collapse	An event more extreme than witnessed since World War II*	\$520m
Casualty reserve deterioration	Estimated 1:200 view of a casualty reserve deterioration on current reserves of c.\$2.8bn	\$950m
Pandemic	Global pandemic considering broader and alternative impacts than Covid-19	\$135m
Cyber	A 1:200 cyber event, such as a major cloud outage or mass ransomware attack. Includes exposures from outside the cyber product line†	up to \$475m
Marine scenarios	Range of events covering collision and sinking of vessels and any resultant pollution	up to \$75m
Offshore platform	Total loss to a major offshore platform complex	up to \$125m
Terrorism	Aircraft strike terror attack in a major city	up to \$400m
Property catastrophe‡	1-in-200 year catastrophe event from \$350bn US windstorm	\$610m

*Losses spread over multiple years.

†Losses incurred from non-cyber product lines from a cyber event.

‡As a point of comparison.

The role of the Board in risk management

The Board is at the heart of risk governance and is responsible for setting the Group's risk strategy and appetite, and for overseeing risk management including the risk management framework. The Risk Committee of the Board advises on how best to manage the Group's risk profile by reviewing the effectiveness of risk management activities and monitoring the Group's risk exposures, to inform Board decisions. More information on the Risk Committee can be found on pages 100 to 101.

The role of the Group risk team in risk management

The Group risk team is responsible for designing and overseeing the implementation and continual improvement of the risk management framework. The team is led by the Group Chief Risk Officer who reports to the Group Chief Executive Officer and the Risk Committee of the Board.

The team works with the first-line business units and transversal functions to understand how they manage risks and whether they need to make

changes in their approach. It is also responsible for monitoring how the business goes about meeting regulatory expectations around enterprise risk management. The second-line Group risk and compliance function is organised into dedicated business unit and Group-level teams, providing proximity to the business while enabling the provision of critical challenge to the business and ensuring robust risk management oversight.



Risk management in action: enhancing operational resilience

Lucy Currie
 Group Risk Director



With a continued focus on bringing together expertise from across the business to meet evolving risks head-on, this year saw a number of enhancements to existing operational risk management structures and processes, including a new Operational Risk Committee, an evolved set of operational resilience standards, and a new AI governance and ethics board.

“Our Operational Risk Committee has been a real catalyst,” says Lucy Currie, Hiscox’s Group Risk Director. “It’s brought together leaders from across operations, procurement, people, technology, data, and claims, and is already driving richer discussions on how we monitor the performance of critical suppliers and around lessons learned, like our response to the power outages in Iberia. It’s a space where we surface challenges and share solutions.”

The Committee’s remit includes people risk, third-party and supplier management, business processes, and data and AI governance. This ensures that key parts of the business are engaged in not only building resilience but also embedding it.

The work of the committee is supported by a set of operational resilience standards that were also enhanced this year. These standards represent a comprehensive Group-wide framework covering everything from documented incident response plans to rigorous IT testing and is designed to ensure

the business can withstand and adapt to disruptions.

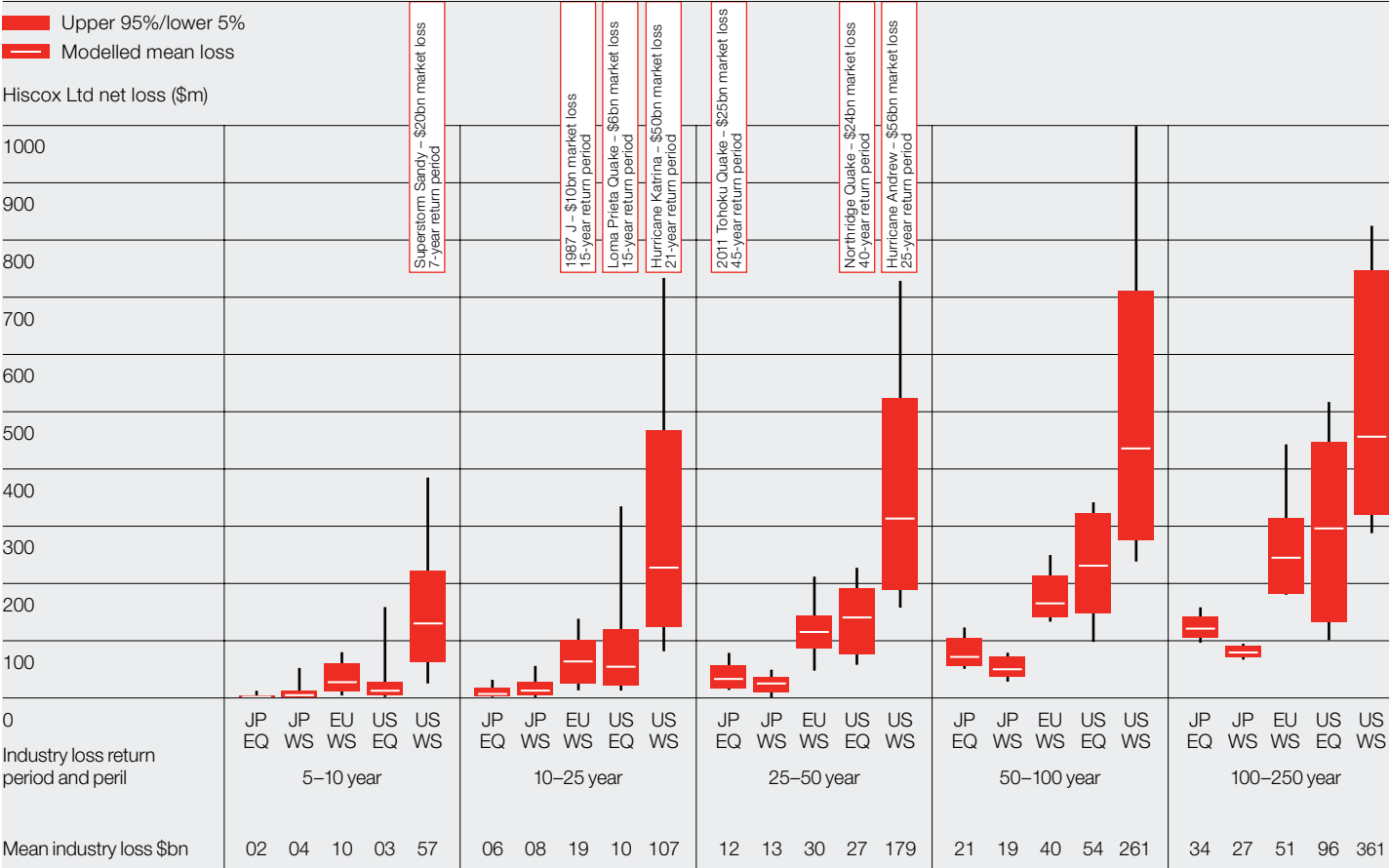
Regulatory expectations have also played a role in shaping the Group’s approach, driven by both new PRA and FCA operational resilience requirements in the UK and the Digital Operational Resilience Act (DORA) in Europe. Lucy explains: *“We’ve adopted a high standard for operational resilience and are applying it globally, so that all our business units and functions are held to the same high bar. That means rigorous gap analysis, regular testing, and a rolling programme of crisis management exercises, all designed to keep the business prepared for whatever comes next.”*

This forward-looking focus also applies to AI, and a new AI governance and ethics board set up during 2025 ensures that every use of AI aligns with the Group’s values and governance standards. Rather than focusing solely on efficiency or technical capability, the Board’s remit is to scrutinise whether proposed uses of AI are consistent with both legislation and the Group’s ethical standards. This complements existing forums, while sharpening the Group’s focus on AI risk and opportunity. *“It’s a significant step in embedding responsible innovation within our risk management framework. We look at every new AI initiative to make sure compliance and ethical considerations are built in from the outset, which is a prime example of where risk management can be a valuable part of the business solution.”*

Property extreme loss scenarios

Boxplot and whisker diagram of modelled Hiscox Ltd net loss (\$m) January 2026.

Stress tests and reverse stress tests are regularly performed and reported on to the Risk Committee of the Board. These include climate-related scenarios such as those shown in the chart below.



This chart shows a modelled range of net loss the Group might expect from any one catastrophe event. The white on the red bars depicts the modelled mean loss.

The return period is the frequency at which an industry insured loss of a certain amount or greater is likely to occur. For example, an event with a return period of 20 years would be expected to occur on average five times in 100 years.

JP EQ – Japanese earthquake
 JP WS – Japanese windstorm
 EU WS – European windstorm
 US EQ – United States earthquake
 US WS – United States windstorm

Key risks

As well as broader risks posed by economic and societal dynamics, as an insurance group we are exposed to a number of specific risks that relate to the nature of our business and operations. The key risks outlined below constitute the emerging and principal risks required under the UK Corporate Governance Code 2024.

The risk	Risk landscape and how we manage the risk
 Strategic risk The possibility of adverse outcomes resulting from ineffective business plans and strategies, decision-making, resource allocation or adaptation to changes in the business environment. The Group's continuing success depends on how well we understand our clients, markets and the various internal and external factors affecting our business, and having a strategy in place to address risks and opportunities arising out of this. Not having the right strategy, or not being responsive to changing market conditions, could have a detrimental impact on profitability, capital position, market share and reputation.	We consider strategic risks in a holistic way, to better prepare our business for emerging threats, shifting trends, and opportunities in the environment in which we operate. During 2025, we have remained vigilant to potential adverse impacts of economic, geopolitical, social, technological and regulatory developments on our Group strategy – for more information, see pages 18 to 19. Our Group strategy has clarity of focus to grow profitably by expanding the specialty model to new markets, transforming operations, deepening customer relationships and evolving our distribution channels, and we continue to focus on its execution. The external environment remains complex and uncertainties persist, but our robust strategy means that, despite the external headwinds, there is still tremendous opportunity for Hiscox in each of our chosen segments.
 Underwriting risk The risk that insurance premiums prove insufficient to cover future insurance claims and associated expenses. Likely causes include failing to price policies adequately for the risk exposed, making poor risk selection decisions, allowing insurance exposures to accumulate to an unacceptable level, or accepting underwriting risks outside of agreed underwriting parameters. This includes people, process and system risks directly related to underwriting, and considers emerging external risks such as climate, geopolitical and changing customer trends.	We continue to focus on maintaining and improving, where needed, the quality and balance of our portfolios, strengthening our pricing and risk selections, and growing where the opportunities are commensurate with the risk. During the year, we continued to navigate a set of complex external conditions impacting underwriting risk. These ranged from a continued volatile geopolitical environment (notably, US tariffs and the ongoing conflicts in Ukraine and the Middle East), macroeconomic shifts (with sluggish economic growth in the UK and Europe), emerging societal trends (such as increased propensity to litigation), and the impact of climate change. Our active monitoring of economic and social inflation, the impact from supply chain disruptions, the heightened threat of cyber attacks, and emerging litigation trends, has continued to allow Hiscox to respond promptly, ensuring our pricing keeps pace with costs. We continue to monitor and evolve our view of property exposure risks from natural catastrophes influenced by climate change through our set of realistic disaster scenarios (see page 42). Our underwriting exposure remains well within our Board-approved risk appetite levels and, in 2025, our business units have managed the cycle very well.

The risk	Risk landscape and how we manage the risk
 Reserving risk The Group makes financial provisions for unpaid claims, defence costs and related expenses to cover liabilities both from reported claims and from ‘incurred but not reported’ (IBNR) claims. Reserving risk relates to the possibility of unsuitable case reserves and/or insufficient outstanding reserves being in place to meet incurred losses and associated expenses, which could affect the Group’s future earnings and capital.	Our consistent and prudent reserving philosophy serves to manage the risk of insufficient reserves to cover claims cost and associated expenses. The Group’s reserve levels remain resilient and we continue to monitor and respond to the volatile macroeconomic environment through maintaining and enhancing processes focused on reviewing our key assumptions against emerging experience and explicitly allowing further reserve margins for uncertainty. Close monitoring of developments will continue in 2026.
 Credit risk There remains a threat of global recession, which could, in turn, increase default risk. There is also the risk of a reinsurance counterparty being subject to a default or downgrade, or that for any other reason they may renege on a reinsurance contract or alter the terms of an agreement. The Group buys reinsurance as a protection, but if our reinsurers do not meet their obligations to us, this could put a strain on our earnings and capital and harm our financial condition and cash flows. Similarly, if a broker were to default, causing them to fail to pass premiums to us or pass the claims payment to a policyholder, this could result in Hiscox losing money.	Many of our counterparties face the same external conditions as we do. We closely monitor our counterparty exposures on a regular basis, and our credit exposures remain within the Group’s risk appetite. We also take into account the economic outlook in our decision-making on outwards reinsurance purchasing.

The risk	Risk landscape and how we manage the risk
 Market risk There is the threat of unfavourable or unexpected movements in the value of the Group's assets or the income expected from them. This includes risks related to investments, for example, losses within a given investment strategy, exposure to inappropriate assets or asset classes, or investments that fall outside of authorised strategic or tactical asset allocation limits.	While the economic environment has remained volatile, returns on our fixed income portfolio remained strong through 2025. The Group also maintains modest exposure to selected non-fixed income investments which provide diversification benefits to the overall portfolio. We continue to look at incrementally improving long-term risk and capital-adjusted outcomes through further diversification across the wider investment universe.
 Liquidity risk The risk of being unable to meet customer or other third-party payment obligations from available resources as they fall due. This could result in higher than expected costs in selling assets or raising money quickly to meet our obligations.	The Group's liquidity risk appetite is designed to ensure that appropriate cash resources are maintained to meet obligations as they fall due, both in business-as-usual and stressed circumstances. This is measured using a liquidity coverage ratio, which compares liquidity sources to stress-tested liquidity requirements. The Group's liquidity position remains robust and we have access to further liquidity through our revolving credit facility and the debt capital markets if needed.
 Regulatory, legal and tax governance This relates to the risk that the business fails to act, or is perceived to have failed to act, in accordance with applicable legal, regulatory, and tax requirements in all of the jurisdictions where the Group operates. The regulatory, legal and tax environment continues to be complex, with frequent changes in rules and expectations which increase complexity in this area.	We monitor the regulatory, legal and tax compliance landscape for emerging changes to local and international laws and regulations in the jurisdictions in which we operate. Areas of regulatory development that we have continued to work on during the year have included proposed insurer resolution regimes (Bermuda, UK, and Europe), and the EU Digital Operational Resilience Act (DORA). In relation to tax developments, 2025 saw the introduction of Bermuda Corporate Income Tax as well as further development of the Global Anti-Base Erosion Model Rules (Pillar Two). This remains a live issue as the OECD works through the implications of the 'side-by-side' approach to Pillar 2, proposed by the USA and the G7 in June 2025, which may lead to further changes. An internal project is progressing on track to ensure that we are able to comply with the incoming Global Minimum Tax rules. We invest in proactive engagement with all of our regulators, including through our participation in the annual college of supervisors, hosted by the Bermuda Monetary Authority (BMA), which is an opportunity to update all of our regulators together on strategic developments across the Group.

The risk	Risk landscape and how we manage the risk
 Climate change-related risk This relates to the range of complex physical, transition and liability risks arising from climate change. It includes the risk of higher claims as a result of more frequent and more intense natural catastrophes; the financial risks which could arise from the transition to a low-carbon economy; and the risk that those who have suffered loss from climate change might then seek to recover those losses from others who they believe may have been responsible. Climate change-related risk is not considered a stand-alone risk, but a cross-cutting risk with the potential to amplify each existing risk type.	We continue to monitor climate change-related risk through a number of lenses, including underwriting selection, pricing, multi-year view of natural catastrophe risk, asset types, and developments in potential climate litigation. Every year we run a range of realistic disaster scenarios, in line with emerging trends and updated with our in-house climate research. We utilise investment ESG dashboards for each of our insurance carriers and have an overarching sustainability strategy for the Group which includes greenhouse gas reduction targets. More information on how we manage climate change-related risks can be found in our TCFD disclosure on pages 64 to 75.
 Operational risk This is the risk of direct or indirect loss resulting from internal processes, people or systems, or from external events. It includes cyber security risk, which is a constant threat due to the evolution of attack tools and methods, fuelling the ongoing challenge of maintaining the systems and processes necessary to protect the confidentiality, integrity or availability of information and data. Operational risk covers the potential for financial losses, and implications from a legal, regulatory, reputational or customer perspective.	Risks from people, process, systems and external events are closely monitored by senior executives across the business. We continue to evolve our operational risk management processes including our defences against, and response to, information security and cyber threats. Our information security policy is updated annually and approved by the Board. The policy sets out the Group's approach and commitment to information security, including the Group's requirements for a robust approach to protect, preserve and manage the confidentiality, integrity and availability of the Group's information assets and information systems (including technology infrastructure). It is supported by a suite of other policies. We also buy insurance against liabilities including but not limited to those related to cyber and information security risks. We regularly reassess our information security standards and methodologies to ensure appropriate governance and consistency has been applied to our approach. Our approach to information security risk management extends to third-party providers, so through our procurement and claims teams we ensure third parties receive notification of the security requirements expected of them upon contract signing and at contract renewal. Talent and capabilities risk is actively managed. We continue to monitor and adapt our hybrid working policies and practices to ensure that our workforce is equipped with the necessary skills and tools to succeed, and we are pleased to have maintained a high level of employee engagement in 2025 (see page 21). 2025 saw the acceleration of our transformation journey, which is a key enabler to achieving our ambitious growth plans. Risk management is fundamental to this programme and is embedded within the delivery framework.



From accountants
to photographers
to yoga instructors,
we protect small
businesses in
hundreds of
industries.

Get a quote
at [Hiscox.com](https://www.hiscox.com)



Underwriting by Hiscox Insurance Company Inc.,
a Chicago based insurer.

Orla and Noa Maxwell, pictured at home with their dog, Badger.

CLAIMS REIMAGINED



Delivering exceptional claims experiences has always been core to Hiscox, and during 2025 the Group continued to evolve its capabilities with customers in mind. So, what does great claims service look like now for Hiscox?



CREATING ADVOCATES

The Maxwell family’s journey with Hiscox began over 15 years ago, sparked by a recommendation from a trusted friend. *“He was telling me about a claim he’d had with Hiscox following some smoke damage to his home and how straightforward and stress-free that experience had been, and I took note,”* Noa Maxwell recalled. The impression left by that story was strong enough for him and his wife, Orla, to go on to make Hiscox their home insurer of choice.

It was only years later that the family came to fully appreciate the value of the Company’s claims approach. High winds during a storm damaged part of the dormer roof,

with water damage affecting some of the upstairs of the property, and a failure in the drainage system caused flooding to the ground floor kitchen due to the volume of rainfall. The required remediation works included removing the kitchen, below-floor investigations, comprehensive drying, replacement flooring, and extensive redecoration. Given the scale of the damage and disruption, the family of five – and their two dogs – were temporarily relocated while repairs were completed.

“We were amazed how understanding Hiscox was,” Orla shared. *“We had a single ‘point person’ at Hiscox that we could deal with from the beginning and that we could always reach directly. I was concerned about all the disruption and upheaval, especially our move into temporary accommodation while the damage was rectified. The prospect of trying to find somewhere local for us to decamp to that would still be convenient for us for work and for the children was*

daunting, but the Hiscox claims handler we dealt with was incredibly helpful and just dealt with every hurdle for us in a really efficient and simple way.”

What truly set Hiscox apart for Noa was the human touch. *“I’d expected the process to be laborious, with lots of paperwork to complete, when in fact it couldn’t have been more human and reasonable,”* he reflected. *“We were initially worried about damage to our kitchen cabinets, or to appliances, but there was just no argument on any of the small things that could have been quite big things to us, and that made the whole thing brilliantly worry-free.”*

Now, back at home, their experience has made them passionate advocates for Hiscox, sharing their story with friends and family, and Noa has also insured his business through Hiscox. *“The reason we joined Hiscox is someone telling us a story a bit like this and I’m so glad they did. Now we do the same with our friends.”*



Claims expertise aligned to local customer needs

Our approach to claims is rooted in aligning the right expertise to each claim, so that customers are supported by professionals with deep knowledge of their specific needs. Our claims teams include qualified lawyers and recognised market-leading experts and is structured by both line of business and geography, so that our local claims experts are empowered to make decisions and solve problems swiftly.

It’s an approach that’s supported by communities of practice across regions, through which knowledge and specialist skills can be shared. During 2025, this included building on our existing practice groups in areas such as technical claims and change, to connect experts and share the best of Hiscox across technical lines of business. This means we’re able to leverage our global scale to bring the best of Hiscox claims to every single corner of the business.

Customer-focused claims innovation

Our use of technology is focused on giving our customers more choice in how they interact with us if they need to make a claim.

For more straightforward claims – such as the loss or theft of equipment – where we know customers value speed and efficiency, we are using technology to triage and process claims swiftly and seamlessly. In 2025, this resulted in one in nine of our retail claims being paid on the same day as the customer submitted the claim to us.

When it comes to more complex claims, such as professional negligence or a devastating house fire, we know that customers value one-to-one, expert



RECEIVING THE RIGHT SUPPORT

Our evolving capabilities mean that every customer receives the right level of support, through the channel of their choice, with empathy and efficiency at every step.

Steve Parry
 Group Claims Director



attention. In these instances, we provide customers with a single Hiscox point of contact that will support them through the process – all the way through from notification to resolution.

Our use of technology in claims is also focused on delivering quicker outcomes for customers.

During 2025, this included the integration of claims into our existing broker portals in Europe, and the trialling of new automated coverage assessment tools that, during

proof of concept, have accelerated claims processing by as much as 20%. We plan to expand on these capabilities throughout 2026, including in the USA where we’re looking at the use of agentic AI in the claims notification process to further enhance customer convenience.

In the UK, the introduction of AI-powered assistants to support with administrative tasks is freeing up two to three hours per week for each of our claims handlers to spend on increased service delivery and hands-on, human support to our customers, with more time savings to be realised over time.

In our London Market business, we continue to build on our successful collaboration with Google Cloud, which has already transformed our lead underwriting process by applying those same principles in claims. This includes the automation of manual claims tasks, which is freeing up our claims teams to support customers where they are most needed.

Protecting customers amidst a changing claims landscape

Insurance fraud remains a feature of our industry, which is why we’re committed to protecting genuine customers by continually strengthening our approach to fraud detection. By tackling fraud at every stage of the customer journey – whether that’s application fraud, claims fraud or fraud that occurs during the policy lifecycle – we protect genuine customers, reduce avoidable cost, are able to keep premiums fair, and can focus our resources where they are most needed.



HISCOX CLAIMS IN ACTION

\$2bn

paid out in claims in 2025.

340+

Hiscox claims professionals worldwide.

76

Retail claims net promoter score
in 2025.

Over two-thirds

of all retail claims paid.

1 in 9

retail claims paid on the same day as
the customer submitted the claim to us.

Shared expertise

centres of excellence in areas
including fraud and recoveries, vendor
management, quality assurance and
indemnity management.

During 2025, we continued to invest in our dedicated fraud teams across the UK, London Market, USA, and Europe, and standardised our fraud governance and training approach to ensure that every claim we receive is assessed with both expertise and care.

Our use of people-led fraud detection paired with advanced data and technology solutions is helping us to detect fraudulent attempts – from doctored documents to stock photography – even quicker. This not only enhances fraud prevention but also helps us to create frictionless experiences for those customers whose claims can be resolved quickly and efficiently.

In 2025, we more than doubled fraud and recovery savings and while the claims landscape continues to change, so too does our approach through our use of both technology and training – with further enhancements planned for 2026.

Listening to our customers

We regularly conduct research and focus groups with customers across a range of geographies and demographics to understand and adapt to their evolving preferences. During 2025, this included engaging with customers who had experienced a property claim to understand the effectiveness of the claims journey and the communications they receive at every stage of the process. We also spoke to prospective customers about what a good claims journey would look like to them and made adjustments based on the collective feedback we received.

We track our claims net promoter scores (NPS) across the organisation, with consistently positive results, and regular quality assurance reviews and insights from customer feedback are used to continue to improve our processes. Our obsession with learning from both positive and negative experiences drives ongoing enhancements to our claims journey. ■

THE POWER OF PARTNERSHIP

Stakeholder engagement



We approach all of our stakeholder relationships professionally and pragmatically, and their inputs help to shape our business.

As a global business, we have diverse stakeholders with diverse interests, so understanding what matters most to them through regular engagement is an important part of our decision-making processes.

We engage with stakeholders at every level, including Board level, to build positive relationships, respond to their areas of interest, and ensure their expectations of Hiscox are met.

Our key stakeholder relationships will be managed in different parts of the business, and in different ways. However, they are united by a common Hiscox approach, driven by our values, and each has an appropriate degree of Executive involvement and Board oversight.



Stakeholder engagement in action: Broker Accelerator

Alastair Burns
Head of Broker Accelerator



Business written through brokers remains the largest distribution channel for the Group, and in 2025 Hiscox launched Broker Accelerator to revolutionise the way it manages its relationships with key broking partners.

Broker Accelerator complements the work that takes place in each geography and business unit today, by harnessing the full strength and capabilities of Hiscox to provide brokers with more value, more support, and faster access to Hiscox expertise in a 'One Hiscox' way.

As Alastair Burns, Head of Broker Accelerator, explains: "Brokers can now tap into the whole of Hiscox much more easily and benefit

from our collective capabilities for smarter, more effective problem-solving. It's about demonstrating to our brokers that we can bring more than just a single piece of the puzzle to them at any one time."

The impact of this approach is already being felt and the feedback from brokers has been positive. Cross-border collaboration has enabled Hiscox to support brokers in new markets this year and, where pragmatic, mutually beneficial deals have been struck by leveraging relationships across regions.

The Group will build on this work in 2026, particularly in relation to broker intelligence, to ensure that data and insight are accessible and shared.

As Alastair concludes: "Our approach sets us apart in the market. We're big enough to meaningfully collaborate with global brokers, but agile enough to bring our component parts and capabilities together for those big valuable broker conversations around how to help them build their business, through serving their customers better."



Customers

We have over 1.7 million retail customers worldwide and providing each of them with products they can rely on is what we are here for.

[Read more on pages 48 to 51.](#)

How the business engages with customers

- We conduct both quantitative surveys and qualitative research with thousands of customers each year – including feedback after they have bought a product or made a claim – which help to continually improve our offering.
- We measure the health of our brand through regular brand tracking surveys which assess consumer brand awareness and perception, and inform marketing and sales activities.
- We use a combination of customer insight and claims experience to develop our risk transfer products and risk mitigation tools. These include our cyber exposure calculator, the cyber training we offer through our CyberClear Academy, and Leakbot – an early warning leak detection tool we offer all UK high-value home customers to help mitigate escape of water claims.
- During 2025, we introduced ‘structured solutions’ in our London Market business to provide customers with multi-year pricing certainty and access to specialised cover that is more closely tailored to individual customer needs (see page 25).
- In our London Market terrorism business, we offer a risk mitigation allowance to support our clients with readiness activities that help them to reduce the risks they face, for example through the testing of crisis management or business continuity plans, or via team training.
- In our capital partners division, we hold an annual summit for our fund and sidecar investors to showcase the depth and breadth of the Hiscox proposition and emphasise what makes Hiscox different as a potential investment partner in the reinsurance and ILS space.

How the Board engages with customers

- The Board receives updates on customer research and insight work, and on customer-focused regulation as appropriate, for example the UK’s Consumer Duty regulation.

Outcomes of engagement and relevant KPIs in 2025

- Customer satisfaction scores (see page 21).
- Paid out \$2 billion in claims to customers.
- Claims transactional net promoter score of 76 (see page 21).
- Provided over 1,200 Leakbot devices to customers and, of these, almost a third detected a leak within the first three months of installation – reducing both damage to property and costly escape of water claims.



Shareholders

We maintain ongoing engagement with our shareholders, focusing on our clear strategy, strong underwriting discipline, and sound capital management.

How the business engages with shareholders

- Our Group Chief Executive Officer, Group Chief Financial Officer, Group Chief Underwriting Officer and Director of Investor Relations meet with existing shareholders, potential investors and research analysts regularly to discuss our strategy, trading conditions, business performance, and other factors affecting our operations.
- We conduct annual investor roadshows each year in the UK, USA, Europe and the Middle East.
- We participate in a range of investor conferences across regions.
- We report to the market on Company performance four times per year, with interim and preliminary results also shared via an online webcast which is open to capital markets stakeholders to attend. These materials are available on our corporate website and as an email alert for subscribers.
- We publish our Annual Report and Accounts each March, giving shareholders a more detailed view of the business.
- During 2025, we held our first Capital Markets Day, providing shareholders with more information on our retail businesses and the size of the retail opportunity, and introducing a number of new financial targets.

How the Board engages with shareholders

- Board members engage with shareholders as part of our AGM.
- Board members engage with shareholders at other key governance moments, for example around remuneration policy review periods.

Outcomes of engagement and relevant KPIs in 2025

- Over 300 attendees to our first Capital Markets Day.
- All 2025 AGM resolutions passed with a significant majority.
- Held over 470 meetings with over 250 investors, representing approximately 76% of our issued share capital.



Colleagues

Our people are critical to the successful delivery of our strategy and ambitions. We want to build teams that are as diverse as our customers and create a vibrant work environment where every colleague feels a sense of belonging and can thrive.

Read more on pages 56 to 60.

How the business engages with colleagues

- We conduct quarterly colleague surveys on topics such as leadership, well-being and communication.
- We hold quarterly all-colleague ‘connected’ interactive events sharing strategy updates, financial results, and news from across the Group, as well as a Q&A session.
- We host monthly briefing sessions with leaders and managers to equip them with the information and tools they need to lead and support their teams.
- We hold an annual Leaders and Partners event, which brings together our most senior leaders from around the world for discussions on strategy, ambition, plans and performance.
- We hold a range of business unit and function-specific all-colleague events, including an annual launch event in the USA where business plans are shared and a UK strategy roadshow where colleagues can find out more about our strategic priorities and performance from our UK leaders.
- We publish real-time updates via our intranet, The Gallery, and newsletters that highlight work from around the Group including business unit performance, sustainability, charitable giving and volunteering.

How the Board engages with colleagues

- Our Employee Engagement Network, led by Hiscox Ltd Board Director and Employee Liaison, Beth Boucher, helps to inform Board decision-making (see page 91).
- Ltd and subsidiary Board members also attend our annual Leaders and Partners event.
- The Board receives reports from our People team on matters including employee engagement scoring and key inclusion metrics.

Outcomes of engagement and relevant KPIs in 2025

- High global employee engagement score maintained for the fourth consecutive year at 82%.
- Promoted 275 colleagues.



Brokers

The risks we write through brokers account for around 84% of our business, and we look to build strong and lasting relationships with those that share our values.

How the business engages with brokers

- We hold an annual preferred broker summit for our UK brokers, to share insight and expertise, and a London Market broker academy to educate and inform.
- We also hold an annual claims insights day, hosted by our London Market claims team and providing junior claims brokers with informative sessions on our claims ethos and process, with workshops led by loss adjusters and lawyers.
- Each year we measure broker satisfaction with our products and services, with the results informing future plans.
- We participate in key industry events in every part of our broker-facing business, including BIBA, a UK insurance conference; the CIAB, a US marketplace meeting for commercial property and casualty brokers and insurers; and in our big-ticket businesses, Monte Carlo, Baden Baden, and RIMS.
- We produce thought leadership that enhances our broker relationships and our position as experts in our chosen areas. In 2025, this included our cyber readiness report which examines the cyber threat landscape, ‘HAT 100’ which explores key trends in the contemporary art market, and a new protection gap report examining underinsurance among SMEs.
- We conduct experiential broker events, which in 2025 included ‘elements’, a unique event exploring the risks associated with the elements of earth, wind, air and fire.
- We conduct broker roadshows in a number of markets, which in 2025 included a four-stop Irish roadshow focused on cyber and a four-stop Spanish roadshow focused on AI and digital transformation.
- We introduced a new Global Broker Relations role and global broker programme during 2025 to bring the best of the whole Hiscox Group to our partner brokers around the world.

How the Board engages with brokers

- Our Executive Directors support our largest broker relationships, attending meetings and events throughout the year.

Outcomes of engagement and relevant KPIs in 2025

- Seventy brokers attended our UK preferred broker summit.
- Nineteen participants in our London Market broker academy.
- Over 80 participants in our ‘elements’ experiential event at Lloyd’s of London.



Regulators

We are a global business with a responsibility to engage with regulators in all jurisdictions where we operate. The Group is regulated in Bermuda and has regulated subsidiaries worldwide, and in 2025 met all material regulatory reporting obligations.

How the business engages with regulators

- Our Chief Compliance Officer and compliance teams worldwide lead our relationships with regulators and maintain regular dialogue with them throughout the year.
- We maintain a regular cycle of stress testing and scenario analysis to ensure we manage risk well and evolve at the same pace as the risks we cover. This includes both in-house stress testing and scenario analysis, as well as industry scenarios which we report on to the relevant regulators.
- We contribute to the regulatory change process, both directly and through our membership of trade associations such as the ABIR and the ABI. This helps us to ensure that we remain compliant in an ever-changing regulatory environment.
- We speak at relevant industry events which are often attended by some of our regulators. In 2025, this included participation in the Insurance Innovators Summit in London, where our Head of Fraud and Recoveries contributed to a panel debate on insurance fraud.

How the Board engages with regulators

- We are long-standing contributors to the annual supervisory college which is hosted by the BMA as our Group supervisor and provides an important opportunity each year to present a consistent message to all of our regulators on issues of common interest. This is attended by all of the Executive Directors, as well as other members of the GEC.
- Many of our Independent Non Executive Directors have one-to-one meetings with our regulators as part of their regular programmes of engagement.

Outcomes of engagement and relevant KPIs in 2025

- Eleven regulatory officials participated in the BMA supervisory college.



Suppliers

Our suppliers are an important extension of our in-house expertise, which is why we aim to work with like-minded businesses that share our purpose.

How the business engages with suppliers

- Rigorous global procurement processes ensure robustness in our practices and contribute to new and existing supplier relationships.
- Periodic assessment of existing supplier relationships ensure these remain productive and valuable.
- Our supplier code of conduct applies to both suppliers and sub-contractors, and is shared with suppliers during the onboarding process and reshared during periodic assessments.
- Our annual Supplier Partnership Summit brings together our supplier community to share learnings and celebrate success, and to honour those suppliers who are best in class at helping us deliver for our customers, with award recognition including best claims supplier, best technology supplier, best approach to risk mitigation, and best initiative to deliver social value.
- During 2025, we continued to embed the use of ESG ratings in our supply chain beyond our largest suppliers and those with an existing independent ESG rating.
- During 2025, we continued the roll-out of our new source-to-pay solution, delivering enhanced supplier oversight and faster payments to partners and suppliers.

How the Board engages with suppliers

- Our Executive Directors contribute to decision-making when it comes to our largest suppliers and have been involved in key selection and onboarding processes in 2025, including the selection of a new services provider with experience in supporting some of our functional activities.
- The Board receives an annual report on suppliers, covering supply chain strategy and spend.

Outcomes of engagement and relevant KPIs in 2025

- Over 100 new suppliers in the UK and Guernsey onboarded to source-to-pay solution.
- Suppliers with an ESG rating, using a recognised external data provider, represented 46% of third-party spend.

MOVERS AND SHAKERS

People



As our business evolves at pace, so too does our approach to how we attract, develop and retain talented and ambitious people. In 2025, that included investing in areas such as data fluency and how we manage and lead.

Nicola Grant
Chief People Officer



Building a vibrant, engaged and inclusive workforce matters to us. Creating an environment where there are no barriers to fulfilling your potential, and that reflects the communities where we live and work and the customers we serve, has been a strategic priority for Hiscox over a number of years, because we know it makes us a better, more sustainable and resilient company, ready to meet future challenges and seize opportunities.

Invest in the skills of the future

As a growing business, a cornerstone of our people strategy is having the right talent, with the right skills, in the right place, at the right time. During 2025, we continued to transform our approach to learning and development (L&D) in support of meaningful business outcomes and enhancing our learning agility. Following enhancements made

in 2024 to our Hiscox Learning Hub, and the launch of a LinkedIn Learning partnership, we have scaled our L&D offering to deliver learning experiences through digital, personalised, self-paced learning. As a result, during 2025 our people completed over 81,000 hours of learning worldwide – an increase of over 59% year-on-year.

We also launched new learning academies in 2025 as part of our strategy to build the skills of the future. These cover underwriting, sales, claims, leadership, technology and data, and were built in partnership with the business.

We continue to build a data-driven culture and during 2025 conducted a comprehensive data fluency survey to understand current data skills and confidence levels across the

People strategy
Our people strategy consists of three pillars and is designed to enable business success by empowering our people and supporting them to thrive.

Invest in the skills of the future that can support our growth plans.

Develop great leaders and managers that can attract, retain and inspire their teams.

Build a great place to work, with top quartile engagement, a diverse and inclusive workforce, and market-leading people experiences.



82%

High global employee engagement score maintained for the fourth consecutive year.

Group – using real-world scenarios to assess how each role accesses, analyses, and communicates with data. This generated a persona for each employee and a tailored learning pathway designed to build both skills and confidence.

In addition, a relaunched global induction programme provides new joiners with a structured and interactive learning journey aimed at speeding up their path to productivity. Cumulatively, these enhancements to L&D are enriching careers and equipping our people with the skills they need to thrive now and in the future.

Develop great leaders and managers

In 2025, as part of a sharpened focus on nurturing a high-performance culture, we further evolved our approach to developing great leaders and managers.

We hold regular manager and leader briefings, which are supported by consistent information cascades and our leadership learning academy. This year, we also introduced a global leadership framework and a suite of programmes designed to equip leaders and managers with future-ready skills. Delivered through digital pathways, peer coaching and virtual classrooms, these programmes combine flexibility and measurable impact, with 2025 sessions covering topics such as AI, data culture, performance management, and effective change management. This suite of programmes will continue to roll out during 2026.

Supporting our leaders and equipping them with the information and tools to lead effectively is integral to creating an environment where

teams feel inspired, engaged and empowered to deliver exceptional results. Leaders shape the environment in which teams operate; driving engagement, collaboration and innovation. By aligning leadership development with cultural activation initiatives, we are embedding behaviours that drive accountability, collaboration and continuous improvement. Together, these efforts ensure leadership capability and cultural change move hand-in-hand, enabling us to attract, retain and inspire talent while building a consistently high-performance culture.

Build a great place to work

Top-quartile engagement

The quarterly pulse surveys introduced in 2024 have been refined to capture more real-time employee experiences and support timely action. Pulse survey participation in 2025 was consistently above 80%, and we are proud to have maintained a top-quartile engagement score of 82% for the fourth consecutive year. Through these pulses, we have explored areas such as communications, strategy, change, leadership, and inclusion and wellbeing, with the feedback received further shaping our approach.

We also continue to listen to our people and capture valuable feedback through our Employee Engagement Network (see page 91).

Market-leading people experiences

As part of our focus on delivering seamless, digital, people experiences, 2025 saw the launch of our new Benefits Hub, a personalised one-stop platform for accessing benefits including healthcare, retirement plans and wellness programmes.

In response to employee feedback, this year we also provided greater freedom to tailor benefits to suit individual lifestyles – such as more choice around pension and life assurance options, and holiday trading – and enhanced our existing benefit options with charity giving and the introduction of an electric vehicle leasing scheme.

A diverse and inclusive workforce

We seek to create a diverse and inclusive environment that reflects the world we operate in, and where our employees feel they belong and can thrive. Diversity, equity, and inclusion are not standalone initiatives; they are woven into the fabric of our business strategy and are essential to our growth, resilience, and ability to meet future challenges. Our DEI standards are built into the employee experience, from recruitment to development and succession planning, performance management, and reward and recognition – ensuring a consistently inclusive approach at every career stage.

We are proud of the progress we have made, including achieving gender balance on our Board. However, we recognise that there is more to do, particularly in increasing ethnic minority representation at senior levels.

Our DEI strategy is underpinned by robust governance and accountability. Plans are informed by data, including our global culture and conduct dashboard, which supports our monitoring of organisational health in areas including customer outcomes, employee engagement and wellness. Our efforts are guided by the Hiscox Ltd Board DEI policy and our Group DEI policy, which applies to all employees. These policies



Meaningful external partnerships

We want the insurance industry to be an attractive and inclusive place to build a career, which is why we also participate in industry groups including the Lloyd's of London Inclusive Futures programme, the Insurance Inclusion Diversity Forum, enei Member Forum and We Are The City to make a difference alongside peers.

Lloyd's of London
Inclusive Futures programme



enei Member Forum



We Are The City



are publicly available on our website at hiscoxgroup.com/about-hiscox/group-policies-and-disclosures.

We also have a number of passionate employee networks, which focus on building communities and support around specific populations and promote a sense of belonging. These networks continue to play a vital role – from Global Abilities (disabilities and neurodiversity), Pan African, Generations, Latino, Parents and Carers, Pride (LGBTQ+), WeMind (mental health), Muslim, and Women at Hiscox. Activities during 2025 included #IAmRemarkable empowerment workshops, Menopause Talks drop-in sessions, an LGBTQ+ mentoring programme, a Fast-a-day challenge during Ramadan, and Pride celebrations.

Board DEI objectives and 2025 progress

Ensure a diverse* and effective Board
Page 79 of this Annual Report sets out the diversity of the Board at 31 December 2025. We have improved the gender diversity of the Board during 2025 and meet or exceed the requirements of the Davies and Hampton-Alexander reviews (as precursors of the current FTSE Women Leaders Review), the current FTSE Women Leaders Review and the UK Listing Rules targets for gender balance at Board level. We have also had at least one ethnic minority Director since 2016.

The diversity and effectiveness of the Board is reviewed as part of the annual Board performance review (see page 90) and through the work of the Nominations and Governance Committee (see pages 96 to 98). This approach is supported

by the Hiscox values (see page 9) which promote an open and inclusive environment.

Ensure that all Board appointments are considered on merit within the context of the strategy requirements and diversity considerations

Each July, the Board and Committee review the talent plans for Senior Management and, each November, the Board succession plans. Diversity is taken into account as part of this process and similar talent reviews are replicated throughout the business. Our use of search firms assists in both reviewing the market and addressing our diversity considerations. See pages 97 to 98 for more information on Board appointment processes undertaken in 2025.

Ensure that the overall workforce is diverse and inclusive

The Board and Committees receive updates on matters including DEI plans, employee retention, engagement and culture via specific reports and the culture and conduct dashboard. See page 60 for a breakdown of diversity at Hiscox at 31 December 2025.

Gender and ethnicity reporting

We have fulfilled our UK obligations to report our gender pay gap ratios with respect to our UK subsidiaries, and published our latest annual gender pay report during the year. This report sets out in detail the gender-related programmes and initiatives we pursued during 2025 and can be viewed at hiscoxgroup.com/genderpayreport2025.

We also report our Board and Executive Management diversity data as at 31 December 2025 in accordance

with the UK Listing Rules targets and associated disclosure requirements – see page 60.

As at 31 December 2025, the Board comprised 50% women and there were two Directors from an ethnic minority background. Since August 2024, one of the four FCA-specified positions on the Board (Chair, Group Chief Executive Officer, Group Chief Financial Officer or Senior Independent Director) has been held by a woman.

We are committed to enhancing ethnic diversity within our Senior Management† team, in alignment with the updated Parker Review. Our global representation has increased from 11% to 13% among our Senior Management members‡ since December 2024, against a global target of 13% by the end of 2027. In addition, among our UK-based senior management members, ethnic minority representation has increased from 9% to 11% since December 2024, against a target of 12% by the end of 2027.

*Diversity of gender, social and ethnic backgrounds, cognitive and personal strengths.

†For the purposes of the Parker Review, Senior Management includes the Group Executive Committee (the most senior executive body below the Board) and the Company Secretary, and their direct reports, excluding administrative and support staff.

‡An additional 13% of our Senior Management live in countries where we do not currently collect ethnicity data and therefore are not reflected in our ethnic minority metrics.



People in action: defining our behaviour blueprint

Brett Skinner
 Product Manager – Leadership and Talent



In support of the Group's ambitious growth plans, the business has this year developed the Hiscox behaviour blueprint, a framework designed through multi-layer collaboration with colleagues to make cultural evolution tangible and actionable across the organisation.

"Not all businesses place the same importance on culture, values and behaviours as Hiscox does, but for us these elements have been a long-standing differentiator," says Brett Skinner, a Product Manager for leadership and talent within the Hiscox people team. *"Regardless of role or geography, there are universal traits that make Hiscox feel like Hiscox, and the work we've done this year has been about capturing that and pressure-testing that those traits can support our growth ambitions."*

Hiscox worked with a third-party provider to combine external expertise with internal insight. The process began with an online 'thought exchange' tool, through which nearly 700 representative colleagues were invited to anonymously share what behaviours they saw consistently today, as well as opportunities to evolve them for the future.

Brett explained: *"We saw really high levels of engagement in this process, as colleagues were able to not only make suggestions but also vote on the suggestions of others. People were candid about what we're getting right*

and what we might need more or less of."

Generating almost 200 unique suggestions and over 5,000 ratings, these were initially distilled into key themes and further refined through smaller focus groups and leadership engagement. The final product focuses on three behavioural pillars – being united as one Hiscox, making customers our highest priority, and consistently delivering high performance – with behavioural underpins that are tailored to different employee groups including leaders, managers, and individual contributors.

"This year has been about encouraging curiosity and dialogue, and embedding the blueprint into our existing performance management and talent acquisition processes," says Brett.

But the work doesn't stop there. *"From 2026 we'll start to track both understanding and adoption through our quarterly all-colleague pulse surveys, and our new recognition system will celebrate where we see these behaviours being lived."*



Our policies are publicly available on our website at hiscoxgroup.com/about-hiscox/group-policies-and-disclosures.

Gender/sex diversity at 31 December 2025

	Number of Board members	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID and Chair)	Number in Executive Management*	Percentage of Executive Management*	Percentage of Executive Management and direct reports†	Percentage of all employees
Men	6	50%	3	6	50%	59%	51%
Women	6	50%	1	6	50%	41%	49%
Not specified/prefer not to say	–	–	–	–	–	–	<1%

Ethnic diversity at 31 December 2025

	Number of Board members	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID and Chair)	Number in Executive Management*	Percentage of Executive Management*	Percentage of Executive Management and direct reports†	Percentage of all employees
White British or other white (including minority-white groups)	10	83%	3	9	82%	78%	75%
Mixed/multiple ethnic groups	–	–	–	–	–	6%	3%
Asian/Asian British	2	17%	1	2	18%	4%	8%
Black/African/Caribbean/Black British	–	–	–	–	–	5%	7%
Other ethnic group, including Arab	–	–	–	–	–	1%	3%
Not specified/prefer not to say	–	–	–	–	–	6%	4%

*For the purposes of the UK Listing Rules, Executive Management includes the Group Executive Committee (the most senior executive body below the Board) and the Company Secretary, excluding administrative and support staff.

†For the purposes of the UK Corporate Governance Code, Senior Management (which for consistency we refer to as Executive Management in the tables above) includes the Group Executive Committee and the Company Secretary and their direct reports.

Our approach to gender/sex and ethnicity data collection and reporting is consistently applied in the countries where we collect this data, according to local law and custom. We use the Group's online HR management system, Workday, to collect and securely store this data.

In all countries, employees can choose to self-report their gender/sex (male/female) or specify that they 'prefer not to say'.

In the countries where we collect ethnicity data (currently the UK, Bermuda, USA and Guernsey), employees can choose to self-report their ethnicity, specify that they 'prefer not to disclose', or not provide an answer at all (leave blank).

The self-reported ethnicity options provided in each country are aligned to the options provided in that country's government census, and have been collated corresponding to the UK Listing Rules' prescribed categories by our People team. Any ethnicities reflected in a country's census that do not align with one of the prescribed categories in the table were included in the 'other ethnic group' row data.

The data reported here includes the self-reported data provided by our employees in the countries where we collect the data. For any data categories where an employee has not provided a response, these employees are counted in the 'not specified/prefer not to say' row. We do this so that, to the best of our abilities, all employees in the countries where we collect the data are accounted for.

The data does not include employees in countries where we were unable to collect data. Note: some totals may not tally due to rounding.

If a client wants
compensation because
they allege a
5-year-old could
of done a better
job, Hiscox could
help protect you. 😊

.....

The story of
your business
underwritten by


HISCOX
Business Insurance

EXPANDING OUR HORIZONS

Our European leaders talk growth in existing markets and expansion into new geographies.

Contributors:
 Robert Dietrich, Chief Executive Officer, Hiscox Europe
 Valentine Studer, Managing Director, Hiscox Southern Europe
 Tim Bethge, Managing Director, Hiscox Northern Europe



The European market represents one of the most significant growth opportunities for the Hiscox Group. Last year, the team expanded into a new country for the first time in over a decade and continued to drive growth across the region. European Leadership Team members Robert Dietrich, Valentine Studer and Tim Bethge give their perspectives on what makes the road ahead so exciting.

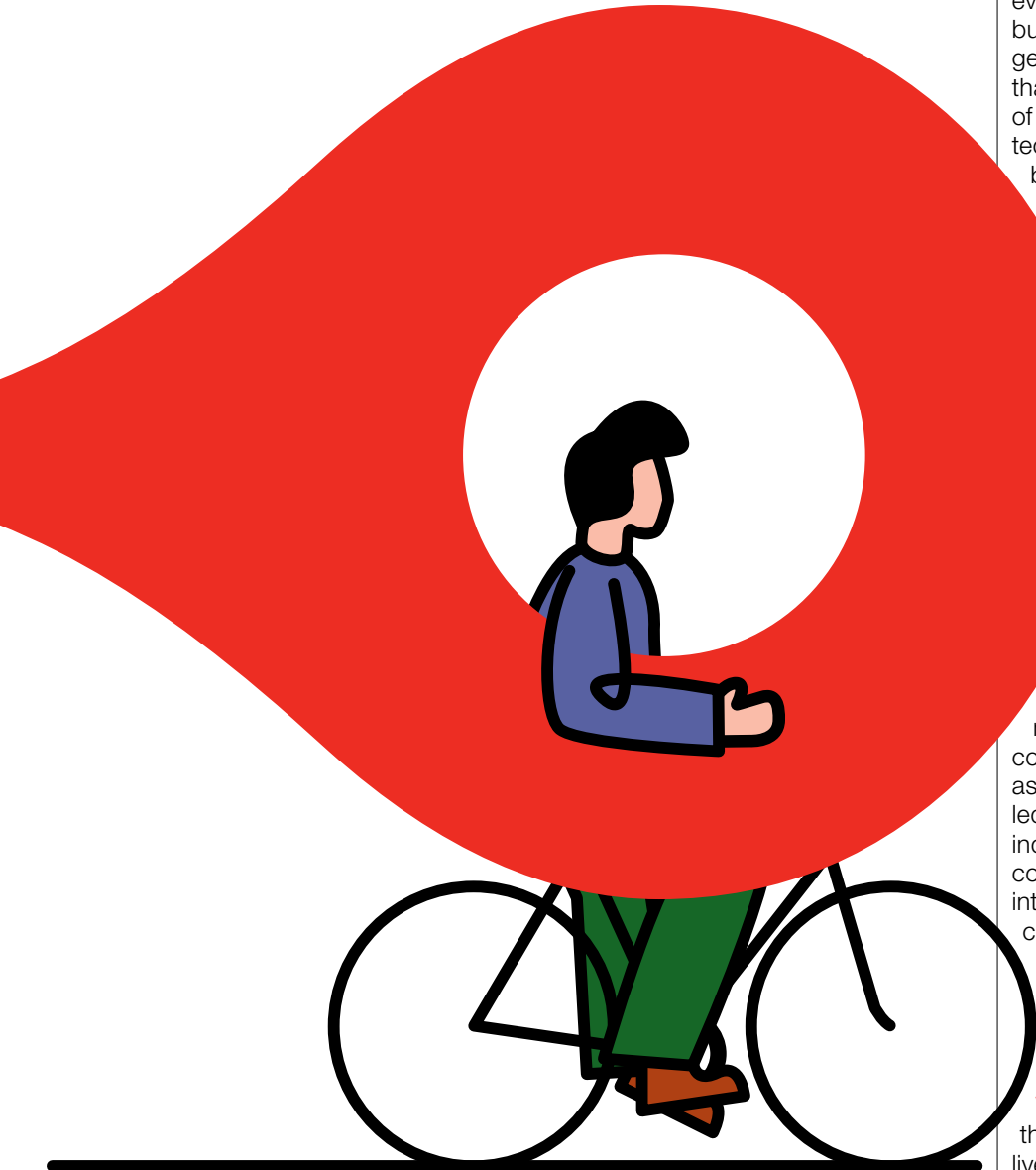
Q: You highlighted the structural growth opportunity you have in retail at your Capital Markets Day in 2025. What excites you most about the European market for Hiscox?

Robert Dietrich: The opportunities for us in Europe are enormous. For commercial insurance, Europe is the second largest market after the USA and, even though we are a well-established business, it feels like we are only just getting started in terms of tapping into that potential. We already lead in some of our core lines of business such as tech and cyber insurance, and we're building our market position in other areas – high-value home, health and beauty, recruitment companies for instance. Our geographic diversity is a strength and the feedback we get from our partners is incredible; we're winning awards and developing innovative products that our customers value. This is a very exciting time for us.

Q: Which products are having the biggest impact on customers across the region?

Tim Bethge: In Germany, cyber is one of our flagship products, and there is still a significant insurance gap in this area among SMEs across most of our European markets. We constantly review and refine our products as the risk landscape changes, which led to the launch of our professional indemnity product for technology companies, and our cyber upgrade. Our integrated approach allows us to deliver comprehensive insurance packages that are customer-led rather than product-led, and that opens up a huge opportunity to do more for the people and businesses we serve.

Valentine Studer: We're very proud that France was the first market to go live with the new cyber product during





OPPORTUNITY KNOCKS

Italy had been interesting to us for a while; it's a huge market and it was the only large European country where we didn't have a presence. It's a fascinating market, with more SMEs than Germany and significant opportunities for product innovation.

Robert Dietrich
Chief Executive Officer
Hiscox Europe



4.3m

Number of nano/micro enterprises in Italy (defined as those with less than ten employees).

50%+

Brokers control over 50% of specialty business in Italy and prefer to work with multi-product partners.

\$4bn

Size of the servicable addressable market in Italy for Hiscox.

understand insurance gaps, and help our customers to more easily access the products they need.

Tim: One of the aspects that really impressed me when I joined the business in September was the ease with which the team have adopted generative AI in their day-to-day operations. For example, our D&O team developed an AI prompt that pre-underwrites basic submissions, making underwriters more productive. On the claims side, we're using AI to analyse and summarise complex documents, which helps us to more effectively manage claims volumes. And from an underwriting perspective, we were an early adopter of affirmative AI cover in Germany, initially through our professional indemnity product for consultants and, over time, in more lines including tech and engineers last year. That matters because it gives our customers the type of certainty they're looking for.

Q: What are your top priorities in 2026?

Robert: We're reorganising Hiscox Europe to bring our ten markets even closer together operationally, and 2026 will be the proof point for our refreshed regional design. Our new technology will be live in all countries, and we will be in full swing in Italy. We have big ambitions for all our countries and it's going to be an exciting year.

Tim: I believe the best days are ahead of us. 2026 marks our next phase of progress as we expand in our existing territories and consider new markets which can also benefit from our product and service offering.

Valentine: Operationalising and scaling our transformation; opening new countries; growing large MGA deals; and continuing to develop our business with new products, new clients and new distribution channels. There is so much opportunity for us to get our arms around. ■

2025. The new proposition combines the best of digital IT services with strong insurance expertise and that's been very well received. We also launched a new e-reputation product which adapts to the evolving online risks our clients face, and once the market for it is more established, we'll expand its reach across the region.

Q: Hiscox entered the Italian market for the first time during 2025. Why did you choose Italy and how are you differentiating yourself in the market?

Robert: Italy had been interesting to us for a while; it's a huge market and it was the only large European country where we didn't have a presence. It's a fascinating market, with more SMEs than Germany and significant opportunities for product innovation. Many of our distribution partners have also invested heavily in Italy and our specialty model and products will add a lot of value to the market.

For example, the modular approach we have for SME companies is a real differentiator. In Italy, SMEs have typically bought their insurance covers separately, with no easy packaged solution. That's a gap in the market we can address. There's also a significant need for cyber insurance in Italy, and a shortage of carriers in the market, plus a

professional indemnity market which is only just starting to emerge. Our products and distribution model will fit nicely into the Italian market.

Q: Are there lessons from other European markets that are shaping your approach in Italy?

Robert: Hiscox has been in Continental Europe for 30 years, so we know that each country is different, but we also understand the common approaches that are needed to scale a business across the region. We've grown profitably in all our countries over a long period, and the lessons and experiences we've gained in areas such as product offering, distribution, marketing, and applications for tech will be invaluable as we build our presence in Italy.

Q: You've touched on technology. How are you using technology and data to deliver better client experiences?

Valentine: We've invested heavily in getting the basics right, starting with our IT infrastructure, and we've transformed our systems to bring Europe onto one IT platform that's scalable for international expansion. That programme took several years to complete but now gives us strong foundations for scale. It means we can analyse data more effectively, better

THE CLIMATE CATALYST

Task Force on Climate-related Financial Disclosures (TCFD)



Reporting against the Financial Stability Board's Task Force on Climate-related Financial Disclosures (TCFD) is a requirement of the FCA for all listed firms on a 'comply or explain' basis, and represents the mandatory climate-related financial disclosures by publicly listed companies, large private companies and LLPs.

Disclosures have been made against the TCFD recommendations, taking into account the TCFD supporting guidance, and in consideration of the FCA listing rules and compliant with CFD requirements. Where additional information outside of this report aids our TCFD disclosure, links have been provided, and where we have not yet disclosed fully against the recommended TCFD disclosure, we have reported this and where possible outlined current and planned actions being taken towards full disclosure. TCFD offers a comply or explain basis for reporting metrics, and Hiscox is currently compliant in all but two areas of TCFD: 2°C or lower scenario analysis, and financial planning. Both of these reporting recommendations remain under development.

Governance Board oversight

We have an established and embedded governance structure for climate-related matters, with robust and rigorous processes for identifying, measuring, monitoring, managing and reporting climate-related matters (including climate-related risks and opportunities) across the Group. This spans from an operational level up to the Sustainability Steering Committee (SSC), the Risk Committee of the Board, and the Board itself – see page 65 for an overview of structure, membership, roles and responsibilities and frequency of meetings, including Management's role in assessing and managing climate-related risks and opportunities.

Management responsibilities

The Group sustainability strategy, outlined on page 67, ensures a focus

on the areas that matter most to our business – our people, our customers, governance, risk adaptation and impact – and a member of the Group Executive Committee leads each pillar.

Sustainability governance discussions

While this structure also covers broader sustainability matters, both climate and nature-related matters are important components of this and as such are regularly debated and discussed.

Examples of climate-related discussions during 2025 include:

- discussion and approval at the SSC of the underlying sustainability plans to achieve our strategic ambition;
- annual review of the ESG exclusions policy and the responsible investment policy, coordinated by the sustainability working group and approved by the SSC;
- review of our new overarching Group climate action plan, informed by each business entity;
- annual review and approval of our human rights policy and modern slavery statement;
- approval of our first Group climate transition plan;
- annual review and approval of our environmental policy.

Training and building expertise

We also consider the training and development requirements of those with oversight responsibilities and accountability for climate-related matters to ensure we have appropriate awareness and expertise to drive progress. In 2025, this included a Board session focused on transition planning. The session was delivered by our Sustainability Manager with



The governance structure we have embedded for climate-related issues is supported by relevant policies and processes that we expect both our teams and our third-party providers to adhere to. These policies are all published on [hiscoxgroup.com](https://www.hiscoxgroup.com).

Sustainability governance structure

This is how we manage and monitor sustainability matters, including climate and nature, to ensure appropriate accountability and oversight. This structure is supported by other established roles and teams, including our employee-led networks and our green teams, our governance committees, and Management forums, such as those outlined on pages 72 to 73. While not explicitly shown here, these also feed into elements of this structure.

Board

- Oversight of long-term sustainability vision, strategy, priorities and performance against agreed metrics and targets.
- Ensures governance and accountability in place with sufficient support.
- Meets quarterly and discusses sustainability strategy, trends, opportunities, vulnerabilities, and emerging issues including climate issues at least annually.

Risk Committee

- Advises Board on sustainability strategy, key priorities, risk profile, risk exposures and opportunities.
- Meets quarterly and recommends proposals for consideration by the Board as required.
- Provides oversight to identifying and managing climate risks and opportunities.

Group Risk and Capital Committee (GRCC)

- Quarterly reporting on sustainability and climate matters from the SSC.
- Sets high-level Group strategy, priorities and ensures delivery across the Group.

Group Executive Committee (GEC)

- Periodic sustainability sessions.
- Sets business unit or function sustainability-related strategy, priorities and drives delivery through business units and functions.

Sustainability Steering Committee (SSC)

- Sub-committee of the GRCC, responsible for execution of the agreed sustainability strategy, driving actions and delivery at a Group level.
- Typically meets quarterly and oversees the embedding of sustainability risks and opportunities.
- Oversees effective use of resources and tracks Group and entity-level sustainability performance.
- Ensures Senior Management-level involvement and accountability for sustainability issues, with senior representation from areas including underwriting, investments and operations.

Sustainability working group

- Operational body, providing a central point of coordination and expertise for sustainability and climate-related activity across the Group.
- Manages sustainability-related Group reporting, disclosures and communications.
- Meets monthly and provides input and recommendations to Management on sustainability matters.
- Focuses on sustainability-related research, including external monitoring and expectations.

support from a specialist risk and sustainability third party.

Other opportunities to further build in-house expertise are also considered on a team-by-team, function-by-function basis and we carried out numerous ‘lunch and learns’ for our employees to improve their knowledge and understanding of how to reduce their individual impact. We will consider further ESG or climate-specific training in 2026 as appropriate.

Policies and processes

The governance structure we have embedded for climate-related issues is also supported by a range of relevant policies and processes that we expect both our teams and our third-party providers to adhere to. These policies are all published on hiscoxgroup.com and are complemented by our long-standing active risk management practices. This includes climate-related stress testing and scenario analysis, such as those outlined on page 42, both through our own established internal programme of stress testing and scenario analysis and also as participants in market-wide activities when they occur, such as the Bank of England’s Climate Biennial Exploratory Scenario (CBES) and the PRA’s General Insurance Stress Test (GIST).

Our governance work culminates in regular, repeatable climate-related public reporting and disclosures. This includes reports we produce such as our annual climate report, as well as global standards that provide a means of independent peer comparison such as CDP, ClimateWise, MSCI and Sustainalytics. An overview

of our 2025 performance resulting from these disclosures can be found on the right. These scores are used to inform areas of improvement for the year ahead.

Strategy

Climate-related strategic objectives

Climate-related strategic objectives are considered in the Board-approved Group business plan as each business area or function considers the climate-related elements that affect them – for example, from an underwriting, investment or operational perspective. The Group business plan outlines the strategic priorities for the business and is used by Senior Management to guide the Group’s annual business strategy and financial planning.

Specific climate-related strategic objectives for the Group in 2025 included developing our climate risk assessments, developing our initial transition plan, and progress towards our supplier engagement targets.

Process for identifying climate risks and opportunities

Climate-related risks and opportunities are identified and either progressed or managed and mitigated in much the same way as any other risks and opportunities facing the Group. Risks can be initially identified in a number of ways, for example via emerging risk groups, exposure management, or via bottom-up risk register refreshes. Once identified, they are assessed by impact materiality and probability and an appropriate treatment strategy is put in place to ensure the risk level is acceptable; in certain cases the risk may be formally accepted for a defined time period.

ESG disclosures

We recognise the importance of credible, repeatable and comparable ESG disclosure which is why we contribute to a number of independent ESG standards.

2025: B grade

2024: B grade



2025: 59%

2024: 54%*

*Change in the ClimateWise reporting principles.



2025: AAA grade

2024: AAA grade



2025: 21.0

2024: 26.4

Risk reduction score (improved year-on-year)



Hiscox sustainability strategy

Group purpose

We embrace the unique risks of many, to unlock progress for more.

Sustainability ambition

We want to be here for the long term, for our customers, colleagues and communities, operating in a sustainable way for the future.

Strategic pillars

Customers



We want to support our customers by:

- understanding customer expectations regarding sustainability to inform strategies that align with their priorities and deliver meaningful value;
- developing opportunities to better support customers with the changing climate landscape;
- improving customer accessibility.

People



We aim to be a great place to work, attracting, nurturing and retaining talent through:

- strong culture and values and sense of belonging;
- diverse, equitable and inclusive practices;
- continuous learning as a skills-based business;
- differentiating benefits;
- supporting our people and communities to thrive.

Governance



We are committed to doing business in the right way through:

- effective and accountable Board governance;
- robust and embedded structures, policies, processes;
- adherence to local laws and regulation wherever we operate;
- responsible investing;
- active risk management.

Risk adaptation



We continually adapt to an evolving risk landscape by:

- assessing risks and opportunities arising from increased climate impacts, leveraging insights from physical and litigation risk assessments to guide strategic decisions;
- fostering strategic partnerships and collaborations to close insurance gaps and strengthen long-term insurability;
- considering nature and biodiversity in relevant innovation initiatives.

Impact



We are committed to having a positive impact by:

- reducing our carbon footprint in alignment with established GHG reduction targets, driving measurable impact across operations and supply chains;
- reducing the amount of waste generated across operations and customer touchpoints by implementing sustainable practices and circular economy principles;
- identifying and leveraging opportunities to enhance nature and biodiversity impact.



Specific climate-related strategic objectives for the Group in 2025 included developing our climate risk assessments and initial transition plan, and progressing towards our supplier engagement targets.

The relevant structures involved in identifying climate-related risks and opportunities in particular are outlined in the table to the right.

Opportunities

In the short, medium and long term we expect to adjust our current product offering and develop new products that support the changing needs of our customers. The products below will support our sustainable operating model plans.

*Climate-related product development
 Hiscox UK flood insurance*

In UK retail, where our climate-related exposures are relatively low, we have been supporting homeowners and small businesses with effective flood insurance for a number of years. As such, we are a long-standing participant in Flood Re, the government-backed scheme designed to improve both the access and affordability of flood insurance for high-risk properties.

Through our participation in Flood Re, we also support the ‘build back better’ provision introduced to Flood Re in 2022. This provision enables customers to access further funds, above reinstatement costs, after a flood to install flood resilience measures that are designed to reduce the cost and impact of future flooding.

*Hiscox UK sustainability and
 environmental professional indemnity*

In UK retail, we offer a suite of tailored professional indemnity (PI) products for specific emerging professions and sectors, including a sustainability and environmental PI product. It is designed specifically for those professionals providing advice and services in the ESG sector, and who use their professional

Identified climate-related risks		
Risk type	Time horizon	Risk
Physical	Short, medium and long term	Increased frequency and severity of natural catastrophes including floods and storms.
Physical	Medium to long term	Business disruption to us, our suppliers or investment assets from climate events.
Physical	Medium to long term	Lack of availability and increased price of reinsurance.
Transition	Short, medium and long term	Slump in the price of carbon-intensive financial assets.
Transition	Short, medium	Reputational damage from insuring risks that have a negative E, S, or G impact.
Litigation	Medium and long term	Increased cases of legal action against those that are seen as being responsible for climate damage.

Short term: 0-2 years, medium term: 2-5 years, long term: 5+ years.

*The Hiscox Group ESG exclusions policy is available to view in full on our website at: hiscoxgroup.com/about-hiscox/group-policies-and-disclosures.

Risk to Hiscox	Mitigation	Associated metrics and targets
Increased claims from customers and changes to current claims patterns. These claims will not only come from damage to property but also from other knock-on effects, such as global supply chain disruption or scarce resources.	Given the majority of the policies we write are annual (re)insurance policies, we regularly consider our exposures to physical climate change risks, which gives us the opportunity to adjust pricing and appetite accordingly.	We monitor any relevant claim notifications.
Our employees, suppliers and assets including sovereign bonds may be impacted by physical climate impacts. This may mean business disruption.	We have plans in place to deal with disruption from natural disasters and extreme weather events, supported by our business continuity processes.	No relevant metrics or targets identified.
As climate change increases, it may become harder and/or more expensive to buy reinsurance for the most impacted regions/perils.	We continue to maintain strong relationships with a broad panel of reinsurers. This enables us to understand how reinsurers' risk appetites are evolving over time and to optimise pricing and cover.	ESG exclusions policy to 2030.*
Financial market dislocation could have a negative impact on our investment portfolios if we do not actively reduce our exposure to carbon-intensive financial assets.	Our ESG exclusions policy, which will see us reduce steadily and eliminate by 2030 our exposure to the worst carbon emitters in both underwriting and investments, prepares us for this, as do our GHG emission reduction targets.	ESG exclusions policy to 2030.* GHG targets to 2050.
Increased risk of reputational impact including customers, suppliers and other partners no longer wanting to work with us.	We continue to improve our sustainability progress and reduce our exposure to high-emitting sectors.	Our performance in our chosen independent ESG standards (see our ESG scores on page 66). ESG exclusions policy to 2030.*
Where such claims are successful, those parties against whom the claims are made may seek to pass on some, or all, of the cost to insurance firms through policies such as professional indemnity or directors and officers' insurance.	Given the majority of the policies we write are annual (re)insurance policies, we regularly consider our exposures to climate litigation risks, which gives us the opportunity to adjust pricing and appetite accordingly. We could also consider specific policy exclusions over time.	We monitor any relevant claim notifications.

expertise to help clients reach their sustainability goals. In addition to the standard elements of PI cover, the policy provides more tailored elements of cover for risks associated with sustainability or climate-related incentives and tariffs, or environmental certificate providers – whether these risks relate to our customers' own practice, or those of their client.

Hiscox London Market FloodPlus

We provide US homeowners and business owners with comprehensive flood protection through our FloodPlus product. This award-winning product delivers higher limits to ensure full indemnity in the event of a loss and broader coverage than the National Flood Insurance Program (NFIP), the US government-backed scheme. FloodPlus also incentivises proactive risk management by offering premium discounts to those who take steps to reduce their flood exposure. Our pricing approach reflects the true risk of each individual property, supported by advanced modelling capabilities that combine in-house expertise with external data sources to deliver a sophisticated view of flood risk, including pluvial, fluvial and coastal surge. This enables accurate, location-specific pricing and reinforces our position as a leader in private flood insurance.

Hiscox London Market ESG 3033

ESG 3033 – a sub-syndicate of our Lloyd's Syndicate 33 – recognises those businesses we provide insurance for who can show they have a positive ESG record. It is industry agnostic and brings additional insurance capacity to those clients to help them cover ESG-positive risks, such as wind and solar farms. In time, this should lead to premium

savings for those businesses who show how their ESG performance makes them a more attractive risk.

Climate risk exposure management

Our exposure management team uses catastrophe models to produce a quarterly view of the Group's exposure to natural catastrophes. The team's work results in a one-year forward-looking quantification of the material natural catastrophe risks and reflects the fact that the majority of the policies which Hiscox underwrites are annual in nature. This supports our ability to rapidly respond to emerging trends in risk as and when they are identified. Part of this modelling includes historical claims data to produce a realistic likelihood of risk exposure to Hiscox. Alongside other functions, this work contributes to the development of entity-level climate action plans which are reviewed and approved at both entity-level and through the SSC. Examples of how identified climate change risks have been reflected and included in Hiscox risk management are related to Japanese typhoon and US wildfire. For these perils, identified trends from a frequency/severity perspective related to climate change have been used to adjust the out-the-box event sets from the vendor models which are used. This enables Hiscox to price and manage risk for these specific perils. In addition to this, we have developed (in collaboration with MaxInfo) a set of climate change scenarios for material perils for different emissions pathways across a range of timeframes in order to understand potential changes in risk for different lines of business. This work includes potential impacts of US hurricane.

Climate and disaster recovery

As part of the climate risk mitigation focus of our risk adaptation pillar within our

sustainability strategy, we have also been helping to plug the insurance protection gap for countries and communities around the world by founding and chairing the Lloyd's Disaster Risk Facility. Alongside five other Lloyd's syndicates who work together as part of the facility, we aim to design and support initiatives in areas of the world where insurance is unaffordable, or simply does not exist at all. The facility focuses on providing crisis and climate-related disaster risk financing solutions to reduce vulnerability and support the risk transfer mechanisms across all stages of the disaster cycle, from emergency response through to reconstruction. Following a disaster caused by natural or anthropogenic hazards, pre-arranged finance (such as insurance) can significantly reduce the cost, impact and recovery time, by ensuring financial support reaches those who need it most. The Lloyd's Disaster Risk Facility operates globally, with streams of distribution including the Lloyd's-chaired Sustainable Markets Initiative, and the Insurance Development Forum (IDF), a public-private partnership led by the insurance industry. Examples of support include:

- participation on the IDF's Sovereign and Humanitarian Solutions working group, which together with the United Nations Development Programme (UNDP) and InsuResilience Solutions Fund (ISF), aims to address the insurance needs of the most climate-vulnerable sovereigns, and humanitarian organisations operating in these nations;
- provision of reinsurance for the major risk pools across the globe, providing capacity to: the Southeast Asia Disaster Risk Insurance Facility (SEADRIF) for flood risk in Laos; the African Risk



Sustainability in action: closing protection gaps

Panayotis Koulovasilopoulos
 Head of Climate and Resilience



In Hiscox Re, our climate and resilience team is closing protection gaps for some of the world's most vulnerable populations. By partnering with public sector clients, humanitarian organisations, and developing countries, the team delivers insurance solutions where they are needed most – often in regions where traditional insurance is unavailable or impractical. *“What we do spans all the way from macro-level policies – such as protecting governments’ budget lines for disaster response – all the way to micro insurance for farmers, so it’s a broad range. We have a global mandate that currently reaches around 70 countries, and we largely focus on natural hazards – a lot of which have a climate element to them, but not all of them – and on the developing world, but again, not exclusively,”* explains Panayotis Koulovasilopoulos, Head of Climate and Resilience.

During 2025, the team worked with the UN’s World Food Programme (WFP) in Syria on a new parametric insurance contract; an innovative policy using satellite data to trigger payouts when drought conditions threaten staple crops. *“Satellite data is able to record much faster and with significant accuracy when high levels of drought threaten livelihoods, which in turn triggers our policy to respond. It’s that use of technology that means financial support is able to reach affected communities swiftly, even in fragile or conflict-affected states,”* says Panayotis. This approach provides a blueprint that can be replicated

with similar programmes in other territories over time, providing insurance even in areas that lack the financial infrastructure that is typically required.

The team also played a key role in supporting the Caribbean Catastrophe Risk Insurance Facility (CCRIF SPC), a risk pool that provides coverage for earthquakes, tropical cyclones, and excess rain to Caribbean governments. Following Hurricane Melissa in October, the team facilitated payouts to Jamaica and Haiti within a week of the event, demonstrating the power of parametric insurance to deliver fast, reliable support where it is most needed.

As Panayotis concludes: *“Our work is informed by our experience working with both the private and the public sector. There really is no off-the-shelf solution – what we do is entirely customised to each client – so building collaborative partnerships is a big part of the job. Ultimately, we’re here to listen, and we’re here to help our clients build resilience in a way that’s right for them.”*

Capacity (ARC) for drought, flood and cyclone risks across more than 20 nations in Africa; the Caribbean Catastrophe Risk Insurance Facility (CCRIF SPC) for excess rainfall, hurricane and earthquake risk in the Caribbean and Latin America; and the Pacific Catastrophe Risk Insurance Company (PCRIC), which supports small island nations, and responds to the risk of earthquake, tsunami and cyclone in the south Pacific region;

— providing support to the United Nations Children's Fund (UNICEF) Today and Tomorrow initiative, which focuses on providing rapid payouts following cyclone events in eight countries across four global cyclone basins – Bangladesh, Comoros, Haiti, Fiji, Madagascar, Mozambique, Solomon Islands, and Vanuatu. These insurance payouts are then used in the immediate aftermath of such an event, responding to the needs of vulnerable children and helping to mitigate the impacts;

— partnered with Aon and the International Federation of Red Cross and Red Crescent Societies (IFRC), to implement a reinsurance solution which protects IFRC's Disaster Response Emergency Fund (DREF), allowing the local societies of the Red Cross and Red Crescent to respond to more natural hazard-related disasters in a timely manner.

Risk management

Approach to climate risk management

While there are certain nuances to climate risk, we consider it to be a cross-cutting risk with the potential to impact each existing risk type rather than a stand-alone risk. We look at

how climate interacts with different risks and whether this may result in correlations or concentrations of exposure that we need to know about, monitor and manage. Climate-related risks, among other major exposures, are monitored and measured both within our business units and at Group level. By design, our Group risk management framework provides a controlled and consistent system for the identification, measurement, mitigation, monitoring and reporting of risks (both current and emerging) and is structured in a way that allows us to continually and consistently manage the various impacts of climate risk on the risk profile. Examples of the climate-related risks identified can be found on pages 68 to 69, and for more information on the risk management framework see pages 38 to 39.

Our risk and control register, risk and control self-assessment process, and risk policies include relevant climate considerations against each of our existing risk types, including our emerging and principal risks, which can be found on pages 43 to 46. Therefore, climate-related risk drivers are not considered a single risk factor but are assessed and recorded against the risks on our risk and control register.

Climate risk appetite

In line with regulatory requirements, we have developed a climate risk appetite statement for the Group, which articulates our risk appetite when it comes to climate and guides our approach to climate risk. The climate risk appetite statement was formally approved by the SSC and we subsequently developed a climate dashboard to monitor a set of metrics which can assess our position relative to our climate risk appetite.

Climate risk management and oversight
Our Risk Committee is responsible for assessing the climate-related risks and opportunities we face.

Group Underwriting Review (GUR)

The GUR is a Group management committee focused on assessing progress against the Group's strategic underwriting priorities, reviewing and challenging the Group's underwriting portfolio and loss ratio performance, and approving key underwriting risks.

A number of working groups feed into the GUR, including the Natural Catastrophe Exposure Management Group and the Casualty Exposure Management Group, which considers among other things risks associated with climate litigation.

The Natural Catastrophe Exposure Management Group reviews natural catastrophe risk at least quarterly.

The Casualty Exposure Management Group develops and manages the systemic risk that may arise in our casualty portfolio. Extreme loss scenarios are run to better understand and manage the associated risks throughout Hiscox.

Group Risk and Capital Committee (GRCC)

The GRCC is a Group management committee focused on risk and capital management. It covers all types and categories of risk, including but not limited to underwriting, reserving, market, credit, operational and strategic risk (see pages 43 to 46 for a summary of our emerging and principal risks), as well as risk aggregation, concentration and dependencies. The committee meets

Climate Value-at-Risk (CVaR)

Warming scenario	1.5°C net zero 2050	2.0°C delayed transition	3.0°C fragmented world
CVaR (%)	(4.9)	(2.3)	(1.3)
CVaR (\$m)	(454)	(211)	(118)

Data as at year-end 2025.

Percentages above are calculated as a proportion of total investable assets.

This analysis aggregates the bottom-up exposure of our investee companies to transition and physical risks to produce a holistic view of the Group's risk exposure in different plausible scenarios. The modelling uses the REMIND model with scenarios from the NGFS (Network for Greening the Financial System) and assumes aggressive physical risk outcomes.

These stress tests are updated quarterly and are run for each entity, portfolio and at Group level. The calculated values are also compared to the outcomes for a globally diversified equity index and are included within our internal ESG investment dashboard in order to highlight any Management actions required. The CVaR results show the most dramatic impact at 1.5°C in part due to the make-up of our investment portfolio and the limitations of current modelling.

four times a year, is chaired by the Group Chief Executive Officer, and attended by other senior leaders and experts from across the business as required.

A number of committees feed into the GRCC, including some with particular climate relevance such as the SSC and the Grey Swan Group.

The Grey Swan Group

Grey swan risks are defined as being those risks with a potentially large impact, but a low perceived likelihood of happening. Rapidly evolving expectations on companies' responses to sustainability and climate change are considered as part of this group.

The risk management processes we have established and embedded for climate-related matters feed into the annual review of the operating plan, the long-term strategy planning process, forward-looking assessment scenarios, stress tests, and reverse stress test scenarios.

Climate scenario analysis

The governance and risk management structures we have in place are critical to the delivery of the annual Group operating plan and ensure a coordinated approach to climate and other issues across the Group. These structures are supported by investments in technology – to ensure the right modelling and data are available to support our pricing and exposure – and by in-house expertise – where we combine off-the-shelf climate views with our own claims expertise and insight to form a unique view (what we call the 'Hiscox view of risk'). Therefore, we consider the potential impact from climate-related issues over a range of

short-, medium- and long-term time horizons that align with some of our business planning timeframes. In 2025, a dedicated working group was set up to develop and improve our current scenario analysis, and their work will continue in 2026.

While in the long term as a property casualty insurer Hiscox is certainly exposed to climate-related risks, we believe our exposures can be managed through time as a result of how we conduct our business. For example, through the flexibility we have in our predominantly annual underwriting contracts, and through the liquidity of our investment portfolio which lends itself to constant adjustment. This flexibility is our key tool for managing the multi-decade challenge of climate risks holistically.

Metrics and targets

Climate Value-at-Risk (CVaR)

Hiscox's investment exposure to climate risk in different global temperature scenarios can be analysed through the lens of CVaR. This form of stress and scenario testing is designed to aid our identification, assessment, and management of climate-related risks as they arise and complements our participation in market-wide activities.

Current models do not forecast any loss in cash or government bonds, and generally do not cover asset-backed securities at present. Therefore the stress impacts mainly derive from climate risk exposure within our corporate bond portfolio, and within our equity portfolios to a smaller extent. We have chosen three warming scenarios to assess our investment exposure to climate risk, each from the Network

for Greening the Financial System (NGFS). These scenarios provide a plausible range of outcomes, are broadly conservative, and do not assume the transition will be orderly. The modelling uses the REMIND model for future macro-economic climate damage.

In each scenario, we use a version that assumes an aggressive physical risk outcome, to more accurately assess worst-case portfolio outcomes. This helps to inform our strategic decision-making and monitor the climate impacts of our investment portfolio.

For Hiscox's investments as a whole, the CVaR results for the different scenarios, as of year-end 2025, are shown in the table above. The increased losses in a 1.5°C scenario are predominantly due to an increase in intensity in a select few companies within our portfolio, based on the data received from our third-party supplier. We will continue to monitor the CVaR of our portfolio and develop our understanding of the drivers of these Company-level changes.

GHG targets

Our GHG targets commit us to:

- reduce our Scope 1 and Scope 2 emissions by 50% by 2030, against a 2020 adjusted baseline;
- reduce our Operational Scope 3 emissions by 25% per FTE by 2030, against a 2020 adjusted baseline;
- transition our investment portfolios to net-zero GHG emissions by 2050;
- 45% of our suppliers to be assessed via our third-party ESG ratings agency in 2025;
- 75% of spend to be assessed via our third-party ESG ratings agency over the next two years.

GHG emissions summary

Calculated according to the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (revised edition).

Scope	2025 (tCO ₂ e)	2024 (tCO ₂ e)	2023 (tCO ₂ e)	2022 (tCO ₂ e)	2021 (tCO ₂ e)	2020 (tCO ₂ e)	2025 vs. 2020 baseline
Scope 1	312.0	549.4	408.9	786.6	677.5	615.1	-49%
Scope 2 (market-based)	858.8	1,029.4	1,043.1	926.1	866.2	1,111.0	-23%
Total Scope 1 and 2	1,171	1,578.8	1,452.0	1,712.7	1,543.7	1,726.1	-32%
Scope 3 (operational)	20,744	22,612.1	24,462.0	19,298.1	17,116.2	20,347.9	1.9%
Scope 3 (operational) per FTE	6.07	6.47	6.94	5.83	5.80	6.13	-1.0%
Total operational footprint	21,915	24,190.9	25,914.0	21,010.8	18,659.9	22,047.0	-0.7%
Scope 3 (non-operational)	10,253	12,948.7	10,233.8	9,862.2	8,458.0	8,635.7	18.7%
Investments	169,994	126,997.0	129,526.0	127,497.0	125,156.0	135,275.0	25.7%

Our Scope 1-3 emissions (excluding investments) are independently verified to a reasonable assurance level. A limited level of assurance has been attained for investments emissions. Emissions are calculated for the period 1 November 2024 to 31 October 2025. A copy of the verification statement can be found at hiscoxgroup.com/responsibility/environment.

2025 GHG progress

We continue to focus on managing and reducing our carbon emissions and in 2025 we have seen a 26% reduction in our Scope 1 and 2 compared to 2024, or a 32% reduction from our 2020 baseline. Contributing factors include:

- the removal of DirectAsia offices from the footprint, following the sale of the business;
- reduction in emissions in our UK offices, particularly London where we have taken action to reduce consumption, including fewer adjustments in the external blinds to ensure the office temperature is controlled; art light installations switched off at evenings and weekends; and coffee stations, screens and other devices switched off in line with office use.

We are pleased with this progress towards our GHG targets. However, we anticipate this progress will fluctuate as we pursue our growth ambitions.

More information can be located in our initial transition plan at hiscoxgroup.com/transitionplan.

Tracking progress against our GHG targets

Progress against these targets is driven by our sustainability working group and overseen by the SSC.

Progress against these targets is also recorded through our annual carbon reporting cycle, and we seek to remain operationally carbon neutral through offsetting, as we have been since

2014, while also actively reducing our emissions over time.

Climate targets

Beyond our GHG targets, other climate-related measures include:

- reducing underwriting and investment exposure to carbon-heavy sectors including coal-fired power plants and coal mines, oil sands and Arctic energy exploration (beginning with the Arctic National Wildlife Refuge), in line with our Group ESG exclusions policy;
- annual investment portfolio sustainability reviews, taking into account climate-related issues, in line with our responsible investment policy;
- monitoring the amount invested in ESG/green bonds, which at year end stood at \$271 million, or 3.5% of the corporate bond portfolio;
- supporting the growth and exposure of sustainable underwriting products such as flood and renewable energy products, including, but not limited to, the business written through our ESG sub-syndicate, ESG 3033.

Scope 1 and 2

Our Scope 1 and 2 target is heavily dependent on landlords and the type of energy used to power the offices we lease. In 2024, we updated our contracts to include certain contractual terms to encourage landlords to make the switch to renewable energy contracts and sources. Our green leasing terms will

support us in ensuring we do not return to non-renewable energy sources in any of the buildings we lease. For any future new offices, we will prioritise renewable energy sources.

Operational Scope 3

The calculation used to understand our supply chain emissions is currently based on spend rather than the emissions of each supplier, which with increased spend will increase the carbon footprint of our supply chain. We work with a third party to support our suppliers to report their emissions, and this has been successful in moving us from zero to 47% coverage of our portfolio, exceeding our first-year target of 45%, as well as in helping us to understand the ESG factors of our supply chain.

Investments

Our ESG considerations are embedded in our investment strategy and activated when selecting funds. Our investment managers are engaged to support us to meet our committed aims. Our progress is tracked and monitored via an investment dashboard and we have exceeded our first interim target, with approximately 30% of our corporate bond portfolio having net-zero/Paris-aligned targets as at year-end. However, we have seen an increase in our financed emissions in 2025, due to an increase in asset growth and a higher allocation towards transitioning sectors. We will continue to monitor this growth and look for opportunities to balance the outcomes.

Streamlined Energy and Carbon Reporting (SECR) GHG emissions

	Current reporting year (2025)			Previous reporting year (2024)			% Change in emissions (total year-on-year)
	UK	Global (excluding UK)	Total	UK	Global (excluding UK)	Total	
Fuel consumption – stationary (Scope 1) (tCO ₂ e)	181.1	58.4	240.2	340.3	39.5	379.8	-37%
Fuel consumption – mobile (Scope 1) (tCO ₂ e)	–	59.5	59.5	–	58.7	58.7	1%
Fugitive emissions (Scope 1) (tCO ₂ e)	–	12.3	12.3	102.2	8.7	110.9	-89%
Scope 1 total (tCO₂e)	181.8	130.2	312.0	442.5	106.9	549.4	-43%
Electricity (Scope 2) – location-based** (tCO ₂ e)	361.2	677.6	1,038.8	498.8	861.8	1,360.6	-24%
Electricity (Scope 2) – market-based** (tCO ₂ e)	73.8	732.7	806.5	65.0	917.7	982.7	-18%
District heating and cooling (Scope 2) (tCO ₂ e)	–	52.3	52.3	–	46.7	46.7	12%
Scope 2 market-based total (tCO₂e)	73.8	785.0	858.8	65.0	964.4	1,029.4	-17%
Total Scope 1 and Scope 2 (location-based)	543.0	860.1	1,403.1	941.3	1,015.4	1,956.7	-28%
Total Scope 1 and Scope 2 (market-based)	255.6	915.2	1,170.8	507.5	1,071.3	1,578.8	-26%
Scope 1 and 2 intensity ratio – location-based (tCO ₂ e/headcount)	0.3	0.6	0.46	0.52	0.60	0.56	-27%
Scope 1 and 2 intensity ratio – market-based (tCO ₂ e/headcount)	0.1	0.6	0.39	0.28	0.64	0.45	-24%
Total energy consumption (MWh)[§]	3,034.3	2,764.6	5,757.8	4,269.8	2,942.4	7,212.3	-20%

*Includes electricity consumption from both stationary and mobile assets.

**A location-based method reflects the average emissions intensity of grids on which energy consumption occurs.

**A market-based method reflects emissions from the electricity supply that the company has purchased.

§Total energy consumption refers to all energy consumption under Hiscox's operation control. This includes Scope 1 and Scope 2: natural gas, diesel, petrol, refrigerants, stationary electricity, mobile electricity and district heating.

For the purposes of baselining and ongoing comparison, we are required to express emissions using a carbon intensity metric. The intensity metric chosen is employee headcount.

In line with the requirements set out in the UK Government's guidance on streamlined energy and carbon reporting, the table above shows Hiscox's total annual energy use and GHG emissions associated with the consumption of electricity, natural gas and other fuels combusted, and fuel consumed for relevant business transport purposes, for the period 1 November 2024 to 31 October 2025.

The methodology applied to the calculation of GHG emissions is the 'GHG Protocol: Corporate Accounting and Reporting Standard (revised edition)'. An 'operational control' boundary has been applied. Carbon factors from UK Government GHG Conversion Factors for Company Reporting, and the International Energy Agency (IEA) database and the United States Environmental Protection Agency (US EPA) GHG Emission Factors Hub database have been used to calculate the GHG emissions. Emissions are reported as tCO₂e. Electricity emissions have been reported as both 'location-based' and 'market-based'.

This table will differ from our full GHG inventory on page 74. In our full GHG inventory you will find information on our Scope 3 emissions not required under SECR.

In 2025, the UK accounted for 22% of our global total Scope 1 and 2 of our market-based emissions, and 78% of our global energy use as outlined in the table above.

In 2025, we implemented a number of energy efficiency initiatives, including reducing heating and air conditioning usage and adjusting lighting levels in Hiscox-controlled offices, in support of our decarbonisation plans.



EARLY REFLECTIONS

Q&A with Peter Clarke
Group Chair

As the Group's new Chair, Peter provides his perspective on the business and the opportunities ahead.





THE POWER OF THE GROUP

Presenting a unified Hiscox to the market is an incredibly powerful proposition, not least for global brokers where we can help them place even more business, even more easily, with us.

Q: What were your impressions of Hiscox before joining, and how did they influence your decision to become Chair?

A: I saw Hiscox as a disciplined, well-balanced and well-run business with a great reputation and a strong brand. I particularly admired its balance across geographies and channels – especially its presence in both retail and wholesale markets – and its flexibility in capital deployment; all factors which are crucial for resilience and adaptability through the insurance cycle. I also had positive first- and second-hand experience of the strong management team, and those factors combined reinforced my view that this would be an interesting business to be part of.

Q: How does the reality of Hiscox match those original perceptions?

A: The business is as strong and well-structured as I expected, and I've been struck by how open and approachable everyone is. I've always said businesses don't do business with other businesses; people do business with other people, and Hiscox is a very people-focused organisation. For a large, successful company, the history and culture are still evident and distinctive, and that sets the foundation for sustainable, profitable growth.

Q: How did you go about getting up to speed quickly?

A: I've spent a lot of time with

people across the business, not only in London but also in Lisbon and Bermuda. There was also a formal induction structure in place for me, which reflected my prior experience as Chair across a variety of boards, including a more property catastrophe-focused, Bermuda-domiciled insurer. I'm looking forward to visiting more of our locations and meeting more of my colleagues in 2026.

Q: What were your top priorities coming into the role?

A: My first priority was to truly understand the business and get to know the people. I wanted to hear what motivates them and make sure there is clarity on how their work supports our goals.

Ultimately my role is to ensure the Executive team delivers on the strategy that we have set, and that the Board functions effectively in order to deliver value for all our stakeholders – shareholders, regulators, customers, partners and our people – so those are naturally my longer-term priorities.

Q: As you look ahead, what is the biggest opportunity for Hiscox?

A: There's a big opportunity in how we leverage the power of the Hiscox Group and act as 'One Hiscox' in terms of how we share best practice and collaborate across functions and business units. Presenting a unified

Hiscox to the market is an incredibly powerful proposition, not least for global brokers where we can help them place even more business, even more easily, with us.

If I can pick a second big opportunity it has to be growth in our retail businesses across the USA, UK and Europe. Our market shares and brand position mean we have significant potential and compounding returns in these areas, and there is a huge amount of energy around the opportunity that each of our retail markets presents. That's a key focus for 2026 and I'm excited to see how the teams grab hold of it. ■

Governance Summary

Key corporate governance activities

Read more about 2025 Board activities on pages 80 to 81. 

Appointments

Peter Clarke appointed Chair, Jane Guyett appointed Senior Independent Director, Michael Goodwin appointed Risk Committee Chair, Lynne Biggar and June Yee Felix appointed Independent Non Executive Directors and Beth Boucher appointed Employee Liaison.

Strategy

The Board reviewed the annual business plan, the longer-term strategy, and the change programme implementation.

Engagement

Our Employee Engagement Network, led by Independent Non Executive Director, Beth Boucher, explored topics including leadership and vision, communications, transformation, and Executive remuneration.

Training

The Board undertook focused training in 2025 on areas including remuneration and incentives in the UK market, AI risk management, cyber security and ESG.

Performance

An internal Board performance review was conducted in 2025, with the findings reflecting the effective progress made by the Board against the 2024 Board performance review.

Board and Committee attendance 2025

 Board Chair
 Committee Chair

Board member	Board meetings attended	Audit Committee attended	Nominations and Governance Committee attended	Remuneration Committee attended	Risk Committee attended	Investment Committee attended
Peter Clarke ¹	 2/2	–	 2/2	–	2/2	2/2
Aki Hussain	4/4	–	–	–	–	4/4
Paul Cooper	4/4	–	–	–	–	4/4
Joanne Musselle	4/4	–	–	–	–	4/4
Jane Guyett	4/4	4/4	4/4	 4/4	4/4	4/4
Lynne Biggar	4/4	4/4	4/4	4/4	4/4	4/4
Beth Boucher	4/4	4/4	4/4	4/4	4/4	4/4
Donna DeMaio ²	4/4	 4/4	4/4	4/4	4/4	4/4
June Yee Felix	4/4	4/4	4/4	4/4	4/4	4/4
Michael Goodwin	4/4	4/4	4/4	4/4	 4/4	4/4
Thomas Huerlimann	4/4	4/4	4/4	4/4	4/4	4/4
Colin Keogh ³	2/2	2/2	2/2	2/2	2/2	2/2
Anne MacDonald ⁴	1/1	2/2	2/2	2/2	2/2	2/2
Constantinos Miranthis	4/4	4/4	4/4	4/4	4/4	 4/4
Lynn Pike ⁴	1/1	2/2	2/2	2/2	2/2	2/2

¹Peter Clarke joined the Board in June 2025.
²Donna DeMaio was unable to chair one Audit Committee meeting which was instead chaired by the Audit Committee Deputy Chair, Thomas Huerlimann.
³Colin Keogh stepped down from the Board in June 2025.
⁴Anne MacDonald and Lynn Pike stepped down from the Board in May 2025.

Board statistics

Board diversity at 31 December 2025.

Read more about gender and ethnic diversity at Hiscox and the Board and Group DEI policies on pages 57 to 60. [🔗](#)

Appointments and departures

Appointments

Peter Clarke

(appointed to Board 30 June 2025)

appointed Chair 1 July 2025)

Lynne Biggar

(effective 27 January 2025)

June Yee Felix

(effective 27 January 2025)

Departures

Lynn Pike

(effective 15 May 2025)

Anne MacDonald

(effective 15 May 2025)

Colin Keogh

(effective 30 June 2025)

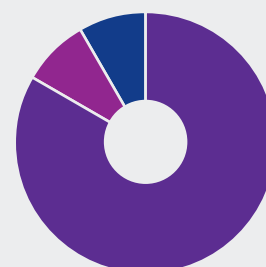
Gender

Female	6
Male	6



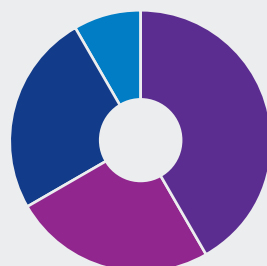
Ethnicity

White	10
Chinese American	1
Asian British	1



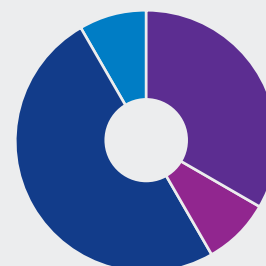
Tenure

0-3 years	5
3-6 years	3
6-8 years	3
8+ years	1



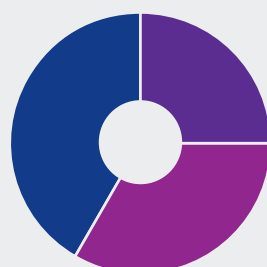
Location

USA	4
Bermuda	1
Europe	6
Asia	1



Age

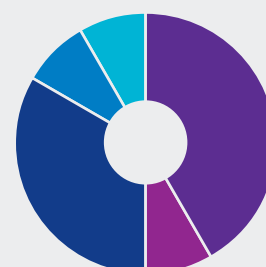
46-55	3
56-65	4
66-75	5



Nationality

British	5
Bermudian*	1
American	4
Swiss	1
Australian	1

*Includes those Directors who hold a Permanent Residency Certificate.



The Company's Bye-laws prohibit any Director who is in the UK or the USA from counting towards the quorum necessary for the transaction of business at a Board meeting. This restricts the ability of the Company's Directors based in the UK or USA to participate in Board meetings by telephone or other electronic means. More information on the Board and Committees can be found on pages 92 to 93.

BOARD OF DIRECTORS

- △ Member of the Audit Committee
- Member of the Nominations and Governance Committee
- Member of the Remuneration Committee
- Member of the Risk Committee
- ▧ Member of the Investment Committee

Chair of Committee is highlighted in solid.



Non Executive Chair

Peter Clarke (Aged 66)
Appointed to the Board:
June 2025

Relevant skills, experience and contribution

- Significant financial services experience, including in FTSE-listed and Bermuda-domiciled firms.
- Deep expertise in leading global businesses.

Peter has a wealth of executive and non-executive experience within FTSE-listed financial services. He spent much of his executive career in banking and investment management, including 20 years at Man Group where he served as Group Chief Financial Officer and later as Chief Executive Officer. A seasoned board director, Peter has served as a Non Executive Director on the boards of Axa Investment Managers SA, Sainsbury's Bank Plc, and most recently as Chair of Lancashire Insurance Holdings Ltd.

External board appointments
Lombard Odier Asset Management; RWC Partners Ltd.



Executive Director

Aki Hussain (Aged 53)
Group Chief Executive Officer
Appointed to the Board:
September 2016

Relevant skills, experience and contribution

- Considerable experience of providing strategic, financial and commercial management and in-depth knowledge of the regulatory and compliance environment.
- Significant experience of driving complex business change.

Aki joined Hiscox in 2016 as Group Chief Financial Officer and became Group Chief Executive Officer in 2022. Aki also sits on the board of a number of Hiscox subsidiary companies. Aki has over 30 years of leadership experience, across financial services, telecoms and media, including as Chief Financial Officer of Prudential's UK and Europe business, and Finance Director for Lloyds Banking Group's consumer bank division. Aki is a Chartered Accountant, having trained with KPMG.

External board appointments
Visa Europe Limited.



Executive Director

Paul Cooper (Aged 53)
Group Chief Financial Officer
Appointed to the Board:
May 2022

Relevant skills, experience and contribution

- Considerable experience of financial and commercial management within a complex regulatory and compliance environment.
- Qualified Chartered Accountant, with significant experience of both the retail and Lloyd's insurance markets.

Paul joined Hiscox in 2022 as Group Chief Financial Officer. With over 30 years of financial services experience, Paul has held a number of senior roles, including Interim Group Chief Financial Officer at M&G Plc and Chief Financial Officer for The Prudential Assurance Company. Paul is a qualified Chartered Accountant, having trained with PwC, and sits on the board of a number of Hiscox subsidiary companies.

External board appointments
None.



Executive Director

Joanne Musselle (Aged 55)
Group Chief Underwriting Officer
Appointed to the Board:
March 2020

Relevant skills, experience and contribution

- Considerable underwriting expertise, including experience of managing underwriting portfolios in our key markets.
- Significant knowledge of Hiscox, particularly Hiscox Retail, having worked for the Group for over 20 years.

Joanne joined Hiscox in 2002 and has held a number of roles across the Group, including Head of UK Claims, Chief Underwriting Officer for Hiscox UK & Ireland, and Chief Underwriting Officer for Hiscox Retail. Joanne also sits on the board of a number of Hiscox subsidiary companies. Prior to Hiscox, Joanne spent almost ten years working in a variety of actuarial, pricing and reserving roles at AXA and Aviva in both the UK and Asian markets.

External board appointments
Realty Insurances Ltd.



Senior Independent Director

Jane Guyett (Aged 66)
Appointed to the Board:
September 2024

Relevant skills, experience and contribution

- Strong financial services experience across multiple markets.
- Considerable expertise in effective global operational capabilities.

Jane has held a range of roles across both the public and private sectors and worked in the global banking sector for over two decades, most recently at Bank of America Securities in senior leadership roles including Chief Operating Officer Global Markets, EMEA and Asia. Jane was awarded a CBE in the 2021 New Year Honours List for public service to the economy. On her appointment during 2024, Jane became Chair of the Hiscox Remuneration Committee.

External board appointments
Royal London Mutual Insurance Society; BDO LLP; LCH Limited; Banque Centrale de Compensation.



Independent Non Executive Director

Lynne Biggar (Aged 63)
Appointed to the Board:
January 2025

Relevant skills, experience and contribution

- Deep marketing expertise in developing and advancing well-known global brands.
- Extensive operational and P&L experience.

Lynne has over 30 years' experience in driving growth and transformation and advancing global brands across sectors including payments, financial services, travel and media. This includes 22 years at American Express and, most recently, as EVP and Global Chief Marketing Officer at Visa, where Lynne led a global team of 800+, overseeing \$1 billion+ budget and driving brand and top line metrics and client outcomes. She is currently a senior advisor at Boston Consulting Group.

External board appointments
Anheuser-Busch InBev SA/NV; Voya Financial Inc.; Finastra Group Holdings Ltd; The Leading Hotels of the World, Ltd.



Independent Non Executive Director
Beth Boucher (Aged 60)
Appointed to the Board:
May 2023

Relevant skills, experience and contribution

- Extensive experience across global markets and regulated environments.
- Deep expertise in digital transformation and operational scaling.

Beth has over 25 years of experience across multiple industries, strategic consulting and managed services and is currently a partner and fractional CIO at Fortium Partners, a Research Fellow at Nemertes Research, and an Advisor at PureCipher. Most recently, Beth was Senior Vice President and Chief Information Officer of Sirius Point and prior to that held executive roles at The Travelers Company and Pfizer Inc. Beth has served on boards in the USA, UK and Asia with a focus on operational discipline and technology-enabled market expansion, and serves as the Employee Liaison for Hiscox.

External board appointments
 Coforge Ltd.



Independent Non Executive Director
Donna DeMaio (Aged 67)
Appointed to the Board:
November 2021

Relevant skills, experience and contribution

- Extensive financial services experience, particularly in the USA.
- Proven expertise in overseeing global auditing and operational activities.

Donna has over 35 years' financial services experience, gained across banking and insurance. She was AIG's General Insurance Global Chief Operating Officer and also served as their Global Chief Auditor. Donna was Chief Executive and Chair of the Board at United Guaranty, Chief Executive Officer and Chair of the Board at MetLife Bank and was a PwC Financial Services Partner. Donna serves on the board of Hiscox Insurance Company Inc. as a Non Executive Director and is Chair of the Audit Committee.

External board appointments
 State Street Corporation.



Independent Non Executive Director
June Yee Felix (Aged 69)
Appointed to the Board:
January 2025

Relevant skills, experience and contribution

- Considerable experience in running, advising and transforming technology-intensive businesses.
- Deep expertise in leading complex global fintech operations that serve both businesses and consumers.

June has over 30 years of experience growing, advising and transforming technology-intensive businesses globally, particularly in financial services, having worked across Asia, the USA and Europe. This includes leadership roles at Chase Bank, Citibank, IBM, Verifone, and most recently as Group Chief Executive Officer of FTSE-listed global fintech, IG Group Plc.

External board appointments
 Relx Plc; Iron Mountain Inc.



Independent Non Executive Director
Michael Goodwin (Aged 67)
Appointed to the Board:
November 2017

Relevant skills, experience and contribution

- Significant knowledge of the global insurance market.
- Deep understanding of risk management as a trained actuary.

Michael has over 25 years' experience in the insurance industry, having worked in Australia and the Asia Pacific region for QBE Insurance Group for over 20 years. Michael started his career as an actuary, is a Fellow of the Institute of Actuaries of Australia and served as Vice President of the General Insurance Association of Singapore between 2006 and 2012. During the year, Michael served on the DirectAsia board as a Non Executive Director.

External board appointments
 Steadfast Group Ltd; NCI Brokers (Asia) Pte Ltd; Galaxy Insurance Consultants Pte Ltd; Enya-Lea Pte Ltd; Werombi Pte Ltd.



Independent Non Executive Director
Thomas Huerlimann (Aged 62)
Appointed to the Board:
November 2017

Relevant skills, experience and contribution

- Considerable experience of leading a global business.
- Extensive knowledge of the European insurance market.

Thomas has over 30 years' experience in banking, reinsurance and insurance. He was Chief Executive Officer Global Corporate at Zurich Insurance Group, a \$9 billion business working in over 200 countries. Prior to that, he held senior positions at Swiss Re Group and National Westminster Bank. Thomas serves on the Hiscox Syndicates Limited board as Chair and on the Hiscox SA board as a Non Executive Director.

External board appointments
 Leadway Assurance Ltd.



Independent Non Executive Director
Constantinos Miranthis (Aged 62)
Appointed to the Board:
November 2017

Relevant skills, experience and contribution

- Deep understanding of Bermuda's (re)insurance industry, as well as the broader global (re)insurance landscape and market cycle.
- Senior leadership experience in the reinsurance sector including within large publicly-listed companies.

Costas served as President and Chief Executive Officer of PartnerRe Ltd, one of the world's leading reinsurers, until 2015 and prior to that was a Principal of Tillinghast-Towers Perrin in London, where he led its European non-life practice. He is a Fellow of the UK Institute and Faculty of Actuaries and a resident of Bermuda. Costas serves on the Hiscox Insurance Company (Bermuda) Limited board as a Non Executive Director.

External board appointments
 Argus Group Holdings Limited;
 Pacific Life Re; Riverstone International Limited.



Group General Counsel and Company Secretary
Marc Wetherhill (Aged 53)

Marc has significant legal and governance experience, and is the Principal Representative to the Bermuda Monetary Authority for the Hiscox Group. He previously served as Chief Legal Counsel and Chief Compliance Officer at PartnerRe Ltd, having trained as a solicitor in London, and is a member of the Bermuda Bar.

GROUP EXECUTIVE COMMITTEE (GEC)



Aki Hussain
Group Chief Executive Officer
Joined Hiscox: September 2016

Relevant skills, experience and contribution

- Considerable experience of providing strategic, financial and commercial management and in-depth knowledge of the regulatory and compliance environment.
- Significant experience of driving complex business change.

Aki has over 30 years of leadership experience and is focused on realising the vast structural growth opportunity in retail and delivering superior cycle management in our big-ticket businesses. A Chartered Accountant, having trained with KPMG, Aki became Group Chief Executive Officer in 2022, setting out a new strategy, which the business is delivering against, and building a high-performing culture with energy and accountability, which is driving decade-high employee engagement scores.



Mary Boyd
Chief Executive Officer, Hiscox USA
Joined Hiscox: June 2024

Relevant skills, experience and contribution

- Accomplished builder and leader of key insurance businesses in the USA.
- Deep understanding of the US customer market and in product and service innovation across multiple trading models.

Mary leads our team of over 400 people across the USA, where we are building America's leading insurer for entrepreneurs and the preferred partner of their advisors. Leveraging our first-mover advantage in the small commercial space, she is focused on realising the significant market opportunities through omni-channel distribution, an expanded product and service offering, and a platform that enhances reach and relevance.



Fabrice Brossart
Group Chief Risk Officer
Joined Hiscox: November 2023

Relevant skills, experience and contribution

- Extensive expertise in enterprise risk management and actuarial within the international general insurance industry.
- Considerable experience in leading regulator relationships around the world.

Fabrice leads our global team of approximately 40 risk, compliance and sustainability experts and is responsible for ensuring our risk structures enable growth, as well as our continued regulatory compliance. He continues to evolve our risk function, enhancing structures and processes that address a changing risk profile. Fabrice is a qualified actuary, having trained with Watson Wyatt.



Paul Cooper
Group Chief Financial Officer
Joined Hiscox: May 2022

Relevant skills, experience and contribution

- Considerable expertise of financial and commercial management within a complex regulatory and compliance environment.
- Qualified Chartered Accountant, with significant experience of both the retail and Lloyd's insurance markets.

Paul leads our team of 400 finance experts around the world and is focused on maintaining a first-class finance function that is fit for the future. He is responsible for ensuring robust financial systems and continued capital efficiency, and for advancing business planning capabilities with financial data that aids decision-making. Paul is a qualified Chartered Accountant, having trained with PwC.



Robert Dietrich
Chief Executive Officer, Hiscox Europe
Joined Hiscox: June 1997

Relevant skills, experience and contribution

- In-depth knowledge of the European insurance market.
- Significant experience of bringing niche insurance products to market.

Robert served as Managing Director for Hiscox Germany for many years, driving disciplined expansion and building it into the flagship European business it is today. He took on wider responsibility for Hiscox Europe, whose operations now span ten countries, in 2021, and oversees the region's ambitious growth plans including our expansion into new markets.



Jon Dye
Chief Executive Officer, Hiscox UK
Joined Hiscox: September 2022

Relevant skills, experience and contribution

- In-depth knowledge of the UK insurance market.
- Track record of building sustainable, profitable retail insurance businesses.

Jon leads our UK retail insurance business, which spans eight offices and over 800 employees, overseeing the development of our established broker business and direct-to-consumer offerings. Jon is responsible for building on our long-term broker relationships, distinguished brand and deep expertise in underwriting and digital distribution with new capabilities as we continue to drive scale.



Nicola Grant
 Chief People Officer
 Joined Hiscox: September 2022

Relevant skills, experience and contribution

- Deep expertise in leading global people functions and scaling them through technology and effective, integrated, global products and services.
- Significant experience of performance and reward management, robust talent and succession planning and people transformation.

Nicola leads our global People team, driving Group-wide people strategies to accelerate and de-risk the Group's business performance. This includes workforce planning and talent acquisition that ensures the right talent is in the right place at the right time; learning and development experiences that strengthen culture and support skills development; employee listening mechanisms to understand and communicate with colleagues; and compensation and benefits programmes that retain talent and reward performance.



Kate Markham
 Chief Executive Officer,
 Hiscox London Market
 Joined Hiscox: June 2012

Relevant skills, experience and contribution

- Strong experience of building customer-focused businesses.
- Track record of establishing operational and digital infrastructures that support profitable growth.

Kate originally joined Hiscox to run our UK Direct business and moved across to our big-ticket business in 2017 when she became Chief Executive Officer of Hiscox London Market. She leads our team of 400 London Market underwriters, analysts and support functions in the UK, Guernsey and the USA, who work with clients around the world with large and often complex insurance needs, and continues to oversee an ambitious market-leading programme of AI adoption in our big-ticket underwriting model.



Joanne Musselle
 Group Chief Underwriting Officer
 Joined Hiscox: April 2002

Relevant skills, experience and contribution

- Considerable underwriting expertise, including experience of managing underwriting portfolios in our key markets.
- Significant knowledge of Hiscox, particularly Hiscox Retail, having worked for the Group for over 20 years.

Joanne has held a number of leadership roles across the Group, including Head of UK Claims, Chief Underwriting Officer for Hiscox UK & Ireland, and Chief Underwriting Officer for Hiscox Retail before becoming Group Chief Underwriting Officer in 2019. In this role, she leads a global team of over 500 underwriting professionals, setting underwriting strategy and standards, ensuring active portfolio management, and overseeing underwriting performance.



Kathleen Reardon
 Chief Executive Officer,
 Hiscox Re
 Joined Hiscox: January 2021

Relevant skills, experience and contribution

- Extensive experience of building reinsurance businesses throughout the cycle.
- In-depth knowledge of the Bermuda reinsurance market.

Kathleen leads our reinsurance and ILS business, which operates in London and Bermuda. She is responsible for ensuring the 140-strong team of underwriting, analytics and asset manager experts navigate through changing market conditions to maximise opportunities as we continue to build both specialist reinsurance capability and our position as an expert alternative capital manager in the ILS space.



Shali Vasudeva
 Group Chief Operations and
 Technology Officer
 Joined Hiscox: January 2025

Relevant skills, experience and contribution

- Strong insurance industry background.
- Deep expertise in delivering large-scale change programmes and technological innovation at pace.

Shali oversees critical Group functions including technology, claims, operations, data, procurement, and property services to ensure the continued effective and efficient delivery of core services while also driving operational efficiency and scalability. Her experience of leading large-scale change initiatives and driving technological innovation across multiple markets is shaping our work to digitise customer interactions, improve colleague experiences, and enhance vendor management.

REALISING OUR AMBITIONS

Chair’s letter to shareholders



The pace of change in the business is reflected in the priorities of the Board and our Executives.

Peter Clarke
Group Chair



Dear Shareholder

I write to you for the first time as Group Chair, a role I am delighted to assume as the business pursues its significant growth plans. I would like to begin by expressing my sincere thanks to Colin Keogh for his leadership and continuity as Interim Chair, and for his many contributions to Hiscox over the years, both as Board member and Senior Independent Director.

The smooth transition of Board responsibilities extends beyond the passing of the baton from Colin to me. This includes the transition of the Senior Independent Director role and Risk Committee Chair from Lynn Pike to Jane Guyett and Michael Goodwin respectively, and the Employee Liaison role from Anne McDonald to Beth Boucher. I extend my thanks to Lynn and Anne, who stepped down from the Board during 2025, for their invaluable inputs during their tenure. We also welcomed two new Board members in 2025, Lynne Biggar and June Yee Felix, and their deep expertise and fresh perspectives have further strengthened our governance and strategic oversight.

The insurance industry continues to face a dynamic environment, shaped by new risks, technological change, and shifting customer expectations. The world is evolving, and so too is Hiscox.

During 2025, the Group has had another record year thanks to a laser focus on innovation and the effective delivery of our plans. This is reflected in a profit before tax of \$732.7 million (2024: \$685.4 million), an undiscounted combined ratio of 87.8% (2024: 89.2%), and a return on equity of 17.1% (2024: 19.8%).

We look ahead with a clear focus on delivering our strategy to build a stronger, more agile Hiscox that creates sustainable value for all stakeholders. This means ensuring our Executive Director incentives are fully aligned with our strategic priorities, which is why we have introduced ambitious and challenging new performance targets that are designed to drive long-term success and accountability. More information on this is set out in Jane’s letter as Chair of the Remuneration Committee on pages 112 to 115.

I look forward to working with my fellow Board members and our talented Management team as we build on the Group’s strong foundations and capture the opportunities ahead. Thank you to all our shareholders for your continued support.

Peter Clarke
Group Chair



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GOOD GOVERNANCE

Corporate governance



We continuously evolve our robust governance structures and processes, with training and awareness as well as culture playing key roles in ensuring our corporate responsibilities are met.

Marc Wetherhill
 Group General Counsel and
 Company Secretary



Corporate governance framework

The corporate governance framework throughout Hiscox supports the delivery of our values, culture, strategy and business objectives.

The Board’s formal corporate governance framework includes the Board, the Hiscox Group subsidiaries and the Executive internal governance structures, which together ensure the governance requirements for the Group are robust and fit for purpose. As a company listed on the London Stock Exchange, the UK Corporate Governance Code (the Code) is applicable to Hiscox, and an overview of the Company’s compliance with the Code is detailed on pages 94 to 95.

The Board has a formal schedule of matters reserved for the Board’s

determination that covers areas including: setting the Group’s purpose and strategic vision; monitoring performance of the delivery of the strategy; approving major investments, acquisitions and divestments; risk oversight and setting the Group’s risk appetite; and reviewing the Group’s governance. The Group governance manual (the Manual) details the wider corporate governance framework including the overall legal entity structures and relationship with the business units, the division of responsibilities between Group and principal subsidiary boards, Board process and procedures for issues such as Non Executive Director appointments, approach to diversity and Board performance reviews, and the principles to be applied to the wider subsidiary Management. The Manual also includes procedures

for the regulation of Board conduct to ensure that all Directors act with integrity, lead by example and promote our culture. The Manual is approved by the Board and regularly reviewed. The Group also benefits from a strong governance framework at a subsidiary level. The Manual and the supporting subsidiary governance manuals ensure that the underlying processes throughout the subsidiary boards follow consistent and effective governance practices. The division of responsibility between the Board and the boards of the Group’s principal subsidiaries is understood throughout the Group and is visually represented in the Hiscox Group governance model (available to view at hiscoxgroup.com/investors/corporate-governance).

The model shows the relationship between the Board exercising strategic

direction and oversight of the Hiscox Group, and the subsidiary boards' delivery of their respective entity's responsibilities. This is further detailed in explicit terms of reference and governance manuals for the principal subsidiaries – ensuring alignment to the overall Group approach to values, purpose, culture of risk awareness, ethical behaviour and Group controls. Informal interaction, information flows and collaboration between Group and the principal subsidiaries are also delivered by Board Non Executive and Executive Director representation on the boards of the principal insurance carrier entities.

The Executive's internal governance structures support decision-making at the Executive level between the Group Executive Committee, the business units and the functional departments. Group Executive Committee members are detailed on pages 82 to 83.

Supporting policies and processes

During the year, no corrective action was required by Management to ensure that policies, practices and behaviours in the business were aligned with the Company's purposes, values and strategy, as outlined on pages 9 and 12 to 13.

The corporate governance framework complements the Company's internal controls framework and its supporting framework of policies and processes. Key policies for the Group are published online and available to view at hiscoxgroup.com/about-hiscox/group-policies-and-disclosures.

The Board is ultimately responsible for the Company's risk management and internal controls, and for ensuring

that the systems in place are robust and take into account the principal and emerging risks faced by the Company. The Board is satisfied that the internal control and risk management systems relating to the financial reporting process are strong, with the Audit Committee and the Risk Committee forming the central points of review and challenge. In 2025, the Audit Committee undertook a review of the effectiveness of the internal controls of the Group on behalf of the Board. This review is carried out at least annually. The Risk Committee leads detailed discussions on the principal and emerging risks of the Company on behalf of the Board and recommends to the Board the appropriate risk management framework including risk limits, appetite and tolerances. The Risk Committee also oversees the independence of the risk and compliance functions. The Risk Committee supported the Board in its review of the effectiveness of the Group's internal control systems through key activities that took place over the course of 2025, and considers internal control effectiveness as a specific topic. Further details can be found in the Audit Committee report on pages 102 to 105 and in the risk management section on pages 38 to 46.

In addition, the Board and the Audit Committee – whose Chair also serves as the Group's whistleblowing champion – have oversight of whistleblowing matters and receive reports arising from its operation. The Company's whistleblowing policy is designed to ensure that the workforce feel empowered to raise concerns in confidence and without fear of unfair treatment. The structures and processes in place allow for the proportionate and independent

investigation of any such matters, and for appropriate follow-up action to be taken where necessary.

Board composition

The Board has responsibility for the overall leadership of the Group and its culture. The operations of the Board are underpinned by the collective experience of the Directors and the diverse skills which they bring. The composition of the Board can be found on pages 80 to 81, along with biographical details of each of our Directors, including the reasons why their contribution is (and will continue to be) important to the Company's long-term sustainable success. Information on changes to the Board in the reporting period can be found on page 79.

The Board is satisfied that it has the appropriate balance of skills, experience, independence and knowledge of the Company to enable it to discharge its duties and responsibilities effectively, and that no individual or group dominates the Board's decision-making.

In accordance with the Company's Bye-laws and the Code, all Directors will seek appointment or re-appointment (as applicable) at the 2026 AGM. No issues have arisen that would prevent the Chair from recommending the appointment or re-appointment of any individual Director.

Additional details on Board succession planning, can be found on page 98.

Board independence and Director duties

The Nominations and Governance Committee reviews the independence of each Non Executive Director, taking

into account, among other things, the circumstances set out in the Code that are likely to impair, or could appear to impair, their independence. The Committee remains of the view that the most important factor is the extent to which they are independent of mind.

Each Director has undertaken to allocate sufficient time to the Group in order to discharge their responsibilities effectively. Each Non Executive Director's letter of appointment outlines the commitments expected of them throughout the year and this is further detailed in the Manual. Executive Directors are prohibited from taking more than one additional non executive directorship in a FTSE 100 company. Each year, as part of the Director review process, the Directors are required to provide a complete list of all third-party relationships that they maintain. This is analysed to determine if there is any actual or potential conflict of interest and that appropriate time continues to be available to devote to the Company.

The Nominations and Governance Committee reviews the findings and determines if there is any conflict of interest. The Committee determined that there were no relationships which could cause an actual or potential conflict.

Additionally, there were no concerns regarding overboarding and all Directors had adequate time available to carry out their duties. Where Directors accepted additional Board positions during the year, these were reviewed as part of our corporate governance processes and were not deemed to be significant to the extent that they would overburden that Director's time. Approval occurs prior to a Director undertaking additional external appointments.

Onboarding and Board training

On joining the Board, all Non Executive Directors take part in a full, formal induction programme which is tailored to their specific requirements. More information on this can be found on pages 97 to 98.

The Board also has an ongoing training programme with regular items on topical issues. In 2025 this included, among other things: remuneration and incentives in the UK market, AI risk management, cyber security and ESG, as well as deep dives on subjects including strategy, claims and transformation. Items for training are identified in the Board, Committee and Director reviews, as well as through specific requirements and individual requests, and can be delivered via the frequent programme of Board informational sessions.

Board structure and decision-making

The Board operates within an established structure which ensures clear responsibilities at Board level, transparent, well-informed and balanced decision-making, and appropriate onward delegations to effectively deliver the Company's purpose, values and strategy.

The Board has delegated a number of its responsibilities to its Audit, Investment, Nominations and Governance, Remuneration and Risk Committees. Each Board Committee operates within established written terms of reference and each Committee Chair reports directly to the Board. The formal schedule of matters reserved for Board decision and the Committee terms of reference were reviewed in late 2025 as part of the annual review of terms of reference, and copies of these can be

found at hiscoxgroup.com/investors/corporate-governance. To ensure that the Board operates efficiently, the roles of the Chair, Senior Independent Director and Group Chief Executive Officer are distinct to demonstrate the segregation of responsibilities.

Board cycle

The Board receives appropriate and timely information to enable Directors to review business strategy, trading performance, business risks and opportunities. Executive Directors and Senior Management from the business are invited to present on key items, allowing the Board the opportunity to debate and challenge initiatives and proposals directly.

The Board agenda is set by the Chair following input from the Group Chief Executive Officer and Company Secretary, and taking into consideration feedback from individual Directors. Board agendas focus on strategically important issues, key regulatory items and regular reports from key business areas. Board papers are circulated in advance of each meeting to ensure Directors have appropriate time to review them, and to seek clarification where necessary. The Management reports follow a short standard format which aids discussion and understanding. The quality of Board papers is kept under regular review.

At each meeting, the Board receives an update from the Committee Chairs to keep them abreast of the items discussed, the outcomes agreed, and to summarise recommendations for Board approval from the Committees.

The scheduled meetings follow an agreed format; agendas are developed

from the Board's annual plan of business, with flexibility built in to ensure the agendas can accommodate relevant upcoming issues. Each quarterly cycle typically covers a series of decisions, discussions and regulatory items either at the Board, during Committee discussions, or during informal informational sessions, depending on the nature of the matter. Items for discussion may be identified from actions from previous meetings, issues escalated from Management, items requested either formally or informally by Non Executive Directors, ongoing regulatory topics throughout the Group, and horizon scanning including a review of the competitive landscape. Agendas are built to ensure that the most appropriate method of progressing an item is utilised. The Chair and Non Executive Directors usually meet at the start or end of each Board meeting without the Executive Directors, creating an opportunity for Non Executive Directors to raise any issues privately. Owing to this system, the Group has an effective Board which supports a culture of accountability, transparency and openness. Executive and Non Executive Directors continue to work well together as a unitary Board and debate issues freely. The Board culture is congenial; however, both Non Executive Directors and Executive Directors continually challenge each other in order to deliver our shared aim. In the context of unitary Boards, Non Executive Directors provide Executive Directors with support and guidance, not just challenge, and our Non Executive Directors are close enough to the business to do this.

Board and Committee attendance

In line with the agreed meeting schedule, the Board and each of the Committees of the Board held four

comprehensive meetings in 2025, in addition to seven informational Board calls between Board meetings. These informational calls provided an opportunity to ensure the Board was kept informed of any business developments and allowed the Directors to monitor exposures, emerging issues and opportunities. More information on Board and Committee attendance can be found on page 78.

Outside of the formal Board and Committee meetings and informational calls, Non Executive Directors have unfettered access to employees at all levels of the business. They regularly liaise with Management on activities aligned to their key skills, and attend appropriate Management strategy and training events. They also have the opportunity to attend briefings with Group Executive Committee members and Senior Management, to understand key issues and conduct deep dives on specialist subjects.

Board activity in 2025

Board activity in 2025 was suitably focused to ensure it covered the appropriate strategy, performance and governance items and considered the needs and concerns of our key stakeholders. This included:

- strategy and business performance, including approval of the 2026 business plan, the agreement of business priorities for the year ahead, oversight of capital management measures taken (including legacy portfolio transactions and returns of surplus capital via share buybacks), embedding the Group's strategic evolution, and further optimising operational effectiveness;
- culture and engagement, including

reviewing the annual employee engagement survey, oversight of the employee proposition work done to date, and gaining new insights from the Employee Engagement Network facilitated by the Board's Employee Liaison, a role which Beth Boucher assumed in May 2025 following Anne MacDonald's departure from the Board at the conclusion of the 2025 AGM;

- governance, including updates on key underwriting exposures, and approval of the updated risk limits framework;
- oversight of all key risks, compliance, internal controls and governance matters, as outlined on pages 38 to 46 and 102 to 105.

Board engagement with stakeholders

A key element of the corporate governance framework is open and transparent communication with stakeholders at all levels including Board level. As such, the Board regularly discusses stakeholder topics including shareholder matters, employee engagement, customers, and the Group's impact on, and relationship with, wider society.

The Board is kept abreast of stakeholder feedback and issues through reports from a variety of sources, including the Chair, Group Chief Executive Officer, Group Chief Financial Officer, Employee Liaison, Senior Management and external consultants. This feedback loop is complemented by the regular dialogue that the Board maintains with the Group's key stakeholders, with the support of Executives and Senior Management. The Chair of each Committee of the Board is available for engagement with shareholders when

required. More information on how the Board engages with key stakeholders can be found on pages 52 to 55.

More information on the Board's approach to investing in and rewarding the workforce can be found on pages 112 to 115.

Board performance review

The Board and its Committees have a culture of continuous improvement and as part of this undertake a formal and rigorous annual review of Board and Committee performance, the results of which help to inform action and development. Board and Committee performance reviews are carried out each year and the results are reviewed and discussed by the Board and its Committees. Every third year, the Board performance review is undertaken by an external evaluator. An external review was last undertaken in 2023 by SCT Consultants and, in the interim years, such as 2025, an internal performance review is carried out which reviews each Committee, the Board and individual Directors. The review also assesses the completion of the prior year's actions.

2025 performance review and outcomes

Directors were fully engaged with the Board, Committee and Director evaluation process. The review was positive and confirmed continued robust decision-making and a Board culture which fosters constructive discussion. The Board continues to engage in continuous improvements, with the annual review process being an explicit point of reflection on ongoing actions and new areas of focus. The Directors determined to focus on the following matters in 2026:

- execution of the 2030 strategy and delivery of the growth initiatives, including tracking the progress against the targets, and monitoring the risks and the delivery;
- focus on delivery of the retail growth targets, including reviewing further opportunities for growth;
- preserving the Hiscox culture while adapting to the level of change within the organisation and the broader industry;
- oversight of technology, AI and data strategies;
- ensuring operations and control environment keep pace with growth;
- ensuring the appropriate skills and resource to deliver the strategic initiatives, retaining key talent and ensuring the Executive team has strength and depth in succession;
- managing NED succession during 2026/27. Although the current composition is considered strong, several Directors noted the need to be cognisant of retaining an appropriate level of P&C insurance expertise in respect of rotations in the next two years;
- ensuring a Board culture which fosters constructive discussion.

Additional topics for review were identified as part of the Board performance review which will influence the agendas and training plans for the year.

In light of the finding that the Board continues to perform well and function effectively, it is not anticipated that there will be any changes to Board composition as a direct result of the Board effectiveness review conducted this year.

The Board welcomed the review's conclusions, with the feedback directly linking to ongoing Board developments. The Chair owns the response to the findings, and a report on their delivery will be included in the 2026 Annual Report and Accounts.

Progress against 2024 performance review outcomes

The Board and its Committees have made tangible progress against the action points identified during 2024. They have:

- overseen and guided Management with respect to the development and execution of the Group strategy;
- implemented the appointment and comprehensive onboarding of a new Chair and two new Non Executive Directors;
- supported Management through changing insurance cycle and transitioning markets;
- guided Management to ensure the right talent and skills are in the right place to support the strategy;
- provided guidance and oversight with respect to technology, AI and data strategies;
- ensured that the operations and control environment keep pace with growth.

Board remuneration

The remuneration of Independent Non Executive Directors is determined by the Chair in conjunction with the Nominations and Governance Committee and is regularly benchmarked to ensure it reflects the time commitment and responsibilities of each role; there are no performance-related elements. The Chair's remuneration is determined pursuant to the remuneration policy. More information can be found on pages 112 to 147.

Corporate governance in action: our Employee Engagement Network

Beth Boucher
Hiscox Ltd Board Director and Employee Liaison



Our Employee Engagement Network, established in 2019, ensures workforce views are considered in Board decision-making – something Beth Boucher is passionate about both as a Board Director and as the Group's Employee Liaison, a role she took on during 2025.

"Both the Ltd Board and the subsidiaries receive summary reports based on the Network's discussions, but what impressed me most was the level of insight that those conversations brought to our Board meetings and the degree to which it really improved the Board's ability to advocate for employees," says Beth. "Those involved in the Network are focused, clear, direct, but most importantly constructive. To me it felt like a real feature of the distinctive Hiscox culture."

The Network convenes twice a year, with up to four meetings on each occasion to ensure that the group size for each discussion remains small and every attendee is able to make a meaningful contribution. Its primary role is to provide the Board with a candid, unfiltered view of employee sentiment, ensuring that strategic decisions are grounded in the realities of the workforce, and during 2025, discussion topics included leadership and vision, communications, transformation, and executive remuneration.

"Having these insights gives us a much richer Board discussion," Beth explains. "Not only do we

have a better understanding of how strategy and implementation may be impacting on employees; it also gives us early warning indicators of any potential cultural shifts as the business evolves."

Beth's focus is equally on keeping the Network relevant. Looking ahead, the selection of Network participants is becoming more data-driven, and its work is more closely aligning with the rest of the Group's employee engagement infrastructure.

As Beth concludes: "We're engineering a group that's diverse by every dimension we can measure, and we're rotating members more frequently to hear from as much of the community as possible. We're also creating a stronger feedback loop by integrating with other feedback mechanisms, such as the pulse surveys, to make sure the network's insights are actionable and timely, and complement the work of our people function."

For more on colleague engagement, see pages 56 to 60. [🔗](#)

The role of the Board

The Board as a whole is collectively responsible for the success of Hiscox Ltd and the Group. Its duties are to:

- set the Group’s strategic direction, purpose and values and align these with its culture;
- oversee competent and prudent management of internal control, corporate governance and risk management;
- determine the sufficiency of capital in light of the Group’s risk profile and business plans;
- approve the business plans and budgets.

This structure is supported by the Group Executive Committee, Investment Committee and a number of other management committees. The Board and its Committees have unfettered access to the resources they deem necessary to fulfil their obligations.

Certain administrative matters have been delegated to a committee comprising any Director and the Company Secretary.

The Company Secretary acts as a trusted advisor to the Board and its Committees, and ensures there are appropriate interactions between Senior Management and Non Executive Directors. He is responsible for advising the Board on all governance matters and all Directors have access to him for advice.

Audit Committee	Nominations and Governance Committee	Remuneration Committee	Risk Committee
— Advises the Board on financial reporting. — Oversees the relationship with internal and external audit. — Oversees internal controls including reserving and claims.	— Recommends Board appointments. — Succession planning. — Ensures an appropriate mix of skills and experience on the Board. — Promotes diversity. — Manages any potential conflicts of interests.	— Establishes remuneration policy. — Oversees alignment of rewards, incentives and culture. — Sets Chair, Executive Director and Senior Management remuneration. — Oversees workforce remuneration-related policies and practices across the Group.	— Advises the Board on the Group’s overall risk appetite, tolerance and strategy. — Provides advice, oversight and challenge to embed and maintain a supportive risk culture throughout the Group.
The Audit Committee report can be found on pages 102 to 105.	The Nominations and Governance Committee report can be found on pages 96 to 98.	The Remuneration Committee report can be found on pages 112 to 115.	The Risk Committee report can be found on pages 100 to 101 and more information on risk management can be found on pages 38 to 46.

The role of the Board

To ensure that the Board operates efficiently, each Director has distinct role responsibilities.

Chair	Senior Independent Director (SID)	Chief Executive	Independent Non Executive Directors
- Leadership of the Board. - Ensuring effective relationships exist between the Non Executive and Executive Directors. - Ensuring that the views of all stakeholders are understood and considered appropriately in Board discussions. - Overseeing the annual performance evaluation and identifying any action required. - Leading initiatives to assess the culture of the Company and ensure that the Board leads by example.	- Advisor to the Chair. - Leading the Chair's performance evaluation. - Serving as an intermediary to other Directors when necessary. - Being available to shareholders and other stakeholders if they have any concerns that cannot be resolved through normal channels, or if contact through these channels is deemed inappropriate.	- Proposing and delivering the strategy as set by the Board. - Facilitating an effective link between the business and the Board to support effective communication. - Leading the Group Executive Committee, which delivers operational and financial performance. - Representing Hiscox internally and externally to stakeholders, including shareholders, employees, government and regulators, suppliers and contractors.	- Active participation in Board decision-making. - Advising on key strategic matters. - Critiquing and constructively challenging proposals and activities, and approving plans where appropriate. - Upholding the cultural tone of the Company. - Engaging with internal and external stakeholders.

GOVERNANCE THAT DELIVERS

Compliance with the UK Corporate Governance Code 2024



As a company listed on the London Stock Exchange, the UK Corporate Governance Code is applicable to Hiscox.

The Board is pleased to report that the Company applied the principles of the 2024 edition of the UK Corporate Governance Code (the Code) throughout the year and complied with the applicable provisions of the Code throughout the year except as disclosed below. Provision 29 of the 2024 Code does not currently apply to the Company as it applies for financial years beginning on or after 1 January 2026.

Following the sudden death of our Chair, Jonathan Bloomer, in late August 2024, in accordance with our Governance processes, Colin Keogh, as the then-appointed Senior Independent Director, assumed the position of Interim Chair. Colin had been due to step down from the Board before the Company's Annual General Meeting in 2025. As a result, and for the reasons set out in last year's Annual Report and Accounts, the Company was not in compliance with Provision 19 up to 30 June 2025, at which point

Peter Clarke joined the Board as Chair and Colin stepped down from the Board.

The corporate governance statement, the remuneration report and the Directors' report, together with the cross-references to other relevant sections of the Annual Report and Accounts, explain the main aspects of the Company's corporate governance framework and provide greater understanding as to how the Company has applied the principles and reported against the provisions of the Code. The Code itself can be found at [frc.org.uk](https://www.frc.org.uk).



The Code can be found at [frc.org.uk](https://www.frc.org.uk).

Compliance with the UK Corporate Governance Code 2024

More information on how we have applied the principles of the Code is contained in various sections of this report. Please refer to the pages signposted below.

1	1. Board leadership and Company purpose	
	The Board's role	pages 86 to 93
	Purpose and culture	pages 9 and 86 to 87
	Board decisions and outcomes	page 90
	Stakeholder engagement	pages 52 to 55
	Workforce engagement	page 54
2	2. Division of responsibilities	
	Role of the Chair	page 93
	Composition of the Board	pages 80 to 81
	Role of Non Executive Directors	page 93
	Role of the Company Secretary	page 92
3	3. Composition, succession and evaluation	
	Board appointments and succession	pages 96 to 98
	Skills, experience and knowledge	pages 80 to 81
	Board performance review	pages 90 and 98
4	4. Audit, risk and internal controls	
	Internal and external audit	pages 104 to 105
	Fair, balanced and understandable assessment	page 104
	Risk management and internal controls	pages 38 to 46 and 104
5	5. Remuneration	
	Policies and practices	pages 112 to 115, 118 to 127 and 137 to 147
	Executive remuneration	pages 112 to 115, 116 to 117 and 120
	Outcomes and independent judgement	pages 112 to 115 and 118 to 127

SUCCESSION

Nominations and Governance Committee report



The focus on succession continued during 2025 with the smooth transition of a number of important Board responsibilities.

Peter Clarke
Chair of the Nominations and Governance Committee



Role of the committee

- Leads in the delivery of formal, rigorous and transparent procedures on appointments and succession.
- Ensures the development of a diverse pipeline of Board members and Senior Managers, including through an annual review of succession plans for Executives and Non Executives to ensure an appropriate mix of skills and experience on the Board.
- Reviews the Board performance review process, Company DEI strategy, and the diversity of the Board and Senior Management.
- Manages any potential conflicts of interests.

Detailed responsibilities are set out in the terms of reference at hiscoxgroup.com/nominations_governance_committee_tor.



2025 activities

- Appointment of Lynne Biggar and June Yee Felix as Independent Non Executive Directors in January 2025.
- Search for new Group Chair resulting in the appointment of Peter Clarke in June 2025.
- Smooth transition of relevant roles including the transition of Board responsibilities from Colin Keogh to Peter Clarke, the Senior Independent Director role from Lynn Pike to Jane Guyett, the Risk Committee Chair role from Lynn Pike to Michael Goodwin, and the Employee Liaison role from Anne MacDonald to Beth Boucher.
- Review of Board performance review outcomes.
- Ongoing diversity monitoring of the Board and Senior Management.
- Review of Committee terms of reference.

Committee membership and meetings

The Committee comprised the Chair of the Board and all of the Independent Non Executive Directors. The Chair of the Board is the Chair of the Nominations and Governance Committee, and the Senior Independent Director leads on any matters relating to the Chair. The Committee meets four times a year. Attendance at Committee meetings by Committee members is shown in the table on page 78.

Talent reviews

The Committee leads on Executive succession planning via an established and robust talent review process. As required, the Committee reviews key talent plans throughout the Group. The Group review focuses on the GEC and their direct reports, and the Company Secretary. The outputs of the talent review process contribute to Senior Management performance development plans and include relevant diversity actions.



A formal and transparent process was deployed for the appointment of the Group Chair.

Requirements	Process	Interview and appointment	Induction
The search for a permanent Chair commenced in September 2024 following the death of Jonathan Bloomer. The key requirements of the role were agreed as being recent financial services and experience of chairing listed company boards. A review was completed by the Committee on the geographical location of the new Chair, assisted by an externally delivered market map of available Directors. A brief was prepared for the role specifying the above.	The process was initiated with the appointment of an agency. Korn Ferry was engaged based on its market reputation, and alignment to our DEI objectives. The search firm used was deemed to be independent as it does not have any connection with the Company or its individual Directors other than in its engagement on other Non Executive Director search processes. The search firm identified potential candidates assessed against the role specification, based on merit, and with due regard for the benefits of all forms of diversity on the Board, including gender and ethnicity. This produced a long list of high-quality candidates from a broad range of potential sources of talent. Candidates were then shortlisted for interviews, which focused on each candidate's skills and experience for the role.	A formal, multi-stage interview process was used to assess candidates, and included interviews with Board members. All interview candidates were deemed appropriate for appointment based on their skills and experience, and subject to a referencing process and review of any potential conflicts and time availability (assessed against significant time commitments). The outstanding candidate for the role was Peter Clarke, and the Nominations and Governance Committee agreed that he demonstrated considerable financial services expertise and sufficient experience of chairing listed company boards. The appointment was announced in May 2025.	Peter's induction consisted of a tailored induction programme which allowed him to become more familiar with the working of the Board and the Group, and to fully understand the Company's operating environment (internal and external). This included meetings with individuals from the Board, Senior Management and external auditor, and was supported by an induction pack. The programme was tailored to Peter's appointment and was continually reviewed to identify additional areas where induction may be required.

This process is replicated at a business unit level to ensure a sufficient pipeline of talent in each area. Talent plans are also reviewed when vacancies arise.

Board composition and succession

The Committee reviewed the independence of each of the Non Executive Directors. There was a particularly robust assessment of the independence of those Directors that had served more than six years on the Board. As part of the annual Board succession planning process, the Committee reviewed the composition of the Board in 2025. This included a skills and experience review – encompassing independence, length of service, the balance of skills and experience, diversity, and the capacity required to oversee the delivery of the Company's strategy – and Board succession planning on an immediate and longer-term basis for the Chair and all members of the Board.

In connection with the retirements of Lynn Pike and Anne MacDonald the Nominations and Governance Committee conducted a review with respect to Non Executive succession. This review was aligned to the needs of the Board, talent reviews and succession planning for the Executive Directors.

As part of this process, the Committee established the need to appoint two new Independent Non Executive Directors with marketing expertise and relevant experience of regulated US retail businesses. The Committee appointed independent executive search firms, MWM Consulting and Korn Ferry, to assist with the appointment. Neither of the search firms has any connection with the

Company or its Directors other than in its engagement on other Non Executive Director search processes.

The search firms commenced a search for candidates meeting the role criteria outlined by the Committee. Having undertaken an extensive mapping of the market for candidates meeting the key criteria outlined by the Committee, together with personal fit for the Board, they identified a significant number of diverse candidates who met the criteria from which a long list of the most qualified candidates was created. These candidates were subsequently interviewed by the Chair and the Group's Chief People Officer.

Following these interviews, a shortlist of candidates went on to meet with selected Independent Non Executive Directors, as well as members of Management. During this process, the future needs of the Board were considered, as well as diversity of gender and race.

June Yee Felix and Lynne Biggar were identified as the most qualified candidates. Their appointments were announced in January 2025 and they joined the Board on 27 January 2025.

The induction for June and Lynne was consistent with the process outlined for Peter (see page 97).

Following these formal reviews, the Board remains confident that the current skills and expertise are in place to deliver value to the Company and its shareholders. This formal annual process is augmented by ongoing open dialogue between the Non Executive Directors on succession and the skills required to deliver the strategy.

Pages 80 to 81 set out the nature and breadth of each Director's relevant skills and experience. Additionally, all Directors have demonstrated that they have adequate capacity to fulfil their duties. As part of the discussions on the requirements of new Directors, the Committee determined that the Company has a strong Board which is sufficiently capable to meet the demands of the Group and future strategy. This was also validated through the Board performance review process.

Board performance review

The Board and its Committees have a culture of continuous improvement and as part of this undertake a formal and rigorous annual evaluation of Board and Committee performance, the results of which help to inform action and development. Board and Committee effectiveness evaluations are carried out each year and the results are reviewed and discussed by the Board and its Committees – specifically the Nominations and Governance Committee, with a focus on Board composition. More information on this can be found on pages 89 to 90.

Peter Clarke

Chair of the Nominations and Governance Committee



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RISK AND REWARD

Risk Committee report



The Group’s risk management structures and processes have evolved against a backdrop of both the evolving risk landscape and the business focus on growth and scale.

Michael Goodwin
Chair of the Risk Committee



Role of the committee

- Advises the Board on the Group’s overall risk appetite, tolerance and strategy.
- Provides advice, oversight and challenge to embed and maintain a supportive risk culture throughout the Group.
- Reviews the effectiveness of the Group’s risk management framework.



2025 activities

- Reviewed and updated risk policies and standards.
- Reviewed assessments of risk maturity by business area and function.
- Completed targeted risk reviews in areas such as business transformation and operational resilience.
- Supported the Board in its review of the effectiveness of the Group’s risk management and internal controls.

Committee membership and meetings

The Committee is comprised of eight Independent Non Executive Directors, including the Committee Chair, each of whom has relevant expertise gained over the course of their executive and non-executive careers. During 2025, the Committee met quarterly, and I took over as Committee Chair as Lynn Pike stepped down from the Board and the Committee. I would like to thank Lynn for her valued contribution during her tenure as Committee Chair.

The Committee relies on frequent updates from within the business and from independent risk experts. As such, the Committee regularly invites others relevant to Committee matters to attend, in particular the Group’s Executive Directors and the Group Chief Risk Officer, with the Group Chief Risk Officer having unfettered access to the Chair and other members of the Committee.

Risk monitoring and reporting

At each of its meetings during the year, the Committee reviews and discusses the enterprise risk management report which monitors the most significant exposures to the business.

The Committee receives and reviews regular reporting from the Group Chief Risk Officer which highlights key information impacting the Group-wide risk profile, as well as updates on key activities undertaken by the risk function to deliver on its objectives, outputs of regular risk monitoring activities, and relevant regulatory developments.

The Committee also receives reports focused on emerging risks throughout the year. In 2025, emerging risks considered include risks associated with AI, climate change, and geopolitical risks. An overview of the processes for identifying emerging risks through the Grey Swan Group is described on page 73.

In addition, the Committee is responsible for reviewing and recommending to the Board for approval the Group's annual Group Solvency Self Assessment (GSSA) report for submission to the BMA. This is a mandatory solvency self-assessment filing for all BMA-regulated (re)insurers which is designed to ensure an analysis of internal capital needs is incorporated into risk management frameworks.

As part of the GSSA process, stress tests and reverse stress tests (scenarios such as those shown on pages 40 and 42, which could potentially give rise to business failure as a result of either a lack of viability or capital depletion) are also performed and reported to the Risk Committee.

Key activities of the Committee

The main areas of focus for the Committee in 2025 were as follows.

Enhancements to the risk management framework

The Committee reviewed and updated risk policies and standards, as well as assessments of risk maturity across different business units and functions and plans to further enhance risk maturity. The Committee also discussed metrics for monitoring the Group's climate risk. The Committee received updates on the embedded process to assess risk culture, which includes a risk culture survey for staff that is completed as part of annual risk management training.

Targeted risk reviews

There has been a continued focus during the year on performing targeted risk reviews at both Group and legal entity level, the outputs of which are shared with the Committee. During 2025, reviews have focused on business transformation initiatives, capital model validation deep dives, regulatory risk and change, as well as specific topics such as operational resilience.

Technology and AI risks

The Committee received updates on the implementation of the Group's technology and data strategies, as well as AI governance enhancements, and reviewed the Group's new cyber strategy.

Underwriting risks

The Committee received updates on a number of relevant topics including reinsurance purchasing, managing the insurance market cycle and exposure management.

Effectiveness review

The Committee also supports the Board in its review of the effectiveness of the Group's risk management and internal control systems through key activities that took place over the course of 2025, including: reviewing its annual declaration of compliance with the BMA's Group Supervision Rules, reviewing the results of the annual Group-wide risk and control self-assessment and associated second-line review, reviewing changes to Hiscox Group risk policies and the Hiscox risk and control register, as well as considering risk management and internal control effectiveness as a specific topic.

During 2025, the Board has, through the Committee, conducted a robust assessment of the emerging and principal risks facing the Company, including those that would threaten its business model, future performance, solvency or liquidity, and is satisfied that no material changes to the key risks are required.

Michael Goodwin

Chair of the Risk Committee

ENSURING INTEGRITY

Audit Committee report



As our operating environment continues to evolve and the Group pursues its ambitious growth plans, the Committee has continued to ensure the integrity of our financial disclosures, the effectiveness of our internal controls, and our readiness for future disclosure requirements.

Donna DeMaio
Chair of the Audit Committee



Role of the Committee

- Assist the Board on matters of financial reporting, reserving and internal control, including monitoring the financial reporting process and submitting recommendations and proposals to ensure its integrity.
- Oversee and ensure the independence and effectiveness of the internal and external audit functions of the Group.
- Review and liaise with the Board on the effectiveness of the whistleblowing policy.
- Monitor compliance with applicable laws, rules and guidance, as appropriate.

Detailed responsibilities are set out in the terms of reference at hiscoxgroup.com/audit_committee_tor.



2025 activities

- Reviewed the appropriateness of the interim and annual financial statements.
- Continued monitoring of the Group's approach to reserving.
- Reviewed updates on impairment testing.
- Reviewed the impact of the acquisitions of Lokky and Corix, and the disposal of DirectAsia Singapore on the financial statements and accounting disclosures.
- Reviewed developments in accounting standards, tax developments, changes to the UK Corporate Governance Code, and ESG reporting matters.
- Reviewed the effectiveness of the Group's internal controls.

Committee membership and meetings

The Committee comprises eight independent Non Executive Directors and is chaired by Donna DeMaio. Lynne Biggar and June Yee Felix were appointed to the Committee on 27 January 2025. Lynn Pike and Anne MacDonald ceased being members of the Committee after stepping down from the Board in May 2025, following the conclusion of their nine-year terms.

The Committee meets four times a year to coincide with key points in the Group's financial calendar. Attendance at Committee meetings by Committee members is shown in the table on page 78.

Financial reporting

Working with both Management and the external auditor, the Committee reviewed the appropriateness of the interim and annual financial statements, concentrating on:

- the quality and acceptability of accounting policies and practices;
- the clarity of the disclosures and compliance with financial reporting standards and requirements;
- material areas in which significant judgements and estimates have been applied, or where there has been discussion with the external auditor; and
- any correspondence from third parties in relation to our financial reporting.

Key accounting judgements and disclosures

An explanation of how the Company applies its accounting policies can be found in note 2 of the financial statements. The significant judgements considered by the Committee in relation to the 2025 financial statements were as follows.

i) Reserving for insurance losses

As set out in our material accounting policies in note 2.19, the reserving for insurance losses is the most critical estimate in the Group's financial statements.

The Chief Actuary presents a quarterly report to the Committee covering Group loss reserves, which discusses both the approach taken by Management in arriving at the estimates and the key judgements within those estimates. The Committee reviewed and challenged the key judgements and estimates in valuing the insurance assets and liabilities, including in relation to reserving methods, longer-tailed casualty lines and IFRS 17 assumptions involving discounting, onerous contract charge, measurement basis and risk adjustment.

The Committee is satisfied with both the process that was conducted, and the reporting and disclosure of the resulting estimates. While there remains uncertainty around the final cost of insured events to the Group, the Committee notes that the Group continues to adopt a conservative approach where uncertainty exists as to the final cost of settlement. As with prior years, the Committee also considers the report of the external auditor, following its reprojection of reserves using its own methodologies. On the basis of this work, it reported no material misstatements in respect of the level of reserves held by the Group at the end of the reporting period. The Committee is

satisfied that the valuation of insurance contract liabilities and reinsurance contract assets at 31 December 2025 is appropriate.

ii) Going concern assessment and longer-term viability statements

The Committee noted the Group's going concern statements included in the Interim Statement and in this Annual Report and Accounts, and the assessment reports prepared by Management in support of such statements. More information on the going concern and longer-term viability statements can be found on pages 107 to 108.

iii) Recoverability of goodwill and other intangible assets

Judgements in relation to impairment testing relate primarily to the assumptions underlying the calculation of the value in use of the Group's businesses, being the achievability of the long-term business plans and the macroeconomic factors underlying the valuation process. The Committee received updates on impairment testing and the analysis performed by Management and assessed the appropriateness of the assumptions made. The Committee is satisfied with the approach taken and the recoverability of the goodwill and intangible assets.

iv) Acquisitions and disposals

During the year, the Group acquired an online insurance broker and agency in Italy (Lokky) and a small specialist insurtech company in the USA (Corix). The Group also disposed of the DirectAsia insurance subsidiary in Singapore. The Committee reviewed the impact of the Lokky and Corix acquisitions and the DirectAsia disposal on the Group's financial statements as well as the required accounting disclosures. The Committee is satisfied that the valuation and presentation of the goodwill and intangibles and the purchase price allocation for Lokky and Corix are appropriate.

v) Valuation of the investment portfolio

The Group continues to measure and report its investment assets at fair value. Due to the nature of the investments, as disclosed in notes 14 and 17, the fair values are based on quoted prices or are measured using directly or

indirectly observable inputs. A small proportion of investments rely on a higher degree of judgement, due to the limited availability of observable market prices or observable inputs, to estimate their fair value. The Committee received updates on the valuation of certain investments where the fair value was particularly subjective, and is satisfied with the valuations.

Sensitivity analysis on valuation of assets is captured within the financial risk section (note 3.3) of the financial statements.

vi) The recoverability of deferred tax assets

The estimation of the value of the Group's deferred tax asset requires significant judgement. The Group's deferred tax asset continues to be driven by the temporary difference arising from the recognition of the economic transition adjustment, upon enactment of the Bermuda Corporate Income Tax Act. There have been no changes to legislation in 2025 which would impact the continued recognition of the asset, therefore it remains on the Group's balance sheet. The recognition of deferred tax assets attributed to unutilised tax losses has been reassessed – particularly related to the Group's US sub-group – in light of recent profit forecasts. While these indicate brought forward tax losses would be fully utilised within the next five years, no additional asset has been recognised at this stage. The Committee is satisfied with Management's approach to valuation and recognition of the deferred tax asset.

vii) Alternative performance measures

The Committee reviewed the Group's suite of alternative performance measures to ensure they remain appropriate, clearly defined, and consistently applied. In doing so, the Committee assessed whether the measures are transparent, balanced in their presentation relative to statutory results, and supported by suitable reconciliations and explanations to aid users' understanding of performance. In addition, the Committee considered the introduction of adjusted operating profit (AOP) and related APMs, reviewing the rationale, methodology, and disclosures provided. The Committee is satisfied that the new APMs are clearly explained, appropriately adjusted for

non-operating items, and enhances insight into underlying operating performance without giving undue prominence over statutory measures.

Fair, balanced and understandable

The Committee assessed whether the Annual Report and Accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's financial position and performance, business model and strategy. The Committee reviewed the processes and controls that underpin its preparation, ensuring that all contributors and Senior Management are fully aware of the requirements and their responsibilities.

Corporate reporting and regulatory developments

The Committee monitors reporting and regulatory developments, and the implementation of new requirements. The Committee received updates on:

- new accounting standards and amendments, in particular the introduction of IFRS 18 which comes into effect on 1 January 2027;
- changes to the UK Corporate Governance Code;
- tax developments, notably the introduction of substance-based tax credits in Bermuda; and
- various environmental, social, and governance (ESG) reporting matters.

Internal controls

The Committee supports the Board with its review of the effectiveness of the Company's internal controls, which is required by the UK Corporate Governance Code to be reported on in the Annual Report. The ongoing

monitoring activities and annual review performed by the Committee are as follows.

- The Committee receives quarterly updates on the effectiveness of the financial reporting control environment. This includes metrics to evaluate control effectiveness, attestations from business unit Chief Financial Officers, and the tracking of any control remediation activity.
- The Committee also receives updates on internal controls and reporting matters from the significant regulated entity Audit Committees operating within the Group.
- In 2025, the Committee, on behalf of the Board, undertook a review of the effectiveness of the internal controls of the Group. These activities are carried out at least annually.

Preparation for Provision 29

Provision 29 of the revised 2024 UK Corporate Governance Code, applicable to reporting periods beginning on or after 1 January 2026, introduces an enhanced requirement for the Board to make a formal declaration of effectiveness of the material internal controls as at the year-end. The existing obligations for the Board to monitor and review the effectiveness of the risk management and internal control framework remain unchanged. During the year, the Committee continued its oversight of the Group's preparation for these enhanced reporting requirements. This has included reaffirming the definition of material controls, ensuring it remains appropriate for the Group's evolving risk profile, and validating the population of material controls identified across the business.

The Committee reviewed and agreed the scope and level of assurance to be undertaken. These activities represent a natural strengthening of the Group's existing internal control and assurance processes, and form a key part of the implementation plan to ensure a robust evaluation process is in place ahead of the new attestation and disclosure requirements.

Internal audit

The Group's Chief Auditor provided quarterly updates to the Committee on the progress of the internal audit plan, the outcomes of recent audits, the progress of audit-related actions, and any other relevant activities including its key performance measures and the development of its resources.

Daniel Williams was appointed as Group Chief Auditor on 3 March 2025.

Internal audit effectiveness

Updates on aspects such as the assessment of internal audit's effectiveness and the review of the internal audit policy are shared annually. Detailed results of an annual self-assessment against internal audit standards and codes, and on independence are reported annually to the Committee. It is a requirement that every five years this assessment is carried out externally.

Internal audit plan

The internal audit plan is derived using a risk-based approach. In 2025, key themes included core underwriting and claims controls, business and technology operations, change, financial control, cyber security, operational resilience, risk management and various regulatory themes.

External audit

PwC has been the Group's external auditor since 2016 following a competitive tender process. The Group has complied with the UK Competition & Markets Authority's Statutory Audit Services for Large Companies Market Investigation (Mandatory Use of Competitive Tender Processes and Audit Committee Responsibilities) Order 2014 throughout the year. Following an auditor tender process for the 2026 year-end audit, PwC was approved to continue as the Group's auditor.

As the Group's auditor, PwC is invited to attend all meetings of the Committee, and it is the responsibility of the Committee to monitor their performance, objectivity and independence. The Committee discusses and agrees with PwC the scope of its audit plan for the full-year and the review plan for the interim financial statements. No shareholders requested any matters be covered as part of the external audit. There was no regulatory inspection by the Financial Reporting Council of the quality of the Group's audit. The Committee also reviewed and approved the remuneration and terms of engagement with PwC.

The Committee receives reports from PwC at each meeting which include the progress of the audit, key matters identified and the views of PwC on the judgements outlined above. The Committee ensures that PwC has full access to the Group's staff and records. The Committee also invites challenge by PwC, giving due consideration to points raised and making changes to financial statements in response, where appropriate. PwC also reports on

matters such as its observations on the Group's financial control environment, developments in the audit profession, and certain other mandatory communications.

There is regular, open communication between the Committee and PwC, as well as with Management. To provide a forum in which any matters of concern could be raised in confidence, the Non Executive Directors met with both the external and internal auditors throughout the year without Management present.

Non-audit services and independence of the external auditor

To safeguard auditor independence and objectivity, non-audit services are not contracted with PwC unless it is clear that there is no practical alternative and there are no conflicts of interest or independence considerations. The Committee has also managed its non-audit relationships with audit firms, ensuring that it had a fair choice of suitable external auditor for the recent tender process.

Assessing the effectiveness of the external auditor

Throughout the year, the Committee has assessed the independence, effectiveness and quality of the external audit process. This assessment considers the Committee's review of the content of the external auditor's management letter, and other communications with the Committee, to assess the external auditor's understanding of the business and considers a variety of issues, including: the external auditor's experience and expertise; its professional scepticism and approach to challenging Management where necessary; its efficiency in completing the agreed

external audit plan; and the content, quality and robustness of its reports. The Committee also takes into account the perspectives of those in Senior Management who interact with the external auditor on a regular basis. This process forms the basis for the Committee's reporting to the Board and its recommendation to shareholders to reappoint the external auditor, and the Committee concluded that PwC continued to perform effectively and remains independent and that the audit was of a sufficiently high quality.

Audit Committees and the External Audit: Minimum Standard

The FRC's Audit Committees and the External Audit: Minimum Standard (the Standard) has been incorporated by reference within the 2024 Code, which is effective for financial reporting years commencing from 1 January 2025. The Company believes it has complied with the Standard. The Committee has set out above the activities it has undertaken to fulfil its responsibilities and meet the requirements of that Standard.

Whistleblowing

The Chair of the Committee serves as the Group's whistleblowing champion. The Committee, along with the Board, has oversight of whistleblowing matters and receives reports arising from its operation.

Donna DeMaio
Chair of the Audit Committee

DIRECTORS' REPORT



The Directors have pleasure in submitting their Annual Report and consolidated financial statements for the year ended 31 December 2025.

Management report

The Company is a holding company for subsidiaries involved in the business of insurance and reinsurance in Bermuda, the USA, the UK, Guernsey, and Europe. The information found on pages 26 to 33, 38 to 46, 158 to 230 and 231 to 234 fulfils the requirements of the Management report as referred to in Chapter 4 of the Disclosure Guidance and Transparency Rules (DTR). This includes additional explanation of the figures detailed in the financial statements and the branches and office locations of the Group in different countries.

The key performance indicators are shown on pages 20 to 21. Details of the use of financial instruments are set out in notes 3.3 and 17 to the consolidated financial statements. An analysis of the development and

performance of the business during the financial year, its position at the end of the year, any important events since the end of the year and the likely future development can be found within the Chief Executive's report on pages 26 to 33. A description of the Company's strategy and business model is set out on pages 12 to 17. The Company is not involved in any research and development activities. A description of the key risks and uncertainties and how they are managed or mitigated and what procedures are in place to identify and manage emerging risks can be found in the risk management section on pages 38 to 46. In addition, note 3 to the consolidated financial statements provides a detailed explanation of the key risks which are inherent to the Group's business and how those risks are managed.



Director duties

As a company incorporated under the laws of Bermuda, Hiscox complies with Bermuda Company Law and as such the UK Companies Act 2006 and associated reporting regulations do not apply. Although there is no prescription of statutory duties in Bermuda, Directors are bound by fiduciary duties to the Company and statutory duties of skill and care. This includes exercising care, diligence, and skill that a reasonably prudent person would be expected to exercise in a comparable circumstance. The Directors act in a way that they consider 'in good faith' would be most likely to promote the success of the Company for the benefit of its members as a whole.

Compliance with the UK Corporate Governance Code 2024 (the Code)

Details of how the Company has applied the principles set out in the Code and complied with the provisions of the Code are set out on pages 94 to 95.

Emerging and principal risks

The confirmation required by Provision 28 of the Code in relation to the Board's robust assessment of the Company's emerging and principal risks (referred to in this document as key risks) can be found on pages 43 to 46.

Corporate governance statement

The information that fulfils the requirements of the corporate governance statement as referred to in DTR 7.2 can be found on pages 94 to 95 in this report.

Financial results

The Group delivered a record profit before tax for the year of \$732.7 million (2024: \$685.4 million). Detailed results for the year are shown in the consolidated income statement on page 158.

Going concern

A review of the financial performance of the Group is set out in the Chief Executive's report on pages 26 to 33. The financial position of the Group, its cash flows and borrowing facilities are outlined on pages 30 to 33. The Group has considerable financial resources and a well-balanced book of business. The Board has reviewed the Group's current and forecast solvency and liquidity positions for the next 12 months and beyond. As part of the consideration of the appropriateness of adopting the going concern basis, the Directors use scenario analysis and stress testing to assess the robustness of the Group's

solvency and liquidity positions. Multiple experts within the business review the provisional results in order to reduce individual biases and to try and ensure all possibilities are considered and captured. In undertaking this analysis, no material uncertainty in relation to going concern has been identified. This is due to the Group's strong capital and liquidity positions, which provide resilience to shocks, underpinned by the Group's approach to risk management which is described in note 3 on pages 175 to 187. After making enquiries, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence over a period of at least 12 months from the date of this report. For this reason, the Group continues to adopt the going concern basis in preparing the consolidated financial statements.

Longer-term viability statement

The preparation of the longer-term viability statement includes an assessment of the Group's long-term prospects in addition to an assessment of the ability to meet future commitments and liabilities as they fall due.

It is fundamental to the Group's longer-term strategy that the Directors manage and monitor risk, taking into account all key risks the Group faces, including insurance risks, so that it can continue to meet its obligations to policyholders. The Group is also subject to extensive regulation and supervision including the Bermuda Solvency Capital Requirement, which is outlined on page 33.

Against this background, the Directors have assessed the prospects of the Group in accordance with Provision 31

of the Code, with reference to the Group's current position and prospects, its strategy, risk appetite and key risks, as detailed in the risk management section on pages 38 to 46, as well as note 3 to the consolidated financial statements.

The assessment of the Group's prospects by the Directors covers the three years to 2028 and is underpinned by Management's 2026-2028 business plan. It includes projections of the Group's capital, liquidity and solvency and reflects the Group's risk profile of a portfolio of diversified short-tailed and medium-tailed insurance liabilities. In making the viability statement, the Board carried out, as part of the Group's solvency self-assessment process, a robust assessment using scenario analysis and stress testing to consider the Group's capacity to respond to a series of relevant financial, insurance-related or operational shocks should future circumstances or events differ from these current assumptions.

The adequacy of the liquid resources of the Group's parent company has been assessed by considering stress scenarios that would result in additional calls on central liquidity by the Group's business units. A 1-in-200 climate-heavy natural catastrophic year was assessed to be the most severe liquidity stress. Under this scenario the Group was shown to have access to sufficient liquidity sources to remain above risk appetite, after taking into account the Group's \$650 million undrawn revolving credit facility. This analysis allows the Board to review and challenge the risk management strategy and consider potential mitigating actions.

Major interests in shares

The Company has been notified of the following interests in voting rights in its ordinary shares in accordance with DTR 5:

	Number of shares	% of issued share capital as at 31 December 2025*
Sun Life Financial Group	29,251,577	9.00
BlackRock Inc.	25,646,578	7.89
Fidelity Management & Research	22,818,247	7.02
The Vanguard Group, Inc.	17,125,373	5.27

*There were 324,852,067 shares in issue (excluding Treasury shares) as at 31 December 2025. As at 24 February 2026, no changes have been notified to the Company.

Based on these assessments, the Board confirms that it has a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the three-year assessment period. Longer term, the Group's viability is underpinned by the Group's strategy of balancing big-ticket with retail business, market growth opportunities and underwriting expertise. See pages 12 to 17 for further details of the Group's strategy and business model.

Dividends

An interim dividend of 14.4 cents per share was paid on 23 September 2025 and, as in previous years, a Scrip Dividend alternative was offered. The Board is also proposing payment of a final dividend in respect of the year ended 31 December 2025 (subject to shareholder approval) of 35.9 cents per share, to be paid on 8 June 2026 to shareholders on the register at 24 April 2026.

Bye-laws

The Company's Bye-laws contain no specific provisions relating to their amendment and any such amendments are governed by Bermuda Company Law and subject to the approval of shareholders in a general meeting.

Share capital

Details of the structure of the Company's share capital and changes in the share capital during the year are disclosed in note 19 to the consolidated financial statements. The ordinary shares of 6.5p each are the only class of shares presently in issue and carry voting rights. There is power under Bye-law 45 of the Company's Bye-laws for voting rights to be suspended if calls on shares are unpaid. However, there are no nil or partly

paid shares in issue on which calls could be made. The Bye-laws also allow the Company to investigate interests in its shares and apply restrictions including suspending voting rights where information is not provided. No such restrictions are presently in place. A shareholder may transfer all or any of their shares in any manner permitted by applicable Bermudian legislation and the Bye-Laws. No person holds securities carrying special rights with regard to control of the Company. The Company was authorised by shareholders at the 2025 AGM to purchase in the market up to 10% of the Company's issued ordinary shares.

The Company announced on 27 February 2025 that it would commence a buyback of its issued ordinary shares for a maximum aggregate consideration of \$175 million to reduce the issued share capital of the Company. This was subsequently increased on 6 August 2025 to a maximum aggregate consideration of \$275 million. The first tranche of the buyback was completed on 3 October 2025 and the second and final tranche of the buyback programme concluded on 19 December 2025. Across the programme, the Company purchased 15,894,323 ordinary shares of 6.5p each (representing 5% of the Company's ordinary shares in issue at the beginning of 2025) between 27 February 2025 and 19 December 2025, representing a total consideration of \$275.0 million (excluding expenses) and all shares repurchased under the programme have been cancelled.

The Company announced a further special capital return via a share buyback with its 2025

preliminary results and will update the market accordingly.

Directors

The names and details of all Directors of the Company who served during the year and up to the date of this report are set out on pages 80 to 81. Details of the Chair's professional commitments are included in his biography on page 80.

The Bye-laws of the Company govern the appointment and replacement of Directors. In accordance with the Code, the Directors will submit themselves for re-election at the AGM.

Details of the Directors' share ownership are also set out on page 126. Biographical details of the Directors are set out on pages 80 to 81, as are the reasons why the Board believes their contribution is (and will continue to be) important to the Company's long-term sustainable success. This information will also be set out in the circular which will accompany the notice of AGM.

Major interests in shares

The Company has been notified of the interests in voting rights in its ordinary shares in accordance with DTR 5, which are outlined in the table above. Any acquisitions or disposals of major shareholdings notified to the Company in accordance with DTR 5.1 are announced and those announcements are available on the Company's website, [hiscoxgroup.com](https://www.hiscoxgroup.com).

Political donations and charitable contributions

The Group made no political donations during the year (2024: \$nil). Information concerning the Group's charitable activities can be found on page 13.

Disclosure under UK Listing Rule 6.6.1

Details of long-term incentive schemes	Directors' remuneration report (pages 123 to 124)
Allotment of shares for cash pursuant to employee share schemes	Note 19 to the consolidated financial statements on employee share schemes (page 208)

Climate-related matters

In preparing and authorising this report, the Board has considered the relevance of material climate-related matters. Climate-related matters are discussed at all levels of the Company, including Board level, in line with the sustainability governance structure outlined on page 65.

The Company also aligns its climate-related activities to the TCFD framework, details of which can be found on pages 64 to 75.

Directors and officers' indemnity

The Company has granted indemnities to each of its Directors and Officers in respect of all losses arising out of, or in connection with, the execution of their powers, duties and responsibilities as Directors and/or Officers to the extent permitted by Bermuda Company law and the Bye-laws of the Company.

Powers of Directors

The powers given to the Directors are contained in the Company's Bye-laws and are subject to relevant legislation and, in certain circumstances (including in relation to the issuing and buying back by the Company of its shares), approval by shareholders in a general meeting. At the 2025 AGM, the Directors were granted authorities to allot and issue shares and to make market purchases of shares, and intend to seek renewal of these authorities in 2026.

Disclosure under UK Listing Rule 6.6.1

The information that fulfils the reporting requirements relating to the following matters can be found at the pages identified in the table above.

Annual General Meeting

The notice of the AGM, to be held on 14 May 2026, will be sent to shareholders alongside a copy of this report. The deadline for submission of proxies is 48 hours before the meeting.

By order of the Board
Marc Wetherhill
Company Secretary

Chesney House
96 Pitts Bay Road
Pembroke HM 08
Bermuda
24 February 2026

DIRECTORS' RESPONSIBILITIES STATEMENT

The Board is responsible for ensuring the maintenance of proper accounting records which disclose with reasonable accuracy the financial position of the Group. It is required to ensure that the financial statements present a fair view for each financial period. The Directors explain in the Annual Report their responsibility for preparing the Annual Report and Accounts.

We confirm that to the best of our knowledge:

- the financial statements, prepared in accordance with UK-adopted international accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole; and
- the Management report includes a fair review of the development and performance of the business and the position of the Company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

The Directors responsible for authorising the responsibility statement on behalf of the Board are the Chair, Peter Clarke, and the Group Chief Executive Officer, Aki Hussain. The statement was approved for issue on 24 February 2026.

The Directors consider that the Annual Report and Accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's and the Group's position, performance, business model and strategy.

ADVISORS

Hiscox Ltd

Secretary

Marc Wetherhill

Registered office

Chesney House
96 Pitts Bay Road
Pembroke HM 08
Bermuda

Registered number

38877

Auditor

PricewaterhouseCoopers LLP
7 More London Riverside
London
SE1 2RT

Stockbrokers

Citigroup
Citigroup Centre
33 Canada Square
London
E14 5LB

Peel Hunt LLP
7th Floor
100 Liverpool Street
London
EC2M 2AT

Registrars

Equiniti (Jersey) Limited
c/o Equiniti Limited
Aspect House
Spencer Road
Lancing
West Sussex BN99 6DA
United Kingdom



ICH MACHE MEIN BUSINESS. ABER ANDERS.

Versicherung können viele, Hiscox Experten können mehr. Engagiert. Fair. Persönlich.

Wir schützen, was Sie schätzen.

Mehr erfahren
makler.hiscox.de



ATTRACTING AND RETAINING TALENT

Remuneration Committee report



Our remuneration strategy is designed to help attract and retain talented, ambitious people, to foster a culture of high performance and to create sustainable long-term value for shareholders.

Jane Guyett
Chair of the Remuneration Committee



Role of the committee

- Establishes remuneration policy.
- Oversees alignment of rewards, incentives and culture.
- Sets Chair, Executive Director and Senior Management remuneration.
- Oversees workforce remuneration-related policies and practices across the Group.

Detailed responsibilities are set out in the terms of reference at hiscoxgroup.com/remuneration_committee_tor.



2025 highlights

- Reviewed alignment of the Directors' remuneration policy with the Company's 2028 strategic ambitions and consulted with shareholders on proposed changes ahead of the 2026 AGM.
- Determined the Executive Directors' remuneration outcomes in the context of 2025 performance.
- Continued to oversee incentivisation of a high-performance culture and creation of long-term value for shareholders.

Dear Shareholder

On behalf of the Board, I am pleased to present the Hiscox remuneration report for the year ended 31 December 2025.

2025 was another strong year for Hiscox with a third consecutive year of record profits, acceleration of growth in retail and solid delivery in our transformation programme. The first Capital Markets Day (CMD) in May reinforced the opportunity and the ability of Management to execute. This is reflected in a profit before tax of \$732.7 million (2024: \$685.4 million), an undiscounted combined ratio of 87.8% (2024: 89.2%), and a return on equity of 17.1% (2024: 19.8%).

We have a sharpened focus on sustainable growth and operational efficiency, with a particular emphasis on scaling the retail business. Specifically, our clear and stretching goals are as follows.

- Accelerate retail growth to double digits in 2028.

- \$200 million annual P&L benefit in 2028 and onwards.
- Retail margin improvement within the 89%-94% operating range.
- Mid-teens operating ROTE through the cycle.

As a Committee, we view remuneration as a critical lever to motivate our leadership to achieve the CMD commitments as well as to attract and retain the calibre of leadership required to deliver the strategy in an increasingly competitive global insurance landscape. The Committee is acutely focused on ensuring strong alignment between pay, performance and shareholder experience as Hiscox enters this next phase of growth.

Remuneration policy review

The Committee has spent the past year reviewing the Directors' remuneration policy ('policy') and consulting with shareholders on proposals ahead of the 2026 AGM. On behalf of the Committee, I'd like to express sincere gratitude to all shareholders who took the time to meaningfully engage with us and provide constructive feedback and support on the key features of the updated policy.

The principal objective of the 2026 policy will be to drive successful execution of our profitable growth strategy through what we believe is the right balance of performance measures and increased leverage in the long-term incentive plan, tied to carefully calibrated and ambitious targets.

Through a comprehensive review of the policy, where various structural remuneration changes were considered, the Committee concluded that the overall structure of the 2023 policy remained appropriate with a strong pay-for-performance and shareholder alignment focus. The changes we are making will sharpen the mechanics of the remuneration approach and are as follows.

- Refined strategic performance metrics in the annual bonus scorecard to reflect drivers of the profitable growth and efficiency strategy.
- Increased long-term incentive plan (LTIP) opportunity – dependent on increased stretch in net asset value (NAV) growth targets (a stretch performance kicker based on the principle of 'more for more').

- Increased weight on the NAV growth metric to strengthen the performance focus of the LTIP.
- Increased shareholding guidelines to further strengthen the alignment between Executive Director and shareholder interests.

Annual bonus

The annual bonus is designed to align reward with the achievement of key annual objectives. We propose no change to the structural policy elements of the bonus – the same opportunity levels and deferral mechanism, and with at least 75% of bonus based on financial measures and up to 25% based on strategic elements.

Continued focus on annual profitable growth remains central to the Group's strategy and will be reflected in the continued prominence of metrics such as pre-tax return on equity (ROE) in the annual bonus. Strategic performance measures will likely focus on expanding distribution, unlocking scale, and building workforce skills and technological capabilities for the future. This ensures the bonus framework drives both short-term financial delivery and a clear focus on the strategic initiatives required to underpin long-term growth and efficiency.

Long-term incentive plan (LTIP)

As part of the policy review, the Committee considered different LTIP vehicles such as restricted stock to support the international competitiveness of the plan and increase alignment of the Executive Directors with the rest of the LTIP participants (who receive an element of restricted stock as part of their annual LTIP award). While the Committee recognised the importance of these factors, we concluded that a Performance Share Plan remains the most appropriate LTIP vehicle for Hiscox at this time, given the strong performance orientation it provides, which was deemed particularly important considering the ambitious growth plan spanning the policy period, as announced at the CMD.

The Committee recognises the vital role of the Executive Directors in leading the strategy and believes that the LTIP, structured carefully, can function as a powerful tool to drive the additional effort needed and the corresponding additional value for shareholders.

To this end, we are proposing the following amendments to the LTIP.

- Raise maximum LTIP award to 400% of salary for Group Chief Executive Officer and 300% for Group Chief Financial Officer and Group Chief Underwriting Officer (up from 250% currently).
- Accompany the increase in opportunity level with a commensurate increase in the degree of stretch in the NAV growth targets, in response to the CMD commitments.
- Increase weight on NAV growth within the LTIP performance scorecard to 70% and reduce weight on relative total shareholder return (TSR) to 30%, to place more emphasis on the metric over which management have more control and that is tied to more stretching targets.
- Remove the flexibility to base up to 30% of the LTIP award on strategic non-financial measures, such that 100% of the award is focused on growth and delivering shareholder value.

The proposal to increase LTIP opportunity levels alongside more stretching NAV performance targets is underpinned by a 'more for more' principle, which enables Executive Directors to be rewarded more when additional growth and value are delivered to shareholders. The Committee believes this will act as a powerful incentive and was pleased that many shareholders understood and supported this principle as the basis for the proposed design.

Additionally, the Committee is comfortable that the increase to the LTIP maximum opportunity is not excessive in the context of its impact on the total direct compensation positioning of the Executive Directors relative to FTSE-listed or international insurance peers. With reference to our primary peer group of FTSE 350 insurers, the increase in LTIP opportunity for the CEO would move total compensation from below the market median to between the median and the upper quartile – but this will only be realised if the stretching performance target is delivered.

We understand the importance of robust target setting and provided additional information in consultation with

investors on the Committee's approach to ensuring sufficient stretch without driving the wrong behaviours through targets. More detail can be found on page 142 but to illustrate how the 'more for more' principle is embodied in the proposals, we estimate that an additional \$240 million of post-tax NAV growth would have to be delivered, above and beyond the 2025 LTIP stretch NAV growth target, in order for the 2026 LTIP award to pay out at maximum.

Other policy features relating to the LTIP, such as post-vesting and post-employment holding periods, remain unchanged.

Shareholding guidelines

To strengthen alignment with shareholders, we are increasing the in-employment shareholding guidelines to 400% of salary for the Group Chief Executive Officer and 300% for the Group Chief Financial Officer and Group Chief Underwriting Officer, in line with the go-forward LTIP opportunity levels. The two-year post-employment guideline is unchanged, which is to retain the in-employment holding (or the actual shareholding on stepping down, if lower) for two years after termination.

2025 performance and remuneration outcomes

The Group has delivered another record year. Premium growth of 5.9% and an undiscounted combined ratio of 87.8% (2024: 89.2%) are testament to the disciplined execution of a refined strategy of building more balanced portfolios to drive reduced earnings volatility and provide opportunities through the cycle. Hiscox has delivered strong organic capital generation, enabling

the strategic deployment of additional capital in support of growth. This has been achieved while maintaining a resilient balance sheet, a robust solvency ratio, and a progressive dividend policy. We enter 2026 in a position of strength, underpinned by sustained growth momentum which we are confident will support the effective execution of our strategic objectives.

Committee discretion

The ongoing impact of the transition from IFRS 4 to IFRS 17 on the long-term incentive plan is discussed later in this report. The Committee's principle is that participants should be neither advantaged nor disadvantaged by this change in accounting standard and as such the Committee has exercised discretion to retrospectively adjust the incentive targets. In the same spirit, the Committee has exercised discretion to account for the material change in share capital during the performance period, ensuring that payouts reflect only the Company's underlying performance.

As noted in the 2022 annual report (page 115), ROE was significantly affected by unrealised investment losses on the bond portfolio. The related upward adjustment made to Executive Director and wider workforce bonuses in 2022 was agreed to be reversed gradually over 2023, 2024 and 2025 as the bonds return to par. Accordingly, a downward adjustment of \$35.8 million has been applied to pre-tax ROE for Executive Director bonus purposes in 2025.

2025 annual bonus

For the 2025 annual bonus, performance metrics consisted of: pre-tax return on equity (75% weighting), role-specific strategic objectives (Group Chief

Executive Officer: 17.5%, Group Chief Financial Officer and Group Chief Underwriting Officer: 20% weighting) employee engagement (Group Chief Executive Officer: 5%, Group Chief Financial Officer and Group Chief Underwriting Officer: 2.5%) and retail claims net promoter score (2.5% weighting).

Given pre-tax adjusted ROE of 21% for 2025 and a maintained employee engagement score of 82 (in the context of a 2% fall in the financial services benchmark) and a market-leading retail claims net promoter score in excess of 70, as well as the personal contribution of the Executive Directors (see page 122 for further details), the Committee determined to award an annual bonus equivalent to 97% of the maximum bonus opportunity to Aki Hussain (£2,450,000), 94% to Paul Cooper (£1,625,000) and 91% to Joanne Musselle (£2,100,000).

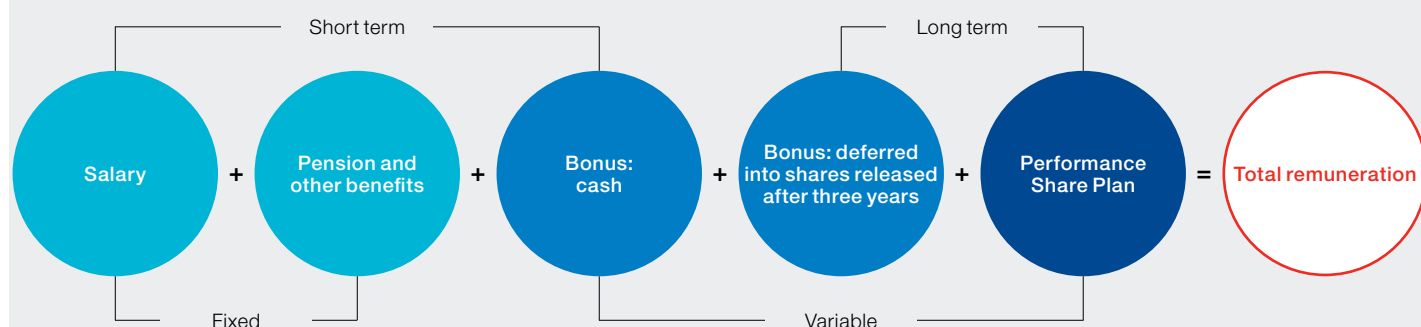
In line with the policy, 40% of each Executive Director's bonus for 2025 will be deferred into Hiscox shares for three years to further align their interests with those of shareholders.

2023 long-term incentive awards

Awards made under the 2023 LTIP included a 50% weighting on relative TSR and a 50% weighting on growth in NAV per share plus dividends.

Average growth in NAV plus dividends per share achieved over the three-year period was in excess of the maximum target of \$1.30 (measured on an IFRS 17 basis and adjusted for the impact of the share buyback exercises in 2024 and 2025), resulting in 100% vesting of this portion of the award. Relative TSR performance was 52% versus the

Our remuneration approach at a glance



median of the peer group of 44% over the three-year period, resulting in 82% vesting of this portion of the award. This resulted in an overall vesting of 91% of the 2023 PSP award.

Board changes and fees

Peter Clarke succeeded Colin Keogh as Chair of the Hiscox Ltd Board on 1 July 2025. Lynne Biggar and June Yee Felix were appointed as Independent Non Executive Directors on 27 January 2025. More information on their appointments can be found on page 98.

Their fees have been aligned with the updated Non Executive Director fee structure reviewed in the first half of 2025. These adjustments follow the increase in the aggregate fee limit under the Company's Bye-laws, as approved at the 2025 Annual General Meeting (AGM). Further details are provided on page 125.

Wider workforce

Hiscox's reward philosophy is applied consistently across the entire workforce. We ensure that all employees are paid a market-competitive salary in line with their responsibilities and experience. This enables us to attract and retain talent with the skills we need to deliver our strategic ambitions. Hiscox has been an accredited Living Wage employer in the UK since 2019.

Employees participate in an annual bonus plan based on Group performance, personal performance and, where relevant, the performance of their business unit. Those in senior roles are eligible for LTIP awards – variable remuneration for them is more highly performance geared towards the longer term.

We also provide a generous benefit package and during 2025 offered greater benefit choice in the UK and Portugal via the implementation of a flexible benefits online portal.

Hiscox encourages all employees to become shareholders through our Sharesave Schemes and ownership grant, enabling everyone to share in the success of the Company.

As part of the policy review, we consulted with representative colleagues through our Employee Engagement Network. The discussion was facilitated by Beth Boucher, our Non Executive Director who succeeded Anne MacDonald as the Employee Liaison during 2025. It is always insightful to hear employee feedback through these discussions, and the employee listening surveys, which helps inform decision-making.

2026 remuneration

For 2026, Aki Hussain's salary will be increased by 2.7% which will align salary to the FTSE 350 insurance peer group median.

Paul Cooper's and Joanne Musselle's salaries will be increased by 0.9%, which positions salary marginally above the market median of the peer group.

These increases compare with an average UK-based employee salary increase of 2.9%.

Proposed changes to the incentive plans and shareholding guidelines are outlined above. Further details on the measures and targets are set out on pages 128 to 129.

In summary

The Committee is satisfied that the 2025 remuneration outcomes demonstrate a clear alignment between pay, business performance and shareholder experience.

Looking ahead, the proposed amendments to the policy represent an evolution, not a departure: they sharpen the link to the ambitious growth commitments set out during the CMD and provide the right balance of stretching performance and commensurate reward to incentivise delivery. As a Committee, we believe this approach will both motivate and retain our leadership team and ensure that additional reward under the LTIP is only earned through the creation of additional and sustainable value for shareholders.

Thank you once again for your engagement during the consultation phase of the policy review, and I look forward to receiving your support at the upcoming AGM.

Jane Guyett

Chair of the Remuneration Committee

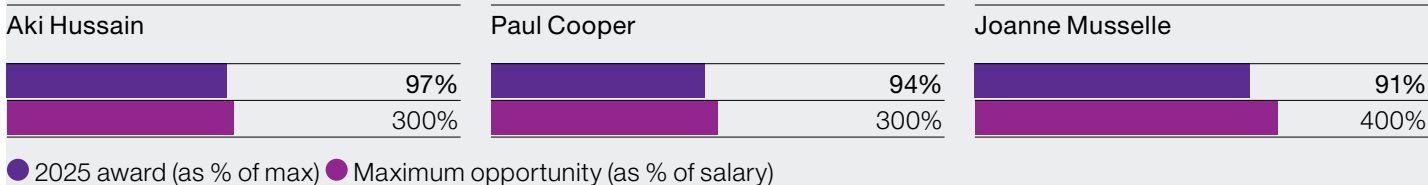
SUMMARY OF REMUNERATION ARRANGEMENTS

Total remuneration 2025

Aki Hussain	923,002	2,450,000	2,237,886	£5,610,888
Paul Cooper	634,009	1,625,000	1,552,050	£3,811,059
Joanne Musselle	636,345	2,100,000	1,414,455	£4,150,800

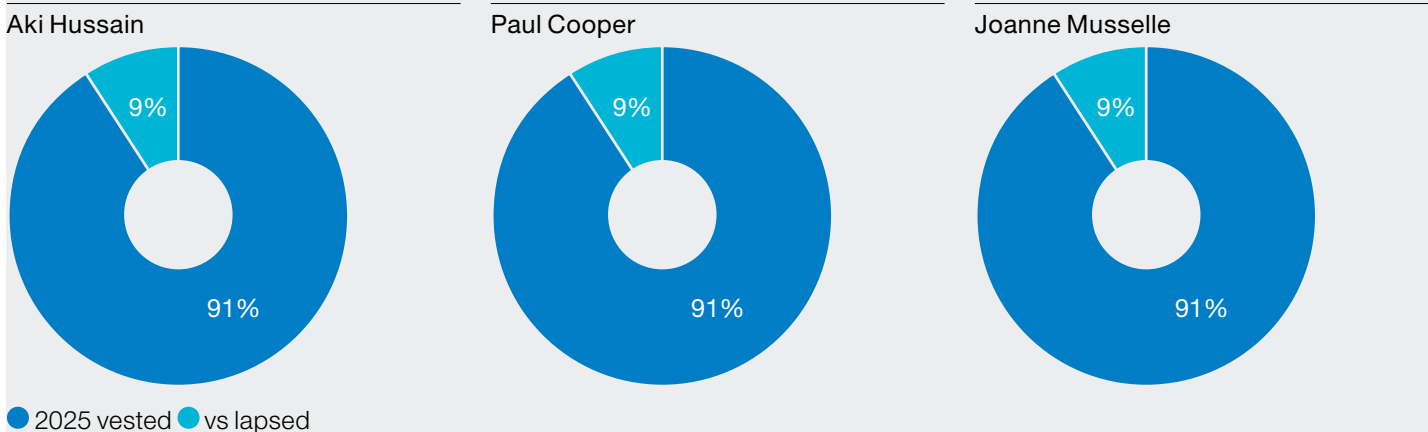
● Fixed pay
 ● Bonus
 ● LTIP/buy-out/Sharesave gain

Annual bonus 2025

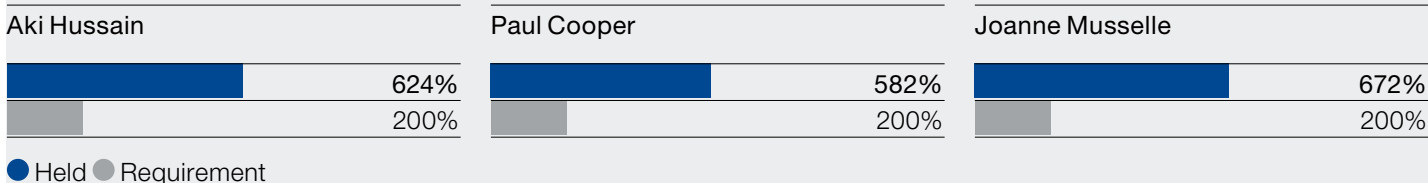


Long-term incentive plan (Performance Share Plan)

Performance period ends 31 December 2025



Shareholding requirement 2025



Implementation of policy for 2025	Implementation of policy for 2026
Salaries effective April 2025: — Aki Hussain: £842,000 — Paul Cooper: £575,000 — Joanne Musselle: £575,000 Base salary is set at a competitive level to reduce reliance on variable pay and discourage excessive risk taking.	Salaries effective April 2026: — Aki Hussain: £865,000 — Paul Cooper: £580,000 — Joanne Musselle: £580,000 Salary increases of 2.7% for the CEO and 0.9% for other Executive Directors in line with external market data and other UK-based employees where the average increase is 2.9%.
Maximum opportunity: — 300% of salary for CEO and CFO — 400% of salary for CUO Over the past ten years, the average bonus awarded to the CEO has been equivalent to 41% of the current maximum opportunity. Performance metrics: 75% weighting on ROE and 25% on strategic performance metrics. Further details are provided on pages 120 to 121. Deferral: flat rate of 40% of bonus deferred into shares and released three years following the end of the relevant performance year.	No changes to the maximum opportunity or deferral. Performance metrics are outlined on page 128.
Award subject to three-year performance period and two-year holding period. Maximum opportunity: 250% of salary for all Executive Directors. Vesting subject to: growth in NAV (50% weighting) and relative TSR (50% weighting). 2025 award as percentage of salary: — Aki Hussain: 250% of salary — Paul Cooper: 200% of salary — Joanne Musselle: 200% of salary	No changes to the three-year performance period and two-year holding period. Maximum opportunity: — 400% of salary for CEO — 300% of salary for CFO and CUO Vesting subject to growth in NAV (70% weighting) and relative TSR (30% weighting). 2026 award as percentage of salary: — Aki Hussain: 400% — Paul Cooper: 300% — Joanne Musselle: 300%
Share ownership guidelines of 200% of salary for all Executive Directors, after five years in role. 2025 actual: — Aki Hussain: 624% — Paul Cooper: 582% — Joanne Musselle: 672% Post-employment shareholding requirement: maintain the level of the in-employment shareholding guideline (or the actual shareholding on stepping down, if lower) for two years following stepping down from the Board.	Share ownership guideline increased to 400% of salary for the CEO and 300% salary for the CFO and CUO. No changes to the post-employment shareholding requirement.

Remuneration policy

The Hiscox remuneration policy is designed to drive a culture of high performance and create sustainable long-term value for shareholders.

Executive Directors' interests are aligned with those of our shareholders for example via the short- and long-term performance metrics used to incentivise financial and strategic delivery, effective risk management particularly around target setting, and other policy design features such as bonus deferral and additional holding periods.

Implementation of policy

The 2023 remuneration policy operated as intended during 2025.

The principal objective of the 2026 policy will be to support the successful execution of the 2028 strategic objectives through the right balance of performance measures, carefully calibrated targets and increased leverage in the long-term incentive plan. See pages 128 to 129 for further details.

CEO single figure (ten-year history)

	£
2025	5,610,888
2024	4,597,398
2023	3,870,426
2022	1,390,959
2021	1,332,964
2020	717,243
2019	698,196
2018	1,818,086
2017	2,394,428
2016	3,970,466

DIRECTORS' REMUNERATION REPORT



This report explains how the remuneration policy was implemented for the financial year ended 31 December 2025

PwC has been engaged to audit the sections in the Directors' remuneration report 2025 below entitled 'Executive Director remuneration table' and 'additional notes to the Executive Director remuneration table', 'annual bonus', 'bonus outcomes for 2025', '2025 key objectives and individual achievements by the Executive Directors', 'long-term incentive plan', 'long-term incentive plan outcomes for 2025', 'PSP awards granted during the 2025 financial year', 'Non Executive Director remuneration table', 'Directors' shareholding and share interest', 'Performance Share Plan' and 'Sharesave Schemes', 'deferred bonus', 'payments to past Directors', 'payments for loss of office', to the extent that would be required by the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2013 as amended.

Executive Director remuneration table (audited)

	Aki Hussain		Paul Cooper		Joanne Musselle	
	2025 £	2024 £	2025 £	2024 £	2025 £	2024 £
Salary	836,875	813,000	572,500	561,563	572,500	561,563
Benefits	10,485	11,149	9,762	9,217	10,817	9,621
Retirement	75,642	73,906	51,747	39,266	53,028	52,262
Bonus ¹	2,450,000	2,325,000	1,625,000	1,600,000	2,100,000	2,000,000
Long-term incentive plan ²	2,237,886	1,369,707 ³	1,409,856	1,091,705 ³	1,409,856	958,774 ³
Other	0	4,636	142,194 ⁴	548,254	4,599 ⁵	0
Total	5,610,888	4,597,398	3,811,059	3,850,005	4,150,800	3,582,220
Total split						
Fixed remuneration	923,002	898,055	634,009	610,046	636,345	623,446
Variable remuneration	4,687,886	3,699,343	3,177,050	3,239,959	3,514,455	2,958,774

¹40% of the bonus is deferred into shares for three years. No further performance conditions apply.

²2025 long-term incentives for Executive Directors relate to performance share awards granted in 2023 where the performance period ends on 31 December 2025. The award is due to vest on 15 May 2026. The amount includes dividend equivalents of an extra 9,888 shares for Aki Hussain, 6,229 shares for Paul Cooper and 6,229 shares for Joanne Musselle accrued on the award. For the purpose of this table, the award has been valued using the average share price during the three-month period 1 October 2025 to 31 December 2025 of £13.70. Of the vested amount, £300,784 relates to share price appreciation for Aki Hussain, £189,493 for Paul Cooper and £189,493 for Joanne Musselle.

³The value of the 2024 long-term incentive awards has been updated from £1,346,261 for Aki Hussain (using a share price of £10.91) to £1,369,707 reflecting the actual share price on the vesting date of 8 April 2025 of £11.10 and the final dividend equivalents. Similarly for Joanne Musselle, the value has been updated from £942,362 to £958,774. For Paul Cooper, the value has been updated from £986,209 to £1,091,705 using a share price of £11.85 on the vesting date of 16 May 2025.

⁴On 1 April 2025, the final tranche of the share buyout award for Paul Cooper vested. The total vested award was 11,771 shares including dividend equivalents accrued on the award. The award was valued at £142,194 using the middle-market quotation of £12.08 on 1 April 2025, which included £26,268 share price appreciation.

⁵Joanne Musselle has a Sharesave discount to market value of £4,599. See page 127 for further details.

Additional notes to the Executive Director remuneration table (audited)

Salary

Salary reviews take place in the first quarter of the year, effective from 1 April. As noted in last year's remuneration report, Aki Hussain's salary increased by 2.5% and the other Executive Directors' salaries by 1.8%, effective 1 April 2025. The average UK-based employee salary increase was 2.8%.

Base salaries for Executive Directors from 1 April 2025 were as follows:

	2025 £
Aki Hussain	842,000
Paul Cooper	575,000
Joanne Musselle	575,000

Benefits

For 2025, benefits provided for Executive Directors included the healthcare scheme, life insurance, income protection insurance and critical illness policies, as well as a Christmas gift and fitness cash allowance.

Retirement benefits

Aki Hussain and Paul Cooper received a 10% of salary cash allowance in the year (less an offset for the employer's UK National Insurance liability) in lieu of the standard employer pension contribution. Joanne Musselle receives a combination of cash allowance and employer pension contribution (£10,000 for 2025) totalling 10% of salary (less an offset for employer's UK National Insurance on the cash allowance). The value of these retirement benefits is shown in the Executive Director remuneration table on page 118. Executive Director retirement benefits are consistent with those offered to the majority of UK employees. This has been the policy at Hiscox for a number of years.

Variable pay

To ensure that remuneration is aligned with Company performance and the shareholder experience, a significant proportion of pay is delivered through incentive awards, consisting of an annual bonus and share awards under the Performance Share Plan, which can vary significantly based on the level of performance achieved. Although the remuneration structure has naturally evolved over time to reflect market and best practice, the framework has been in place for more than 15 years.

Annual bonus (audited)

The Executive Directors, along with other employees across the Group, participate in a performance-related short-term incentive plan. Bonuses are based on the performance of the individual, the business unit and the Group as a whole.

The Remuneration Committee believes that the most appropriate measure for the calculation of the financial performance of the Company is pre-tax return on equity (ROE), as this aligns Management's interests with those of shareholders, minimises the possibility of anomalous results, and ensures that incentives for Executive Directors and other employees are tied to the Company's profit performance. When setting targets, the Committee seeks to motivate strong performance while also encouraging sustainable behaviours, in line with the defined risk appetite of the business.

In determining the bonuses to be paid to Executive Directors for 2025, the Committee based its judgement on the scorecard shown on page 120. Assessment of retail claims transactional NPS and employee engagement was undertaken by external third parties.

Executive Director bonus scorecard																
Metric	Weighting of maximum opportunity	Performance criteria														
Pre-tax ROE	75% for all Executive Directors	The pre-tax ROE threshold is set annually using an investment benchmark rate and for 2025 was set at a pre-tax ROE of 5%. To aid the Committee’s assessment of bonus outcomes, the following framework is used through the market cycle. <table><tr><th>Pre-tax ROE</th><th>Bonus % max for this metric</th></tr><tr><td>< 5%</td><td>0%</td></tr><tr><td>5%-12%</td><td>0-30%</td></tr><tr><td>11%-16%</td><td>25-55%</td></tr><tr><td>15%-20%</td><td>45-75%</td></tr><tr><td>18%-23%</td><td>65-90%</td></tr><tr><td>>21%</td><td>80-100%</td></tr></table>	Pre-tax ROE	Bonus % max for this metric	< 5%	0%	5%-12%	0-30%	11%-16%	25-55%	15%-20%	45-75%	18%-23%	65-90%	>21%	80-100%
Pre-tax ROE	Bonus % max for this metric															
< 5%	0%															
5%-12%	0-30%															
11%-16%	25-55%															
15%-20%	45-75%															
18%-23%	65-90%															
>21%	80-100%															
Strategic personal objectives	17.5% for Group Chief Executive Officer 20% for Group Chief Financial Officer and Group Chief Underwriting Officer	The Committee undertakes a robust assessment of individual achievements by the Executive Directors. See page 122 for further details.														
Retail claims transactional NPS	2.5% for all Executive Directors	A weighted average half-yearly score is derived by an external third party and compared against the following framework: <table><tr><th>Threshold</th><th>Target</th><th>Stretch</th></tr><tr><td>61 (20% vest)</td><td>64 (50% vest)</td><td>69 (100% vest)</td></tr></table> Threshold score of 61 and maximum outturn at 69 or above for each six-monthly period.	Threshold	Target	Stretch	61 (20% vest)	64 (50% vest)	69 (100% vest)								
Threshold	Target	Stretch														
61 (20% vest)	64 (50% vest)	69 (100% vest)														
Global employee engagement score	5% for Group Chief Executive Officer 2.5% for Group Chief Financial Officer and Group Chief Underwriting Officer	Engagement is measured through the annual employee engagement survey run by an external third-party provider and compared against the following framework: <table><tr><th>Threshold</th><th>Target</th><th>Stretch</th></tr><tr><td>79 (20% vest)</td><td>82 (50% vest)</td><td>87 (100% vest)</td></tr></table> Threshold performance of 79% engagement and a stretch score of 87% or above for maximum outturn.	Threshold	Target	Stretch	79 (20% vest)	82 (50% vest)	87 (100% vest)								
Threshold	Target	Stretch														
79 (20% vest)	82 (50% vest)	87 (100% vest)														

Maximum bonus opportunities for 2025 remained unchanged from 2024, being 300% of salary for both the Group Chief Executive Officer and Group Chief Financial Officer and 400% of salary for the Group Chief Underwriting Officer. 40% of annual bonuses are deferred into Hiscox shares for a period of three years. The release of these shares and the associated accrued dividend shares are generally subject to continued employment but are not subject to any further performance conditions. The remaining 60% of annual bonus is paid in cash in March 2026. Malus and clawback provisions apply (see page 144 for more details).

Bonus outcomes for 2025 (audited)

Pre-tax ROE (audited)

The Executive Directors led the business to achieve another strong year of results, delivering a Group pre-tax ROE result of 22.1%.

As explained in previous years' remuneration reports, ROE in 2022 was materially impacted by unrealised investment losses on the bond portfolio. The Committee previously agreed that the fairest treatment was to pay bonuses to Executive Directors and the wider workforce on an adjusted profit basis, recognising the impact of unrealised investment losses on bonds. It was further agreed that as the bonds return to par, adjustments would be made to the 2023-2025 bonus pools to remove the impact of any future gains. This year, the Committee has therefore again deducted one-third of the profit adjustment made in 2022, from the 2025 ROE results. For the Executive Directors, the profit adjustment of \$35.8 million results in an adjusted pre-tax ROE of 21.0% for bonus purposes.

The Committee is of the view that paying 100% of the maximum bonus opportunity weighted to ROE performance is a fair outcome for the Executive Directors and that payment of this level is aligned with the shareholder experience. Year-on-year profit before tax is up \$47 million, with strong performance and increases in returns from both underwriting results (with the best Group combined ratio in a decade) and record investment income.

Strategic personal objectives (audited)

The Committee used a scoring mechanism to calculate performance outcomes against key strategic objectives for each Executive Director, outlined on page 122. This resulted in a payout of 50% salary for the Group Chief Executive Officer, 46% salary for the Group Financial Officer and 49% salary for the Group Chief Underwriting Officer.

Retail claims transactional net promoter score (NPS) (audited)

Our customers are at the heart of what we do and their experience of dealing with us is intrinsically linked to our brand value. The Executive Directors have driven significant improvements in the claims function during 2025, including establishing a Group Centre of Excellence and targeted investment into specialist expertise. Claims transactional net promoter score is measured by an external third party across our retail operations in Europe, the UK and the USA. The weighted average half-yearly scores are shown below.

H1	73
H2	74

As performance exceeded the stretch target of 69 in both six-month periods, 100% of the maximum bonus opportunity weighted to retail claims transactional NPS was paid.

Global employee engagement score (audited)

Employee engagement has proven to be strongly correlated with overall business performance and we regard it as an important forward-looking leading measure of our success. We also believe it is largely a function of good leadership. Engagement across the business remains strong, with an 82% employee engagement score maintained for the fourth consecutive year, in a year when the 50th and 75th percentile market benchmarks across financial services (which are used to set target and stretch) have declined by 2%.

A score of 82 results in 50% of the maximum bonus opportunity weighted to this metric.

Summary of annual bonus performance outcomes for 2025 (audited)

	% of salary outcome		
	Aki Hussain	Paul Cooper	Joanne Musselle
Adjusted pre-tax ROE	225	225	300
Strategic objectives	50.3	45.8	49
Claims NPS	7.5	7.5	10
Employment engagement	7.5	3.75	5
Total	290	282	364
% maximum (rounded)	97%	94%	91%

The maximum bonus opportunity for both the Group Chief Executive Officer and Group Chief Financial Officer is 300% salary and 400% of salary for the Group Chief Underwriting Officer. Having assessed the scorecard outturns and aggregate performance, the Committee is of the view that paying 97% of the maximum bonus opportunity to Aki Hussain (£2,450,000), 94% to Paul Cooper (£1,625,000) and 91% to Joanne Musselle (£2,100,000) are fair outcomes for the Executive Directors, reflective of the excellent business results and aligned with the shareholder experience.

2025 key objectives and individual achievements by the Executive Directors (audited)

Executive objectives	Achievement
Aki Hussain Drive profitable growth and manage volatility	Through 2025, Aki led the business to deliver Group-wide ICWP growth of 5.9% and a combined ratio (undiscounted) of 87.8%. This marks the third consecutive year of record profitability and has been accompanied by sustainable profitable growth and improving performance across the Group. Notably, the retail business continued its multi-year trajectory of accelerated growth and margin expansion. These results were driven by disciplined capital allocation and underwriting, sustained product innovation across all divisions, and consistently high levels of colleague engagement. At Hiscox's inaugural Capital Markets Day, Aki launched new commitments to the market including setting a through-the-cycle mid-teens ROTE, as well as a double-digit retail growth ambition and \$200 million P&L benefit through our transformation programme in 2028. The business remains on track to achieve these commitments.
Activate medium-/long-term strategic initiatives	In 2025, Aki oversaw the delivery of a number of strategic initiatives, driving new growth opportunities across all business units. This includes the Group's expansion into Italy, our first new country in over a decade, and a sharpened focus in every business unit on innovation – with the Group launching more new products during 2025 than in the previous five years, achieving a 500% increase in new business, and embracing generative AI-augmented technologies across the insurance value chain to improve productivity and drive growth. Under Aki's leadership, the Group also deepened its existing presence in the USA during the year through the acquisition of an insurtech, accelerating our US roadmap and expanding our reach into new specialist customer segments.
Paul Cooper Reduce the expense base, driven by process and operational efficiencies	In 2025, Paul maintained a strong focus on expense base efficiency, guiding the business to deliver an expense ratio of 47.4%, broadly in line with prior-year performance. Paul has overseen advancements in our operational efficiency through greater process standardisation, automation and the expansion of shared services, all of which will deliver long-term simplification across the Group. In parallel, he oversaw continued technology investments, progressing digital platforms and early AI initiatives to enhance productivity and support sustainable cost efficiencies. These initiatives contributed to the ongoing delivery of our transformation programme, with the programme realising a P&L benefit of \$29 million in 2025.
Achieve effective capital management	Paul led disciplined capital and balance sheet management through 2025, maintaining strong regulatory and ratings agency capitalisations throughout the year. Organic capital generation was supported by proactive financing actions, including the issuance of a \$200 million catastrophe bond and a \$500 million Tier 2 instrument. A portion of the Tier 2 proceeds refinanced an existing subordinated instrument, enhancing the Group's capital structure and financial resilience. Under Paul's leadership, the Group increased its BSCR ratio against a new target range of 190-200%, completed a \$275 million share buyback programme ahead of year end, and delivered enhanced shareholder returns through a 20% step-up in the final dividend per share, while retaining the flexibility to invest in future growth.
Joanne Musselle Deliver structural growth in retail	Under Joanne's leadership, retail underwriting performance in 2025 remained disciplined and resilient, evidenced by ICWP growth in constant currency of 6.3%. Strong alignment between underwriting strategy, pricing, claims and reserving and portfolio management supported successful delivery against plan. Active portfolio management was further embedded across the Group, enabling decisive action in response to shifting market conditions and supporting momentum in the retail segment, where growth accelerated through data-driven portfolio actions. Alongside near-term performance delivery, Joanne maintained a clear focus on building long-term underwriting capabilities, advancing digital controls, and market-in-transition frameworks to ensure the Group remains well positioned through the cycle.
Activate medium-/long-term strategic initiatives	Joanne launched the Group innovation hub which has strengthened our ability to deepen our presence in priority sectors while expanding into new segments and product areas. In retail, this has included the launch of a new e-reputation product in France, the introduction of micro-cyber resilience services, an expanded UK tech offering that now includes hardware, and a refreshed not-for-profit proposition. In big-ticket, new tech E&O and FI products have been brought to market through our London Market teams. Joanne has overseen the deployment of innovative technologies to access new areas of growth such as middle-market property and SME marine cargo, and continues to drive high-quality growth by accelerating deployment, enhancing speed-to-market, and advancing a strong pipeline of customer-led innovations.

Long-term incentive plan (audited)

Performance Share Plan (PSP) awards where the performance period ends with the 2025 financial year (audited)

Aki Hussain was granted 168,269 nil-cost options under the PSP on 23 May 2023 for the three-year performance period 1 January 2023 to 31 December 2025. Joanne Musselle and Paul Cooper were similarly each granted 106,009 nil-cost options. An additional two-year holding period applies post vest.

The performance conditions for this award were set at the start of the performance period on an IFRS 4 basis and are as follows.

50% of awards are based on three-year average growth in NAV plus dividends, measured on a per share basis:

Growth in NAV per share plus dividends	Award vesting (% of maximum)
< \$0.43 p.a.	0
\$0.43 p.a.	20
\$1.28 p.a.	100

Applies to 50% of awards. Straight-line vesting in between each point.

50% of awards are based on relative total shareholder return measured against a group of global insurance peers:

Relative TSR	Award vesting (% of maximum)
Below median	0
Median	20
Upper quartile	100

Applies to 50% of awards. Straight-line vesting in between each point.

The peer group at grant consisted of the following 23 companies: Admiral Group, American Financial Group, Arch Capital, Argo, Axis Capital, Beazley, Cincinnati Financial, CNA Financial, Conduit, Direct Line Insurance Group, Everest Re, Fairfax Financial Holdings, Hanover Insurance, James River Group, Kinsale Capital Group, Lancashire Holdings, Markel, QBE, Renaissance Re, RLI, SCOR, White Mountains Insurance Group, and WR Berkley.

Long-term incentive plan outcomes for 2025 (audited)

Relative TSR

Since awards were made, Argo has been removed from the peer group following its acquisition by Brookfield Reinsurance, as has Direct Line Insurance Group, following its acquisition by Aviva. The TSR peer group has therefore reduced from 23 to 21 companies.

Three-year TSR was 52.4% versus the median of the peer group of 44.4%. Hiscox was positioned between the peers ranked 7th and 8th, which is equivalent to a 69.5% percentile rank. This corresponds to 82.4% vesting for the TSR portion of the award.

Growth in NAV

The NAV performance targets for awards granted in 2023 were set on an IFRS 4 basis. It was subsequently agreed by the Committee in November 2023 that performance across all three performance years should be measured on an IFRS 17 basis, with the targets adjusted retrospectively to remove any variability in the vesting outcomes driven by the transition between the two accounting standards. This resulted in an adjustment in the stretch target from \$1.28 to \$1.30 on an IFRS 17 basis.

Additionally, during 2024 there was a \$150 million share buyback programme, equating to 9.9 million shares and, during 2025, there was a further \$275 million programme equating to 15.9 million shares. The Committee agreed it was appropriate to adjust for the impact of this change in capital on the per share performance outcome to ensure that targets are no more or less difficult to achieve. Actual NAV per share growth achieved was \$2.00 on an IFRS 17 basis including the impact of the buyback (\$1.88 excluding the buyback).

The Committee concluded that full vesting was justified under this portion of the award.

Summary of long-term incentive outcomes for 2025 (audited)

Measure	Outcome	Maximum
Relative TSR	41.2%	50%
Growth in NAV	50.0%	50%
Total	91.2%	100%

The Committee is of the view that paying 91% of the maximum opportunity to the Executive Directors is a fair outcome and reflective of overall Company financial performance. The Committee reviewed share price performance in concluding that no windfall gains had occurred.

Share buy-out arrangements for Paul Cooper

In lieu of forfeited long-term incentive plan awards with his previous employer, Paul Cooper was compensated with awards of an equivalent face value and all vesting terms were mirrored (see the 2022 remuneration report for further details).

On 1 April 2025, the final tranche of the share buy-out award vested. Paul Cooper received an additional 734 shares equivalent to the dividends payable with a record date between 16 May 2022 and 1 April 2025. The total vested award was 11,771 Hiscox shares.

PSP awards granted during the 2025 financial year (audited)

PSP awards granted to the Executive Directors in 2025 were set at 250% of salary for Aki Hussain and 200% of salary for both Paul Cooper and Joanne Musselle. Awards are based on a three-year performance period commencing 1 January 2025 and will vest on 7 April 2028 followed by a two-year holding period. The Committee has discretion to determine the performance metrics, weightings and targets and has determined that 50% of awards are based on stretching growth in NAV plus dividends plus shareholder returns, measured on a per-share basis, with 50% based on relative total shareholder return (TSR) against a group of global insurance peers.

Executive Directors were granted nil-cost options under the PSP as shown below. Grants were made on 9 April 2025, using the five working day average mid-market quotation share price prior to the award date of 7 April 2025.

	Number of awards granted	Market price at date of grant £	Market value at date of grant £
Aki Hussain	178,996	10.69	1,913,467
Paul Cooper	97,789	10.69	1,045,364
Joanne Musselle	97,789	10.69	1,045,364

The performance condition for these awards, measured over the period 1 January 2025 to 31 December 2027, is as follows:

Growth in NAV per share plus dividends, plus shareholder returns	Award vesting (% of maximum)*
< \$0.42 p.a.	0
\$0.42 p.a.	20
\$1.19 p.a.	100

*Applies to 50% of awards. Straight-line vesting in between each point.

Relative TSR	Award vesting (% of maximum)*
Below median	0
Median	20
Upper quartile	100

*Applies to 50% of awards. Straight-line vesting in between each point.

The peer group consists of the following 21 companies: Admiral Group, American Financial Group, Arch Capital, Axis Capital, Beazley, Cincinnati Financial, CNA Financial, Conduit, Everest Re, Fairfax Financial Holdings, Hanover Insurance, James River Group, Kinsale Capital Group, Lancashire Holdings, Markel, QBE, Renaissance Re, RLI, SCOR, White Mountains Insurance Group, and WR Berkley.

Executive Directors will be required to retain any shares post vest (net of tax charges) for a further two years.

Payments for loss of office (audited)

No payments were made during the year for loss of office.

Payments to past Directors (audited)

There were no payments to past Directors.

Membership of the Remuneration Committee

The Remuneration Committee members during the year were Lynne Biggar, Beth Boucher, Donna DeMaio, June Yee Felix, Michael Goodwin, Jane Guyett, Thomas Huerlimann, Colin Keogh, Anne MacDonald, Constantinos Miranthis and Lynn Pike. Lynne Biggar and June Yee Felix joined the Committee on 27 January 2025. Anne MacDonald and Lynn Pike retired from the Committee on 15 May 2025. Jane Guyett replaced Colin Keogh as Committee Chair when Colin retired on 30 June 2025.

Non Executive Director remuneration table (audited)

The table below sets out the remuneration received by the Non Executive Directors for the financial years ending 31 December 2025 and 31 December 2024.

2025	Ltd Board fee £	Subsidiary board fee £	Total Hiscox fees £
Lynne Biggar ¹	94,697	–	94,697
Beth Boucher	101,515	66,000	167,515
Peter Clarke ²	204,167	–	204,167
Donna DeMaio	105,303	69,318	174,621
June Yee Felix ³	94,697	–	94,697
Michael Goodwin	109,091	17,045	126,136
Jane Guyett	113,839	94,750	208,589
Thomas Huerlimann	94,697	156,427	251,124
Colin Keogh ⁴	167,500	–	167,500
Anne MacDonald ⁵	38,177	–	38,177
Constantinos Miranthis	102,273	37,121	139,394
Lynn Pike ⁶	41,098	–	41,098

2024	Ltd Board fee £	Subsidiary board fee £	Total Hiscox fees £
Jonathan Bloomer ⁷	335,000	–	335,000
Beth Boucher	98,425	–	98,425
Donna DeMaio	106,299	61,417	167,716
Michael Goodwin	98,425	35,433	133,858
Jane Guyett ⁸	34,580	15,250	49,830
Thomas Huerlimann	98,425	154,760	253,185
Colin Keogh (Interim Chair) ⁴	172,923	106,000	278,923
Anne MacDonald ⁵	106,299	–	106,299
Constantinos Miranthis	106,299	38,583	144,882
Lynn Pike ⁶	107,283	61,417	168,700

¹Lynne Biggar joined the Board on 27 January 2025.

²Peter Clarke joined the Board on 1 June 2025 and was appointed Chair on 1 July 2025.

³June Yee Felix joined the Board on 27 January 2025.

⁴Colin Keogh was appointed Interim Chair August 2024 and retired from the Board on 30 June 2025.

⁵Anne MacDonald retired from the Board on 15 May 2025.

⁶Lynn Pike retired from the Board on 15 May 2025.

⁷Jonathan Bloomer passed away in August 2024.

⁸Jane Guyett joined the Board in September 2024, replacing Colin as Remuneration Committee Chair.

Fees are paid in multiple currencies – 2025 fees were converted using £1: €1.17 and £1: \$1.32. 2024 fees were converted using £1: €1.21 and £1: \$1.27.

Directors' shareholding and share interests (audited)

To align their interests with those of Hiscox shareholders, Senior Managers are expected to own a minimum number of Hiscox shares. Under the current remuneration policy, Executive Directors are required to hold Hiscox shares valued at 200% of salary within five years of becoming an Executive Director. Shares owned by the Executive Director (and any connected person) count towards the guidelines, as do vested but unexercised share awards net of assumed taxes and bonus deferred into shares net of assumed taxes. Executive Directors are expected to retain a shareholding at the level of the in-employment shareholding guideline for two years after termination.

All three Executive Directors have met the share ownership requirement using their annual salary and closing share price on 31 December 2025. Aki Hussain has holdings of 624% salary, Paul Cooper 582% and Joanne Musselle 672%.

Under the new remuneration policy, the shareholding requirement will increase to 400% salary for the Group Chief Executive Officer and 300% for both the Group Chief Financial Officer and the Group Chief Underwriting Officer.

The interests of Executive and Non Executive Directors are set out below, including shares held by connected persons. There have been no changes in the Director share interests between 31 December 2025 and 24 February 2026.

	31 December 2025 6.5p ordinary shares number of shares beneficial	31 December 2024 6.5p ordinary shares number of shares beneficial
2025		
Executive Directors:		
Aki Hussain	186,688	186,688
Paul Cooper	131,951	114,395
Joanne Musselle	119,748	117,309
Non Executive Directors:		
Lynne Biggar ¹	0	0
Beth Boucher	0	0
Peter Clarke ²	0	0
Donna DeMaio	0	0
June Yee Felix ¹	0	0
Michael Goodwin	12,678	12,678
Jane Guyett	0	0
Thomas Huerlimann	16,970	16,970
Colin Keogh ³	59,667*	59,667
Anne MacDonald ⁴	43,720†	43,720
Constantinos Miranthis	6,832	6,832
Lynn Pike ⁴	1,538†	1,538

*At 30 June 2025.

†At 15 May 2025.

¹Lynne Biggar and June Yee Felix joined the Board on 27 January 2025.

²Peter Clarke joined the Board on 1 June 2025.

³Colin Keogh retired from the Board on 30 June 2025.

⁴Anne MacDonald and Lynn Pike retired from the Board on 15 May 2025.

Performance Share Plan (PSP) (audited)

Awards in the form of nil-cost options are granted under the PSP as a percentage of salary. All awards are subject to performance conditions and a further two-year holding period post release, with the exception of Paul Cooper's buy-out award. The interests of Executive Directors are set out below.

Name	Number of awards at 1 January 2025	Number of awards granted	Number of awards lapsed	Number of awards exercised	Number of awards at 31 December 2025	Mid-market price at date of grant £	Market price at date of exercise £	Date from which released
Aki Hussain	68,197	0	0	0	68,197	8.59		08-Apr-24
	190,355	9,609	(76,142)	0	123,822	9.85		08-Apr-25
	168,269	0	0	0	168,269	11.74		23-May-26
	168,478	0	0	0	168,478	11.89		08-Apr-27
	0	178,996	0	0	178,996	10.69		07-Apr-28
Paul Cooper	11,037 ¹	734	0	(11,771)	0	12.08	11.10	01-Apr-25
	141,646	5,472	(56,659)	0	90,459	9.70		08-Apr-25
	106,009	0	0	0	106,009	11.74		23-May-26
	92,698	0	0	0	92,698	11.89		08-Apr-27
	0	97,789	0	0	97,789	10.69		07-Apr-28
Joanne Musselle	68,197	0	0	0	68,197	8.59		08-Apr-24
	133,248	6,726	(53,300)	0	86,674	9.85		08-Apr-25
	106,009	0	0	0	106,009	11.74		23-May-26
	92,698	0	0	0	92,698	11.89		08-Apr-27
	0	97,789	0	0	97,789	10.69		07-Apr-28
Total	1,346,841	397,115	(186,101)	(11,771)	1,546,084			

¹Denotes buy-out award.

Sharesave Schemes (audited)

The schemes offer a three-year savings contract where the exercise price of the options is calculated on an average share price over five days prior to the invitation date, with a 20% discount. Sharesave options are not subject to performance. The interests of Executive Directors under the Sharesave Schemes are set out below.

Name	Number of options at 1 January 2025	Number of options granted	Number of options lapsed	Number of options exercised	Number of options at 31 December 2025	Exercise price £	Market price at date of exercise £	Date from which exercisable	Expiry date
Aki Hussain	1,944	0	0	0	1,944	9.54		01-Dec-27	31-May-28
Paul Cooper	2,452	0	0	(2,452)	0	7.34	13.26	01-Dec-25	31-May-26
Joanne Musselle	2,380	0	0	(2,380)	0	7.56	11.37	01-Dec-24	31-May-25
	0	1,951	0	0	1,951	9.43		01-Jun-28	30-Nov-28
Total	6,776	1,951	0	(4,832)	3,895				

Joanne Musselle was granted 1,951 options during 2025 with a discount to market value in the option price of £4,599.

Deferred bonus (audited)

40% of annual bonuses are deferred into Hiscox shares for a period of three years. The shares are not subject to any further performance conditions. The interests of Executive Directors are set out below.

Name	Number of awards at 1 January 2025	Number of awards granted	Number of awards lapsed	Number of awards exercised	Number of awards at 31 December 2025	Mid-market price at date of grant £	Market price at date of exercise £	Date from which released
Aki Hussain	71,661	0	0	0	71,661	12.24		25-Mar-27
	0	80,547	0	0	80,547	11.71		25-Mar-28
Paul Cooper	48,859	0	0	0	48,859	12.24		25-Mar-27
	0	55,430	0	0	55,430	11.71		25-Mar-28
Joanne Musselle	61,889	0	0	0	61,889	12.24		25-Mar-27
	0	69,288	0	0	69,288	11.71		25-Mar-28
Total	182,409	205,265	0	0	387,674			

IMPLEMENTATION OF THE REMUNERATION POLICY FOR 2026

The new Directors' remuneration policy, subject to shareholder approval at the May 2026 AGM, along with the Committee's policy review process and rationale for change, is set out on pages 137 to 145. The core policy structure remains unchanged from the current 2023 policy, however there are some targeted amendments to the long-term incentive plan, designed to drive delivery of the Company's 2028 strategic objectives and sustainable long-term shareholder returns.

Salary

Annual salary reviews take effect from April each year. The Committee takes account of a number of factors, including the increase applied to other UK-based employees. The Committee applies judgement when using external market data.

For 2026, salaries will be increased by 2.7% for the Group Chief Executive Officer and 0.9% for the other Executive Directors, as shown in the table below. With reference to a FTSE insurance peer group, the Group Chief Executive Officer increase aligns salary to the market median, and the increase for other Executive Directors positions salary marginally above the market median. We also refer, as secondary reference, to a broader size-adjusted (FTSE 30-150) financial services peer group and our international direct P&C insurance peers when ensuring Executive Director salaries are fair and appropriately competitive in the context of our executive talent market.

Other UK-based employees received an average increase of 2.9%.

	2026 £
Aki Hussain	865,000
Paul Cooper	580,000
Joanne Musselle	580,000

Bonus

The Committee has discretion to determine the specific performance conditions attached to each bonus cycle and to set annual targets for these measures with reference to the strategy approved by the Board. 75% of the Executive Director bonuses for 2026 will be based on pre-tax ROE. The Group Chief Executive Officer and Group Chief Underwriting Officer will both have 20% of their bonuses based on specific strategic objectives, 2.5% on employee engagement and the remaining 2.5% on retail claims NPS. The Group Chief Financial Officer will have 22.5% on specific strategic objectives and 2.5% on employee engagement. The strategic objectives for each Executive Director are considered commercially sensitive and will be disclosed in full in the 2026 Directors' remuneration report.

The maximum opportunity remains unchanged at 300% salary for the Group Chief Executive Officer and Group Chief Financial Officer, and 400% salary for the Group Chief Underwriting Officer.

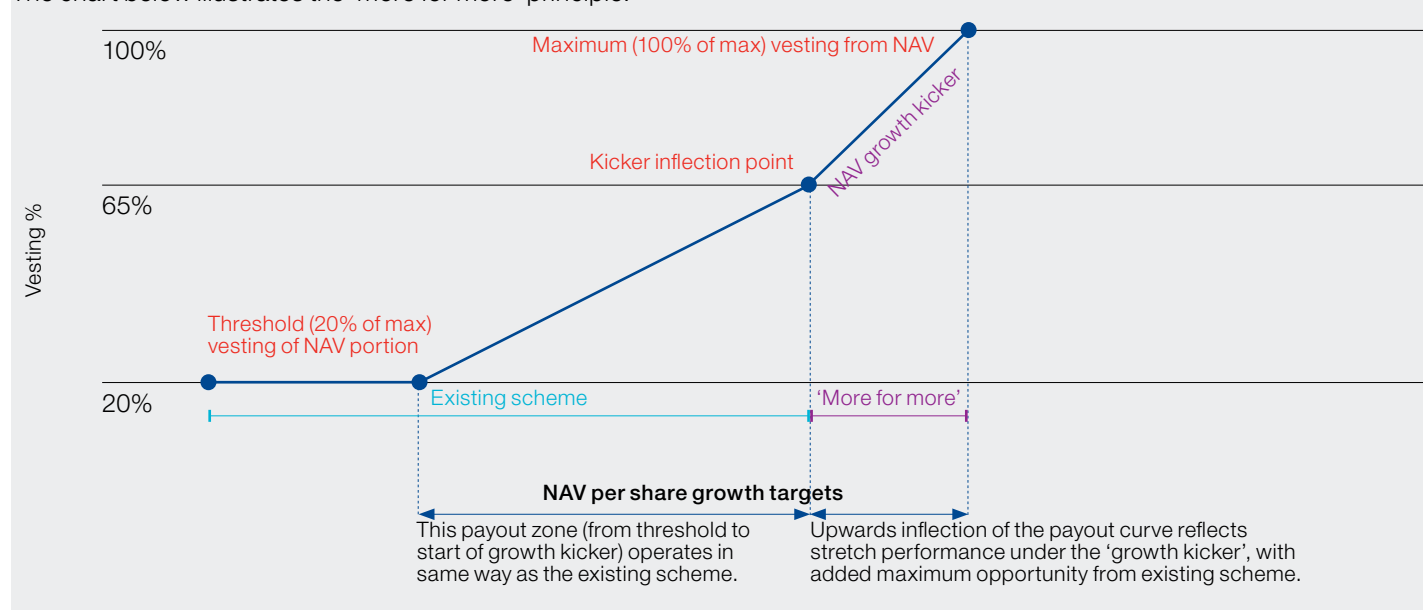
Long-term incentive plan: Performance Share Plan (PSP)

In May 2025 at the Capital Markets Day, the Company announced its 2028 strategic objectives. The performance conditions and maximum opportunity available under the PSP have been adjusted accordingly, in order to align with the long-term objectives of the Group and incentivise delivery of the ambitious growth commitments.

The maximum opportunity for awards granted to the Executive Directors in 2026 will increase. The Group Chief Executive Officer will receive an award of 400% salary and the Group Chief Financial Officer and Group Chief Underwriting Officer will each receive 300% of salary. Awards in the form of nil-cost options will continue to be based on a three-year performance period (1 January 2026 to 31 December 2028) followed by a two-year holding period post vest.

To accompany the increase in opportunity level, there will be a carefully calibrated, commensurate increase in the degree of stretch in the NAV growth targets. This embodies a ‘more for more’ principle, which enables Executive Directors to be rewarded appropriately to the extent that additional growth and value is delivered to shareholders. Only when NAV growth exceeds the existing maximum target (the ‘kicker inflection point’) does the additional portion of PSP opportunity become payable. This ensures that payouts beyond the previous maximum opportunity are reserved for a true sustained step-up in performance compared to the last insurance market cycle.

The chart below illustrates the ‘more for more’ principle.



For the awards made in 2026, the ‘kicker’ (the additional portion of PSP opportunity) will be fully payable on creation of an additional \$240 million of post-tax NAV growth over the three-year performance period, on top of the NAV growth max target for the 2025 PSP award (max target \$1.19 p.a.), taking the total NAV growth over the period to \$1,440 million.

In addition, there will be an increased weight on NAV growth within the PSP performance scorecard to 70% and reduced weight on relative total shareholder return (TSR) to 30%, to place more emphasis on the metric over which Management has more control and that is tied to more stretching targets.

Performance conditions for awards made in 2026

70% of awards will be based on growth in NAV plus dividends plus shareholder returns, measured on a per-share basis. The Committee considers that growth in NAV continues to be a key metric for the PSP given that our strategy is built around the objective of generating long-term shareholder value and NAV is aligned with shareholder value creation.

	Growth in NAV plus dividends plus shareholder returns per share	Proportion of PSP vesting* %
Minimum threshold vesting	\$0.43 p.a.	20
Kicker inflection point	\$1.22 p.a.	65
Maximum vesting	\$1.47 p.a.	100

*Straight-line vesting between threshold and kicker, and kicker and maximum.

30% of awards will be based on relative TSR, reflecting our commitment to shareholder alignment.

Relative TSR	Proportion of PSP vesting* %
Below median	0
Median	20
Upper quartile	100

*Straight-line vesting in between each point.

The peer group consists of the following 20 companies: American Financial Group, Arch Capital, Axis Capital, Beazley, Conduit, Cincinnati Financial, CNA Financial, Everest Re, Fairfax Financial Holdings, Hanover Insurance, James River Group, Kinsale Capital Group, Lancashire Holdings, Markel, QBE, Renaissance Re, RLI, SCOR, White Mountains Insurance Group, and WR Berkley.

OTHER REMUNERATION MATTERS

External Non Executive Directorships

Executive Directors may not accept any external appointment that may give rise to a conflict of interest, and all external appointments require the consent of the Chair. Aki Hussain held a directorship at Visa Europe Limited during 2025 and received a fee of £156,250. Joanne Musselle was remunerated £42,000 for her directorship at Realty.

External advisors

The Committee received independent advice from WTW during 2025. WTW was appointed by the Committee in June 2022, following a competitive tender process. WTW is a signatory to the Remuneration Consultants Group Code of Conduct and, as such, voluntarily operates under its code of conduct. During the year, the Committee received advice on developments in market practice, corporate governance, institutional investor views, and on the design of the Company’s remuneration arrangements. Total fees for advice provided to the Committee during the year were £201,715 based on a time and materials basis.

The Committee regularly reviews the advice it receives and is satisfied that this has been objective and independent. During the year, WTW also provided other consulting services to the Company.

In addition to the external advisors, the Group Chief Executive Officer and Chief People Officer attend the Committee meetings by invitation and provided material assistance to the Remuneration Committee during the year. No Director or Committee member was involved in determining their own remuneration during the year.

Statement of shareholder voting

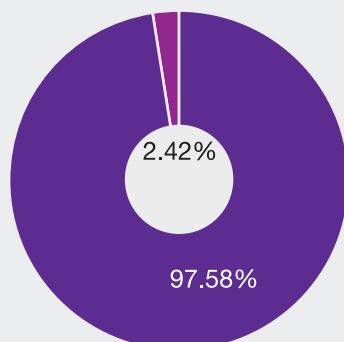
At the AGM on 15 May 2025, the Directors’ remuneration report received the shareholder votes shown in the table below. The Committee was pleased with the level of support received from shareholders.

	Directors' remuneration report (15 May 2025)	Remuneration policy (11 May 2023)
For	269,581,383	274,610,137
%	96.55	97.58
Against	9,638,540	6,811,674
%	3.45	2.42
Withheld	29,106	10,302

The remuneration policy approved by shareholders on 11 May 2023 can be viewed in the 2022 Annual Report and Accounts at [hiscoxgroup.com](https://www.hiscoxgroup.com).

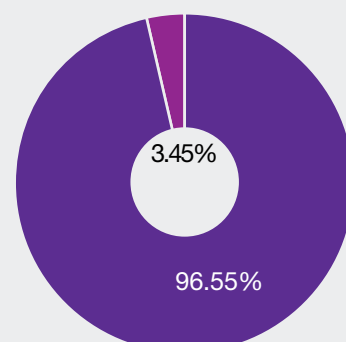
Directors' remuneration policy

● For ● Against



Directors' remuneration report

● For ● Against



Non Executive Director fees

The Non Executive Director fees for 2026 remain unchanged from 2025.

All Board members sit on each of the Committees (Audit, Remuneration, Risk, Nominations and Governance) so the Committee fees have been aggregated into the basic fee.

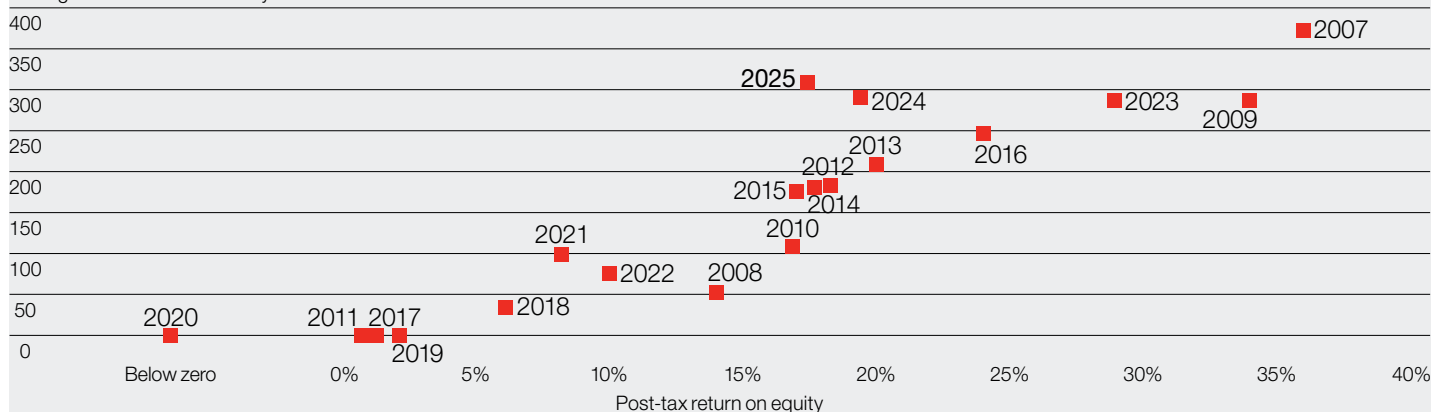
	2026 fees
Board Chair and subsidiary services	£350,000
Non Executive Director basic fee	\$125,000
Additional fees for:	
Audit Committee Chair	\$19,000
Remuneration Committee Chair	\$19,000
Risk Committee Chair	\$19,000
Senior Independent Director	\$20,000
Employee Liaison	\$13,000
Bermuda Committee	\$10,000

ROE performance

The chart below shows the relationship between the Group ROE performance and bonus awards for Executive Directors over an extended period. It demonstrates the strong link between business performance and bonus outcomes.

Executive Directors' cash incentives and return on equity

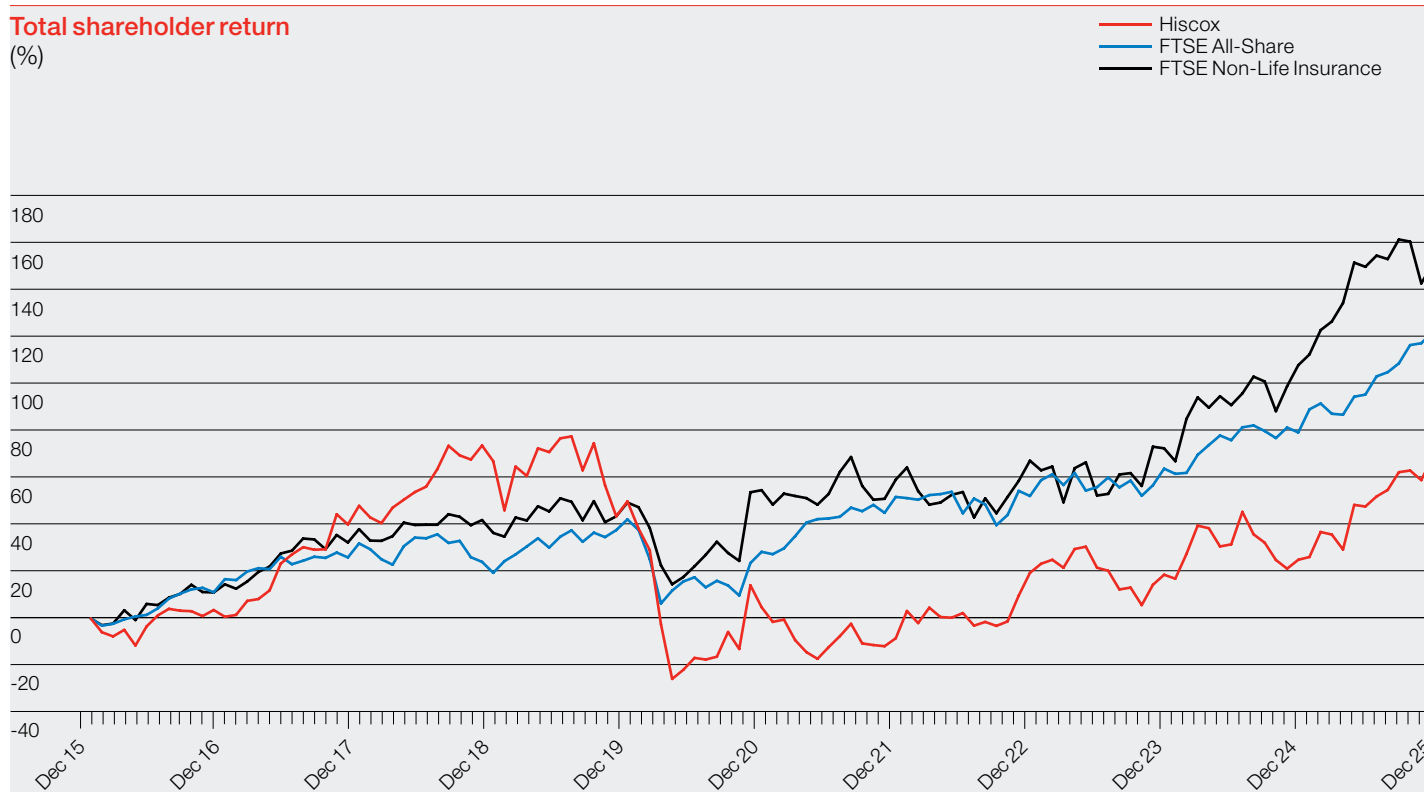
Average bonus as a % of salary



ROE is measured on IFRS 4 basis until 2021, after which it is measured on IFRS 17 basis.

Total shareholder return performance

The graph below shows the total shareholder return of the Group against the FTSE All-Share and FTSE Non-Life Insurance indices. These reference points have been shown to assess performance against the general market and industry peers. Between December 2015 and 2025, Hiscox delivered total shareholder return of 69%.



Chief Executive historical remuneration

The table below shows the total remuneration figure for the Group Chief Executive Officer for the past ten years. The Group Chief Executive Officer was Bronek Masojada up to and including 2021. From 1 January 2022 the Group Chief Executive Officer is Aki Hussain.

Name	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
CEO single figure of remuneration (£)	3,970,466	2,394,428	1,818,086	698,196	717,243	1,332,964	1,390,959	3,870,426	4,597,398	5,610,888
Annual bonus as percentage of current max	64	0	9	0	0	30	25	93	94	97
PSP vesting as percentage of maximum opportunity	100	85	47	0	0	0	0	45	60	91

Comparator data

Remuneration for the wider workforce

When considering the remuneration arrangements for senior management, the Committee takes into account remuneration throughout the wider workforce, which is based on broadly consistent principles. The remuneration philosophy supports a culture where employees are rewarded for sustained individual and collective performance and demonstrating the right behaviours. Goals and measures for Executive Directors cascade to Senior Management and much of the wider workforce. Every colleague has the opportunity to share in the long-term success of our business via our all-employee share plans.

The Remuneration Committee receives information on Group-wide remuneration and uses internal and external measures to assess the appropriateness of the remuneration policy and outcomes for Executive Directors. During the year, the Committee reviewed information on market levels of pay in our peer group, bonus pools split by business area, levels of share plan participation and pay ratios between Executives and average employees.

The Committee received employee feedback on executive remuneration during 2025 via our Employee Engagement Network led by Employee Liaison and Non Executive Director Beth Boucher. The wider workforce representatives did not believe that Executive Director remuneration was excessive or that Executive Directors benefitted from any arrangements that targeted them in a disproportionate manner.

Group Chief Executive Officer pay ratio

The Group Chief Executive Officer's total remuneration compared with the median (50th percentile) remuneration of the Company's UK employees as at 31 December 2025 is shown below, along with the 25th and 75th percentiles.

The Committee selected calculation method 'Option A' as it is the more robust approach and favoured by investors. This method captures all pay (excluding overtime due to its volatility) and benefits for the financial year to 31 December 2025 and aligns with how the 'single figure' table is calculated (from which there has been no deviation). Part-time employee single figures were annualised to provide more meaningful comparison.

Full year	Calculation methodology	P25 (lower quartile)	P50 (median)	P75 (upper quartile)
2025	A	105:1	67:1	45:1
2024	A	87:1	56:1	38:1
2023	A	79:1	49:1	32:1
2022	A	31:1	20:1	13:1
2021	A	34:1	20:1	12:1
2020	A	20:1	12:1	8:1
2019	A	19:1	11:1	7:1

The table below shows the salary and total remuneration of each employee at the 2025 quartile positions.

2025	P25 £	P50 £	P75 £
Salary	40,863	70,000	91,225
Total remuneration	53,525	83,395	124,447

The Committee has considered the pay data for the three employees identified and believes that it fairly reflects pay at the relevant quartiles among the UK employee population. The increase in the Group Chief Executive Officer pay ratio for 2025 is a result of improved vesting of the long-term incentive plan and another year of high bonus outturns. Given the greater weighting of variable remuneration versus fixed pay for senior roles, including the Group Chief Executive Officer, these positive business outcomes translate into an increase in the Group Chief Executive Officer pay ratio.

The Committee is comfortable that the pay ratio for 2025 aligns to the pay and progression policies for employees, in particular that pay is truly linked to performance and that individuals are appropriately motivated and rewarded according to their knowledge and seniority within the business.

Percentage change in remuneration of the Board Directors

The table below shows the percentage change in remuneration for each Executive and Non Executive Director, between the years 2020 and 2025. Salary and bonus are compared against all employees globally, benefits are compared against all UK-based employees, reflecting the location of the Executive Directors.

	2020 % change			2021 % change		
	Salary/fees	Benefits	Bonus	Salary/fees	Benefits	Bonus
All employees¹	4.3	5.9	(36.1)	1.8	(3.7)	147
Executive Directors:						
Aki Hussain	2.8	(6.9)	–	2.2	3.3	–
Paul Cooper	–	–	–	–	–	–
Joanne Musselle	–	–	–	22.1	21.6	–
Non Executive Directors:²						
Lynne Biggar ³	–	–	–	–	–	–
Beth Boucher	–	–	–	–	–	–
Peter Clarke ⁴	–	–	–	–	–	–
Donna DeMaio	–	–	–	–	–	–
June Yee Felix ³	–	–	–	–	–	–
Michael Goodwin	4.2	–	–	(0.7)	–	–
Jane Guyett	–	–	–	–	–	–
Thomas Huerlimann	(2.0)	–	–	(1.4)	–	–
Colin Keogh ⁵	(2.5)	–	–	32.4	–	–
Anne MacDonald ⁶	2.2	–	–	(0.7)	–	–
Constantinos Miranthis	(5.2)	–	–	5.0	–	–
Lynn Pike ⁶	(6.3)	–	–	(0.7)	–	–

¹Median employee salary, benefits and bonus have been calculated on a full-time equivalent basis.

Salary and benefits are calculated as at 31 December 2025, bonus is that earned during the year ending 31 December 2025.

²Non Executive Director fees are subject to exchange rate fluctuations.

³Lynne Biggar and June Yee Felix joined the Board on 27 January 2025.

⁴Peter Clarke joined the Board on 1 June 2025.

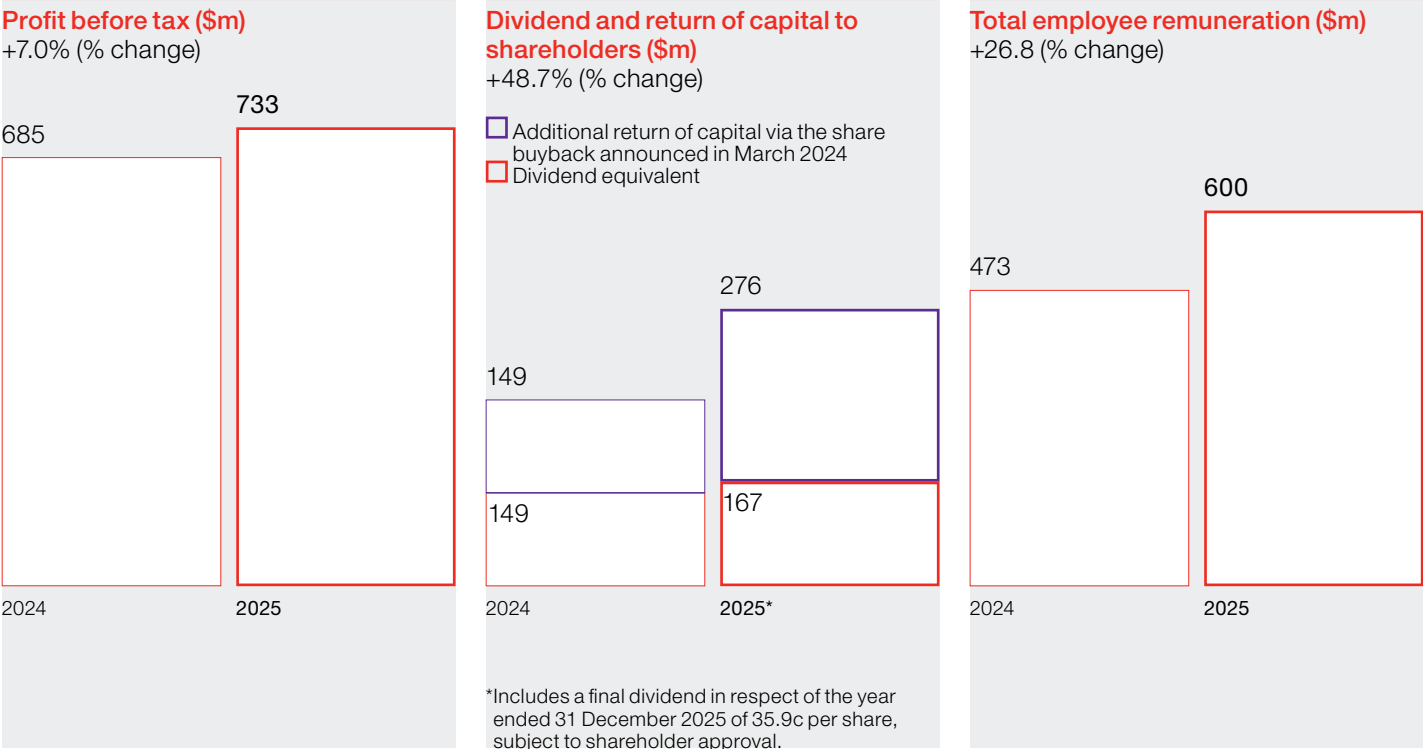
⁵Colin Keogh retired from the Board on 30 June 2025.

⁶Anne MacDonald and Lynn Pike retired from the Board on 15 May 2025.

2022 % change			2023 % change			2024 % change			2025 % change		
Salary/fees	Benefits	Bonus	Salary/fees	Benefits	Bonus	Salary/fees	Benefits	Bonus	Salary/fees	Benefits	Bonus
5.8	2.6	11.6	3.6	8.6	29.7	7.4	5.0	(8.0)	1.0	12.5	(7.6)
46.8	43.3	21.7	3.8	3.8	291.1	4.5	4.2	5.7	2.9	(6.0)	5.4
–	–	–	60.2	68.0	532.4	3.1	3.0	6.7	1.9	5.9	1.6
2.2	(6.4)	(4.5)	4.3	14.3	261.9	3.1	2.9	5.3	1.9	12.4	5.0
–	–	–	–	–	–	–	–	–	–	–	–
–	–	–	–	–	–	53.3	–	–	70.2	–	–
–	–	–	–	–	–	–	–	–	–	–	–
536.2	–	–	10.4	–	–	(2.4)	–	–	4.1	–	–
–	–	–	–	–	–	–	–	–	–	–	–
19.0	–	–	(6.5)	–	–	(2.4)	–	–	(5.8)	–	–
–	–	–	–	–	–	–	–	–	318.6	–	–
12.5	–	–	38.7	–	–	14.8	–	–	(0.8)	–	–
9.6	–	–	(3.6)	–	–	22.5	–	–	(39.9)	–	–
19.0	–	–	(6.5)	–	–	(2.4)	–	–	(64.1)	–	–
19.0	–	–	(6.5)	–	–	(2.4)	–	–	(3.8)	–	–
19.0	–	–	(6.5)	–	–	(0.4)	–	–	(75.6)	–	–

Relative importance of the spend on pay

The charts below show the relative movement in profit, shareholder returns and employee remuneration for the 2024 and 2025 financial years. Shareholder return for the year incorporates the distribution made in respect of that year. Employee remuneration includes salary, benefits, bonus, long-term incentives and retirement benefits. Profit is the ultimate driver behind the performance metrics of the bonus and long-term incentive schemes. See profit before tax on the consolidated income statement on page 158.



DIRECTORS' REMUNERATION POLICY



This section sets out the new Directors' remuneration policy which will be subject to a binding vote at the 2026 AGM.

The 2023 remuneration policy was designed to ensure strong alignment between remuneration, the Company's strategic priorities and the shareholder experience. This focus remains core to the renewed 2026 policy.

During 2025, Hiscox launched its 2028 strategic targets focusing on accelerating growth and efficiency. The principal objective of the 2026 policy will be to support the successful execution of the 2028 strategic objectives through what we believe is the right balance of performance measures, carefully calibrated targets and increased leverage in the long-term incentive plan.

Review process

A comprehensive review was carried out during 2025, including stakeholder interviews and a review of multiple straw model policy designs through the lenses of Hiscox strategic priorities, internal perspectives, market practice,

governance standards and investor views. From this review, the Committee concluded that the core structure of the 2023 policy remains appropriate for Hiscox's next phase of growth, with a strong focus on performance and alignment with shareholder outcomes. Accordingly, the proposed changes are limited in scope but targeted in impact, designed to sharpen the mechanics of the long-term incentive plan and catalyse Hiscox's growth potential.

Key policy changes

The key changes to the policy are as follows.

— Increase in maximum opportunity under the long-term incentive plan (LTIP)

The increased opportunity is underpinned by a 'more for more' principle, with increased maximum awards tied to carefully calibrated additional NAV growth targets, thereby enabling the Committee to reward Executive

Directors if they successfully achieve additional growth. Maximum opportunity will be 400% of salary for the Group Chief Executive Officer and 300% for the Group Chief Financial Officer and Group Chief Underwriting Officer. Only when NAV growth exceeds the existing maximum target (the 'kicker inflection point') does the additional portion of LTIP opportunity become payable, ensuring that payouts beyond the previous maximum opportunity are reserved for a true sustained step-up in performance compared to the previous insurance market cycle.

— **Removal of the flexibility to base up to 30% of the LTIP award on strategic non-financial measures**
100% of the LTIP award will be focused on growth and delivering shareholder value, reinforcing the Committee's emphasis on long-term financial performance.

— Increase in shareholding guidelines

Raise in-employment shareholding requirements from 200% salary to 400% of salary for the Group Chief Executive Officer and 300% for other Executive Directors.

Implementation – performance measures

The Committee recognises that the effectiveness of the policy depends not only on its structure but also on how it is implemented. A key focus of the review was the selection of performance measures that would best support delivery of the 2028 strategy.

The annual bonus will continue to focus on short-term delivery of profitable growth and strategic execution. At least 75% of the bonus will be based on financial metrics, with pre-tax return on equity (ROE) likely to remain the core measure. Up to 25% will be based on strategic metrics, which are expected to reflect key enablers of the strategy such as expanding distribution, unlocking scale, and building workforce and technological capabilities for the future. These strategic measures will be reviewed annually to ensure they remain relevant and measurable, with a clear link to financial impact.

For the LTIP, NAV growth plus dividends and shareholder returns measured on a per-share basis and relative TSR are likely to remain the core metrics, albeit with a change to the current weighting. For 2026, the weight on NAV will be increased to 70% as it is considered the most direct measure of value creation aligned with Hiscox's growth and efficiency ambitions, as well as to place more emphasis on the metric which is more within management's control and that is subject to increasingly stretching

targets. The weight on TSR will be 30% to maintain a clear and meaningful link to the shareholder experience.

The flexibility to have a portion of the LTIP based on non-financial metrics has been removed, reflecting the Committee's desire to maintain simplicity and focus long-term incentives on financial delivery.

Together, the short- and long-term incentives provide a balanced framework: the bonus drives annual execution of strategic and financial goals that are essential for realising our growth ambitions, while the LTIP incentivises sustained long-term value creation. This combination ensures alignment with both the immediate priorities and the transformational outcomes of the 2028 business strategy.

The Committee understands the importance of robust target setting in the successful implementation of the policy. When reviewing and approving performance targets, the Committee takes into account a wide range of internal and external factors, including business plans, recent performance trends, peer benchmarks, investor expectations, and judgement informed by the business climate. The Committee is conscious of the need to balance responsible risk taking with long-term value creation when setting appropriately stretching targets, especially in light of the 2028 plan which is focused on growth.

The Committee will continue to evaluate the appropriate measures and targets each year and make changes as needed throughout the policy period.

Consultation process

In setting the new policy, the Remuneration Committee undertook a formal shareholder consultation process in October 2025, engaging with investors representing approximately 58% of the register, as well as proxy advisory bodies and employee representatives.

Feedback received was constructive and largely supportive of the proposed policy changes. Shareholder feedback was incorporated into the final remuneration policy design and proposed implementation. An example of this was the Committee adjusting the proposed relative TSR weighting in the LTIP from 25% to 30%. Some shareholders requested further clarity on specific points such as the peer group used to benchmark Executive Director pay, which has now been provided.

Future policy table

Base salary

Purpose and link to strategy	Fixed pay is set at a level to secure and retain high-calibre individuals needed to deliver the Company's strategic priorities.
Operation	Base salary is normally reviewed annually, with effect from 1 April, taking into account a range of factors including: — the scope of the role; — the individual's skills, experience and performance; — competitive market data; — overall business performance. By exception, an individual's salary may be amended outside of the annual review process.
Maximum potential value	There is no maximum base salary but Executive Directors' salary increases will normally be in line with the average percentage increase for the wider workforce in the same locality. Increases above this level may be considered in other circumstances as appropriate (for example, to address market competitiveness, development in the role, or a change in role size, scope or responsibility).
Performance metrics	Individual and business performance are taken into account when setting salary levels.
Application to broader employee population	Process for review of salaries is consistent for all employees.

Benefits (including retirement benefits)

Purpose and link to strategy	Set at a level to secure and retain high-calibre individuals needed to deliver the Company's strategic priorities.
Operation	Retirement benefits These vary by local country practice, but all open Hiscox retirement schemes are based on defined contributions or an equivalent cash allowance. This approach will be generally maintained for any new appointments other than in specific scenarios (for example, where local market practice dictates other terms). For current Executive Directors, a cash allowance of up to 10% of base salary is paid in lieu of the standard employer pension contribution, or a combination of pension contributions and cash allowance, totalling 10% of salary. Other benefits Benefits are set within agreed principles but reflect normal practice for each country. Hiscox benefits include, but are not limited to: healthcare, life assurance, long-term disability, paid sabbatical and participation in all-employee share plans such as the Sharesave Schemes. Where it deems it necessary, the Committee may provide reasonable additional benefits associated with travel and relocation based on circumstances (for example, travel allowance and relocation expenses) for new hires, changes in role, or to remain aligned with market practice. Such support may include, but is not limited to, accommodation costs, transportation costs, tax equalisation and other reasonable costs as appropriate to the applicable business and personal circumstances.
Maximum potential value	Set at an appropriate level by reference to the local market practice and reflecting individual and family circumstances. Retirement benefits will be in line with the standard employer pension contribution taking into account any local requirements.
Performance metrics	None.
Application to broader employee population	Executive Directors' benefits are determined on a basis consistent with all employees.

Future policy table

Annual bonus

Purpose and link to strategy	To motivate and reward the achievement of annual financial performance and the delivery of key strategic objectives, providing a direct link between pay and performance.
Operation	Performance metrics and targets are set annually. The payment outcome at the end of the one-year performance period is based on an assessment of the level of performance achieved with reference to the performance targets set at the start of the year, including an assessment of risk factors. Executive Directors are required to defer 40% of the bonus award into Hiscox shares for a period of three years. The release of these shares and the associated accrued dividend equivalents are generally subject to continued employment but are not subject to any further performance conditions. The remaining 60% is paid as cash following the end of the financial year. Bonus awards are non-pensionable. Bonus awards and deferred bonus shares are subject to malus and clawback.
Maximum potential value	The maximum bonus opportunity for the Group Chief Executive Officer and Group Chief Financial Officer is 300% of base salary; the Group Chief Underwriting Officer is 400% of base salary. Where performance is deemed to be below acceptable levels, payouts will be nil.
Performance metrics	Performance is assessed against relevant financial and non-financial targets designed to incentivise the achievement of Company strategy. The Remuneration Committee will determine the specific performance conditions attached to each bonus cycle and set annual targets for these measures with reference to the strategy approved by the Board. The financial measures used will typically include return or profit-based targets. Up to 25% of the bonus can be based on strategic, non-financial priorities for the Company. The discretion available to the Committee in assessing the achievement of the performance targets is as set out on page 142.
Application to broader employee population	The annual incentive structure and bonus deferral approach below the Board are both broadly consistent across the Group.

Future policy table

Long-term incentive plan – Performance Share Plan (PSP)

Purpose and link to strategy	To motivate and reward delivery of the Company's long-term strategic objectives, providing a direct link between pay and performance. To encourage share ownership and align interests with shareholders.
Operation	Awards are granted under, and governed by, the rules of the LTIP as approved by shareholders from time to time. Awards normally vest after a three-year period subject to the achievement of financial performance conditions, plus a further two-year holding period. Awards are eligible for dividend equivalents up to the date of vesting and on vested shares prior to release. Awards are subject to malus and clawback.
Maximum potential value	LTIP awards are subject to a maximum annual grant of 400% of salary for the Group Chief Executive Officer and 300% of salary for both the Group Chief Financial Officer and Group Chief Underwriting Officer in respect of any one financial year, plus accrued dividends (or equivalents).
Performance metrics	The performance conditions for awards are set to align with the long-term objectives of the Company. The Remuneration Committee will determine the specific performance conditions attached to each grant and set targets for the shareholder value creation measures with reference to the strategy approved by the Board. For delivery of threshold performance, up to 20% of the relevant portion of the award can vest. For full vesting, the stretch performance hurdles need to be met in full. The discretion available to the Committee in assessing the achievement of the performance targets is as set out on page 142. Where the Committee considers it appropriate to do so, under the LTIP rules the Committee is able to modify performance criteria for outstanding awards on the occurrence of certain events (for example, a major disposal).
Application to broader employee population	Participation in the LTIP is normally restricted to senior individuals.

Shareholding guidelines

Purpose and link to strategy	To ensure Executive Directors are aligned with shareholder interests.
Operation	The Group Chief Executive Officer will normally be expected to have acquired an interest in Hiscox shares valued at 400% of salary within five years. For the Group Chief Financial Officer and Group Chief Underwriting Officer, the requirement is 300% of salary within five years. Shares owned by the Executive Director (and any connected person) count towards the guidelines as do any vested but unexercised LTIP awards or deferred bonus awards (both net of assumed taxes). Executive Directors are also expected to remain aligned with the interests of shareholders for an extended period after leaving the Company. Executive Directors will typically be expected to retain a shareholding at the level of the in-employment shareholding guideline (or the actual shareholding on stepping down, if lower) for two years after termination unless the Committee determines otherwise in exceptional circumstances.
Maximum potential value	N/A
Performance metrics	N/A
Application to broader employee population	Post-employment shareholding guidelines only apply to Executive Directors.

Performance measures and targets

The performance measures and targets for incentives are closely aligned with the Company's short- and long-term strategic objectives. When reviewing and approving the targets and target ranges that apply to LTIP and bonus financial metrics each year, the Committee takes into account a wide range of internal and external factors, including business plans, recent performance trends, peer benchmarks, investor expectations, and judgement informed by the business climate (for example the insurance pricing cycle, the claims environment, and macroeconomic factors such as tax and inflation). The Committee is conscious of the need to balance responsible risk taking with long-term value creation when setting appropriately stretching targets.

Remuneration Committee discretion

It is the intention of the Committee that incentive outturns should normally reflect the outcome of the performance measures set; however, the Committee understands part of its governance role is to consider the need for adjustments and discretion. The Committee will apply independent judgement to aid the policy in its operation or implementation, and to ensure that outcomes are a fair reflection of the performance of the Company and individual over the performance period. The Committee has scope to consider any such factors as it deems relevant and has the discretion to adjust any formulaic outcomes if it determines that it is not reflective of underlying performance for that metric or the business as a whole; further, the Committee has the discretion to adjust performance targets to ensure they are no easier or harder to satisfy than they otherwise would have been in the absence of a certain event. Discretion may be applied upwards or downwards and will be applied with consistency and fairness to management and shareholders, with transparent disclosure around the rationale.

Recruitment policy

A new hire will ordinarily be remunerated in accordance with the Directors' remuneration policy described on the previous pages. In order to define the remuneration for an incoming Executive Director, the Committee will take account of:

- prevailing competitive pay levels for the role;
- experience and skills of the candidate;
- incentive awards and other elements which will be forfeited by the candidate;
- transition implications on initial appointment;
- the overall Hiscox approach.

A buy-out payment/award may be necessary in respect of arrangements forfeited on joining the Company, including by utilising Listing Rule 9.3.2. The size and structure of any such buy-out arrangement will take account of relevant factors in respect of the forfeited terms including potential value, time horizons and any performance conditions which apply. The objective will be to suitably limit any buy-out to the commercial value forfeited by the individual. Buy-out awards are excluded from the maximum incentive opportunities set out in the policy table.

Where required and deemed appropriate, the Committee may provide relocation support and tax and legal support relating to the Director's Hiscox employment.

Service contracts

It is the Company's policy that Executive Directors should have service contracts with an indefinite term which can be terminated by the Company by giving notice not exceeding 12 months or the Director by giving notice of six months.

The terms set out in the service contracts for the current Executive Directors do not allow for any payments that are not in line with this policy.

Loss of office payment policy

Any termination payment will be subject to the Committee's approval and their regard to terms of the service contract or other legal obligations and the specific circumstances of the termination, including conduct, performance, service, health or other factors the Committee deems relevant.

Subject to the execution of an appropriate general release of claims, an Executive Director may receive on termination of employment by the Company:

1. Notice period of up to 12 months

In the normal course of events, an Executive will remain on the payroll but may be placed on gardening leave for the duration of the notice period (or until they leave early by mutual agreement, whichever is sooner). During this period they will be paid as normal, including base pay, pension contributions (or cash allowance as appropriate) and other benefits (for example, healthcare).

In the event of a termination where Hiscox requests that the Executive Director ceases work immediately, a payment in lieu of notice may be made that is equal to fixed pay, pension entitlements and other benefits (benefits may continue to be provided). Payments may be made in instalments and would ordinarily be subject to mitigation should the individual find alternative employment during the unexpired notice period.

2. Bonus payment for the financial year of exit

Bonuses will normally only be paid to Executive Directors who are granted 'good leaver' status. The bonus amount would normally be pro-rated depending on the proportion of the financial year which has been completed by the time of the termination date and paid in line with the normal bonus scheme timings and performance metrics, unless the Committee determines otherwise.

3. Release of any deferred bonuses

Bonuses deferred into shares will normally only be released (on the original vesting dates) to Executive Directors who are granted 'good leaver' status, unless the Committee determines otherwise.

4. Unvested LTIP awards

Unvested share awards will normally only be released to Executive Directors who are granted 'good leaver' status. Awards will vest in line with the normal vesting date (unless the Committee determines otherwise) and will vest to the extent that the relevant performance targets are considered to have been met. Unvested awards will normally be pro-rated to reflect the period which has elapsed from the commencement of the award to the date of termination, unless the Committee determines otherwise.

If the departing Executive Director does not sign a release of claims, they would normally be entitled to payments defined under point 1 only. In the event that the Executive is dismissed for gross misconduct, they would forfeit all payments.

The Committee may also make a payment in respect of outplacement costs, legal fees and costs of settling any potential claims where appropriate.

5. Change of control

In the event of a change of control, outstanding LTIP awards will normally vest early to the extent that the performance condition, as determined by the Committee in its discretion, has been satisfied and, unless the Committee determines otherwise, would be pro-rated to reflect the period which has elapsed from the commencement of the award to the date of the relevant corporate event.

Deferred bonus awards will vest in full.

Outstanding awards under all-employee share plans will be treated in accordance with the relevant plan rules.

Prior commitments

The Committee may continue to satisfy remuneration payments and payments for loss of office (including the exercise of any discretions available to the Committee in connection with such payments) where the terms of the payment were:

- agreed before 15 May 2014 when the first approved remuneration policy came into effect;
- agreed before the policy set out above came into effect, provided that the terms of the payment were consistent with the shareholder-approved Directors' remuneration policy in force at the time they were agreed; or
- agreed at a time when the relevant individual was not a Director of the Company and, in the opinion of the Committee, the payment was not in consideration for the individual becoming a Director of the Company. For these purposes, such payments include the Committee satisfying awards of variable remuneration.

Malus and clawback provisions

The Reumneration Committee may, in its absolute discretion, determine to reduce the amount of an annual bonus, deferred bonus or share award at any time prior to payment (for an annual bonus) or vesting (for a deferred bonus or share award) in the following circumstances:

- a material misstatement of the financial accounts of the Group, for awards under the long-term incentive plan, or of any Group Company which is relevant for the determination of annual bonuses;
- an error in assessing a performance condition applicable to the award or in the information or assumptions on which the award was granted, or (where applicable) vests;
- actions or omissions which justify dismissal on the grounds of misconduct (including material error or fraud) by the participant;
- negative reputational damage or significant financial damage to the Company as a result of the participant's conduct;
- a material failure of risk management or of other operational systems and controls by the participant or their team;
- a material corporate failure in the Group;
- a regulatory or law enforcement investigation which results in significant censure.

Annual bonus and share awards granted to Executive Directors shall also be subject to clawback provisions for up to two years from the date of payment or vesting in the above circumstances.

The malus and clawback provisions that apply to awards made prior to this policy coming into effect are as set out in the relevant remuneration policy as at the date of award.

Non Executive Directors

Non Executive Directors are appointed for a three-year term, which is renewable, with three months' notice on either side, no contractual termination payments being due and subject to re-election pursuant to the Bye-laws at the Annual General Meeting. The contract for the Chair is subject to a six-month notice provision on either side.

On appointment of a new Non Executive Chair or Non Executive Director, the fees will normally be consistent with the policy. Fees to Non Executives will not include share options or other performance-related elements.

Purpose and link to strategy	Set at a level to secure and retain high-calibre individuals with the relevant skills, knowledge and experience required by the Company.
Operation	The fees paid are determined by reference to skills, experience and the time commitment associated with the role. The decision-making process is informed by appropriate market data. Non Executive Directors are not eligible for participation in the Company's incentive plans or pension arrangements. Travel and other reasonable expenses incurred in the course of performing their duties are reimbursed to Non Executive Directors (including any tax thereon where these are deemed to be taxable benefits). Directors and officers' insurance cover is provided.
Chair	The Chair receives an all-inclusive fee in respect of the role. The remuneration of the Chair is determined by the Remuneration Committee (of which the Chair is not a member).
Non Executive Directors	Non Executive Directors receive an annual fee in respect of their Board and Committee appointments together with remuneration for further duties (for example, chairmanship, SID fee and employee liaison fee). The fees for the Non Executive Directors (excluding the Group Chair) are determined by the Nominations and Governance Committee (presided over by the Group Chair). No Non Executive Director will approve their own remuneration.
Maximum potential value	The total aggregate fees payable are set within the limit approved by shareholders at the 2025 Annual General Meeting.

Consideration of employment conditions elsewhere

We are proud of our reward offering across the Company and apply principles consistent with how we pay our Executive Directors. We ensure employees are paid fairly in line with their responsibilities, experience and the market rate for the role. Employees participate in an annual bonus scheme and senior individuals are eligible for LTIP awards. We also offer a generous benefit package.

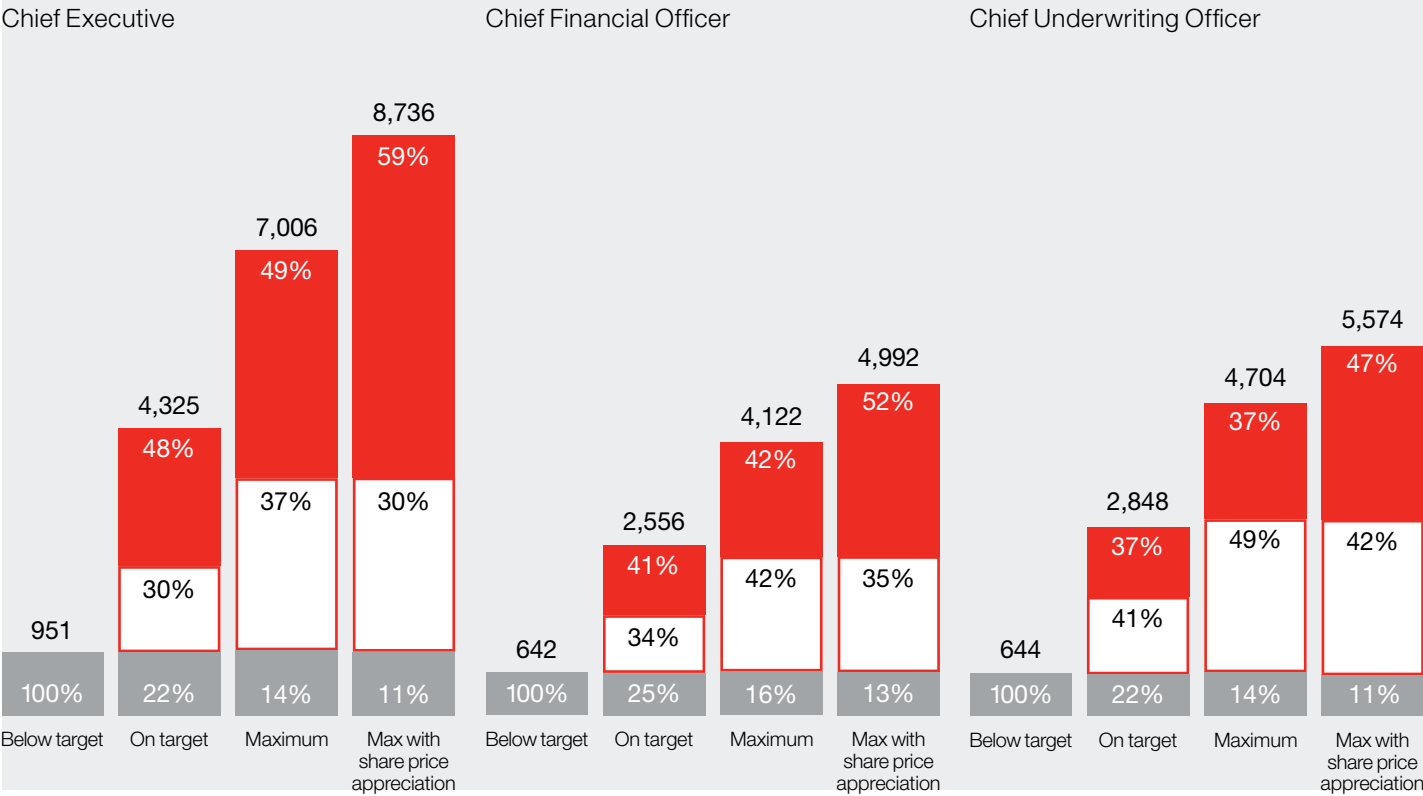
Variable remuneration for the most senior employees is more highly performance geared towards the longer term in order to encourage delivery of strong returns across the insurance cycle and create sustainable long-term value for our shareholders.

Hiscox encourages all employees to become shareholders such as through our global Sharesave Schemes, enabling employees to share in the success of the Company.

Employee views are gathered on an annual basis on a range of topics, including remuneration, and presented to the Board. The Remuneration Committee also receives updates on the broader workforce remuneration policies and practices during the year, which informs the Committee's consideration of the policy for Executive Directors.

Illustration of application of the remuneration policy
 (£000s)

■ Long-term variable remuneration
 Annual variable remuneration
 Fixed remuneration



The charts above have been compiled using the following assumptions.

Fixed remuneration	Fixed reward (base salary, benefits and retirement benefit). - Salary with effect from 1 April 2026. - Benefits as received during 2025, as disclosed in the Executive Director remuneration table on page 118. - Retirement benefit as received during 2025, as disclosed in the Executive Director remuneration table on page 118.
Variable remuneration	Assumptions have been made in respect of the annual incentive and the long-term incentive for the purpose of these illustrations. - Annual incentive: the amounts shown in the scenarios are for illustration only. In practice, the award would be determined based on a range of performance factors and therefore vary depending on the circumstances. The maximum award reflects the incentive caps described at the beginning of this report. - LTIP: scenario analysis assumes awards are granted at the maximum level set out in the policy table on page 141. In practice, award levels are determined annually and are not necessarily granted at the plan maximum every year.

Performance scenarios

Below target performance	Fixed reward only.
On target performance	Fixed reward plus variable pay for the purpose of illustration as follows. — Annual incentive: assume a bonus equivalent to 50% of the maximum opportunity. — LTIP: assume vesting of 60% of the maximum award.
Maximum performance	Fixed reward plus variable pay for the purpose of illustration as follows. — Annual incentive: maximum bonus equivalent to 300% of salary for the Group Chief Executive Officer and Group Chief Financial Officer and 400% of salary for the Group Chief Underwriting Officer. — LTIP: maximum award of 400% of salary for the Group Chief Executive Officer and 300% of salary for the Group Chief Financial Officer and Group Chief Underwriting Officer.
Maximum performance with share price appreciation	Fixed reward plus variable pay for the purpose of illustration as follows. — Annual incentive: maximum bonus equivalent to 300% of salary for the Group Chief Executive Officer and Group Chief Financial Officer and 400% of salary for the Group Chief Underwriting Officer. — LTIP: vesting of 100% of the maximum award plus assumed share price growth of 50%.



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ANOTHER RECORD YEAR

Financial summary

INDEPENDENT AUDITOR’S REPORT TO THE BOARD OF DIRECTORS AND THE SHAREHOLDERS OF HISCOX LTD

Report on the audit of the consolidated financial statements

Our opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Hiscox Ltd (the Company) and its subsidiaries (together the Group) as at 31 December 2025, and their consolidated financial performance and their consolidated cash flows for the year then ended in accordance with UK-adopted international accounting standards.

What we have audited

- The Group’s consolidated financial statements comprise:
- the consolidated statement of financial position as at 31 December 2025;
 - the consolidated income statement for the year then ended;
 - the consolidated statement of comprehensive income for the year then ended;
 - the consolidated statement of changes in equity for the year then ended;
 - the consolidated cash flow statement for the year then ended; and
 - the notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)). Our responsibilities under ISAs (UK) are further described in the Auditors’ responsibilities for the audit of the consolidated financial statements section of our report.

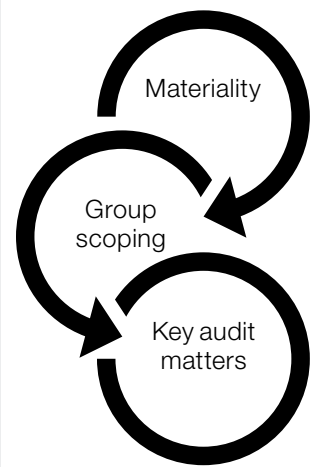
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements, which includes the FRC’s Ethical Standard, as applicable to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Our audit approach

Overview



Overall Group materiality: \$45 million, which represents 0.9% of insurance revenue for the year ended 31 December 2025.

Our audit comprised:

- full scope audit procedures over four components;
- for certain other components, audit procedures over financial statement line-item balances or specified procedures; and,
- for the remaining components that were not inconsequential, analytical procedures on their financial information.

Valuation of insurance contract liabilities and reinsurance contract assets – assumptions and judgements.

Audit scope

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the consolidated financial statements. In particular, we considered where Management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of Management override of internal controls, including, among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Tailoring of Group audit scope

The scope of our audit was tailored in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

The Group is structured into four segments (see note 4 to the consolidated financial statements) and is a consolidation of over 50 separate legal entities. The Group is a global specialist insurer and reinsurer, and its operations primarily consist of the legal entity operations in the United Kingdom, Europe, the United States and Bermuda.

A full scope audit was performed for four components located in the United Kingdom and Bermuda. Financial statement line-item audit procedures or specified procedures were also performed over components in the United Kingdom, the United States and Bermuda. Taken together this work provided over 83% coverage of the Group's insurance revenue and over 80% of the Group's total assets.

The four full scope audit components are: (i) Hiscox Dedicated Corporate Member Syndicate No. 33; (ii) Hiscox Dedicated Corporate Member Syndicate No. 3624; (iii) Hiscox Insurance Company Limited; and (iv) the parent company, Hiscox Ltd (including consolidation). For certain other components, where account balances were identified which were considered to be significant in size or audit risk at the financial statement line-item level in relation to the consolidated financial statements, financial statement line-item audit procedures, or specified procedures were performed over these specified balances. Analytical procedures over the financial information of the remaining components that were not inconsequential were performed.

We tailored our in-scope components based on our assessment of inherent risk and their financial significance to the consolidated financial results.

In establishing the overall approach to the Group audit a determination was made of the type of work that needed to be performed at the components by the Group engagement team, or by the component audit teams in the United Kingdom, United States and Bermuda. A determination was made of the level of involvement of the Group engagement team that was necessary in the audit work at those components to be able to conclude whether sufficient appropriate audit evidence had been obtained. The Group engagement team had regular interaction with the component

teams during the audit process. The engagement leader and senior members of the Group engagement team reviewed in detail all reports with regards to the audit approach and findings submitted by the component auditors. This together with additional procedures performed, as described above, gave us the evidence we needed for our opinion on the consolidated financial statements as a whole.

The impact of climate risk on our audit

As part of our audit, enquiries were made of Management (both within and outside of the Group's finance function) to understand the process Management adopted to assess the extent of the potential impact of climate risk on the Group's financial statements and support the disclosures made within the notes to the consolidated financial statements. The key areas where Management has evaluated that climate risk has a potential to impact the business are in relation to underwriting risk, financial risk, and regulatory, legal, and reputational risk. Management considers that the impact of climate change does not give rise to a material financial statement impact.

Our knowledge of the Group was applied to evaluate Management's assessment of the impact on the consolidated financial statements. An evaluation was performed of the completeness of Management's assessment of climate change risk under the categories of physical risk, transition risk, and litigation risk and how these may affect the consolidated financial statements, and the audit procedures performed.

As part of this, our audit procedures included:

- reading the minutes of meetings of the Group's Sustainability Steering Committee;
- reading submissions to regulators;
- reading the Group's Climate Report 2025; and
- considering the Group's memberships, accreditations and public commitments.

The risks of material misstatement to the consolidated financial statements as a result of climate change were assessed and it was concluded that for the year ended 31 December 2025, there was no impact on the key audit matters or the assessment of the risks of material misstatement.

Finally, the consistency of the disclosures in relation to climate change (including the disclosures in the Task Force on Climate-related Financial Disclosures (TCFD) section) within the Report and Accounts was considered against the consolidated financial statements and our knowledge obtained from our audit including challenging the disclosures given in the narrative reporting within the consolidated financial statements.

Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of the users taken on the basis of the consolidated financial statements.

Based on our professional judgement, certain quantitative thresholds for materiality were determined, including the overall Group materiality for the consolidated financial statements as a whole as set out in the table below. These, together with the qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate, on the consolidated financial statements as a whole.

Materiality

Overall group materiality	\$45 million (2024: \$45 million).
How we determined it	In determining materiality, we considered a range of financial metrics believed to be relevant to the primary users of the consolidated financial statements. We selected a materiality amount using our professional judgement which represents 0.9% of insurance revenue for the year ended 31 December 2025.
Rationale for benchmark applied	The materiality amount selected is appropriate to the size and nature of the business. Expressing materiality in terms of insurance revenue, one of the key metrics relevant to key users of the consolidated financial statements, provides a good representation relative to the size and complexity of the business and it is not distorted by insured catastrophe events to which the Group is exposed, or the levels of external reinsurance purchased by the Group.

For each component in the scope of our Group audit, we allocated a materiality that is less than our overall Group materiality. The range of materiality allocated across components was between \$40.0 million and \$1.2 million.

We use performance materiality to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality. Specifically, we use performance materiality in determining the scope of our audit and the nature and extent of our testing of account balances, classes of transactions and disclosures, for example in determining sample sizes. Our performance materiality was 75% (2024: 75%) of overall materiality, amounting to \$33.75 million (2024: \$33.75 million) for the consolidated financial statements.

In determining the performance materiality, we considered a number of factors – the history of misstatements, risk assessment and aggregation risk and the effectiveness of controls – and concluded that an amount at the upper end of our normal range was appropriate.

We agreed with those charged with governance that we would report to them misstatements identified during our audit above \$2.25 million (2024: \$2.25 million) as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

Key audit matters

Key audit matters are those matters that, in the auditors' professional judgement, were of most significance in the audit of the consolidated financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by the auditors, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters, and any comments we make on the results of our procedures thereon, were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. This is not a complete list of all risks identified by our audit.

The key audit matters on pages 153 to 154 are consistent with last year.

Key audit matters

Key audit matter

Valuation of insurance contract liabilities and reinsurance contract assets – assumptions and judgements

Refer to notes 2.11, 2.19 and 20 to the consolidated financial statements for disclosures of related accounting policies and balances.

As at 31 December 2025, insurance contract liabilities comprised \$416.6 million of liabilities for remaining coverage (LRC), and \$6,460.9 million of liabilities for incurred claims (LIC). Reinsurance contract assets comprised \$142.0 million of assets for remaining coverage (ARC) and \$1,966.8 million of assets for incurred claims (AIC). Insurance contract liabilities and reinsurance contract assets are inherently uncertain and contain material estimates.

LIC and AIC – the most subjective element continues to be the incurred but not yet reported claims cash flows, which form part of the LIC, and the associated reinsurers' share of incurred but not yet reported claim cash flows, which form part of AIC.

Management bases these estimates on the estimated ultimate cost of all claims, together with estimates of the related claims handling costs. These estimates can be materially impacted by numerous factors including:

- the underlying volatility attached to estimates for certain classes of business, where small changes in assumptions can lead to large changes in the levels of the estimate held;
- the risk of inappropriate assumptions used in determining current year estimates, especially for 'long tailed' classes of business, means that there is necessarily greater use of Management judgement;
- the risk that key assumptions in respect of natural catastrophes and other large claim losses ('specific IBNR') are inappropriate. There is significant judgement involved in those loss estimates, particularly as they are often based on limited data;
- the valuation of AIC is uncertain due to the significant degree of judgement applied in valuing the underlying insurance contracts that have been reinsured, the complexity of the application and coverage of the reinsurance programme; and
- the determination of discount rates (including choice of illiquidity premium) and payment patterns used to derive the cash flow for incurred claims.

Risk adjustment – the LIC and AIC also include the risk adjustment to reflect Management's view of the compensation that it requires for bearing uncertainty about the amount and timing of cash flows from non-financial risks.

LRC and ARC – we consider the most significant judgements to be:

- the determination of the premium allocation approach (PAA) measurement model for groups of contracts that are not automatically eligible, including the selection of 'reasonably expects' assumptions;

How our audit addressed the key audit matter

We assessed the valuation of the insurance contract liabilities and assets by performing the following procedures:

- evaluated the process and the design and implementation of controls in place to determine the insurance contract liabilities and reinsurance contract assets;
- tested the underlying data to source documentation;
- evaluated and challenged the robustness of the key judgements adopted in relation to LIC and AIC, including the risk adjustment;
- applied our industry knowledge and experience and compared the methodology, models and assumptions used against recognised actuarial practices;
- for the undiscounted best estimate liabilities, we developed independent point estimates for classes of business considered to be higher risk, focusing on the largest and most uncertain classes, as well as for certain other classes for unpredictability, as at Q3 and rolled forward for year end;
- our roll-forward approach considered the impact of key movements during the fourth quarter such as:
 - actual versus expected emerging claims experience;
 - the earning of new business during the quarter;
 - any updates to specific IBNR estimates; and
 - changes in premium estimates;
- for the remaining classes we have evaluated the methodology and assumptions or performed a diagnostic check (key indicator testing) to identify and investigate any anomalies;
- tested the accuracy of application of reinsurance contract terms; and
- understood any updates made to the actuarial assumptions impacting the forecast future claims cash flows, testing the discount rate applied and evaluating any changes for reasonableness.

For specific IBNR, we:

- validated Management's industry loss picks, as well as the key Management methodology and assumptions applied for each event. We focused on new and large events in 2025;
- for prior-year catastrophes, reviewed the incurred development and understood how Management responded to the information available and assessed the reserve adequacy and development compared to others in the market from the data available;
- challenged Management's ground-up analysis and inspected evidence at a cedant level to test for accuracy of the data; and
- challenged Management on the reasonableness of the margin including 'bulk IBNR' and the uplift of cedant notification values prior to applying the margin.

Key audit matters

Key audit matter	How our audit addressed the key audit matter
Valuation of insurance contract liabilities and reinsurance contract assets – assumptions and judgements (continued) Refer to notes 2.11, 2.19 and 20 to the consolidated financial statements for disclosures of related accounting policies and balances. - the appropriateness of methodologies and assumptions adopted to value reinsurance assets associated with retrospective reinsurance arrangements measured under the general measurement model (GMM); - the judgement on the degree of risk that will transfer with respect to retrospective reinsurance arrangements.	Risk adjustment – assessed the appropriateness of the policy applied to determine the risk adjustment, read the disclosure of the basis in the accounting policies, and tested the consistent application and derivation of the adjustment. LRC – to assess PAA eligibility we: - assessed the appropriateness of the judgements and supporting estimates used to determine use of the PAA and GMM measurement models; - tested the completeness and accuracy of the supporting data; - assessed the scenarios used to stress the modelled GMM and PAA liability for remaining coverage (LFRC); and - considered the qualitative attributes that may impact the eligibility risk, for example, seasonality or long-tail risks that drive a mismatch between GMM and PAA. Through the procedures detailed above and having considered the specific nature and circumstances of the Group's business, we have concluded that the valuation of insurance contract liabilities and reinsurance contract assets is appropriate.

Conclusions relating to going concern

Our evaluation of the directors' assessment of the Group's ability to continue to adopt the going concern basis of accounting included:

- validating Management's going concern analysis based on audit work performed, considering the Group's capital, solvency and liquidity positions;
- considering information obtained during the audit and publicly available market information to identify any evidence that would contradict Management's assessment of going concern; and
- reviewing the disclosures included in the consolidated financial statements in relation to going concern, including the 'basis of preparation'.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the consolidated financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the consolidated financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the Group's ability to continue as a going concern.

In relation to the Directors' reporting on how they have applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the Directors' statement in the financial statements about whether the Directors considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

Reporting on other information

Management is responsible for the other information. The other information comprises Report and Accounts (but does not include the consolidated financial statements and our auditor's report thereon).

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities for the consolidated financial statements and the audit

Responsibilities of Management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. Management is also responsible for such internal control as Management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, Management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditors' responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management;
- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial

statements represent the underlying transactions and events in a manner that achieves fair presentation;

— obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the Group audit.

We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the Group and industry, we identified that the principal risks of non-compliance with laws and regulations related to the Bermudian Companies Act, taxation, and regulatory principles such as those governed by the Bermuda Monetary Authority (BMA) and other local regulatory authorities in which the Group operates, and we considered the extent to which non-compliance might have a material effect on the consolidated financial statements.

We evaluated Management's incentives and opportunities for fraudulent manipulation of the consolidated financial statements (including the risk of override of controls), and determined that the principal risks were related to Management bias in accounting estimates and judgemental areas of the consolidated financial statements as shown in our 'key audit matters'. The Group engagement team has shared this risk assessment with the component auditors so they could include appropriate audit procedures in response to such risks in their work. Audit procedures

performed by the Group engagement team and/or component auditors included:

- discussions with the Board, Management, internal audit, Management involved in the risk and compliance functions and Group legal function, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- evaluation and testing of the operating effectiveness of Management's controls designed to prevent and detect irregularities;
- assessment of matters reported on the Group whistleblowing helpline and fraud register and the results of Management's investigation of such matters;
- designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing;
- reviewing relevant meeting minutes including those of the Board of Directors, audit, risk, and Remuneration Committees;
- reading key correspondence with the BMA and other local regulators, including those in relation to compliance with laws and regulations;
- reviewing the Group's register of litigation and claims, internal audit reports and compliance reports so far as they related to non-compliance with laws and regulations and fraud; and
- attendance at Audit Committee meetings.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the consolidated financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

Our audit testing might include testing complete populations of certain transactions and balances, possibly using data auditing techniques. However, it typically involves selecting a limited number of items for testing, rather than testing complete populations. We will often seek to target particular items for testing based on their size or risk characteristics. In other cases, we will use audit sampling to enable us to draw a conclusion about the population from which the sample is selected.

A further description of our responsibilities for the audit of the consolidated financial statements is located on the FRC's website at: frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Report on other legal and regulatory requirements

Other voluntary reporting – Directors' remuneration

The Company voluntarily prepares a report on Directors' remuneration in accordance with the provisions of the UK Companies Act 2006. The Directors have requested an audit of the part of the report on Directors' remuneration specified by the UK Companies Act 2006 to be audited as if the Company were a UK registered company.

In our opinion, the part of the report on Directors' remuneration to be audited has been properly prepared in accordance with the UK Companies Act 2006.

Corporate governance statement

The Listing Rules require us to review the Directors' statements in relation to going concern, longer-term viability and that part of the corporate governance statement relating to the Company's compliance with the provisions of the UK Corporate Governance Code specified for our review. Our additional responsibilities with respect to the corporate governance statement as other information are described in the 'reporting on other information' section of this report.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the corporate governance statement is materially consistent with the consolidated financial statements and our knowledge obtained during the audit, and we have nothing material to add or draw attention to in relation to:

- the Directors' confirmation that they have carried out a robust assessment of the emerging and principal risks;
- the disclosures in the Annual Report that describe those principal risks, what procedures are in place to identify emerging risks and an explanation of how these are being managed or mitigated;
- the Directors' statement in the consolidated financial statements about whether they considered it appropriate to adopt the going concern basis of accounting in preparing them, and their identification of any material uncertainties to the Group's ability to continue to do so over a period of at least twelve months from the date of approval of the consolidated financial statements;
- the Directors' explanation as to their assessment of the Group's prospects, the period this assessment covers and why the period is appropriate; and
- the Directors' statement as to whether they have a reasonable expectation that the company will be able to continue in operation and meet its liabilities as they fall due over the period of its assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

Our review of the Directors' statement regarding the longer-term viability of the Group was substantially less in scope than an audit and only consisted of making enquiries and considering the Directors' process supporting their statement; checking that the statement is in alignment with the relevant provisions of the UK Corporate Governance Code; and considering whether the statement is consistent with the consolidated financial statements and our knowledge and understanding of the Group and its environment obtained in the course of the audit.

In addition, based on the work undertaken as part of our audit, we have concluded that each of the following elements of the corporate governance statement is materially consistent with the consolidated financial statements and our knowledge obtained during the audit:

- the Directors' statement that they consider the Annual Report, taken as a whole, is fair, balanced and understandable, and provides the information necessary

for the members to assess the Group's position, performance, business model and strategy;

- the section of the Annual Report that describes the review of effectiveness of risk management and internal control systems; and
- the section of the Annual Report describing the work of the Audit Committee.

We have nothing to report in respect of our responsibility to report when the Directors' statement relating to the Company's compliance with the Code does not properly disclose a departure from a relevant provision of the Code specified under the Listing Rules for review by the auditors.

Other matter

The Company is required by the Financial Conduct Authority Disclosure Guidance and Transparency Rules to include these consolidated financial statements in an annual financial report prepared under the structured digital format required by DTR 4.1.15R - 4.1.18R and filed on the National Storage Mechanism of the Financial Conduct Authority. This auditors' report provides no assurance over whether the structured digital format annual financial report has been prepared in accordance with those requirements.

The engagement partner on the audit resulting in this independent auditors' report is Thomas Robb.

PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors
London
24 February 2026

Consolidated income statement

For the year ended 31 December 2025	Note	2025	2024
		\$m	\$m
Insurance revenue	4	4,883.7	4,672.5
Insurance service expenses	4	(3,704.5)	(3,331.0)
Insurance service result before reinsurance contracts held		1,179.2	1,341.5
Allocation of reinsurance premiums	4	(1,236.5)	(1,209.4)
Amounts recoverable from reinsurers for incurred claims	4	671.2	421.4
Net expenses from reinsurance contracts held		(565.3)	(788.0)
Insurance service result	4	613.9	553.5
Investment result	7	442.7	383.9
Net finance expenses from insurance contracts		(238.6)	(225.5)
Net finance income from reinsurance contracts		73.6	73.4
Net insurance finance expenses	7	(165.0)	(152.1)
Net financial result	7	277.7	231.8
Other income	8	99.6	113.5
Other operational expenses	8	(198.7)	(149.4)
Net foreign exchange gains/(losses)		7.1	(11.2)
Other finance costs	9	(66.8)	(53.1)
Share of (loss)/profit of associates after tax	13	(0.1)	0.3
Profit before tax		732.7	685.4
Tax expense	22	(128.6)	(58.2)
Profit for the year (all attributable to owners of the Company)		604.1	627.2
Earnings per share on profit attributable to owners of the Company			
Basic	26	180.7¢	183.2¢
Diluted	26	175.0¢	178.1¢

Consolidated statement of comprehensive income

For the year ended 31 December 2025	Note	2025	2024
		\$m	\$m
Profit for the period		604.1	627.2
Other comprehensive income/(expense)			
Items that will not be reclassified to the income statement:			
Remeasurements of the net defined benefit pension scheme	24	1.4	(4.8)
Income tax effect		(0.3)	1.5
		1.1	(3.3)
Items that may be reclassified subsequently to the income statement:			
Exchange gains/(losses) on translation of foreign operations		54.9	(11.9)
Other comprehensive income/(expense) net of tax		56.0	(15.2)
Total comprehensive income for the period (all attributable to the owners of the Company)		660.1	612.0

The notes on pages 162 to 230 are an integral part of these consolidated financial statements.

Consolidated statement of financial position

	Note	31 December 2025 \$m	31 December 2024 \$m
Assets			
Employee retirement benefit asset	24	46.1	40.0
Goodwill and intangible assets	11	381.0	308.8
Property, plant and equipment	12	108.6	125.6
Investments in associates	13	0.4	0.8
Deferred tax assets	23	164.0	179.4
Assets included in disposal group classified as held for sale	8	–	52.5
Reinsurance contract assets	20	1,824.8	1,976.8
Financial assets carried at fair value	14	8,432.0	7,077.6
Trade and other receivables	15	349.7	249.0
Current tax assets		4.6	3.3
Cash and cash equivalents	18	878.0	1,227.0
Total assets		12,189.2	11,240.8
Equity and liabilities			
Shareholders' equity			
Share capital	19	36.8	38.1
Share premium	19	140.2	405.6
Contributed surplus	19	184.0	184.0
Currency translation reserve		(336.2)	(391.1)
Retained earnings		3,922.0	3,452.2
Equity attributable to owners of the Company		3,946.8	3,688.8
Non-controlling interest		1.1	1.1
Total equity		3,947.9	3,689.9
Deferred tax liabilities	23	64.4	75.8
Liabilities included in disposal group classified as held for sale	8	–	52.7
Insurance contract liabilities	20	6,877.5	6,396.3
Financial liabilities	14	840.4	663.5
Current tax liabilities		24.4	19.7
Other liabilities	21	434.6	342.9
Total liabilities		8,241.3	7,550.9
Total equity and liabilities		12,189.2	11,240.8

The notes on pages 162 to 230 are an integral part of these consolidated financial statements.

The consolidated financial statements were approved by the Board of Directors on 24 February 2026 and signed on its behalf by:

Aki Hussain
Group Chief Executive Officer

Paul Cooper
Group Chief Financial Officer

Consolidated statement of changes in equity

	Note	Share capital \$m	Share premium \$m	Contributed surplus \$m	Currency translation reserve \$m	Retained earnings \$m	Equity attributable to owners of the Company \$m	Non-controlling interest \$m	Total equity \$m
Balance at 1 January 2024		38.8	528.8	184.0	(379.2)	2,923.2	3,295.6	1.1	3,296.7
Profit for the year		–	–	–	–	627.2	627.2	–	627.2
Other comprehensive income net of tax		–	–	–	(11.9)	(3.3)	(15.2)	–	(15.2)
Total comprehensive income		–	–	–	(11.9)	623.9	612.0	–	612.0
Employee share options:									
Equity settled share-based payments		–	–	–	–	33.4	33.4	–	33.4
Proceeds from shares issued	19	0.1	21.3	–	–	–	21.4	–	21.4
Share buyback*	19	(0.8)	(148.3)	–	–	–	(149.1)	–	(149.1)
Deferred and current tax on employee share options		–	–	–	–	2.5	2.5	–	2.5
Shares issued in relation to Scrip Dividend	19	–	3.8	–	–	–	3.8	–	3.8
Dividends paid to owners of the Company	27	–	–	–	–	(130.8)	(130.8)	–	(130.8)
Balance at 31 December 2024		38.1	405.6	184.0	(391.1)	3,452.2	3,688.8	1.1	3,689.9
Profit for the year		–	–	–	–	604.1	604.1	–	604.1
Other comprehensive expense net of tax		–	–	–	54.9	1.1	56.0	–	56.0
Total comprehensive income		–	–	–	54.9	605.2	660.1	–	660.1
Employee share options:									
Equity settled share-based payments		–	–	–	–	48.8	48.8	–	48.8
Proceeds from shares issued	19	0.1	5.0	–	–	–	5.1	–	5.1
Share buyback*	19	(1.4)	(274.3)	–	–	–	(275.7)	–	(275.7)
Deferred and current tax on employee share options		–	–	–	–	10.8	10.8	–	10.8
Shares purchased for employee trust	19	–	–	–	–	(45.6)	(45.6)	–	(45.6)
Shares issued in relation to Scrip Dividend	19	–	3.9	–	–	–	3.9	–	3.9
Dividends paid to owners of the Company	27	–	–	–	–	(149.4)	(149.4)	–	(149.4)
Balance at 31 December 2025		36.8	140.2	184.0	(336.2)	3,922.0	3,946.8	1.1	3,947.9

*In the year ended 31 December 2025, \$275.7 million (2024: \$149.1 million) of shares were purchased and shares with a nominal value of \$1.4 million (2024: \$0.8 million) have been cancelled as part of the share buyback programme.

The notes on pages 162 to 230 are an integral part of these consolidated financial statements.

Consolidated cash flow statement

For the year ended 31 December 2025	Note	2025	2024
		\$m	\$m
Profit before tax		732.7	685.4
Adjustments for:			
Net foreign exchange (gains)/losses		(7.1)	11.2
Interest and equity dividend income	7	(326.1)	(316.4)
Interest expense	9	66.8	53.1
Net fair value gains on financial assets	7	(57.1)	(71.5)
Depreciation, amortisation and impairment	8	65.8	60.7
Charges in respect of share-based payments	19	48.8	49.1
Realised loss/(gain) on sale of subsidiary undertaking, intangible assets and property, plant and equipment		2.1	(0.5)
Changes in operational assets and liabilities:			
Insurance and reinsurance contracts		476.1	(12.1)
Financial assets carried at fair value		(1,192.6)	(479.6)
Financial liabilities carried at fair value		0.6	(0.3)
Financial liabilities carried at amortised cost		0.9	0.7
Other assets and liabilities		115.7	(97.0)
Interest received		318.4	302.4
Equity dividends received		1.3	1.4
Interest paid		(64.7)	(51.9)
Tax paid		(108.8)	(20.3)
Net cash flows from operating activities		72.8	114.4
Acquisitions of subsidiaries, joint ventures and associates, net of cash acquired	25	(45.1)	–
Disposals of subsidiaries, joint ventures and associates, net of cash transferred		(24.7)	0.5
Purchase of property, plant and equipment		(1.3)	(5.1)
Proceeds from the sale of property, plant and equipment		2.8	0.1
Purchase of intangible assets		(45.1)	(34.0)
Net cash flows used in investing activities		(113.4)	(38.5)
Proceeds from the issue of ordinary shares		5.1	5.2
Proceeds from the issue of loan notes		496.8	–
Distributions made to owners of the Company		(145.5)	(127.0)
Repayments of borrowings		(373.6)	–
Shares repurchased		(275.7)	(149.1)
Purchase of shares for employee trust		(45.6)	–
Principal elements of lease payments		(18.7)	(11.7)
Net cash flows used in financing activities		(357.2)	(282.6)
Net decrease in cash and cash equivalents		(397.8)	(206.7)
Cash and cash equivalents at 1 January		1,227.0	1,437.0
Net decrease in cash and cash equivalents		(397.8)	(206.7)
Effect of exchange rate fluctuations on cash and cash equivalents		48.8	(3.3)
Cash and cash equivalents at 31 December	18	878.0	1,227.0

The purchase, maturity and disposal of financial assets and liabilities, including derivatives, is part of the Group's insurance activities and is therefore classified as an operating cash flow.

Included within cash and cash equivalents held by the Group are balances totalling \$105.0 million (2024: \$156.0 million) not available for immediate use by the Group outside of the Lloyd's syndicate within which they are held. Additionally, \$13.0 million (2024: \$32.6 million) is pledged cash held against Funds at Lloyd's, and \$29.2 million (2024: \$19.5 million) is held within trust funds against reinsurance arrangements.

The notes on pages 162 to 230 are an integral part of these consolidated financial statements.

Notes to the consolidated financial statements

1 General information

The Hiscox Group, which is headquartered in Hamilton, Bermuda, comprises Hiscox Ltd (the parent company, referred to herein as the 'Company') and its subsidiaries (collectively, the 'The Hiscox Group' or the 'Group'). For the current period the Group provided insurance and reinsurance services to its clients worldwide. It has operations in Bermuda, UK, Europe and USA and currently has over 3,000 staff.

The Company is registered and domiciled in Bermuda and its ordinary shares are listed on the London Stock Exchange.

The address of its registered office is: Chesney House, 96 Pitts Bay Road, Pembroke HM 08, Bermuda.

2 Basis of preparation

The financial statements of the Group have been prepared in accordance with UK-adopted International Accounting Standards, and Section 4.1 of the Disclosure Guidance and Transparency Rules and the Listing Rules, both issued by the Financial Conduct Authority (FCA) and in accordance with the provisions of the Bermuda Companies Act 1981.

The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.

The consolidated financial statements have been prepared on a going concern basis. In adopting the going concern basis, the Board has reviewed the Group's current and forecast solvency and liquidity positions for the next 12 months and beyond. As part of the consideration of the appropriateness of adopting the going concern basis, the Directors use scenario analysis and stress testing to assess the robustness of the Group's solvency and liquidity positions. In undertaking this analysis, no material uncertainty in relation to going concern has been identified, due to the Group's strong capital and liquidity positions providing resilience to shocks, underpinned by the Group's approach to risk management described in note 3. After making enquiries, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence over a period of at least 12 months from the date of this report. For this reason, the Group continues to adopt the going concern basis in preparing the consolidated financial statements.

Items included in the financial statements of each of the Group's entities are measured in the currency of the primary economic environment in which that entity operates (the functional currency). The consolidated financial statements are presented in US Dollars millions (\$m) and rounded to the nearest hundred thousand Dollars, unless otherwise stated.

The consolidated statement of financial position is presented in order of increasing liquidity. All amounts presented in the income statement and statement of comprehensive income relate to continuing operations.

The financial statements were approved for issue by the Board of Directors on 24 February 2026.

2.1 Material accounting policies information

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. The most critical individual components of these financial statements that involve the highest degree of judgement or significant assumptions and estimations are identified in note 2.19. Except as described in section (a) below, the accounting policies adopted are consistent with those of the previous financial year.

(a) Change in functional currency

With effect from 1 July 2025, the functional currency of the Company, Hiscox plc and Hiscox Holdings Limited (subsidiaries of the Group) changed from Sterling to US Dollars taking into consideration the following changes:

- significant growth in Hiscox Ltd's US Dollar income over the past five years;
- issuance of \$500m subordinated notes by Hiscox Ltd; and
- substantial increase in investment in the US subsidiaries.

This change has been accounted for prospectively from 1 July 2025.

(b) New accounting standards, interpretations and amendments to published standards

The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective. New standards, amendments to standards and interpretations, as adopted by the UK, that are effective for annual periods beginning on 1 January 2025 have been applied in preparing these consolidated financial statements and had no material impact on the Group.

- Amendments to IAS 21 *The Effects of Changes in Foreign Exchange Rates, Lack of exchangeability*

(c) Future accounting developments

The following new standards, and amendments to existing standards have been issued, are not yet effective for the Group and have not been applied in preparing these consolidated financial statements:

- **Amendments to IFRS 9 – Financial Instruments and IFRS 7 Financial Instruments: Disclosures – Classification and Measurement of Financial Instruments**

Amendments to the classification and measurement of financial instruments which address:

- derecognition of financial liabilities settled through electronic transfers;
- classification of financial assets; and
- disclosures.

The amendments are effective for the Group from 1 January 2026 and have been endorsed for use in the UK. The application of these amendments is not expected to have a significant impact on the Group.

- **Amendments to IFRS 9 and IFRS 7 – Contracts Referencing Nature-dependent Electricity**

Targeted amendments for better reporting of the financial effects of nature-dependent electricity contracts, which are often structured as power purchase agreements (PPAs). The amendments are effective for the Group from

2 Basis of preparation

2.1 Material accounting policies information

(c) Future accounting developments (continued)

1 January 2026 and have been endorsed for use in the UK. They are not expected to have a significant impact on the Group.

Annual improvements to IFRS Accounting standards – Volume 11: Amendments to:

- IFRS 1 – *First-time Adoption of International Financial Reporting Standards*;
- IFRS 7 – *Financial Instruments: Disclosures and its accompanying Guidance*;
- IFRS 10 – *Consolidated Financial Statements*;
- IAS 7 – *Statement of Cash Flows*.

All amendments have been endorsed for use in the UK and are effective 1 January 2026. The application of these amendments is not expected to have a material impact on the Group.

IFRS 18 – *Presentation and Disclosure in Financial Statements*

The standard is aimed at improving the way companies communicate in their financial statements. It introduces:

- new defined subtotals in the income statement, including operating profit;
- disclosures about management-defined performance measures; and
- additional guidance on aggregation and disaggregation of information in financial statements.

The standard is effective for annual reporting periods beginning on or after 1 January 2027 and has been endorsed for use in the UK. It is expected to result in presentational changes to the Group's consolidated income statement and consolidated cash flow statement as well as new disclosures of management-defined performance measures in the notes.

While the standard will impact presentation and disclosure, no changes to recognition or measurement are anticipated. The Group is in the early stages of implementation planning.

IFRS 19 – *Subsidiaries without Public Accountability: Disclosures*

The new standard provides reduced disclosure requirements, replacing the disclosure requirements of other IFRS accounting standards, but does not change recognition and measurement requirements.

The standard is effective for annual reporting periods beginning on or after 1 January 2027 and has not yet been endorsed in the UK. This standard cannot be applied by the Group or the Company because it is only applicable to subsidiaries that have no public accountability.

Amendments to IAS 21 – *Translation to a Hyperinflationary Presentation Currency*

These narrow-scope amendments clarify how companies should translate financial statements from a non-hyperinflationary currency into a hyperinflationary one.

The amendments are effective for the Group from 1 January 2027 and have not yet been endorsed for use in the UK. The application of these amendments is not expected to have a significant impact on the Group.

2.2 Basis of consolidation

(a) Subsidiaries

Subsidiaries are those entities controlled by the Group. Control exists when the Group has power over an entity, exposure or rights to variable returns from its involvement with the investee and ability to use its power to affect those returns. The consolidated financial statements include the assets, liabilities and results of the Group up to 31 December each year. The financial statements of subsidiaries are included in the consolidated financial statements only from the date that control commences until the date that control ceases.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred also includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired, liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

(b) Associates

Associates are those entities in which the Group has significant influence, but not control, over the financial and operating policies. Significant influence is generally identified with a shareholding of between 20% and 50% of an entity's voting rights. The consolidated financial statements include the Group's share of the total recognised gains and losses of associates on an equity-accounted basis from the date that significant influence commences until the date that significant influence ceases.

The Group's share of its associates' post-acquisition profits or losses after tax is recognised in the income statement for each period, and its share of the movement in the associates' net assets is reflected in the investments' carrying values on the statement of financial position. When the Group's share of losses equals or exceeds the carrying amount of the associate, the carrying amount is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred obligations in respect of the associate.

2 Basis of preparation

2.2 Basis of consolidation (continued)

(c) Transactions eliminated on consolidation

Intragroup balances, transactions and any unrealised gains arising from intragroup transactions are eliminated in preparing the consolidated financial statements. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Foreign currency gains and losses on intragroup monetary assets and liabilities may not fully eliminate on consolidation when the intragroup monetary item concerned is transacted between two Group entities that have different functional currencies. Unrealised gains arising from transactions with associates are eliminated to the extent of the Group's interest in the entity. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

2.3 Foreign currency translation

(a) Functional currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the 'functional currency'). Entities operating in France, Germany, The Netherlands, Spain, Portugal, Ireland, Italy and Belgium have a functional currency of Euros; those subsidiary entities operating from the USA, Bermuda, Guernsey and Syndicates have a functional currency of US Dollars. Functional currencies of entities operating in Asia include US Dollars and Singapore Dollars. All other entities have a functional currency of Sterling except Hiscox plc and Hiscox Holdings Limited which have a functional currency of US Dollars.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the retranslation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement, except when deferred in equity as IFRS 9 effective net investment hedges or when the underlying balance is deemed to form part of the Group's net investment in a subsidiary operation and is unlikely to be settled in the foreseeable future. Non-monetary items carried at historical cost are translated on the statement of financial position at the exchange rate prevailing on the original transaction date. Non-monetary items measured at fair value are translated using the exchange rate ruling when the fair value was determined.

(c) Group companies

The results and financial position of all the Group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the end of the reporting period;
- income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the date of the transactions); and

- all resulting exchange differences are recognised as a separate component of equity.

When a foreign operation is sold, such exchange differences are recognised in the income statement as part of the gain, or loss, on sale.

2.4 Property, plant and equipment

Property, plant and equipment are stated at historical cost less depreciation and any impairment loss. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance items are charged to the income statement during the financial period in which they are incurred.

Land is not depreciated as it is deemed to have an indefinite useful economic life. The cost of leasehold improvements is amortised over the unexpired term of the underlying lease or the estimated useful life of the asset, whichever is shorter. Depreciation on other assets is calculated using the straight-line method to allocate their cost, less their residual values, over their estimated useful lives.

The rates applied are as follows:

— buildings	20-50 years
— vehicles	3 years
— leasehold improvements including fixtures and fittings	10-15 years
— furniture, fittings and equipment	3-15 years

The assets' residual values and useful lives are reviewed at the end of the reporting period and adjusted if appropriate.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These are included in the income statement.

2.5 Intangible assets

(a) Goodwill

Goodwill represents amounts arising on acquisition of subsidiaries and associates. In respect of acquisitions that have occurred since 1 January 2004, goodwill represents the excess of the fair value of consideration of an acquisition over the fair value of the Group's share of the net identifiable assets and contingent liabilities assumed of the acquired subsidiary or associate at the acquisition date. In respect of acquisitions prior to 1 January 2004, goodwill is included on the basis of its deemed cost, which represents the amount recorded under previous generally accepted accounting principles.

Goodwill on acquisition of subsidiaries is included in intangible assets. Goodwill on acquisition of associates is included in investments in associates.

Goodwill is not amortised but is tested at least annually for impairment and carried at cost, less accumulated impairment losses.

2 Basis of preparation

2.5 Intangible assets

(a) Goodwill (continued)

Goodwill is allocated to the Group's cash-generating units, identified according to the smallest identifiable group of assets from which cash flows are generated that are largely independent of the cash flows generated by other assets or groups of assets.

The impairment review process examines whether or not the carrying value of the goodwill attributable to individual cash-generating units exceeds its recoverable amount. Any excess of goodwill over the recoverable amount arising from the review process indicates impairment. Any impairment charges are presented as part of operational expenses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

(b) Other intangible assets

Intangible assets acquired separately from a business are carried initially at cost. An intangible asset acquired as part of a business combination is recognised outside of goodwill if the asset is separable or arises from contractual or other legal rights and its fair value can be measured reliably. Customer relationships, syndicate capacity, trademarks and software acquired are capitalised at cost, being the fair value of the consideration paid. Software is capitalised on the basis of the costs incurred to acquire and bring it into use. Intangible assets with indefinite lives such as syndicate capacity are subsequently valued at cost and are subject to annual impairment assessment.

Intangible assets with finite useful lives are consequently carried at cost, less accumulated amortisation and impairment. The useful life of the asset is reviewed annually. Any changes in estimated useful lives are accounted for prospectively with the effect of the change being recognised in the current and future periods, if relevant.

Amortisation is calculated using the straight-line method to allocate the cost over the estimated useful lives of the intangible assets.

Subsequent expenditure on other intangible assets is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred.

Those intangible assets with finite lives are assessed for indicators of impairment at each reporting date. Where there is an indication of impairment then a full impairment test is performed. An impairment loss recognised for an intangible asset in prior years should be reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised.

2.6 Impairment of non-financial assets

Non-financial assets (such as goodwill, an intangible asset or item of property, plant and equipment) that have an indefinite useful life are not subject to amortisation and are tested annually or whenever there is an indication of impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

Objective factors that are considered when determining whether a non-financial asset or group of non-financial assets may be impaired include, but are not limited to, the following:

- adverse economic, regulatory or environmental conditions that may restrict future cash flows and asset usage and/or recoverability;
- the likelihood of accelerated obsolescence arising from the development of new technologies and products; and
- the disintegration of the active market(s) to which the asset is related.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell or value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods. A reversal of an impairment loss is recognised as income immediately. Impairment losses recognised in respect of goodwill are not subsequently reversed.

2.7 Financial assets and liabilities

The Group classifies its financial assets in the following measurement categories, which depend on the business model for managing the financial assets and the contractual terms of the cash flows.

- Amortised cost: assets that are held for collection of contractual cash flows, where those cash flows represent solely payments of principal and interest (SPPI), and that are not designated at fair value through profit or loss (FVPL), are measured at amortised cost. Interest income from these financial assets is included in interest income using the effective interest rate method. Such assets held by the Group include cash and cash equivalents, receivables from brokers, prepayments and accrued income, receivables and accrued interest and other debtors.
- Fair value through other comprehensive income (FVOCI): assets that are held for collection of contractual cash flows and for selling the financial assets, and where the cash flows represent SPPI, and that are not designated as FVPL, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss on the instrument's amortised cost previously recognised in OCI is reclassified from equity to profit or loss. Interest from these financial assets is included in interest income using the effective interest rate method. The Group does not hold any assets at FVOCI as the business model criteria are not met.
- Fair value through profit or loss (FVPL): assets that do not meet the criteria for amortised cost or

2 Basis of preparation

2.7 Financial assets and liabilities (continued)

FVOCI are measured at FVPL. Assets can also be designated to FVPL if in doing so it eliminates, or significantly reduces, an accounting mismatch. The gains or losses arising from fair value changes on assets measured at FVPL are recognised in profit or loss and presented within the investment result in the period in which they arise. The Group's investment assets in this category include government bonds, corporate bonds, asset and mortgage-backed securities, other fixed income holdings, equities, investment funds, private credit funds, insurance-linked funds and derivatives. All these assets are at FVPL because of the business model test and the characteristics of the associated contractual cash flows.

(a) Recognition

The Group recognises a financial asset or a financial liability in its statement of financial position when, and only when, it becomes a party to the contractual provisions of the instrument. At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are incremental and directly attributable to the acquisition or issue of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

(b) Impairment allowances

An expected credit loss (ECL) model is applicable for all assets measured at amortised cost and FVOCI. The assessment of credit risk and the estimation of an ECL are unbiased, probability-weighted and incorporate all available information relevant to the assessment, including information about past events, current conditions and reasonable and supportable forecasts of economic conditions at the reporting date. The forward-looking aspect of IFRS 9 requires judgement as to how changes in economic factors affect ECLs. Impairment charges are recognised in the income statement within operational expenses.

The ECL is a three-stage model based on forward-looking information regarding changes in credit quality since inception. Credit risk is measured using a probability of default (PD); exposure at default (EAD); and loss given default (LGD) approach as follows.

- PD is an estimate of the likelihood of default of the asset.
- EAD is an estimate of the exposure at that future default date, taking into account expected changes in the exposure after the reporting date.
- LGD is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the Group would expect to receive. It is usually expressed as a percentage of the exposure at default.

The three stages of ECL are defined and assessed as follows.

- Stage 1 – no significant increase in credit risk since inception, ECL is calculated using a 12-month PD.
- Stage 2 – a significant increase in credit risk since inception, ECL is calculated using a lifetime PD.
- Stage 3 – credit impaired, ECL is calculated using a lifetime PD.

A significant increase in credit risk is considered to have incurred when payments are 30 days past due, or earlier if other factors indicate the risk has increased significantly since inception. Financial assets are written off when there is no reasonable expectation of recovery on a case-by-case basis.

(c) Derecognition

Financial assets are derecognised when the contractual rights to receive the cash flows from the financial assets have expired; or they have been transferred and the Group transfers substantially all the risks and rewards of ownership; or they have been transferred and the Group neither transfers nor retains substantially all the risks and rewards of ownership and the Group has not retained control. Any gain or loss arising from derecognition is recognised directly in the income statement. A financial liability is derecognised when the obligation under that liability is discharged, cancelled or expires.

(d) Investment income

The total gain/loss from financial assets carried at fair value through profit or loss (FVPL) is recognised in profit or loss and disclosed in the notes as investment income comprising interest received, realised gains/losses and unrealised gains/losses.

(e) Financial liabilities

At initial recognition, the Group classifies a financial liability at fair value and subsequently at amortised cost using the effective interest rate method. Financial liabilities mainly include payables to brokerage customers, short-term borrowings, long-term borrowings and bonds payable.

When all or part of the current obligations of a financial liability have been discharged, the Group derecognises the portion of the financial liability or obligation that has been discharged. The difference between the carrying amount of the derecognised liability and the consideration is recognised in profit or loss.

Derivative financial liabilities are measured at fair value through profit or loss. All the related realised and unrealised gains or losses and transaction costs are recognised in profit or loss.

2.8 Cash and cash equivalents

The Group has classified cash deposits and short-term highly-liquid investments as cash and cash equivalents. These assets are readily convertible into known amounts of cash and are subject to inconsequential changes in value. Cash equivalents are financial investments with less than three months to maturity at the date of acquisition.

2.9 Derivative financial instruments

Derivatives are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently valued at fair value at the end of the reporting period. Fair values are obtained from quoted market values and, if these are not available, valuation techniques including option pricing models are used as appropriate. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument and, if so, the nature of the item being hedged. For derivatives not formally designated as a hedging instrument, fair value changes are recognised immediately in the consolidated income statement.

2 Basis of preparation

2.9 Derivative financial instruments (continued)

Changes in the value of derivatives and other financial instruments formally designated as hedges of net investments in foreign operations are recognised in the currency translation reserve to the extent they are effective; gains or losses relating to the ineffective portion of the hedging instruments are recognised immediately in the consolidated income statement. The Group had no derivative instruments designated for hedge accounting during the current period and prior financial year.

2.10 Own shares

Where any Group company purchases the Parent Company's equity share capital (own shares), the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the Company's owners on consolidation. Where such shares are subsequently sold, reissued or otherwise disposed of, any consideration received is included in equity attributable to the Company's owners, net of any directly attributable incremental transaction costs and the related tax effects.

2.11 Insurance and reinsurance contracts

The accounting policy set out below is applicable to insurance and reinsurance contracts that are issued by the Group and reinsurance contracts held by the Group unless indicated otherwise.

(a) Classification

Insurance contracts are defined as those containing significant insurance risk. Significant insurance risk criteria are met if, and only if, an insured event could cause an insurer to make significant additional payments in any scenario, excluding scenarios that lack commercial substance, at the inception of the contract. Such contracts remain insurance contracts until all rights and obligations are extinguished or expire.

The Group issues short-term casualty and property (re)insurance contracts in the normal course of business, under which it accepts significant insurance risk from its policyholders. The Group also enters into ceded reinsurance contracts with reinsurers under which the Group transfers significant insurance risk to reinsurers and is compensated for claims on contracts issued by the Group.

(b) Separating components

The Group assesses its insurance and reinsurance products to determine whether they contain distinct components which must be accounted for under another IFRS instead of under IFRS 17. After separating any distinct components, the Group applies IFRS 17 to all remaining components of the (host) insurance contract. Currently, the Group's products do not include any distinct components that require separation.

Some reinsurance contracts issued contain profit commission arrangements. Under these arrangements, there is a guaranteed minimum amount that the policyholder will always receive – either in the form of profit commission, or as claims, or another contractual payment irrespective of the insured event happening. The guaranteed minimum amounts have been assessed to be highly interrelated with the insurance component of the reinsurance contracts and are, therefore, non-distinct investment components which are not accounted for separately. However, receipts and payments of these

investment components are excluded from insurance revenue and expenses.

(c) Level of aggregation

Insurance contracts are aggregated into groups for measurement purposes. The level of aggregation for the Group is determined firstly by grouping contracts into portfolios which, with some limited exceptions, are set as the reserving classes of each legal entity. Portfolios comprise groups of contracts with similar risks which are managed together. Portfolios are further divided based on expected profitability at inception into three categories: onerous contracts, contracts with no significant risk of becoming onerous, and the remainder. No group for level of aggregation purposes may contain contracts issued more than one year apart. The grouping of contracts is not subsequently reconsidered.

A group of insurance contracts is considered to be onerous at initial recognition if the fulfilment cash flows allocated to that group of contracts in total are a net outflow. That is if the present value of expected claims, attributable expenses and risk adjustment exceeds the premium.

Portfolios of reinsurance contracts held are assessed for aggregation separately from portfolios of insurance contracts issued. Reinsurance contracts held cannot be onerous.

(d) Recognition and derecognition

Groups of insurance contracts issued are initially recognised from the earliest of the following:

- the beginning of the coverage period;
- the date when the first payment from the policyholder is due, or actually received if there is no due date; and
- when the Group determines that a group of contracts becomes onerous.

Insurance contracts acquired in a business combination within the scope of IFRS 3 *Business Combinations* or a portfolio transfer are accounted for as if they were entered into at the date of acquisition or transfer.

Reinsurance contracts held are recognised as follows:

- a group of reinsurance contracts held that provide proportionate coverage is recognised at the later of the following dates (unless underlying contracts are onerous, in which case earlier recognition is required):
 - the beginning of the coverage period of the group; and
 - the initial recognition of any underlying insurance contract;
- all other groups of reinsurance contracts held are recognised from the beginning of the coverage period of the group of reinsurance contracts held; unless the Group entered into the reinsurance contract held at or before the date when an onerous group of underlying contracts is recognised prior to the beginning of the coverage period of the group of reinsurance contracts held, in which case the reinsurance contract held is recognised at the same time as the group of underlying insurance contracts is recognised.

2 Basis of preparation

2.11 Insurance and reinsurance contracts

(d) Recognition and derecognition (continued)

Only contracts that individually meet the recognition criteria by the end of the reporting period are included in the groups. When contracts meet the recognition criteria in the groups after the reporting date, they are added to the groups in the reporting period in which they meet the recognition criteria. The composition of the groups is not reassessed in subsequent periods.

An insurance contract is derecognised when it is:

- extinguished (that is, when the obligation specified in the insurance contract expires or is discharged or cancelled); or
- the contract is modified such that the modification results in a change in the measurement model (for example, the general measurement model (GMM)) or the applicable standard for measuring a component of the contract, substantially changes the contract boundary, or requires the modified contracts to be included in a different group.

When a modification is not treated as a derecognition, the Group recognises amounts paid or received for the modification of the contract as an adjustment to the relevant liability or asset for remaining coverage.

When a group of insurance contracts is derecognised, adjustments to remove related rights and obligations result in the following amounts being charged immediately to consolidated income statement:

- if the contract is extinguished, any net difference between the derecognised part of the liability for remaining coverage (LRC) of the original contract and any other cash flows arising from extinguishment;
- if the contract is transferred to the third party, any net difference between the derecognised part of the LRC of the original contract and the premium charged by the third party; or
- if the original contract is modified resulting in its derecognition, any net difference between the derecognised part of the LRC and the hypothetical premium that the entity would have charged if it had entered into a contract with equivalent terms to the new contract at the date of the contract modification, less any additional premium charged for the modification.

(e) Contract boundary

The Group uses the concept of contract boundary to determine what cash flows should be considered in the measurement of groups of insurance contracts. Cash flows are within the boundary of an insurance contract if they arise from substantive rights and obligations that exist during the reporting period in which the Group can compel the policyholder to pay the premiums, or in which the Group has a substantive obligation to provide the policyholder with services. A substantive obligation to provide services ends when:

- the Group has the practical ability to reassess the risks of the particular policyholder and, as a result, can set a price or level of benefits that fully reflects those risks; or
- both of the following criteria are satisfied:
 - the Group has the practical ability to reassess the risks of the portfolio of insurance contracts that contain the contract and, as a result, can set a price or level of benefits that fully reflects the risk of that portfolio;

- the pricing of the premiums for coverage up to the date when the risks are reassessed does not take into account the risks that relate to periods after the reassessment date.

A liability or asset relating to expected premiums or claims outside the boundary of the insurance contract is not recognised. Such amounts relate to future insurance contracts.

(f) Measurement – premium allocation approach

Initial measurement

The Group applies the premium allocation approach (PAA) to the majority of the insurance contracts that it issues and reinsurance contracts that it holds, because:

- the coverage period of each contract in the group is one year or less; or
- for contracts longer than one year, the Group has modelled possible future scenarios and reasonably expects that the measurement of the LRC for the group containing those contracts under the PAA does not differ materially from the measurement that would be produced applying the general model.

For insurance contracts issued, on initial recognition, the Group measures the LRC as the amount of premiums received, less any acquisition cash flows paid and any amounts arising from the derecognition of the insurance acquisition cash flows asset and the derecognition of any other relevant pre-recognition cash flows.

For reinsurance contracts held, on initial recognition, the Group measures assets for the remaining coverage at the amount of ceding premiums paid, plus broker fees paid to a party other than the reinsurer and any amounts arising from the derecognition of any other relevant pre-recognition cash flows.

For insurance contracts issued, insurance acquisition cash flows allocated to a group are recognised over the coverage period of contracts in the group. For reinsurance contracts held, broker fees are recognised over the coverage period of contracts in a group.

Subsequent measurement

For insurance contracts issued, at each of the subsequent reporting dates, the LRC is:

- increased for premiums received in the period;
- decreased for insurance acquisition cash flows paid in the period;
- decreased for the amounts of expected premium receipts recognised as insurance revenue for the services provided in the period;
- increased for the amortisation of insurance acquisition cash flows in the period recognised as insurance service expenses; and
- decreased for any investment component paid or transferred to the liability for incurred claims.

For reinsurance contracts held, at each of the subsequent reporting dates, the remaining coverage is:

- increased for ceding premiums paid in the period;
- increased for broker fees paid in the period;

2 Basis of preparation

2.11 Insurance and reinsurance contracts

(f) Measurement – premium allocation approach (continued)

- decreased for the expected amounts of ceding premiums and broker fees recognised as reinsurance expenses for the services received in the period; and
- decreased for any investment component paid or transferred to the reinsurance assets for incurred claims.

The Group does not adjust the LRC for insurance contracts issued or the remaining coverage for reinsurance contracts held for the effect of the time value of money, because associated premiums are due within one year of the coverage period. The Group only adjusts the remaining coverage for reinsurance contracts held for the time value of money in relation to the legacy portfolio transactions (LPT) that were held, as the associated premiums are not due within one year of the coverage period.

The Group estimates the liability for incurred claims (LIC) as the fulfilment cash flows related to incurred claims. The fulfilment cash flows incorporate, in an unbiased way, all reasonable and supportable information available without undue cost or effort about the amount, timing and uncertainty of those future cash flows.

If facts and circumstances indicate that a group of insurance contracts measured under the PAA is onerous on initial recognition or has become onerous subsequently, the Group increases the carrying amount of the LRC, recognising a loss component, to the amounts of the excess of the fulfilment cash flows that relate to the remaining coverage of the group of contracts, over the carrying amount of the LRC of the group. The amount of such an increase is recognised in insurance service expenses. Subsequently, the loss component is amortised over the coverage period of the group of contracts.

When a loss is recognised on initial recognition of an onerous group of underlying insurance contracts or on addition of onerous underlying insurance contracts to that group, the carrying amount of the reinsurance asset for remaining coverage for reinsurance contracts held measured under the PAA is increased by the amount of expected recoveries that will be in the consolidated income statement and a loss recovery component is established or adjusted for that amount. The loss recovery component is calculated by multiplying the loss component recognised on underlying insurance contracts by the percentage of claims on underlying insurance contracts that the Group expects to recover from the reinsurance contracts held that are entered into before or at the same time as the loss is recognised on the underlying insurance contracts. When underlying insurance contracts that are reinsured are included in the same group as insurance contracts issued that are not reinsured, the Group applies a systematic and rational method of allocation to determine the portion of losses that relates to underlying insurance contracts.

(g) Insurance revenue

The insurance revenue for the period is the amount of expected premium receipts (excluding any investment component) allocated to the period. The Group allocates the expected premium receipts to each period of insurance contract services on the basis of the passage of time. But if the expected pattern of release of risk during the coverage period differs significantly from the passage of time, for example a group of contracts that is exposed to large natural catastrophe

risk concentrated in the first or second half of the year, then the allocation is made on the basis of the expected timing of incurred insurance service expenses.

Changes to the basis of allocation are accounted for prospectively as a change in accounting estimate.

(h) Insurance service expenses

Insurance service expenses include the following:

- incurred claims, excluding investment components reduced by loss component allocations;
- other incurred directly attributable expenses;
- insurance acquisition cash flows amortisation using the pattern that is consistent with the insurance revenue;
- changes that relate to past service;
- changes that relate to future service;
- insurance acquisition cash flows assets impairment; and
- mandatory reinstatement premiums.

Other expenses not meeting the above categories are included in other operating expenses in the consolidated income statement.

(i) Allocation of reinsurance premiums

The allocation of reinsurance premiums includes reinsurance premiums and other incurred directly attributable expenses. Reinsurance premium and expenses are recognised similarly to insurance revenue. The amount of reinsurance expenses recognised in the reporting period depicts the transfer of received insurance contract services at an amount that reflects the portion of ceding premiums that the Group expects to pay in exchange for those services. Additionally, broker fees and ceding commissions that are not contingent on claims of the underlying contracts issued reduce ceding premiums and are accounted for as part of reinsurance premiums.

In addition, the allocation of reinsurance premiums also includes changes in the reinsurance assets arising from retroactive reinsurance contracts held and voluntary reinstatement ceded premiums.

(j) Amounts recoverable from reinsurers for incurred claims

The amounts recoverable from reinsurers for incurred claims include:

- incurred claims recoveries, excluding investment components;
- loss-recovery component allocations;
- changes that relate to past service;
- effect of changes in the risk of reinsurers' non-performance;
- amounts relating to accounting for onerous groups of underlying insurance contracts issued;
- ceding commissions that are contingent on claims of the underlying contracts issued (these reduce incurred claims recovery); and
- mandatory reinstatement ceded premiums.

(k) Insurance finance income or expenses

Insurance finance income or expenses comprise the change in the carrying amount of the group of insurance contracts arising from:

- the effect of the time value of money and changes in the time value of money. This mainly comprises interest

2 Basis of preparation

2.11 Insurance and reinsurance contracts

(k) Insurance finance income or expenses (continued)

- accreted on the LIC and interest unwind on the assets for incurred claims (AIC); and
- the effect of financial risk and changes in financial risk. This mainly includes the effect of changes in interest rates (for example, discount rates).

The Group does not disaggregate changes in the risk adjustment for non-financial risk between insurance service result and insurance finance income or expenses. The change in the risk adjustment is entirely presented as part of the insurance service result.

Foreign exchange gains and losses continue to be presented in the net other foreign exchange (losses)/gains line item.

2.12 Taxation

Current tax, including corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the end of the reporting period. A provision is recognised for those matters for which the tax determination is uncertain but it is considered probable that there will be a future outflow of funds to a tax authority. The provisions are measured at the best estimate of the amount expected to become payable. The assessment is based on the judgement of tax professionals within the Group supported by previous experience in respect of such activities and in certain cases based on advice sought from specialist tax advisors.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, if the deferred income tax arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss, it is not recognised. With the exception of deferred tax related to top-up income taxes arising from tax law enacted to implement 'Pillar Two' legislation, deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled. Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Deferred tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the Group controls the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

2.13 Employee benefits

(a) Pension obligations

The Group has defined contribution and defined benefit pension schemes. The defined benefit scheme closed to future accrual with effect from 31 December 2006 and active members were offered membership of the defined contribution scheme from 1 January 2007. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity and has no further obligation beyond the agreed contribution rate. A defined benefit plan is a pension plan that defines an amount of pension benefit that an employee will receive on retirement,

usually dependent on one or more factors such as age, years of service and compensation.

For defined contribution plans, the Group pays contributions to publicly or privately administered pension insurance plans on a contractual basis. The contributions are recognised as an employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available. The amount recognised on the statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period, less the fair value of plan assets. The calculation of the defined benefit obligation is performed annually by a qualified actuary using the projected unit method. As the plan is closed to all future benefit accruals, each participant's benefits under the plan are based on their service to the date of closure or earlier leaving date and their final pensionable earnings. The service cost is the expected administration cost during the year. Past service costs are recognised immediately in the income statement.

Remeasurements of the net defined benefit asset, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any), are recognised immediately in other comprehensive income. The Group determines the net interest expense/(income) on the net defined benefit asset for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then net defined benefit asset, taking into account any changes in the net defined benefit asset during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in the income statement through operating expenses.

To the extent that a surplus emerges on the defined benefit obligation, it is only recognisable as an asset when it is probable that future economic benefits will be recovered by the Group.

(b) Other long-term employee benefits

The Group provides sabbatical leave to employees on completion of every five years' service. The present value of the expected costs of these benefits is accrued over the period of employment. In determining this liability, consideration is given to future increases in salary levels, experience with employee departures and periods of service.

(c) Share-based compensation

The Group operates equity settled share-based employee compensation plans. These include the share option schemes, and the Group's Performance Share Plans, outlined in the Directors' remuneration report, together with the Group's Save As You Earn (SAYE) schemes. The fair value of the employee services received, measured at grant date, in exchange for the grant of the awards is recognised as an expense, with the corresponding credit being recorded in retained earnings within equity. The total amount to be expensed over the vesting period is determined by reference to the fair value of the awards granted, excluding the impact of

2 Basis of preparation

2.13 Employee benefits

(c) Share-based compensation (continued)

any non-market vesting conditions (for example, profitability or net asset growth targets). Non-market vesting conditions are included in assumptions about the number of awards that are expected to become exercisable. At the end of the reporting period, the Group revises its estimates of the number of awards that are expected to vest.

The Group recognises the impact of the revision of original estimates, if any, in the income statement, and a corresponding adjustment to equity, in periods in which the estimates are revised.

When the terms and conditions of an equity settled share-based employee compensation plan are modified, and the expense to be recognised increases as a result of the modification, then the increase is recognised evenly over the remaining vesting period. When a modification reduces the expense to be recognised, there is no adjustment recognised and the pre-modification expense continues to be applied. The proceeds received net of any directly attributable transaction costs are credited to share capital and share premium when the options are exercised.

(d) Termination benefits

Termination benefits are payable when employment is terminated before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to either: terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal; or providing termination benefits as a result of an offer made to encourage voluntary redundancy.

(e) Profit sharing and bonus plans

The Group recognises a liability and an expense for bonuses and profit sharing, based on a formula that takes into consideration the profit attributable to the Company's shareholders after certain adjustments. The Group recognises a provision where a contractual obligation to employees exists, or where there is a past practice that has created a constructive obligation.

2.14 Finance costs

Finance costs consist of interest charges accruing on the Group's borrowings and bank overdrafts together with commission fees charged in respect of Letters of Credit and interest in respect of lease liabilities. Arrangement fees in respect of financing arrangements are charged over the life of the related facilities.

2.15 Leases

(a) Hiscox as lessee

The Group recognises right-of-use assets at the commencement date of the lease (for example, the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date, less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of

the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of their estimated useful life and the lease term. Right-of-use assets are subject to impairment. Right-of-use assets are presented on the statement of financial position as 'property, plant and equipment'.

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period in which the event or condition that triggers the payment occurs. Lease liabilities are included in 'trade and other payables' on the statement of financial position.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification that is not accounted for as a separate lease: future lease payments that are linked to a rate or index, a change in the lease term, a change in the in-substance fixed lease payments, a change in the assessment to purchase the underlying asset or a change in the amounts expected to be payable under a residual value guarantee.

The Group applies the short-term lease recognition exemption to its applicable short-term leases. It also applies the low-value assets recognition exemption to leases of office equipment that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

(b) Hiscox as lessor

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant contractual agreement.

2.16 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are approved.

2.17 Operations held for sale

Assets and liabilities held for disposal as part of operations which are held for sale are shown separately in the consolidated statement of financial position. Operations held for sale are recorded at the lower of their carrying amount and their fair value less the estimated selling costs.

2 Basis of preparation (continued)

2.18 Provisions and contingent liabilities

Provisions are recognised when there is a present legal or constructive obligation as a result of a past event that can be measured reliably, and it is probable that an outflow of economic benefits will be required to settle that obligation.

The amount recorded as a provision is the best estimate of the expenditure required to settle the present obligation at the end of the reporting period. Discounting is applied to the provision where the effect of the time value of money is material. Provisions are not recognised for future operating losses. A provision for restructuring is recognised when the Group has approved a detailed and formal restructuring plan and the restructuring has either commenced or has been announced publicly.

A provision for onerous contracts is recognised when the expected benefits to be derived by the Group from the contracts are less than the related unavoidable cost of meeting its obligations under the contract.

A provision for a termination payment is recognised when the Group has a demonstrable commitment to either terminate the employment of an employee or group of employees before the normal retirement date, or to provide termination benefits as a result of an offer made in order to encourage voluntary redundancy.

Where the Group expects a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

Contingent liabilities are disclosed if there is a possible future obligation as a result of a past event, or if there is a present obligation as a result of a past event but either a payment is not probable or the amount cannot be reasonably estimated.

2.19 Use of significant accounting judgements, estimates and assumptions

The preparation of financial statements requires the Group to select accounting policies and make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses in the consolidated financial statements.

The Audit Committee reviews the reasonableness of critical judgements, estimates and assumptions applied and the appropriateness of material accounting policies information. The significant issues considered by the Committee in the year are included within the Audit Committee report on pages 102 to 105.

Significant accounting judgements

The following accounting policies are the critical judgements, apart from those involving estimations (which are presented separately below), that the Directors have made in the process of applying the Group's accounting policies and that have the most significant impact on the amounts recognised in the consolidated financial statements.

- Consolidation: assessment of whether the Group controls or has significant influence over an underlying entity, for example the treatment of insurance-linked securities funds including consideration of its decision-making authority and its rights to the variable returns from the entity.
- Financial investments: classification and measurement of investments including the application of the fair value option.

(a) Liability for incurred claims

The ultimate cost of outstanding claims is estimated by using a range of standard actuarial claims projection techniques. The Group relies on actuarial analysis to estimate the settlement cost of future claims. Via a formal governed process, there is close communication between the actuaries and other key stakeholders, such as the underwriters, claims and finance teams when setting and validating the assumptions. The main assumption underlying these techniques is that a Group's past claims development experience can be used to project future claims development and hence ultimate claims costs. These methods extrapolate the development of paid and incurred losses, average costs per claim (including claims handling costs), and claim numbers based on the observed development of earlier years and expected loss ratios. Historical claims development is mainly analysed by accident years, but can also be further analysed by geographical area, as well as by significant business lines and claim types. In most cases, no explicit assumptions are made regarding future rates of claims inflation or loss ratios. Instead, the assumptions used are those implicit in the historical claims development data on which the projections are based. Additional qualitative judgement is used to assess the extent to which past trends may not apply in future (for example, to reflect one-off occurrences, changes in external or market factors such as public attitudes to claiming, economic conditions, levels of claims inflation, levels of recoveries from salvage or subrogation, judicial decisions and legislation, as well as internal factors such as portfolio mix, policy features and claims handling procedures) in order to arrive at the estimated ultimate cost of claims that present the probability-weighted expected value outcome from the range of possible outcomes, taking account of all the uncertainties involved.

(b) Premium allocation approach eligibility assessment

A simplified measurement model, the PAA, can be applied if certain eligibility criteria are met. The majority of the Group's policies have a coverage period of 12 months or less and so are eligible for the PAA. Management applies significant judgement to whether applying PAA to those groups of contracts differs materially from general measurement model (GMM) with a coverage period extending beyond 12 months.

Significant accounting estimates

The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

All estimates are based on management's knowledge of current facts and circumstances, assumptions based on that knowledge and their predictions of future events. Actual results may differ from those estimates, possibly significantly.

2 Basis of preparation

2.19 Use of significant accounting judgements, estimates and assumptions

Significant accounting estimates (continued)

Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

The most critical estimate included within the consolidated statement of financial position is the measurement of insurance contract liabilities and reinsurance contract assets, and in particular the estimate of the liability for incurred claims (LIC). The total gross estimate of LIC as at 31 December 2025 is \$6,460.9 million (2024: \$6,040.7 million). The total estimate for reinsurance asset for incurred claims as at 31 December 2025 is \$1,966.8 million (2024: \$2,046.5 million).

Insurance and reinsurance contracts

In applying IFRS 17 measurement requirements, the following inputs and methods were used that include significant estimates. The present value of future cash flows is estimated using deterministic scenarios. The assumptions used in the deterministic scenarios are derived to approximate the probability-weighted mean of a full range of scenarios. For the sensitivities with regard to the assumptions made that have the most significant impact on measurement under IFRS 17 please refer to note 3 management of risk.

(a) Discount rates

Insurance contract liabilities are calculated by discounting expected future cash flows at a risk-free rate, plus an illiquidity premium where applicable. Risk-free rates were derived using swap rates available in the market denominated in the same currency as the insurance contracts being measured. When swap rates are not available, highly liquid sovereign bonds with the highest (for example, AAA/AA) credit rating were used.

Management uses judgement to assess liquidity characteristics of the liability cash flows. The illiquidity premium was estimated based on market observable liquidity premiums in financial assets, adjusted to reflect the illiquidity characteristics of the liability cash flows. The illiquidity premium is determined by reference to market observable AA-rated bonds yield curve in the currency of the insurance contract being measured, adjusted to remove both expected and unexpected credit risk.

The following discount rates were applied for the currencies and periods presented below:

	Year end 31 December 2025		
	1 year	3 year	5 year
	%	%	%
USD	3.51	3.47	3.64
GBP	3.81	3.90	4.06
EUR	2.19	2.43	2.71
CAD	2.42	2.75	3.00

	Year end 31 December 2024		
	1 year	3 year	5 year
	%	%	%
USD	4.27	4.18	4.24
GBP	4.68	4.40	4.35
EUR	2.46	2.35	2.49
CAD	2.96	2.88	2.98

(b) Estimates of future cash flows to fulfil insurance contracts

Included in the measurement of each group of contracts within the scope of IFRS 17 are all of the future cash flows within the boundary of each group of contracts. The estimates of these future cash flows are based on probability-weighted expected future cash flows. The Group estimates which cash flows are expected and the probability that they will occur as at the measurement date. In setting these expectations, the Group uses information about past events, current conditions and forecasts of future conditions. The Group's estimate of future cash flows is the mean of a range of scenarios that reflect the full range of possible outcomes. Each scenario specifies the amount, timing and probability of cash flows. The probability-weighted average of the future cash flows is calculated using a deterministic scenario representing the probability-weighted mean of a range of scenarios.

Where estimates of expenses-related cash flows are determined at the portfolio level or higher, they are allocated to groups of contracts on a systematic basis, such as activity-based costing method. The Group has determined that this method results in a systematic and rational allocation. Similar methods are consistently applied to allocate expenses of a similar nature. Acquisition cash flows are typically allocated to groups of contracts based on gross premiums written. This includes an allocation of acquisition cash flows among existing groups of insurance contracts issued. Claims settlement-related expenses are largely allocated based on claims costs.

Uncertainty in the estimation of future claims and benefit payments arises primarily from the severity and frequency of claims and uncertainties regarding future inflation rates leading to claims and claims-handling expenses growth. Assumptions used to develop estimates about future cash flows are reassessed at each reporting date and adjusted where required.

(c) Risk adjustment for non-financial risk

The risk adjustment for non-financial risk is the compensation that the Group requires for bearing the uncertainty about the amount and timing of the cash flows of groups of insurance contracts. The risk adjustment reflects an amount that an insurer would charge to make it indifferent between the cash flows with a range of probable scenarios versus equivalent fixed cash flows.

To determine the risk adjustment for non-financial risk for reinsurance contracts, the Group applies a combination of a value at risk (VaR) (or a percentile) approach and a scenario-based approach, both gross and net of reinsurance, and derives the amount of risk being transferred to the reinsurer as the difference between the two results. Most business is measured under the PAA model and therefore the Group does not calculate a risk adjustment in relation to LRC excluding loss component.

The Group calculates the risk adjustment for incurred claims liabilities at each insurance undertaking entity level in accordance with its risk profile using a combination of the VaR method and scenario analysis, targeting an overall confidence level range for the aggregate risk distribution. Scenario analysis is used to determine the level of compensation that the Group requires for bearing uncertainty for qualitative risks not

2 Basis of preparation

2.19 Use of significant accounting judgements, estimates and assumptions

(c) Risk adjustment for non-financial risk

captured in the risk distribution and large event-driven claims, such as natural catastrophes. Given the nature of the underlying business and losses it is normal for new risks to become apparent or for the magnitude of existing risks to change over time. The risk adjustment in its entirety is judged to provide adequate compensation for the risk in the reserves.

Group diversification benefit is not considered at the individual insurance undertaking entity level but is considered in determining the confidence level at a consolidated level for disclosure purposes. At 31 December 2025, the risk adjustment in respect of the LIC net of reinsurance is at the 86th percentile (2024: 83rd percentile).

(d) Fair value measurement

The Group carries its financial investments at fair value through profit or loss, with fair values determined using published price quotations in the most active financial markets in which the assets trade, where available. Where quoted market prices are not available, valuation techniques are used to value financial instruments. These include third-party valuation reports and models utilising both observable and unobservable market inputs. Valuation techniques involve judgement, including the use of valuation models and their inputs, which can lead to a range of plausible valuations for financial investments. Note 3.3(a) discusses the reliability of the Group's fair values.

(e) Employee benefit

The employee retirement benefit scheme obligations are calculated and valued with reference to a number of actuarial assumptions including mortality, inflation rates and discount rate, many of which have been subject to recent volatility. This complex set of economic variables can have a significant impact on the financial statements, as shown in note 24.

(f) Tax

The Group operates in a multinational environment, and legislation concerning the determination of taxation of assets and liabilities is complex and continually evolving. In preparing the financial statements, the Group applies significant judgements in identifying uncertainties over tax treatments and in the measurement of the provision being the best estimate of the amount expected to become payable. The assessment is based on the judgement of tax professionals within the Group supported by previous experience in respect of such activities and based on advice sought from specialist tax advisors.

A deferred tax asset can be recognised only to the extent that it is recoverable. The recoverability of deferred tax assets in respect of carry forward losses requires consideration of the future levels of taxable profit in the Group. In preparing the Group's financial statements, management estimates taxation assets and liabilities after taking appropriate professional advice, as shown in note 22. Significant estimates and assumptions used in the valuation of deferred tax relate to the forecast taxable profits, taking into account the Group's financial and strategic plans. See note 23 for further details of adjustments made to deferred tax during the year.

The determination and finalisation of agreed taxation assets and liabilities may not occur until several years after the reporting date and consequently the final amounts payable

or receivable may differ from those presented in these financial statements.

2.20 Reporting of alternative performance measures

The Directors consider that the combined, claims and expense ratio measures reported in respect of operating segments and the Group overall in note 4, net asset value per share and return on equity measures disclosed in notes 5 and 6, the adjusted operating profit (AOP) before tax and AOP after tax, adjusted operating earnings per share, operating return on tangible equity, net tangible asset per share, insurance contract written premium and prior-year developments disclosed in the alternative performance measures section, provide useful information regarding the underlying performance of the Group's businesses.

These measures are widely recognised by the insurance industry and are consistent with the internal performance measures reviewed by senior management including the chief operating decision-maker. However, these measures are not defined within the accounting standards and interpretations, and therefore may not be directly comparable with similarly titled alternative performance measures reported by other companies.

3 Management of risk

The Group's overall appetite for accepting and managing varying classes of risk is defined by the Group's Board of Directors. The Board has developed a governance framework and has set Group-wide risk management policies and procedures which include risk identification, risk management and mitigation and risk reporting. The objective of these policies and procedures is to protect the Group's shareholders, policyholders and other stakeholders from negative events that could hinder the Group's delivery of its contractual obligations and its achievement of sustainable profitable economic and social performance.

The Board exercises oversight of the development and operational implementation of its risk management policies and procedures through the Risk Committee, and ongoing compliance through a dedicated internal audit function, which has operational independence, clear terms of reference influenced by the Board's Non Executive Directors and a clear upwards reporting structure back into the Board. The Group, in line with the non-life insurance industry generally, is fundamentally driven by a desire to originate, retain and service insurance contracts to maturity. The Group's cash flows are funded mainly through advance premium collections and the timing of such premium inflows is reasonably predictable. In addition, the majority of material cash outflows are typically triggered by the occurrence of insured events, although the timing, frequency and severity of claims can fluctuate.

The principal sources of risk relevant to the Group's operations and its financial statements fall into three broad categories: operational risk, insurance risk and financial risk, which are described in notes 3.1, 3.2 and 3.3 below. The Group also actively manages its capital risks as detailed in note 3.4 and tax risks as detailed in note 3.5. Additional unaudited information is also provided in the corporate governance, risk management and capital sections of this Annual Report and Accounts.

3.1 Operational risk

The Group is exposed to the risk of direct or indirect loss resulting from internal processes, people or systems, or from external events. This includes cyber security risk, as well as major IT, systems or service failures. The Group has demonstrated continued resilience, underscoring the benefits of its business model, disciplined risk management and ongoing investment in technology and infrastructure.

Hiscox has implemented several operational risk management processes, which include a continued focus on Group-wide crisis management response planning and enhancing its defences and response to information security and cyber threats. Hiscox regularly reassesses its information security standards and methodologies, including a specific standard on the use of artificial intelligence, to ensure appropriate governance and consistency in its approach.

Hiscox uses a governance, risk and control system to perform the annual risk and control self-assessment exercise, as well as for reporting and managing operational risk events. It also enables robust reporting and analysis, driving insight and continuous improvement.

Our third-party suppliers are often crucial to our business, enabling the delivery of high-quality service to our customers. We have an established supplier code of conduct which sets out the standards we expect our suppliers to operate to. Due diligence is carried out not only as part of an initial sourcing exercise but refreshed on an annual basis. We have invested in supply chain management tools and processes which help us better manage risk, including being part of the Financial Services Qualification Scheme, utilising ESG ratings and verification tooling.

3.2 Insurance risk

The predominant risk to which the Group is exposed is insurance risk which is assumed through the underwriting process. Insurance risk can be sub-categorised into i) underwriting risk including the risk of catastrophe, systemic insurance losses and the market cycle, and ii) reserving risk.

i) Underwriting risk

The Board sets the Group's underwriting strategy and risk appetite, seeking to exploit identified opportunities in light of other relevant anticipated market conditions.

The Board requires all underwriters to operate within an overall Group appetite for individual events. This defines the maximum exposure that the Group is prepared to retain on its own account for any one potential catastrophe event or disaster. In addition, the Group's overall underwriting risk appetite seeks to ensure that in a 1-in-200 bad year we are within the underwriting risk limit. The limit is calibrated each year based on exposure, expected profit and the size of other correlated risks to enable us to continue in business and take advantage of market opportunities that arise.

Specific underwriting objectives such as aggregation limits, reinsurance protection thresholds and geographical disaster event risk exposures are prepared and reviewed by the Group Chief Underwriting Officer in order to translate the Board's summarised underwriting strategy into specific measurable actions and targets. These actions and targets are reviewed and approved by the Board in advance of each underwriting year. The underwriting strategy is continually reviewed throughout each underwriting year in light of the evolving market pricing and loss conditions and as opportunities present themselves. The Group's underwriters and management consider underwriting risk at an individual contract level, and also from a portfolio perspective where the risks assumed in similar classes of policies are aggregated and the exposure evaluated in light of historical portfolio experience and prospective factors.

To assist with the process of pricing and managing underwriting risk, the Group routinely performs a wide range of activities including the following:

- regularly updating the Group's risk models;
- documenting, monitoring and reporting on the Group's strategy to manage risk;
- developing systems that facilitate the identification of emerging issues promptly;
- utilising sophisticated computer modelling tools to simulate catastrophes and measure the resultant potential losses before and after reinsurance;

3 Management of risk

3.2 Insurance risk

i) Underwriting risk (continued)

- monitoring legal developments and amending the wording of policies when necessary;
- regularly aggregating risk exposures across individual underwriting portfolios and known accumulations of risk;
- examining the aggregated exposures in advance of underwriting further large risks; and
- developing processes that factor market intelligence into the pricing process.

The delegation of underwriting authority to specific individuals, both internally and externally, is subject to regular review. All underwriting staff and binding agencies are set with strict parameters in relation to the levels and types of business they can underwrite, based on individual levels of experience and competence. These parameters cover areas such as the maximum sums insured per insurance contract, maximum gross premiums written and maximum aggregated exposures per geographical zone and risk class. Regular meetings are held between underwriting, claims and actuarial teams in order to monitor claims development patterns and discuss individual underwriting issues as they arise. The Group compiles estimates of losses arising from extreme loss events using statistical models alongside input from its underwriters. These require significant management judgement. The extreme loss scenarios, shown on pages 40 and 42, represent hypothetical major events occurring in areas with large insured values.

They also represent areas of potentially significant exposure for Hiscox. In addition to understanding the loss Hiscox may suffer from an event, it is important to ensure that the risk models used are calibrated to the risks faced today. This includes recognising and forecasting inflationary trends, updating trends in claims payments, and capturing climate change-related impacts. Hiscox has a climate risk framework, which is used to assess where research resources should be focused, and models updated, and as a result improves not only the Group's understanding of the potential impact of a changing climate but also the Group's ability to respond.

The selection of extreme loss scenario events is adjusted each year and they are not therefore necessarily directly comparable from one year to the next. The events are extreme and unprecedented, and as such these estimates may prove inadequate as a result of incorrect assumptions, model deficiencies, or losses from unmodelled risks. This means that should an extreme loss event actually occur, the Group's final ultimate losses could materially differ from those estimates modelled by management. The Group's insurance contracts include provisions to contain losses, such as the ability to impose deductibles and demand reinstatement premiums in certain cases. In addition, in order to manage the Group's exposure to repeated catastrophic events (both man-made and natural catastrophes), relevant policies frequently contain payment limits to cap the maximum amount payable from these insured events over the contract period. In the case of climate-exposed risks specifically, the vast majority of contracts written by the Group are annual in nature and thus can be revised frequently. This flexibility is a key tool for managing the multi-decade challenge of climate risks holistically.

The Group also manages underwriting risk by purchasing reinsurance. Reinsurance protection is purchased at an entity

level and is also considered at an overall Group level to mitigate the effect of catastrophes and unexpected concentrations of risk. However, the scope and type of reinsurance protection purchased may change depending on the extent and competitiveness of cover available in the market.

The estimated liquidity profile to settle the net claims liabilities is given in note 3.3(e).

The specific insurance risks accepted by the Group fall broadly into the following main categories: reinsurance inwards, marine and major asset property, other property risks, casualty professional indemnity and casualty other insurance risks. These specific categories are defined for risk review purposes only, as each contains risks specific to the nature of the cover provided. They are not exclusively aligned to any specific reportable segment in the Group's operational structure or to the primary internal reports reviewed by the chief operating decision-maker. The Group also considers climate change to be a cross-cutting risk with potential to impact each existing risk type, rather than a stand-alone risk. By design, the established and embedded Group risk management framework provides a controlled and consistent system for the identification, measurement, mitigation, monitoring and reporting of risks (both current and emerging) and so is structured in a way that allows us to continually and consistently manage the various impacts of climate risk on the risk profile. This is supported by equally robust processes and policies that address climate-related underwriting risks, such as the Group-wide ESG exclusions policy which represents a commitment to reduce steadily, and eliminate by 2030, both underwriting and investment exposure to coal-fired power plants and coal mines; Arctic energy exploration, beginning with the Arctic National Wildlife Refuge; oil sands; and controversial weapons such as landmines.

More information on the strategy and governance structures in place to manage climate-related risks can be found on pages 64 to 75. The following describes the policies and procedures used to identify and measure the risks associated with each individual category of business.

3 Management of risk

3.2 Insurance risk

i) Underwriting risk (continued)

Estimated concentration of insurance risks measured in insurance revenue is as follows:

Estimated concentration of insurance risk in 2025	Types of insurance risk in the Group						
	Reinsurance inwards	Property – marine and major assets	Property – other assets	Casualty – professional indemnity	Casualty – other risks	Other*	Total
	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Total	1,083.3	395.5	968.1	1,128.7	879.0	429.1	4,883.7

Estimated concentration of insurance risk in 2024	Types of insurance risk in the Group						
	Reinsurance inwards	Property – marine and major assets	Property – other assets	Casualty – professional indemnity	Casualty – other risks	Other*	Total
	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Total	1,034.6	386.5	938.4	1,091.4	811.8	409.8	4,672.5

*Includes a diverse mix of certain specialty lines such as kidnap and ransom, terrorism and other risks which contain a mix of property and casualty exposures.

Reinsurance inwards

The Group's reinsurance inwards acceptances are primarily focused on large commercial property, homeowner and marine and short-tail specialty exposures held by other insurance companies predominantly in North America and other developed economies. This business is characterised more by large claims arising from individual events or catastrophes than the high-frequency, low-severity attritional losses associated with certain other business written by the Group. Multiple insured losses can periodically arise out of a single natural or man-made occurrence. The main circumstances that result in claims against the reinsurance inwards book are conventional catastrophes, such as earthquakes or storms, but also include other events including fires, explosions and cyber events. The occurrence and impact of these events are very difficult to predict over the short term, which complicates attempts to anticipate claims frequencies on an annual basis. In those years where there is a low incidence of severe catastrophes, claims frequencies on the reinsurance inwards book can be relatively low.

A significant proportion of the reinsurance inwards business provides cover on an excess of loss basis for individual events. The Group agrees to reimburse the cedant once their losses exceed a minimum level. Consequently, the frequency and severity of reinsurance inwards claims are related not only to the number of significant insured events that occur, but also to their individual magnitude. If numerous catastrophes occurred in any one year, but the cedant's individual loss on each was below the minimum stated, then the Group would have no liability under such contracts. Maximum gross line sizes and aggregate exposures are set for each type of programme. The Group writes reinsurance risks for periods of mainly one year so that contracts can be assessed for pricing and terms and adjusted to reflect any changes in market conditions and the evolving impact of climate change.

Property risks – marine and major assets

The Group directly underwrites a diverse range of property risks. The risk profile of the property covered under marine and major asset policies is different to that typically contained in the other classes of property (such as private households and contents insurance) covered by the Group.

Typical property covered by marine and other major property contracts includes fixed and moveable assets such as ships and other vessels, cargo in transit, energy platforms and

installations, pipelines, other subsea assets, satellites, commercial buildings and industrial plants and machinery. These assets are typically exposed to a blend of catastrophic and other large loss events and attritional claims arising from conventional hazards such as collision, flooding, fire and theft. Climate change may give rise to more frequent and severe extreme weather events (for example, windstorms and river flooding) and it may be expected that their frequency will increase over time. For this reason, the Group accepts major property insurance risks for periods of mainly one year so that each contract can be repriced on renewal to reflect the continually evolving risk profile. The most significant risks covered for periods exceeding one year are certain specialist lines such as marine and offshore construction projects which can typically have building and assembling periods of between three and four years. These form a small proportion of the Group's overall portfolio.

Marine and major property contracts are normally underwritten by reference to the commercial replacement value of the property covered. The cost of repairing or rebuilding assets, of replacement or indemnity for contents and time taken to restart or resume operations to original levels for business interruption losses are the key factors that influence the level of claims under these policies. The Group's exposure to commodity price risk in relation to these types of insurance contracts is very limited, given the controlled extent of business interruption cover offered in the areas prone to losses of asset production.

Other property risks

The Group provides building and contents insurance, together with cover for artwork, antiques, classic cars, jewellery, collectables and other assets in relation to personal customers and small business owners. The Group also extends cover to reimburse certain policyholders when named insureds or insured assets are seized for kidnap and a ransom demand is subsequently met. Events which can generate claims on these contracts include burglary, kidnap, seizure of assets, acts of vandalism, fires, flooding and storm damage. Losses on most classes can be predicted with a greater degree of certainty as there is a rich history of actual loss experience data and the locations of the assets covered, and the individual levels of security taken by owners, are relatively static from one year to the next.

The losses associated with these contracts tend to be of a higher frequency and lower severity than the marine and other

3 Management of risk

3.2 Insurance risk

i) Underwriting risk (continued)

major property assets covered above. The Group's building and contents insurance contracts are exposed to weather and climate-related risks such as floods and windstorms and their consequences. As outlined earlier, the frequency and severity of these losses do not lend themselves to accurate prediction over the short term. Contract periods are therefore not normally more than one year at a time to enable risks to be regularly repriced.

Contracts are underwritten by reference to the commercial replacement value of the properties and contents insured. Claims payment limits are always included to cap the amount payable on occurrence of the insured event.

Casualty insurance risks

The casualty underwriting strategy attempts to ensure that the underwritten risks are well diversified in terms of type and amount of potential hazard, industry and geography. However, the Group's exposure is more focused towards professional, general, technological and marine liability risks. Claims typically arise from incidents such as errors and omissions attributed to the insured, professional negligence and general liability losses which can be property damage or bodily injury in nature. The provision of insurance to cover allegations made against individuals acting in the course of fiduciary or managerial responsibilities, including directors and officers' insurance, is one example of a casualty insurance risk.

The Group's casualty insurance contracts mainly experience low-severity attritional losses. By nature, some casualty losses may take longer to settle than other categories of business. In addition, there is increased potential for accumulation in casualty risk due to the growing complexity of business, technological advances, and greater interconnectivity and interdependency across the world due to globalisation. The Group's pricing strategy for casualty insurance policies is typically based on historical claim frequencies and average claim severities, adjusted for inflation and extrapolated forwards to incorporate projected changes in claims patterns. In determining the price of each policy, an allowance is also made for acquisition and administration expenses, reinsurance costs, investment returns and the Group's cost of capital.

The market for cyber insurance is still a relatively immature one, complicated by the fast-moving nature of the threat, as the world becomes even more connected. The risks associated with cyber insurance are multiplying in both diversity and scale, with associated financial and reputational consequences of failing to prepare for them. The Group has focused its cyber expertise on prevention, in addition to the more traditional recovery product. Cyber products are sold through our businesses in the UK, USA, Bermuda and Europe, and the product is sold both direct to consumers and through a more traditional broker channel.

ii) Reserving risk

The Group's procedures for estimating the outstanding costs of settling insured losses at the end of the reporting period, including liability of incurred claims, are detailed in note 20.2. The Group's provision estimates are subject to rigorous review by senior management from all areas of the business. The auditor provides an external review of the reserves together with an independent actuarial opinion for the managed

Syndicates and US business. The final provision is approved by the relevant boards on the recommendation of dedicated reserving committees. Similar to the underwriting risk detailed above, the Group's reserve risks are well diversified. Short-tailed claims are normally notified and settled within 12 to 24 months of the insured event occurring. Those claims taking the longest time to develop and settle typically relate to casualty risks, where legal complexities occasionally develop regarding the insured's alleged omissions or negligence. The length of time required to obtain definitive legal judgments and make eventual settlements exposes the Group to a degree of reserving risk in an inflationary environment.

The final quantum for casualty claims may not be established for many years after the event. A significant proportion of the casualty insurance amounts reserved on the statement of financial position may not be expected to settle within 24 months of the end of the reporting period. Consequently, our approach is not to recognise favourable experience in the early years of development in the reserving process when setting the booked reserve.

Certain marine and property insurance contracts, such as those relating to subsea and other energy assets and the related business interruption risks, can also take longer than normal to settle. This is because of the length of time required for detailed subsea surveys to be carried out and damage assessments agreed, together with difficulties in predicting when the assets can be brought back into full production.

For the inwards reinsurance lines, there is often a time lag between the establishment and re-estimate of case reserves and reporting to the Group. The Group works closely with the reinsured to ensure timely reporting and also centrally analyses industry loss data to verify the reported reserves.

The Group maintains explicit reserve uplifts to allow for the impact of high inflation in recent years. Loss ratios are also closely monitored to ensure they include an appropriate allowance for future inflation.

Losses from Covid-19 continue to settle within expectations. As time passes and legal cases are gradually settled, the outcome becomes more certain and so the level of risk adjustment above the best estimate can be reduced.

3.3 Financial risk

Overview

The Group is exposed to financial risk through its ownership of financial instruments including financial liabilities. These items collectively represent a significant element of the Group's net shareholder funds. The Group invests in financial assets in order to fund obligations arising from its insurance contracts and financial liabilities.

The key financial risk for the Group is that the proceeds from its financial assets and investment result generated thereon are not sufficient to fund the Group's obligations. The most important elements and economic variables that could result in such an outcome relate to the reliability of fair value measures, equity price risk, interest rate risk, credit risk, liquidity risk and currency risk. The Group's policies and procedures for managing exposure to these specific categories of risk are detailed below.

3 Management of risk

3.3 Financial risk (continued)

(a) Reliability of fair values

The Group has elected to carry trade and other receivables at amortised cost and all financial investments at fair value through profit or loss as they are managed and evaluated on a fair value basis in accordance with a documented strategy.

With the exception of any unquoted investments shown in note 17, all of the financial investments held by the Group are available to trade in markets and the Group therefore seeks to determine fair value by reference to published prices or as derived by pricing vendors using observable quotations in the most active financial markets in which the assets trade.

The fair value of financial assets is measured primarily with reference to their closing market prices at the end of the reporting period. The ability to obtain quoted market prices may be reduced in periods of diminished liquidity. In addition, those quoted prices that may be available may represent an unrealistic proportion of market holdings or individual trade sizes that could not be readily available to the Group. In such instances, fair values may be determined or partially supplemented using other observable market inputs such as prices provided by market makers such as dealers and brokers, and prices achieved in the most recent regular transaction of identical or closely-related instruments occurring before the end of the reporting period, but updated for relevant perceived changes in market conditions.

Valuation of securities will continue to be impacted by external market factors including interest rates, default rates, rating agency actions and liquidity. The Group will make adjustments to the investment portfolio as appropriate as part of its overall portfolio strategy, but its ability to mitigate its risk by selling or hedging its exposures may be limited by the market environment.

The Group's future results may be impacted, both positively and negatively, by the valuation adjustments applied to securities.

Note 17 provides an analysis of the measurement attributes of the Group's financial instruments.

(b) Price risk

The Group is exposed to price risk through its holdings of equities and investment funds. This is limited to a relatively small and controlled proportion of the overall investment portfolio and the equities and investment funds involved are diversified over a number of companies and industries.

The fair value of equities and investment fund assets in the consolidated statement of financial position at 31 December 2025 was \$170.8 million (2024: \$210.2 million). This includes a \$60.7 million (2024: \$nil) prepayment in relation to a forward contract held by the Group Employee Benefit Trust to purchase a variable number of Hiscox shares. The Group is not exposed to price risk in respect of the forward contract. A 10% downward correction in equities and investment fund prices at 31 December 2025, excluding the forward contract, would have been expected to reduce Group equity and profit

after tax by approximately \$11 million (2024: \$18 million). These may be analysed as follows:

Nature of equity and investment fund holdings	2025	2024
	% weighting	% weighting
Directly held equity securities	9	15
Equity funds	—	34
Hedge funds	91	51
Geographic focus		
Specific UK mandates	39	36
Global mandates	61	64

The allocation of price risk is not heavily confined to any one market index so as to reduce the Group's exposure to individual sensitivities. We make allocations to diversifying and less volatile strategies, such as absolute return strategies, so as to balance our desire to maximise returns with the need to ensure capital is available to support our underwriting throughout any downturn in financial markets.

(c) Interest rate risk

Debt and fixed income investments represent a significant proportion of the Group's assets and the Board continually monitors investment strategy to minimise the risk of a fall in the portfolio's market value which could affect the amount of business that the Group is able to underwrite or its ability to settle claims as they fall due. The fair value of the Group's investment portfolio of debt and fixed income holdings and some private credit funds is normally inversely correlated to movements in market interest rates. If market interest rates rise, the fair value of the Group's debt and fixed income investments and private credit funds with underlying fixed-rate debt would tend to fall and vice versa if credit spreads remained constant. Debt and fixed income assets are predominantly invested in high-quality corporate, government and asset-backed bonds. The investments typically have relatively short durations. The portfolio is managed to minimise the impact of interest rate risk on anticipated Group cash flows. The Group may also, from time to time, enter into interest rate future contracts in order to reduce interest rate risk on specific portfolios. The fair value of debt and fixed income assets in the consolidated statement of financial position at 31 December 2025 was \$7,919.3 million (2024: \$6,660.9 million). These may be analysed below as follows:

Nature of debt and fixed income holdings	2025	2024
	% weighting	% weighting
Government issued	18	18
Agency and government supported	2	3
Corporate bonds	57	63
Asset-backed securities	9	7
Mortgage-backed instruments	9	7
Lloyd's deposits and bond funds	5	2

The fair value of private credit funds with exposures to interest rate risk at 31 December 2025 was \$274.4 million (2024: \$148.2 million) of which more than 88% are floating rate.

3 Management of risk

3.3 Financial risk

(c) Interest rate risk (continued)

One method of assessing interest rate sensitivity is through the examination of duration-convexity factors in the underlying portfolio. Duration is the weighted average length of time required for an instrument's cash flow stream to be recovered, where the weightings involved are based on the discounted present values of each cash flow. A closely related concept, modified duration, measures the sensitivity of the instrument's price to a change in its yield to maturity. Convexity measures the sensitivity of modified duration to changes in the yield to maturity. Using these three concepts, scenario modelling derives the below estimated impact on instruments' fair values for a 100 basis point change in the term structure of market interest rates.

The Group has used a duration-convexity-based sensitivity analysis for the debt and fixed income holdings and private credit funds, and recalculated the discounting impact for the reinsurance contract assets and insurance contract liabilities. If market interest rates had increased or decreased by 100 basis points at the end of the reporting period, the Group equity and profit after tax for the year might have been expected to decrease or increase by the following amounts:

	1% increase/decrease in interest rates
	Equity/profit after tax
	\$m
31 December 2025	
Reinsurance contract assets	(28)/28
Insurance contract liabilities	88/(88)
Debt and fixed income holdings	(135)/135
Private credit funds	0/0

	1% increase/decrease in interest rates
	Equity/profit after tax
	\$m
31 December 2024	
Reinsurance contract assets	(32)/32
Insurance contract liabilities	91/(91)
Debt and fixed income holdings	(113)/113
Private credit funds	0/0

The liability for incurred claims, reinsurance assets for incurred claims and certain reinsurance assets for remaining coverage are subject to discounting. Please refer to note 2.19(a) for further details regarding the discount rate used.

At 31 December 2025, the Group had long-term borrowings at nominal value of \$836 million (2024: \$658 million), which includes two listed instruments of £250 million and \$500 million, as explained in note 14: the first being fixed rate notes maturing in September 2027; the second being fixed-to-floating rate callable subordinated notes where the floating rate becomes effective from November 2035. The Group also has a revolving credit facility of \$650 million (2024: \$650 million), which is \$nil drawn (2024: \$nil) and, therefore, is not presenting interest rate risk. The Group has no other significant borrowings or other assets or liabilities carrying interest rate risk, other than the facilities and Letters of Credit (LOCs) outlined in note 28.

(d) Credit risk

The Group has exposure to credit risk, which is the risk that a counterparty will suffer a deterioration in actual or perceived financial strength and be unable to pay amounts in full when due, or that for any other reason they renege on a contract or alter the terms of an agreement. The concentrations of credit risk exposures held by insurers may be expected to be greater than those associated with other industries, due to the specific nature of reinsurance markets and the extent of investments held in financial markets. In both markets, the Group interacts with a number of counterparties who are engaged in similar activities with similar customer profiles, and often in the same geographical areas and industry sectors. Consequently, as many of these counterparties are themselves exposed to similar economic characteristics, one single localised or macroeconomic change could severely disrupt the ability of a significant number of counterparties to meet the Group's agreed contractual terms and obligations.

Key areas of exposure to credit risk include:

- reinsurance asset for incurred claims including amounts due from reinsurers in respect of claims already paid;
- amounts due from insurance contract holders; and
- counterparty risk with respect to investments, derivative transactions and catastrophe bonds.

The Group's maximum exposure to credit risk is represented by the carrying values of financial assets and reinsurance assets included in the consolidated statement of financial position at any given point in time. The Group does not use credit derivatives or other products to mitigate maximum credit risk exposures on reinsurance assets, but collateral may be requested to be held against these assets. The Group structures the levels of credit risk accepted by placing limits on its exposure to a single counterparty, or groups of counterparties, and having regard to geographical locations. Such risks are subject to an annual or more frequent review.

There is no significant concentration of credit risk with respect to trade and other receivables, as the Group has a large number of internationally dispersed debtors with unrelated operations. Reinsurance is used to contain insurance risk. This does not, however, discharge the Group's liability as primary insurer. If a reinsurer fails to pay a claim for any reason, the Group remains liable for the payment to the policyholder. The creditworthiness of reinsurers is therefore continually reviewed throughout the year.

The Group Reinsurance Credit Committee (RCC) assesses the creditworthiness of all reinsurers by reviewing credit grades provided by rating agencies and other publicly available financial information detailing their financial strength and performance, as well as detailed analysis from the Group's analysis team. The financial analysis of reinsurers produces an assessment categorised by factors including their S&P rating (or equivalent when not available from S&P).

Despite the rigorous nature of this assessment exercise, and the resultant restricted range of reinsurance counterparties with acceptable strength and credit credentials that emerges therefrom, some degree of credit risk concentration remains inevitable.

3 Management of risk

3.3 Financial risk

(d) Credit risk (continued)

While the rating agencies provide strong analysis on the financials and governance of a reinsurance security, the RCC also takes account of qualitative factors. The RCC considers the reputation of its reinsurance partners and also receives details of recent payment history and the status of any ongoing negotiations between Group companies and these third parties. The final score that a security receives will determine how much reinsurance credit risk Hiscox is willing to have with that security based on the exposure guidelines.

This information is used to update the reinsurance purchasing strategy.

Individual operating units maintain records of the payment history for significant brokers and contract holders with whom they conduct regular business. The exposure to individual counterparties is also managed by other mechanisms, such as the right of offset, where counterparties are both debtors and creditors of the Group, and obtaining collateral from unrated counterparties. Management information reports detailed provisions for impairment on trade and other receivables and subsequent write-off.

Exposures to individual intermediaries and groups of intermediaries are collected within the ongoing monitoring of the controls associated with regulatory solvency.

The Group also mitigates counterparty credit risk by focusing debt and fixed income investments in a portfolio of typically high-quality corporate and government bonds.

Derivative contracts may be traded on an exchange or over the counter. Many over-the-counter transactions are contracted and documented under International Swaps and Derivatives Association Master Agreements or their equivalent, which are designed to provide legally enforceable set-off in the event of default, reducing the Group's exposure to credit risk.

An analysis of the Group's major exposures to counterparty credit risk, excluding derivative assets, trade and other receivables, and equities and units in unit trusts, based on S&P or equivalent rating, is presented below:

As at 31 December 2025	Note	AAA	AA	A	BBB	Other/non-rated	Total
		\$m	\$m	\$m	\$m	\$m	\$m
Debt and fixed income holdings	14	1,414.6	2,277.5	2,134.3	1,759.7	333.2	7,919.3
Private credit funds	14	—	—	—	—	274.4	274.4
Reinsurance contract assets	20	416.7	879.6	524.5	—	4.0	1,824.8
Total		1,831.3	3,157.1	2,658.8	1,759.7	611.6	10,018.5

As at 31 December 2024	Note	AAA	AA	A	BBB	Other/non-rated	Total
		\$m	\$m	\$m	\$m	\$m	\$m
Debt and fixed income holdings	14	885.9	1,775.8	1,969.2	1,689.9	340.1	6,660.9
Private credit funds	14	—	—	—	—	148.2	148.2
Reinsurance contract assets	20	370.0	1,118.6	480.7	—	7.5	1,976.8
Total		1,255.9	2,894.4	2,449.9	1,689.9	495.8	8,785.9

Within the debt and fixed income holdings, which include debt securities, deposits with credit institutions and cash equivalent assets, there are exposures to a range of government borrowers, on either a direct or guaranteed basis, and banking institutions. The Group, together with its investment managers, closely manages its geographical exposures across government issued and supported debt.

The largest aggregated counterparty exposure related to debt and fixed income holdings at 31 December 2025 of \$972 million is to the US Treasury (2024: \$776 million).

Within private credit fund holdings, which include commingled vehicles which hold mainly loans, there are exposures to a range of corporate borrowers. The Group manages its exposure to individual funds and, together with the investment managers of the funds, closely manages the sector and geographical exposures within the funds.

The Group is exposed to concentrations of risk with individual reinsurers due to the nature of the reinsurance market and the restricted range of reinsurers that have acceptable credit ratings. The largest counterparty exposure included in reinsurance assets at 31 December 2025 is to Munich Reinsurance Company (2024: Munich Reinsurance Company). The recoverable amount from Munich Reinsurance Company represents 27% (2024: Munich Reinsurance Company 23%) of this category of assets.

For the current period and prior period, the Group did not experience any material defaults on debt securities. The Group's AAA-rated reinsurance contract assets include fully collateralised positions at 31 December 2025 and 2024.

3 Management of risk

3.3 Financial risk (continued)

(e) Liquidity risk

The Group is exposed to daily calls on its available cash resources, mainly from claims arising from insurance and reinsurance contracts. Liquidity risk is the risk of being unable to meet customer or other third-party payment obligations from available resources as they fall due. This could result in higher than expected costs in selling assets or raising money quickly to meet our obligations. The Board sets limits on the minimum level of cash and maturing funds available to meet such calls and on the minimum level of borrowing facilities that should be in place to cover unexpected levels of claims and other cash demands.

A significant proportion of the Group's investments is in highly liquid assets which could be converted to cash in a prompt fashion and at minimal expense. The Group's exposure to equities is concentrated on shares and funds that are traded on internationally recognised stock exchanges.

The main focus of the investment portfolio is on high-quality, short-duration debt and fixed income securities and cash. There are no significant holdings of investments with specific repricing dates. Notwithstanding the regular interest receipts and also the Group's ability to liquidate these securities and the majority of its other financial instrument assets for cash in a prompt and reasonable manner, the contractual maturity profile of the fair value of these securities at 31 December is as follows.

As at 31 December 2025	Note	Within one year	Between one and two years	Between two and three years	Between three and four years	Between four and five years	Over five years	Total
		\$m	\$m	\$m	\$m	\$m	\$m	\$m
Debt and fixed income holdings	14	1,038.6	1,056.4	1,556.4	1,319.3	1,067.2	1,881.4	7,919.3
Cash and cash equivalents	18	878.0	–	–	–	–	–	878.0
Total		1,916.6	1,056.4	1,556.4	1,319.3	1,067.2	1,881.4	8,797.3

As at 31 December 2024	Note	Within one year	Between one and two years	Between two and three years	Between three and four years	Between four and five years	Over five years	Total
		\$m	\$m	\$m	\$m	\$m	\$m	\$m
Debt and fixed income holdings	14	1,392.3	1,336.0	1,185.7	926.5	836.9	983.5	6,660.9
Cash and cash equivalents	18	1,227.0	–	–	–	–	–	1,227.0
Total		2,619.3	1,336.0	1,185.7	926.5	836.9	983.5	7,887.9

The Group's equities, equity funds, hedge funds and other non-dated instruments have no contractual maturity terms but predominantly could be liquidated in an orderly manner for cash in a prompt and reasonable time frame within one year of the end of the reporting period. The Group's private credit funds are not readily realisable and the principal will be returned over the life of the underlying assets which have a typical contractual maturity of five to seven years.

The available headroom of working capital is monitored through the use of a detailed Group cash flow forecast which is reviewed by management monthly, or more frequently as required.

Average contractual maturity analysed by denominational currency of investments as at 31 December	2025	2024
	In years	In years
US Dollar	6.67	5.58
Sterling	3.07	2.48
Euro	3.11	2.92
Canadian Dollar	2.68	2.65

The following is an analysis by liability type of the estimated timing of net cash flows based on the liability for incurred claims. The estimated phasing of settlement is based on current estimates and historical trends and the actual timing of future settlement cash flows may differ materially from the disclosure below.

3 Management of risk

3.3 Financial risk

(e) Liquidity risk (continued)

Liquidity requirements to settle estimated profile of net undiscounted liability for incurred claims on statement of financial position:

		Within one year	Between one and two years	Between two and three years	Between three and four years	Between four and five years	Over five years	Total
	Note	\$m	\$m	\$m	\$m	\$m	\$m	\$m
As at 31 December 2025								
Total	20	1,839.7	1,160.5	696.3	434.6	261.7	404.9	4,797.7

		Within one year	Between one and two years	Between two and three years	Between three and four years	Between four and five years	Over five years	Total
	Note	\$m	\$m	\$m	\$m	\$m	\$m	\$m
As at 31 December 2024								
Total	20	1,813.4	1,043.2	586.5	322.4	197.0	344.8	4,307.3

Details of the payment profile of the Group's borrowings, derivative instruments and other liabilities are given in notes 14, 16 and 21.

(f) Currency risk

Currency risk is the risk of loss resulting from fluctuations in exchange rates. The Group operates internationally and therefore is exposed to the financial impact of fluctuations in the exchange rates of various currencies.

The Group's exposures to foreign exchange risk arise mainly with respect to the US Dollar, Sterling and the Euro. These exposures may be classified in two main categories:

- operational foreign exchange exposure arises from the conversion of foreign currency transactions resulting from the activities of entering into insurance, investment, financing and operational contracts in a currency that is different to each respective entity's functional currency; and
- structural foreign exchange exposure arises from the translation of the Group's net investment in foreign operations to the US Dollar, the Group's presentation currency.

Operational currency risk

Operational foreign exchange risk is principally managed within the Group's individual insurance carriers by broadly matching assets and liabilities by currency and liquidity. Due attention is paid to local regulatory solvency and risk-based capital requirements. All foreign currency derivative transactions with external parties are managed centrally. The Group also manages some exchange risk centrally through matching intragroup loans and balances.

Structural currency risk

The Group's exposure to structural currency risks mainly relates to Sterling and the Euro net investments in businesses operating in the UK and Europe. The Group does not ordinarily seek to use derivatives to mitigate the structural risk because:

- the currency translation gains and losses are accounted for in the currency translation reserve (a component of equity) and do not affect the income statement unless the related foreign operation is disposed of;
- the currency translation gains and losses have no cash flow.

In periods of significant volatility that are expected to persist for an extended period of time, the Group may elect to utilise derivatives to mitigate or reduce the risk in order to preserve capital.

The currency profile of the Group's assets and liabilities is as follows:

	US Dollar	Sterling	Euro	Other	2025
	\$m	\$m	\$m	\$m	\$m
Year ended 31 December 2025					
Goodwill and intangible assets	157.7	110.5	112.8	—	381.0
Financial assets carried at fair value	6,165.8	1,106.6	966.2	193.4	8,432.0
Cash and cash equivalents	514.1	193.3	129.0	41.6	878.0
Reinsurance contract assets	1,540.5	144.1	137.8	2.4	1,824.8
Other assets	472.6	136.9	58.0	5.9	673.4
Total assets	8,850.7	1,691.4	1,403.8	243.3	12,189.2
Insurance contract liabilities	4,855.9	860.0	1,049.1	112.5	6,877.5
Other liabilities	674.5	618.3	66.4	4.6	1,363.8
Total liabilities	5,530.4	1,478.3	1,115.5	117.1	8,241.3
Total equity	3,320.3	213.1	288.3	126.2	3,947.9

3 Management of risk

3.3 Financial risk

(f) Currency risk (continued)

Year ended 31 December 2024	US Dollar	Sterling	Euro	Other	2024
	\$m	\$m	\$m	\$m	\$m
Goodwill and intangible assets	115.3	112.1	81.4	—	308.8
Financial assets carried at fair value	5,269.7	932.9	710.0	165.0	7,077.6
Cash and cash equivalents	747.3	316.1	120.8	42.8	1,227.0
Reinsurance contract assets	1,668.6	158.4	139.3	10.5	1,976.8
Other assets	381.4	170.0	50.8	48.4	650.6
Total assets	8,182.3	1,689.5	1,102.3	266.7	11,240.8
Insurance contract liabilities	4,679.5	762.7	865.7	88.4	6,396.3
Other liabilities	101.6	940.0	60.7	52.3	1,154.6
Total liabilities	4,781.1	1,702.7	926.4	140.7	7,550.9
Total equity	3,401.2	(13.2)	175.9	126.0	3,689.9

Sensitivity analysis

As at 31 December 2025, the Group used closing rates of exchange of \$1: £0.74 and \$1: €0.85 (2024: of \$1: £0.80 and \$1: €0.97). The Group performs sensitivity analysis based on a 10% strengthening or weakening of the US Dollar against Sterling.

This analysis assumes that all other variables, in particular interest rates, remain constant and that the underlying valuation of assets and liabilities in their base currency is unchanged. The estimated sensitivities below take account of the retranslation movements of foreign currency monetary assets and liabilities in Group entities and, for the effect on equity, the impact on the retranslation of entities with non-US Dollar functional currencies. The methodology includes inter-company balances that are eliminated on consolidation, but still expose the Group to foreign currency risk.

During the year, the Group transacted in a number of over-the-counter forward currency derivative contracts. The contracts remaining at 31 December 2025 had a negligible impact on the sensitivity analysis. In 2024, the impact of such contracts increased the sensitivity of equity after tax and reduced the sensitivity of profit after tax.

As at 31 December	December 2025 effect on equity after tax	December 2025 effect on profit after tax	December 2024 effect on equity after tax	December 2024 effect on profit after tax
	\$m	\$m	\$m	\$m
Strengthening of Sterling	33.5	(2.9)	48.6	1.5
Weakening of Sterling	(33.5)	2.9	(51.4)	(4.3)

(g) Limitations of sensitivity analysis

The sensitivity information given in notes 3.3 (a) to (f) demonstrates the estimated impact of a change in a major input assumption, while other assumptions remain unchanged. In reality, there are normally significant levels of correlation between the assumptions and other factors. It should also be noted that these sensitivities are non-linear, and larger or smaller impacts should not be interpolated or extrapolated from these results. The same limitations exist in respect to the retirement benefit scheme sensitivities presented in note 24 to these financial statements. Furthermore, estimates of sensitivity may become less reliable in unusual market conditions, such as instances when risk-free interest rates fall towards zero.

The sensitivity analysis does not take into consideration that the Group's assets and liabilities are actively managed. Additionally, the financial position of the Group may vary at the time that any actual market movement occurs. For example, the Group's financial risk management strategy aims to manage the exposure to market fluctuations. As investment markets move past various trigger levels, management actions could include selling investments, changing the investment portfolio allocation and taking other protective action.

3.4 Capital risk management

The Group's primary objectives when managing its capital position are:

- to safeguard its ability to continue as a going concern, so that it can continue to provide long-term growth and progressive dividend returns for shareholders;
- to provide an adequate return to the Group's shareholders by pricing its insurance products and services commensurately with the level of risk;
- to maintain an efficient cost of capital;
- to comply with all regulatory requirements by an appropriate margin;
- to maintain financial strength ratings of A in each of its insurance entities; and
- to settle policyholders' claims as they arise.

3 Management of risk

3.4 Capital risk management (continued)

The Group sets the amount of capital required in its funding structure in proportion to risk. The Group then manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to obtain or maintain an optimal capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, assume debt, or sell assets to reduce debt.

The Group measures its capital requirements against its available capital. Available capital is defined by the Group as the total of net tangible asset value and subordinated debt.

The subordinated debt issued by the Group is hybrid in nature, which means it counts towards regulatory and rating agency capital requirements.

At 31 December 2025, the available capital was \$4,066.9 million (2024: \$3,725.6 million), comprising net tangible asset value of \$3,566.9 million (2024: \$3,381.1 million) and subordinated debt of \$500.0 million (2024: \$344.5 million).

The Board ensures that the use and allocation of capital are given a primary focus in all significant operational actions. With that in mind, the Group has developed and embedded capital modelling tools within its business. These join together short-term and long-term business plans and link divisional aspirations with the Group's overall strategy.

The model provides the basis of the allocation of capital to different business lines, as well as the regulatory and rating agency capital processes.

Gearing

The Group currently utilises gearing as an additional source of funds to maximise the opportunities from strong markets and to reduce the risk profile of the business in weaker markets, particularly with respect to the more volatile business. The Group's gearing is obtained from a number of sources, including:

- Letter of Credit (LOC) and revolving credit facility – the Group's main facility may be drawn in cash up to \$650 million (2024: \$650 million) under a revolving credit facility and utilised as LOC up to \$266 million (2024: \$266 million). The facility was renewed during 2024, enabling the Group to utilise the LOC as Funds at Lloyd's to support underwriting on the 2024, 2025 and 2026 years of account. The revolving credit facility is available until the end of 2026. As at 31 December 2025, \$266 million was utilised by way of LOC to support the Funds at Lloyd's requirement and the revolving credit facility was undrawn (2024: \$266 million and the revolving credit facility was undrawn);
- in 2020, the Group sourced an additional \$65 million of funding in the form of a Funds at Lloyd's facility. Under this facility assets are pledged with the Corporation of Lloyd's on the Group's behalf, providing regulatory Tier 1 capital. As at 31 December 2025 and 2024 the facility was fully drawn;
- \$500 million of fixed-to-floating rate callable subordinated notes due 2036 with a first call date of 2035 raised in June 2025. The debt is rated BBB- by S&P;
- £250 million of fixed rate senior notes raised in September 2022 and maturing in September 2027. The debt is rated BBB+ by S&P;
- external Names – 27.4% (2024: 27.4%) of Syndicate 33's capacity is capitalised by third parties, who also pay a profit share of approximately 20%;
- Syndicate 6104 at Lloyd's – with a capacity of £100.7 million for the 2026 year of account (2025 year of account: £78.5 million – in 2024, this was £56.4 million). This Syndicate is wholly backed by external members and takes pure year of account quota share of Syndicate 33's applicable excess of loss property catastrophe reinsurance, marine, terrorism and cyber accounts;
- gearing quota shares – historically the Group has used reinsurance capital to fund its capital requirement for short-term expansions in the volume of business underwritten by the Syndicate and Hiscox Insurance Company (Bermuda) Limited; and
- qualifying quota shares and legacy portfolio transactions – these are reinsurance arrangements that allow the Group to increase the amount of premium it writes.

The Group's LOC and revolving credit facility and Funds at Lloyd's facility include financial covenants that are standard in such arrangements, including certain metrics relating to the Group's financial position. These are monitored on a regular basis, at least quarterly, but more frequently where necessary.

3 Management of risk

3.4 Capital risk management (continued)

Financial strength

The financial strength ratings of the Group's significant insurance company subsidiaries are outlined below:

	A.M. Best	S&P
Hiscox Insurance Company Limited	A (Excellent)	A (Strong)
Hiscox Insurance Company (Bermuda) Limited	A (Excellent)	A (Strong)
Hiscox Insurance Company (Guernsey) Limited	A (Excellent)	–
Hiscox Insurance Company Inc.	A (Excellent)	–
Hiscox Société Anonyme	–	A (Strong)

Syndicate 33 has an A.M. Best rating of A+ (Superior). It also benefits from Lloyd's own ratings of A+ (Superior) from A.M. Best, AA- (Very Strong) from S&P, AA- (Very Strong) from Fitch and AA- (Very Strong) from Kroll Bond Rating Agency.

Capital performance

The Group's main capital performance measure is the achieved return on equity (ROE). This marker aligns the aspirations of employees and shareholders. As variable remuneration relates directly to ROE and it is used as a key performance indicator within the business planning process, this concept is embedded in the workings and culture of the Group. The Group seeks to maintain its cost of capital levels and its debt to overall equity ratios in line with others in the non-life insurance industry.

Capital modelling and regulation

The capital requirements of an insurance group are determined by its exposure to risk and the solvency criteria established by management and statutory regulations.

The Group's capital requirements are managed both centrally and at a regulated entity level. The assessed capital requirement for the business placed through Hiscox Insurance Company Limited, Hiscox Insurance Company (Bermuda) Limited, Hiscox Insurance Company (Guernsey) Limited, Hiscox Insurance Company Inc. and Hiscox Société Anonyme is driven by the level of resources necessary to maintain regulatory requirements.

The Group's regulatory capital is supervised by the Bermuda Monetary Authority (BMA). The Group had sufficient capital at all times throughout the year to meet the BMA's requirements. Hiscox Insurance Company Limited and Hiscox Société Anonyme use the standard formula to calculate their regulatory capital requirements under the Solvency UK regime and Solvency II regime respectively. Their risk profiles are sufficiently well represented by the standard formula not to warrant going through the internal model approval process. Hiscox's Lloyd's operations use the internal model that has been built to meet the requirements of the Solvency UK regime. The model is concentrated specifically on the particular product lines, market conditions and risk appetite of each risk carrier.

For Syndicate 33 and Syndicate 3624, internal model results are uplifted by Lloyd's to the level of capital required to support its ratings. Capital models are used more widely across the Group to monitor exposure to key risk types, inform decision-making and measure ROE across different segments of the business.

The Group is required to publish a financial condition report, as part of its regulatory filing with the BMA. This is a public document and sets out the financial performance and solvency position of the Group in accordance with the economic balance sheet return filed with the BMA. It is intended to provide the public with certain information to be able to make informed assessments about the Group. In the Group's other geographical territories, including the USA, its subsidiaries underwriting insurance business are required to operate within broadly similar risk-based externally imposed capital requirements when accepting business.

During the year the Group was in compliance with capital requirements imposed by regulators in each jurisdiction where the Group operates.

3 Management of risk (continued)

3.5 Tax risk

The Group is subject to income taxes levied by the various jurisdictions in which the Group operates, and the division of taxing rights between these jurisdictions results in the Group tax expense and effective rate of income tax disclosed in these financial statements. Due to the Group's operating model, there is an unquantifiable risk that this division of taxing rights could be altered materially, either by a change to the tax residence, or permanent establishment profile, of Hiscox Ltd or its principal subsidiaries; or due to the repricing or recharacterisation for tax purposes of transactions between members of the Group, under local transfer pricing or related tax legislation. The Group seeks to manage this risk by:

- maintaining appropriate internal policies and controls over its operations worldwide;
- monitoring compliance with these policies on an ongoing basis;
- adhering to internationally recognised best practice in determining the appropriate division of profits between taxing jurisdictions;
- taking additional advice and obtaining legal opinions from local third-party professionals with the necessary experience in the particular area.

The Group seeks to maintain an open dialogue with the relevant tax authorities and to resolve any issues arising promptly.

Various jurisdictions in which the Group operates have now enacted legislation implementing the principles of the OECD 'Pillar Two' tax rules, intended to apply a global minimum tax to the profits of multinational enterprises such as Hiscox with effect from 1 January 2024. Pillar Two legislation represents a departure from existing corporate income tax principles, introducing new concepts and design features to the corporate income tax landscape. The model rules issued by the OECD in December 2021 have been designed and implemented at speed, and continue to be subject to changes and updates through guidance. On 15 January 2025, the OECD issued new guidance on the treatment of deferred tax assets for the purposes of calculating Pillar Two tax, which, if enacted into local legislation, is likely to result in additional Pillar Two tax payable over the eight years, from 2027, of up to 80% of the 2025 opening value of the \$154.6 million Bermuda deferred tax asset. In 2025, the deferred tax asset was reduced by \$15.2 million reflecting the current year amortisation of the economic transition adjustment (ETA). On 5 January 2026 the OECD released the 'Side-by-Side package' of further rule changes to the Pillar Two rules, none of which are expected to have a material impact on the Group. However, in this context, there is a risk that new legislation could prove to have further unintended and/or unforeseen consequences for the Group, which could also have an impact on the Group's income tax payable in future periods. The Group relies on expert advice from third-party professionals, as well as open dialogue with implementing tax authorities, to manage this risk.

In alignment with the adoption of Pillar Two legislation by other jurisdictions, in December 2023 Bermuda enacted a corporate income tax which has applied to the Group's Bermudian resident entities with effect from 1 January 2025 at a rate of 15%. The impact of this new tax on the overall effective tax rate to which the Group is exposed is therefore reflected in these accounts.

The Group recognises uncertain tax provisions where there is uncertainty that a tax treatment will be accepted under local law, including matters which are under discussion with the tax authorities. Based on facts and circumstances at the end of the reporting period, the range of the total exposure is estimated between \$20.6 million and \$50.7 million. The estimate is subject to review on an ongoing basis and is susceptible to the progress of the settlement discussions with the tax authorities. Matters under discussion which could affect the estimate include the Hiscox Group's policy on the allocation of expenses between companies within the Group, the allocation of income and expenses between branches of the same company, and the period subject to re-assessment.

4 Operating segments

The Group's operating segment reporting follows the organisational structure and management's internal reporting systems, which form the basis for assessing the financial reporting performance of, and allocation of resources to, each business segment. The Group's four primary business segments are identified as follows:

- **Hiscox Retail** brings together the results of the Group's retail business divisions in the UK, Europe and the USA. Hiscox UK and Hiscox Europe underwrite personal and commercial lines of business through Hiscox Insurance Company Limited, Hiscox Société Anonyme, Syndicate 33 and Syndicate 3624. Hiscox USA comprises commercial, property and specialty business written by Hiscox Insurance Company Inc., Syndicate 33 and Syndicate 3624;
- **Hiscox London Market** comprises the internationally traded insurance business written by the Group's London-based underwriters via Syndicate 33, including lines in property, marine and energy, casualty and other specialty insurance lines;
- **Hiscox Re** comprises the Group's reinsurance business and third-party capital platform. The reinsurance business comprises the reinsurance contracts written by Hiscox Insurance Company (Bermuda) Limited (HIB), including the open market placed reinsurance arrangements with other Hiscox Group entities, and the reinsurance contracts written by Syndicate 33. The third-party capital platform comprises the results of Hiscox Capital Partners which offers third-party capital providers access to our underwriting expertise and risk selection through both insurance-linked securities (ILS) and quota-share partnerships;
- **Other** segment comprises other income and costs that are not directly attributable to the Group's principal operating segments, including finance costs and administrative costs associated with Group management activities and intragroup borrowings, foreign exchange gains and losses, as well as consolidation adjustments to eliminate the results relating to open market placed intragroup reinsurance arrangements.

In July 2025, the Group completed the sale of Direct Asia Singapore. The remaining Asia business which is classified as a disposal group is no longer considered part of the core Hiscox Retail segment and is now disclosed within the 'other' segment. The comparative period has been restated to present on a consistent basis. The fine art business previously reported in London Market is now reported within the Retail segment. Additionally, following an increase in the level of HIB's participation in the business placed by Hiscox Retail and Hiscox London Market in the open market, the results of Hiscox Retail, Hiscox London Market and Hiscox Re now include the results of such open market placed intragroup reinsurance arrangements, with the related consolidation adjustments being presented within the 'other' segment.

All amounts reported on the following pages in respect of these segments represent transactions with external parties, as well as various open market placed intragroup reinsurance arrangements, which they enter into in the normal course of business. The related results of these transactions are eliminated on consolidation, and the consolidation adjustments are included within the 'other' segment. This is consistent with the information used by the chief operating decision-maker when evaluating the results of the Group. Performance is measured based on each reportable segment's profit or loss before tax and combined ratio.

4 Operating segments (continued)

(a) Profit before tax by segment

	Hiscox Retail†	Hiscox London Market†	Hiscox Re	Other	Total
	\$m	\$m	\$m	\$m	\$m
Year ended 31 December 2025					
Insurance revenue	2,581.2	1,191.3	1,087.5	23.7	4,883.7
Insurance service expenses	(2,157.5)	(828.8)	(695.5)	(22.7)	(3,704.5)
Incurred claims and changes to liabilities for incurred claims	(979.7)	(444.3)	(472.4)	(11.6)	(1,908.0)
Amortisation of insurance acquisition cash flows*	(744.3)	(260.5)	(135.5)	(5.1)	(1,145.4)
Other attributable expenses*	(429.4)	(124.0)	(87.6)	(6.0)	(647.0)
Losses on onerous contracts and reversals	(4.1)	–	–	–	(4.1)
Insurance service result before reinsurance contracts held	423.7	362.5	392.0	1.0	1,179.2
Allocation of reinsurance premiums	(260.8)	(379.3)	(600.9)	4.5	(1,236.5)
Amounts recoverable from reinsurers for incurred claims	104.5	177.1	398.3	(8.7)	671.2
Net expense from reinsurance contracts held	(156.3)	(202.2)	(202.6)	(4.2)	(565.3)
Insurance service result	267.4	160.3	189.4	(3.2)	613.9
Investment result	241.2	116.7	84.2	0.6	442.7
Net finance expense from insurance contracts	(113.2)	(78.9)	(45.8)	(0.7)	(238.6)
Net finance income from reinsurance contracts	13.6	30.9	28.9	0.2	73.6
Net insurance finance expense	(99.6)	(48.0)	(16.9)	(0.5)	(165.0)
Net financial result	141.6	68.7	67.3	0.1	277.7
Other income	16.6	29.5	49.9	3.6	99.6
Other operational expenses*	(71.8)	(22.7)	(18.8)	(85.4)	(198.7)
Net foreign exchange gains	–	–	–	7.1	7.1
Other finance costs	(1.8)	(0.5)	(1.1)	(63.4)	(66.8)
Share of profits of associates	0.1	–	–	(0.2)	(0.1)
Profit/(loss) before tax	352.1	235.3	286.7	(141.4)	732.7
Ratio analysis					
Claims ratio (%)	39.5	36.1	20.0		36.3
Acquisition cost ratio (%)	31.2	30.6	26.3		30.3
Administrative expense ratio (%)	18.0	14.5	17.0		17.1
Combined ratio (%)	88.7	81.2	63.3		83.7

*Total marketing expenditure for the year was \$109.2 million (2024: \$101.1 million).

†The fine art business previously reported in Hiscox London Market is now reported within the Hiscox Retail segment.

The claims ratio is calculated as incurred claims and losses on onerous contracts net of reinsurance recoveries, as a proportion of insurance revenue net of allocation of reinsurance premiums. The acquisition cost ratio is calculated as amortisation of insurance acquisition cash flows, as a proportion of insurance revenue net of allocation of reinsurance premiums. The administrative expense ratio is calculated as other attributable expenses, as a proportion of insurance revenue net of allocation of reinsurance premiums. The combined ratio is the total of the claims, acquisition cost and administrative expense ratios. All ratios are on an own share basis, which reflects the Group's share in Syndicate 33, and includes a reclassification of LPT premium from allocation of reinsurance premium into amounts recoverable from reinsurers as detailed below.

Non-attributable expenses and other costs allocated to the 'other' segment are not included within the combined ratio. Consolidation adjustments for open market placed intragroup reinsurance arrangements are included within the Group's combined ratio.

4 Operating segments

(a) Profit before tax by segment (continued)

As noted above, the claims ratio, acquisition cost, administrative expense ratio and combined ratio include a reclassification of LPT premium from allocation of reinsurance premiums into amounts recoverable from reinsurers for incurred claims. The subsequent impacts of LPTs within reinsurance expenses and reinsurance income are analysed on a net basis within the net claims to provide a view of the underlying development on these contracts, against the corresponding development of the gross reserves, consistent with the focus on net performance when assessing underwriting performance. The impact on profit is neutral, however this reclassification for the ratios removes any volatility on a year-on-year comparison.

Year ended 31 December 2025	Hiscox Retail	Hiscox London Market	Hiscox Re	Other	Total
	\$m	\$m	\$m	\$m	\$m
Insurance revenue	2,581.2	1,191.3	1,087.5	23.7	4,883.7
Allocation of reinsurance premiums	(260.8)	(379.3)	(600.9)	4.5	(1,236.5)
LPT premium	62.6	40.4	29.3	–	132.3
Allocation of reinsurance premiums after reclassifying LPT premium	(198.2)	(338.9)	(571.6)	4.5	(1,104.2)
Adjusted net insurance revenue	2,383.0	852.4	515.9	28.2	3,779.5
Incurred claims and changes to liabilities for incurred claims	(979.7)	(444.3)	(472.4)	(11.6)	(1,908.0)
Amounts recoverable from reinsurers for incurred claims	104.5	177.1	398.3	(8.7)	671.2
LPT premium	(62.6)	(40.4)	(29.3)	–	(132.3)
Amounts recoverable from reinsurers for incurred claims after reclassifying LPT premium	41.9	136.7	369.0	(8.7)	538.9
Adjusted net incurred claims	(937.8)	(307.6)	(103.4)	(20.3)	(1,369.1)
Remove benefit from discounting of claims	(91.3)	(40.6)	(21.0)	(0.7)	(153.6)
Undiscounted adjusted net incurred claims	(1,029.1)	(348.2)	(124.4)	(21.0)	(1,522.7)

The following ratios reflect the reclassification of LPT premium and remove the impact of discounting.

Ratio analysis (undiscounted)				
Claims ratio (%)	43.4	40.8	24.1	40.4
Acquisition cost ratio (%)	31.2	30.6	26.3	30.3
Administrative expense ratio (%)	18.0	14.5	17.0	17.1
Combined ratio (%)	92.6	85.9	67.4	87.8

The impact on profit before tax of a 1% change in each component of the segmental combined ratios is shown in the following table. Any further ratio change is linear in nature.

	Year ended 31 December 2025		
	Hiscox Retail	Hiscox London Market	Hiscox Re
	\$m	\$m	\$m
1% change in claims or expense ratio	23.8	8.5	5.2

4 Operating segments

(a) Profit before tax by segment (continued)

Year ended 31 December 2024 (restated)	Hiscox Retail \$m	Hiscox London Market \$m	Hiscox Re \$m	Other \$m	Total \$m
Insurance revenue	2,381.5	1,201.4	1,028.2	61.4	4,672.5
Insurance service expenses	(2,006.7)	(1,004.2)	(245.1)	(75.0)	(3,331.0)
Incurred claims and changes to liabilities for incurred claims	(918.1)	(619.5)	(37.8)	(42.5)	(1,617.9)
Amortisation of insurance acquisition cash flows	(674.5)	(262.5)	(124.5)	(14.1)	(1,075.6)
Other attributable expenses	(401.8)	(122.2)	(82.8)	(18.4)	(625.2)
Losses on onerous contracts and reversals	(12.3)	–	–	–	(12.3)
Insurance service result before reinsurance contracts held	374.8	197.2	783.1	(13.6)	1,341.5
Allocation of reinsurance premiums	(249.8)	(364.9)	(585.3)	(9.4)	(1,209.4)
Amounts recoverable from reinsurers for incurred claims	136.1	309.0	(32.1)	8.4	421.4
Net expense from reinsurance contracts held	(113.7)	(55.9)	(617.4)	(1.0)	(788.0)
Insurance service result	261.1	141.3	165.7	(14.6)	553.5
Investment result	199.3	113.3	70.5	0.8	383.9
Net finance expense from insurance contracts	(115.5)	(66.1)	(43.0)	(0.9)	(225.5)
Net finance income from reinsurance contracts	18.2	25.2	29.8	0.2	73.4
Net insurance finance expense	(97.3)	(40.9)	(13.2)	(0.7)	(152.1)
Net financial result	102.0	72.4	57.3	0.1	231.8
Other income	18.0	26.3	64.6	4.6	113.5
Other operational expenses	(62.9)	(24.7)	(18.5)	(43.3)	(149.4)
Net foreign exchange losses	–	–	–	(11.2)	(11.2)
Other finance costs	(1.0)	(0.3)	(1.6)	(50.2)	(53.1)
Share of profits of associates	–	–	–	0.3	0.3
Profit/(loss) before tax	317.2	215.0	267.5	(114.3)	685.4
Ratio analysis					
Claims ratio (%)	38.9	40.1	22.8		37.4
Acquisition cost ratio (%)	30.8	29.9	25.8		29.9
Administrative expense ratio (%)	18.4	13.9	17.1		17.4
Combined ratio (%)	88.1	83.9	65.7		84.7

4 Operating segments

(a) Profit before tax by segment (continued)

The impact of the reclassification of LPT premium is shown in the following table.

Year ended 31 December 2024 (restated)	Hiscox Retail \$m	Hiscox London Market \$m	Hiscox Re \$m	Other \$m	Total \$m
Insurance revenue	2,381.5	1,201.4	1,028.2	61.4	4,672.5
Allocation of reinsurance premiums	(249.8)	(364.9)	(585.3)	(9.4)	(1,209.4)
LPT premium	57.5	41.6	40.1	–	139.2
Allocation of reinsurance premiums after reclassifying LPT premium	(192.3)	(323.3)	(545.2)	(9.4)	(1,070.2)
Adjusted net insurance revenue	2,189.2	878.1	483.0	52.0	3,602.3
Incurred claims and changes to liabilities for incurred claims	(918.1)	(619.5)	(37.8)	(42.5)	(1,617.9)
Amounts recoverable from reinsurers for incurred claims	136.1	309.0	(32.1)	8.4	421.4
LPT premium	(57.5)	(41.6)	(40.1)	–	(139.2)
Amounts recoverable from reinsurers for incurred claims after reclassifying LPT premium	78.6	267.4	(72.2)	8.4	282.2
Adjusted net incurred claims	(839.5)	(352.1)	(110.0)	(34.1)	(1,335.7)
Remove benefit from discounting of claims	(104.6)	(41.1)	(15.9)	(0.3)	(161.9)
Undiscounted adjusted net incurred claims	(944.1)	(393.2)	(125.9)	(34.4)	(1,497.6)
Ratio analysis (undiscounted)					
Claims ratio (%)	43.7	44.8	26.1		41.9
Acquisition cost ratio (%)	30.8	29.9	25.8		29.9
Administrative expense ratio (%)	18.4	13.9	17.1		17.4
Combined ratio (%)	92.9	88.6	69.0		89.2

The impact on profit before tax of a 1% change in each component of the segmental combined ratios is shown in the following table. Any further ratio change is linear in nature.

	Year ended 31 December 2024 (restated)		
	Hiscox Retail \$m	Hiscox London Market \$m	Hiscox Re \$m
1% change in claims or expense ratio	21.9	8.8	4.8

4 Operating segments (continued)

(b) Geographical information

The Group's operational segments underwrite business domestically in Bermuda and from locations in the UK, USA, Guernsey, France, Germany, Belgium, The Netherlands, Spain, Portugal and Ireland.

The following table provides an analysis of the Group's insurance revenue earned, by material geographical location from external parties:

	Year to 31 December 2025					Year to 31 December 2024				
	Hiscox Retail	Hiscox London Market	Hiscox Re	Other	Total	Hiscox Retail	Hiscox London Market	Hiscox Re	Other	Total
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
UK	875.9	61.7	40.7	–	978.3	778.9	86.5	41.3	–	906.7
Europe	717.7	103.9	76.3	–	897.9	643.5	89.2	77.1	–	809.8
USA	968.9	744.9	653.5	1.7	2,369.0	936.9	738.8	598.5	–	2,274.2
Rest of world	18.7	280.8	317.0	22.0	638.5	22.2	286.9	311.3	61.4	681.8
	2,581.2	1,191.3	1,087.5	23.7	4,883.7	2,381.5	1,201.4	1,028.2	61.4	4,672.5

The following table provides an analysis of the Group's non-current assets by material geographical location excluding financial instruments, deferred tax assets, post-employment benefit assets, and rights arising under insurance contracts:

Non-current assets	2025 total	2024 total
	\$m	\$m
UK	219.6	234.9
Europe	135.9	104.8
USA	133.8	94.2
Rest of world	0.7	1.3
	490.0	435.2

5 Net asset value (NAV) per share and net tangible asset value per share

	31 December 2025		31 December 2024	
	Net asset value (total equity)	Net asset value per share	Net asset value (total equity)	Net asset value per share
	\$m	cents	\$m	cents
Net asset value	3,947.9	1,220.0	3,689.9	1,086.4
Net tangible asset value	3,566.9	1,102.2	3,381.1	995.5

The NAV per share is based on 323,603,134 shares (2024: 339,636,268), being the shares in issue at 31 December 2025, less those held in treasury and those held by the Group Employee Benefit Trust. Net tangible assets comprise total equity excluding intangible assets.

6 Return on equity

	2025	2024
	\$m	\$m
Profit for the year (all attributable to the owners of the Company)	604.1	627.2
Opening total equity	3,689.9	3,296.7
Adjusted for the time-weighted impact of capital distributions, share buyback and issuance of shares	(160.8)	(136.8)
Adjusted opening total equity	3,529.1	3,159.9
Return on equity (%)	17.1	19.8

The return on equity (ROE) is calculated by using profit or loss for the period divided by the adjusted opening total equity. The adjusted opening total equity represents the equity on 1 January of the relevant year as adjusted for time-weighted aspects of capital distributions, share buyback and issuing of shares or treasury share purchases during the period. The time-weighted positions are calculated on a daily basis with reference to the proportion of time from the transaction to the end of the period.

7 Net investment and insurance finance result

	Note	2025	2024
		\$m	\$m
Investment income including interest receivable		326.1	316.4
Net realised gains/(losses) on financial investments at fair value through profit or loss		69.4	1.5
Net fair value gains on financial investments at fair value through profit or loss		57.1	71.5
Investment return – financial assets		452.6	389.4
Net fair value (losses)/gains on derivative financial instruments	16	(1.7)	0.4
Investment expenses		(8.2)	(5.9)
Total investment result		442.7	383.9
Net finance (expense)/income from insurance contracts:			
Interest accreted		(208.4)	(241.6)
Effects of changes in interest rates and other financial assumptions		(30.2)	16.1
Total net finance (expense)/income from insurance contracts		(238.6)	(225.5)
Net finance income/(expenses) from reinsurance contracts:			
Interest accreted		62.3	81.4
Effects of changes in interest rates and other financial assumptions		11.3	(8.0)
Total net finance income/(expenses) from reinsurance contracts		73.6	73.4
Net insurance finance (expense)/income		(165.0)	(152.1)
Net financial result		277.7	231.8

8 Other income and operational expenses

	2025	2024 (restated)
	\$m	\$m
Other income	99.6	113.5
Staff costs	399.5	386.6
Depreciation, amortisation and impairment	65.8	60.7
Restructuring, integration and other one-off project costs*	32.2	7.3
Other expenses*	348.2	320.0
Operational expenses	845.7	774.6

*One-off project costs incurred in 2024 of \$7.3 million have been reclassified from other expenses to restructuring, integration and one-off project costs.

Other income includes management fees and is recognised when the investment management services are rendered to the ILS funds and commissions paid to the Group-owned Syndicate managing agent by third-party Names.

Operational expenses comprise attributable expenses amounting to \$647.0 million (2024: \$625.2 million) included within insurance service expense, and non-attributable expenses amounting to \$198.7 million (2024: \$149.4 million) included within other operational expenses.

In July 2025, the Group completed the sale of Direct Asia Insurance (Singapore) Pte Ltd to Auto & General (SEA) Holdings Pte Ltd. The \$3.9 million loss on disposal is included within other expenses. The remaining Asia entities which include Hiscox Asia Holdings Pte Ltd and Hiscox Asia Management Services Pte Ltd continue to be classified as a disposal group. No impairment charge for the disposal group has been recognised in 2025 (2024: \$nil).

Restructuring, integration and one-off project costs consist of expenses incurred in connection with the Group's restructuring initiatives, integration of acquired business and other one-off project costs. They include \$24.0 million of costs in relation to an accelerated change programme which commenced in 2025.

9 Other finance costs

		2025	2024
	Note	\$m	\$m
Interest charge associated with borrowings	14	50.6	40.7
Other interest expenses		16.2	12.4
Other finance costs		66.8	53.1

10 Auditor's remuneration

Fees payable to the Group's external auditor, PwC, its member firms and its associates (exclusive of VAT) include the following amounts recorded in the consolidated income statement:

	2025	2024 (restated)*
	\$m	\$m
Group		
Amounts receivable by the auditors and its associates in respect of:		
The auditing of the accounts of the Group and its subsidiaries	5.2	5.4
All audit-related assurance services	1.0	0.7
All other non-audit services	—	—
	6.2	6.1

*The 2024 comparative balance has been restated to include fees of \$0.5 million relating to Direct Asia.

The full audit fee payable for the Syndicate 33 and Syndicate 6104 audit has been included above, although an element of this is borne by the third-party participants in the Syndicate.

11 Goodwill and intangible assets

	Goodwill	Syndicate capacity	State authorisation licences	Software and development costs	Other	Total
	\$m	\$m	\$m	\$m	\$m	\$m
At 1 January 2024						
Cost	10.8	33.1	8.5	467.3	23.4	543.1
Accumulated amortisation and impairment	(2.6)	–	–	(196.1)	(20.5)	(219.2)
Net book amount	8.2	33.1	8.5	271.2	2.9	323.9
Year ended 31 December 2024						
Opening net book amount	8.2	33.1	8.5	271.2	2.9	323.9
Additions	–	–	–	33.0	1.0	34.0
Disposals	–	–	–	–	–	–
Amortisation charges	–	–	–	(41.6)	(2.2)	(43.8)
Impairment charge	–	–	–	–	–	–
Foreign exchange movements	(0.1)	–	–	(5.2)	–	(5.3)
Closing net book amount	8.1	33.1	8.5	257.4	1.7	308.8
At 31 December 2024						
Cost	10.7	33.1	8.5	483.7	23.8	559.8
Accumulated amortisation and impairment	(2.6)	–	–	(226.3)	(22.1)	(251.0)
Net book amount	8.1	33.1	8.5	257.4	1.7	308.8
Year ended 31 December 2025						
Opening net book amount	8.1	33.1	8.5	257.4	1.7	308.8
Additions*	41.7	–	–	57.8	2.7	102.2
Disposals	–	–	–	(0.7)	–	(0.7)
Amortisation charges	–	–	–	(46.9)	(1.7)	(48.6)
Impairment charge	–	–	–	–	–	–
Foreign exchange movements	0.6	–	–	18.3	0.4	19.3
Closing net book amount	50.4	33.1	8.5	285.9	3.1	381.0
At 31 December 2025						
Cost	53.3	33.1	8.5	570.8	19.1	684.8
Accumulated amortisation and impairment	(2.9)	–	–	(284.9)	(16.0)	(303.8)
Net book amount	50.4	33.1	8.5	285.9	3.1	381.0

*Additions to goodwill related to business combinations during the year. Further details are provided in note 25.

Goodwill

Goodwill is allocated to the Group's cash-generating units (CGUs) identified according to the smallest identifiable unit to which cash flows are generated. \$7.7 million (2024: \$7.3 million) is allocated to the London Market CGU and \$42.7 million (2024: \$0.8 million) is allocated to the CGUs within the Hiscox Retail business segment. Goodwill is considered to have an indefinite useful life and as such is tested annually for impairment based on the recoverable amount which is considered to be the higher of the fair value less cost to sell or value in use. During 2025, there was no impairment charge on goodwill (2024: \$nil).

Value in use is considered to be the best indication of the recoverable amount for goodwill. Value in use calculations are performed using the following key assumptions:

- projected cash flows – the Group uses projected cash flows based on financial forecasts for a five-year period. Cash flow projections for the next three years are based on management-approved forecasted profit before tax figures. We assume a 0% growth rate for cash flow projections beyond the three-year period and terminal value;
- discount rate – a discount factor, based on a pre-tax weighted average cost of capital (WACC) for the Group, of 10.6% (2024 (restated): 10.3%), has been applied to the cash flow projections to determine the net present value.

The outcome of the value in use calculation is measured against the carrying value of the asset and, where the carrying value is in excess of the value in use, the asset is written down to this amount.

11 Goodwill and intangible assets (continued)

Impairment assessments

To test the sensitivity of the assessment, management flexed the key assumptions within a reasonably expected range. Within this range, goodwill and other intangible assets recoveries were stress tested and remain supportable across all cash-generating units or assets.

Intangible assets

All intangible assets have a finite useful life except for the Syndicate capacity and US state authorisation licences.

(a) Syndicate capacity

The cost of purchasing the Group's participation in the Lloyd's insurance syndicates is not amortised, but is tested annually for impairment and is carried at cost less accumulated impairment losses. Having considered the future prospects of the London insurance market, the Board believes that the Group's ownership of Syndicate capacity will provide economic benefits over an indefinite number of future periods. This assumption is reviewed annually to determine whether the asset continues to have an indefinite life.

The Group's intangible asset relating to Syndicate capacity has been allocated, for impairment testing purposes, to the active Lloyd's corporate member entity. The asset is tested annually for impairment based on its recoverable amount which is considered to be the higher of the asset's fair value less costs to sell or its value in use. The value in use is determined using cash flow projections based on business plans approved by management and discounted at the applicable WACC rate. At 31 December 2025, the recoverable amount, being the value in use, exceeded the carrying value of Syndicate capacity recognised on the statement of financial position.

(b) US state authorisation licences

In 2007, the Group acquired insurance authorisation licences for 50 US states as part of a business combination. The licences are allocated for impairment testing to the Group's North American underwriting business. The carrying value of this asset is calculated using a projected cash flow based on business plans approved by management and discounted at the same rate used for goodwill. The asset is tested annually for impairment based on its value in use, and the results show no impairment.

(c) Software and development costs

The Group capitalises acquired software licences based on the costs incurred. Amortisation is performed through applying the straight-line method over a period of three to ten years.

Internally developed software is capitalised only if future economic benefits are probable and can be measured reliably. Amortisation of internally developed computer software begins when the software is available for use and is allocated on a straight-line basis over the expected useful life of the asset.

The useful life of the asset is reviewed annually and, if different from previous estimates, is revised accordingly with the change being accounted for as a change in accounting estimates in accordance with IAS 8.

The carrying value of software and development costs is reviewed for impairment on an ongoing basis by reference to the stage and expectation of a project. Additionally, at the end of each reporting period, the Group reviews the positions for any indication of impairment and as a result of this no impairment was provided in 2025 (2024: \$nil).

At 31 December 2025 there were \$30.5 million of assets under development on which amortisation has yet to be charged (2024: \$27.6 million).

The assets are expected to be recovered or settled more than 12 months after the reporting date and, as such, are considered to be non-current.

(d) Other

Intangible costs related to trademarks, as well as securing customer contractual relationships are recognised as an asset where they can be identified separately and measured reliably and it is probable that they will be recovered by directly related future profits. These costs are amortised on a straight-line basis over the useful economic life, which is deemed to be five years for trademarks and ten years for customer contractual relationships, and are carried at cost less accumulated amortisation and impairment losses.

At the end of each reporting period, the carrying value arrived at using value in use is tested for impairment. Value in use is calculated using the same method as described above for goodwill and the same discount rate used. The impairment charge in 2025 was \$nil (2024: \$nil) for intangible costs related to securing customer contractual relationships and \$nil (2024: \$nil) for trademarks.

12 Property, plant and equipment

	Land and buildings	Leasehold improvements	Furniture, fittings and equipment and art	Right-of-use assets: property and other	Total
	\$m	\$m	\$m	\$m	\$m
Year ended 31 December 2024					
Opening net book amount	18.1	0.5	41.5	72.6	132.7
Additions	–	–	5.2	12.4	17.6
Disposals	–	–	(0.1)	(2.4)	(2.5)
Depreciation charge	(1.2)	(0.5)	(4.7)	(12.8)	(19.2)
Impairment	–	–	–	–	–
Foreign exchange movements	(0.3)	0.1	(0.9)	(1.3)	(2.4)
Closing net book amount, including assets held for sale	16.6	0.1	41.0	68.5	126.2
At 31 December 2024					
Cost	27.6	12.6	86.1	105.1	231.4
Accumulated depreciation	(11.0)	(12.5)	(45.1)	(36.6)	(105.2)
Net book amount, including assets held for sale	16.6	0.1	41.0	68.5	126.2
Less: assets held for sale	–	–	–	(0.6)	(0.6)
Net book amount	16.6	0.1	41.0	67.9	125.6
Year ended 31 December 2025					
Opening net book amount, including assets held for sale	16.6	0.1	41.0	68.5	126.2
Additions	–	–	1.3	6.5	7.8
Disposals	–	–	(2.8)	(15.1)	(17.9)
Depreciation charge	(1.3)	(0.1)	(4.6)	(11.1)	(17.1)
Foreign exchange movements	1.3	–	3.0	5.3	9.6
Closing net book amount	16.6	–	37.9	54.1	108.6
At 31 December 2025					
Cost	29.8	10.7	75.2	105.5	221.2
Accumulated depreciation	(13.2)	(10.7)	(37.3)	(51.4)	(112.6)
Net book amount	16.6	–	37.9	54.1	108.6

The Group's land and buildings assets relate to freehold property in the UK. There was no impairment charge on these assets during the year (2024: \$nil).

The assets are expected to be recovered or settled more than 12 months after the reporting date and, as such, are considered to be non-current.

The income from subleasing right-of-use assets amounted to \$0.2 million (2024: \$0.4 million).

13 Subsidiaries, associates and interests in other entities

This note provides details of the Syndicates and Special Purpose Insurers (SPIs) managed by the Group, the acquisition and disposal of subsidiaries and associates during the year and investments in associates.

(a) Subsidiaries

Hiscox Dedicated Corporate Member Limited (HDCM) underwrites as a corporate member of Lloyd's on the main Syndicates managed by Hiscox Syndicates Limited (the main managed Syndicates numbered 33 and 3624).

As at 31 December 2025, HDCM owned 72.6% of Syndicate 33 (2024: 72.6%), and 100% of Syndicate 3624 (2024: 100%). In view of the several but not joint liability of underwriting members at Lloyd's for the transactions of Syndicates in which they participate, the Group's attributable share of the transactions, assets and liabilities of these Syndicates has been included in the financial statements. The Group manages the underwriting of, but does not participate as a member of, Syndicate 6104 at Lloyd's which provides reinsurance to Syndicate 33 on a normal commercial basis. Consequently, aside from the receipt of managing agency fees, defined profit commissions as appropriate and interest arising on effective assets included within the experience account, the Group has no share in the assets, liabilities or transactions of Syndicate 6104. The position and performance of that Syndicate is therefore not included in the Group's financial statements.

(b) SPIs

The Kiskadee Diversified Fund and Kiskadee Select Fund were launched in 2014 to offer institutional investors access to property catastrophe reinsurance and insurance-linked strategies. In 2019, the Kiskadee Latitude Fund was introduced, offering a broader mix of insurance and reinsurance risks, with less emphasis on property catastrophe. Subsequently in December 2019, the Kiskadee Cadence Fund, a segregated account of Kiskadee ILS Fund SAC Ltd, was launched, and aims to achieve attractive risk-adjusted returns by investing primarily in a worldwide reinsurance and retrocession portfolio.

The Group does not control these Funds, so they are not consolidated.

The Kiskadee Select Plus Fund, launched in January 2021 as a segregated account of Kiskadee ILS Fund SAC Ltd, invests in a global portfolio of property catastrophe and some non-catastrophe reinsurance to deliver strong risk-adjusted returns, that have a low correlation to broader financial markets. The Group controls this fund so it is consolidated.

All the funds above are managed by Hiscox Re Insurance Linked Strategies Limited (formerly known as Kiskadee Investment Managers Limited), a wholly owned subsidiary of the Group.

As at 31 December 2025, the Group recognised a financial asset at fair value of \$67.0 million (2024: \$58.3 million) in relation to its investment in the unconsolidated funds (note 17). In assessing the maximum exposure to loss from its interest in the funds, the Group has determined it is no greater than the fair value recognised as at the end of the reporting period. The total size of the unconsolidated funds was \$815.2 million at 31 December 2025 (2024: \$694.7 million). In addition to the return on the financial asset, the Group also receives fee income through Hiscox Re Insurance Linked Strategies Limited and Hiscox Insurance Company (Bermuda) Limited, both wholly owned subsidiaries, under normal commercial terms.

The Group is exposed to credit risk associated with reinsurance recoveries on risks fronted for the SPIs. Note 3.3(d) discusses how the Group manages credit risk associated with reinsurance assets. The operations of the funds and SPIs are financed through the issuance of preference shares to external investors. The Group does not intend to provide any further financial support to the funds or SPIs.

13 Subsidiaries, associates and interests in other entities (continued)

(c) Investments in associates

Year ended 31 December	2025	2024
	\$m	\$m
At beginning of year	0.8	0.8
Disposals during the year	–	–
Distributions received	(0.4)	(0.3)
Net (loss)/profit from investments from associates	(0.1)	0.3
Foreign exchange movements	0.1	–
At end of year	0.4	0.8

The Group's interests in its principal associates, all of which are unlisted, were as follows:

	% interest held at 31 December	Assets	Liabilities	Revenues	Profit after tax
		\$m	\$m	\$m	\$m
2025					
Associates incorporated in the UK	32%	3.9	3.6	5.3	(0.6)
Associates incorporated in Europe	26%	2.4	1.9	2.8	0.5
Total at the year ended 2025		6.3	5.5	8.1	(0.1)
2024					
Associates incorporated in the UK	32%	3.0	2.1	5.9	0.1
Associates incorporated in Europe	26%	2.1	1.1	2.0	1.1
Total at the year ended 2024		5.1	3.2	7.9	1.2

The equity interests held by the Group in respect of associates do not have quoted market prices and are not traded regularly in any active recognised market. The associates concerned have no material impact on the results or assets of the Group.

The assets are expected to be recovered or settled more than 12 months after the reporting date and as such are considered to be non-current.

14 Financial assets and liabilities

Financial assets designated at fair value through profit or loss are measured at fair values, with all changes from one accounting period to the next being recorded through the income statement.

		2025	2024
	Note	\$m	\$m
Debt and fixed income holdings	17	7,919.3	6,660.9
Equities and investment funds	17	170.8	210.2
Private credit funds	17	274.4	148.2
Total investments		8,364.5	7,019.3
Insurance-linked funds	17	67.0	58.3
Derivative financial instruments	16	0.5	—
Total financial assets carried at fair value		8,432.0	7,077.6

Equities and investment funds includes a \$60.7 million (2024: \$nil) prepayment in relation to a forward contract held by the Group Employee Benefit Trust to purchase a variable number of Hiscox shares. The shares are expected to be delivered by February 2026.

The effective maturity of the debt and fixed income holdings due within and after one year is as follows:

	2025	2024
	\$m	\$m
Within one year	1,038.6	1,392.3
After one year	6,880.7	5,268.6
	7,919.3	6,660.9

Equities, investment funds, private credit funds and insurance-linked securities do not have any maturity dates. The effective maturity of all other financial assets is due within one year. An analysis of the credit risk and contractual maturity profiles of the Group's financial instruments is given in notes 3.3(d) and 3.3(e).

Financial liabilities of the Group are:

	2025	2024
	\$m	\$m
Derivative financial instruments	0.6	—
Financial liabilities carried at fair value	0.6	—
Borrowings	832.3	656.2
Accrued interest on borrowings	7.5	7.3
Financial liabilities carried at amortised cost	839.8	663.5
Total financial liabilities	840.4	663.5

All of the financial liabilities carried at fair value are due within one year and all the borrowings are due after one year. Accrued interest on long-term debt is due within one year.

14 Financial assets and liabilities (continued)

On 24 November 2015, the Group issued £275.0 million 6.125% fixed-to-floating rate callable subordinated notes due 2045, with a first call date of 24 November 2025. On 2 June 2025, the Group announced an invitation to note holders to tender their notes for cash. The aggregate principal amount of the notes purchased and cancelled by the Group under this offer was £261.2 million. The remaining outstanding notes were redeemed at their principal amount on the first call date.

On 22 September 2022, the Group issued £250.0 million 6% fixed-rate senior notes due September 2027.

On 11 June 2025, the Group issued \$500.0 million 7% fixed-to-floating rate callable subordinated notes due 2036, with a first call date of 2035.

The fair value of the borrowings is estimated at \$889.1 million (2024: \$672.0 million). The fair value measurement is classified within Level 1 of the fair value hierarchy. The fair value is estimated by reference to the actively traded value on the stock exchanges.

The increase in the carrying value of the borrowings and accrued interest during the year comprises the new issue of subordinated notes of \$500 million (\$496.8 million net of fees) (2024: \$nil), the repayment of the £275.0 million fixed-to-floating rate callable subordinated notes of \$373.6 million (2024: \$nil), the amortisation of the difference between the net proceeds received and the redemption amounts of \$0.9 million (2024: \$0.7 million), the decrease in accrued interest of \$0.8 million (2024: decrease of \$0.7 million), plus exchange movements of \$53.0 million (2024: less exchange movements of \$10.9 million).

Note 9 includes details of the interest expense for the year included in finance costs.

Investments at 31 December are denominated in the following currencies at their fair value:

	2025	2024
	\$m	\$m
Debt and fixed income holdings		
US Dollars	5,838.2	4,998.4
Sterling	986.1	835.8
Euro and other currencies	1,095.0	826.7
	7,919.3	6,660.9
Equities and investment funds		
US Dollars	39.1	95.5
Sterling	93.7	80.6
Euro and other currencies	38.0	34.1
	170.8	210.2
Private credit funds		
US Dollars	221.4	117.5
Sterling	26.8	16.5
Euro and other currencies	26.2	14.2
	274.4	148.2
Total investments	8,364.5	7,019.3

15 Trade and other receivables

	2025	2024
	\$m	\$m
Prepayments and accrued income	29.1	37.3
Trade and other receivables:		
Accrued interest	75.9	68.0
Other debtors including related party amounts	244.7	143.7
Total trade and other receivables	349.7	249.0

The amounts expected to be recovered before and after one year are estimated as follows:

Within one year	333.1	233.2
After one year	16.6	15.8
	349.7	249.0

16 Derivative financial instruments

The Group entered into both exchange-traded and over-the-counter derivative contracts for a number of purposes during 2025. The Group had the right and intention to settle each contract on a net basis. The assets and liabilities of these contracts at 31 December 2025 all mature within one year of the end of the reporting period and are detailed below:

31 December 2025	Gross contract notional amount	Fair value of assets	Fair value of liabilities	Net balance sheet position
	\$m	\$m	\$m	\$m
Derivative financial instruments included on statement of financial position				
Foreign exchange forward contracts	73.8	0.5	(0.6)	(0.1)
Interest rate futures contracts	19.8	–	–	–
		0.5	(0.6)	(0.1)

The foreign exchange forward contracts are represented by gross fair value of assets and liabilities as detailed below:

31 December 2025	Fair value of assets	Fair value of liabilities	Net balance sheet position
	\$m	\$m	\$m
Gross fair value of assets	11.6	29.7	41.3
Gross fair value of liabilities	(11.1)	(30.3)	(41.4)
	0.5	(0.6)	(0.1)

31 December 2024	Gross contract notional amount	Fair value of assets	Fair value of liabilities	Net balance sheet position
	\$m	\$m	\$m	\$m
Derivative financial instruments included on statement of financial position				
Foreign exchange forward contracts	200.0	–	–	–
Interest rate futures contracts	–	–	–	–
		–	–	–

The foreign exchange forward contracts are represented by gross fair value of assets and liabilities as detailed below:

31 December 2024	Fair value of assets	Fair value of liabilities	Net balance sheet position
	\$m	\$m	\$m
Gross fair value of assets	–	3.5	3.5
Gross fair value of liabilities	–	(3.5)	(3.5)
	–	–	–

Foreign exchange forward contracts

During the current and prior year, the Group entered into a series of conventional over-the-counter forward contracts in order to secure translation gains made on Euro, US Dollar and other non-Sterling denominated monetary assets. The contracts require the Group to forward sell a fixed amount of the relevant currency for Sterling at pre-agreed future exchange rates. The Group made a loss of \$0.3 million on the forward contracts during the year (2024: gain of \$0.5 million).

Interest rate futures contracts

To substantially hedge the interest rate risk the Group is exposed to, it continued to sell a number of government bond futures denominated in a range of currencies. All are exchange traded and the Group made a loss on these futures contracts of \$1.4 million (2024: loss of \$0.1 million) as included in the investment result in note 7.

17 Fair value measurements

In accordance with IFRS 13 *Fair Value Measurement*, the fair value of financial instruments, based on a three-level fair value hierarchy that reflects the significance of the inputs used in measuring the fair value, is set out below.

As at 31 December 2025	Level 1	Level 2	Level 3	Total
	\$m	\$m	\$m	\$m
Financial assets				
Debt and fixed income holdings	1,342.9	6,565.7	10.7	7,919.3
Equities and investment funds	–	160.4	10.4	170.8
Private credit funds	–	–	274.4	274.4
Insurance-linked funds	–	–	67.0	67.0
Derivative financial instruments	–	0.5	–	0.5
Total	1,342.9	6,726.6	362.5	8,432.0
Financial liabilities				
Derivative financial instruments	–	0.6	–	0.6
Total	–	0.6	–	0.6

As at 31 December 2024	Level 1	Level 2	Level 3	Total
	\$m	\$m	\$m	\$m
Financial assets				
Debt and fixed income holdings	1,127.5	5,523.4	10.0	6,660.9
Equities and investment funds	–	179.3	30.9	210.2
Private credit funds	–	–	148.2	148.2
Insurance-linked funds	–	–	58.3	58.3
Derivative financial instruments	–	–	–	–
Total	1,127.5	5,702.7	247.4	7,077.6
Financial liabilities				
Derivative financial instruments	–	–	–	–
Total	–	–	–	–

The levels of the fair value hierarchy are defined by the standard as follows:

- Level 1 – fair values measured using quoted prices (unadjusted) in active markets for identical instruments;
- Level 2 – fair values measured using directly or indirectly observable inputs or other similar valuation techniques for which all significant inputs are based on market-observable data;
- Level 3 – fair values measured using valuation techniques for which significant inputs are not based on market-observable data.

The fair values of the Group's financial assets are typically based on prices from numerous independent pricing services. The pricing services used by the investment manager obtain actual transaction prices for securities that have quoted prices in active markets. For those securities which are not actively traded, the pricing services use common market valuation pricing models.

Observable inputs used in common market valuation pricing models include, but are not limited to, broker quotes, credit ratings, interest rates and yield curves, prepayment speeds, default rates and other such inputs which are available from market sources.

Investments in mutual funds comprise a portfolio of stock investments in trading entities which are invested in various quoted and unquoted investments. The fair value of these investment funds is based on the net asset value of the fund as reported by independent pricing sources or the fund manager.

Included within Level 1 of the fair value hierarchy are certain government bonds, treasury bills, corporate bonds having a quoted price in active markets, and exchange-traded funds which are measured based on quoted prices in active markets.

The fair value of the borrowings carried at amortised cost is estimated at \$889.1 million (2024: \$672.0 million) and is considered as Level 1 in the fair value hierarchy.

17 Fair value measurements (continued)

Level 2 of the hierarchy contains certain government bonds, US government agencies, corporate securities, asset-backed securities, mortgage-backed securities and certain commingled funds. The fair value of these assets is based on the prices obtained from independent pricing sources, investment managers and investment custodians as discussed above. The Group records the unadjusted price provided and validates the price through a number of methods including a comparison of the prices provided by the investment managers with the investment custodians and the valuation used by external parties to derive fair value. Quoted prices for US government agencies and corporate securities are based on a limited number of transactions for those securities and as such the Group considers these instruments to have similar characteristics to those instruments classified as Level 2. Also included within Level 2 are units held in collective investment vehicles investing in traditional and alternative investment strategies and over-the-counter derivatives. In 2025, Level 2 also included a non-derivative forward contract asset.

Level 3 contains investments in limited partnerships, unquoted equity securities, private credit funds and insurance-linked funds which have limited observable inputs on which to measure fair value. Unquoted equities, including equity instruments in limited partnerships, are carried at fair value. Fair value is determined to be net asset value for the limited partnerships, and for the equity holdings it is determined to be the latest available traded price. The effect of changing one or more inputs used in the measurement of fair value of these instruments to another reasonably possible assumption would not be significant.

Private credit funds comprise holdings in funds which, in turn, hold debt investments in private companies that are not quoted on an active market. The fair value of the private credit funds is determined based on the net asset values reported by the investment managers. The underlying loan values, on which the investments are based, are valued by the investment managers using a discounted cash flow model. The inputs to the valuation are cash flows, risk-free rate and a credit spread. The cash flow projections are determined by the loan terms and the risk-free rate is the overnight rate for the issuing currency; these are all observable inputs. The credit spread applied is based on synthetic rating analysis, whereby an equivalent corporate bond rating is assigned to a private loan based on structural analysis of the issuer's statement of financial position and performance since investment. This is an unobservable input but is not deemed to be significant. Given the Group's knowledge of the underlying investments and the size of the Group's investment therein, the Group would not anticipate any material variance between the statements and the final net asset values reported by the investment managers.

At 31 December 2025, the insurance-linked funds of \$67.0 million represent the Group's investment in the unconsolidated Kiskadee funds (2024: \$58.3 million) as described in note 14.

The fair value of the Kiskadee funds is estimated to be the net asset value as at the end of the reporting period. The net asset value is based on the fair value of the assets and liabilities in the fund. The majority of the assets of the funds are cash and cash equivalents. Significant inputs and assumptions in calculating the fair value of the assets and liabilities associated with reinsurance contracts written by the Kiskadee funds include the amount and timing of claims payable in respect of claims incurred and periods of unexpired risk. The Group has considered changes in the net asset valuation of the Kiskadee funds if reasonably different inputs and assumptions were used and has found that a 12% change to the fair value of the liabilities would increase or decrease the fair value of funds by \$2.2 million.

In certain cases, the inputs used to measure the fair value of a financial instrument may fall into more than one level within the fair value hierarchy. In this instance, the fair value of the instrument in its entirety is classified based on the lowest level of input that is significant to the fair value measurement.

17 Fair value measurements (continued)

The table below sets forth a reconciliation of opening and closing balances for financial instruments classified under Level 3 of the fair value hierarchy:

	2025	2024
	\$m	\$m
Balance at 1 January	247.4	130.3
Fair value gains/(losses) through profit or loss	17.5	(4.5)
Foreign exchange gains/(losses)	6.0	(0.8)
Purchases	134.5	136.6
Disposals	(42.9)	(14.2)
Transfers	–	–
Closing balance	362.5	247.4
Net unrealised gains/(losses) in the period on securities held at the end of the period	14.2	(4.0)

The closing balance at year end comprised \$10.7 million debt and fixed income holdings (2024: \$10.0 million), \$10.4 million equities and investment funds (2024: \$30.9 million), \$274.4 million private credit funds (2024: \$148.2 million) and \$67.0 million insurance-linked funds (2024: \$58.3 million).

18 Cash and cash equivalents

	2025	2024
	\$m	\$m
Cash at bank and in hand	777.5	1,141.3
Short-term deposits	100.5	85.7
Total	878.0	1,227.0

The Group holds its cash deposits with a well-diversified range of banks and financial institutions. Cash includes overnight deposits. Short-term deposits include debt securities with an original maturity date of less than three months and money market funds.

19 Share capital

Group	31 December 2025		31 December 2024	
	Share capital	Number of shares	Share capital	Number of shares
	\$m	000	\$m	000
Authorised ordinary share capital of 6.5p (2024: 6.5p)	425.8	3,692,308	425.8	3,692,308
Issued ordinary share capital of 6.5p (2024: 6.5p)	36.8	332,375	38.1	347,503

The amounts presented in the equity section of the Group's consolidated statement of financial position relate to Hiscox Ltd, the legal parent company.

Changes in Group share capital and contributed surplus	Ordinary share capital	Share premium	Contributed surplus
	\$000	\$000	\$000
At 1 January 2024	38,767	528,832	183,969
Employee share option scheme – proceeds from shares issued	159	21,252	–
Scrip Dividends to owners of the Company	21	3,821	–
Share buyback	(819)	(148,349)	–
At 31 December 2024	38,128	405,556	183,969
Employee share option scheme – proceeds from shares issued	46	5,054	–
Scrip Dividends to owners of the Company	21	3,951	–
Share buyback	(1,373)	(274,350)	–
At 31 December 2025	36,822	140,211	183,969

On 27 February 2025, the Group announced a share buyback programme for up to a maximum aggregate consideration of \$175 million to commence on the same day. On 6 August 2025, the Group announced the increase of \$100 million to the ongoing share buyback. In total, 15,894,323 shares were purchased with a nominal value of \$1.4 million and were subsequently cancelled. The 15,894,323 shares were acquired at an average price of 1,305 pence per share.

Contributed surplus is a distributable reserve and arose on the reverse acquisition of Hiscox plc on 12 December 2006.

The Company relies on dividend streams from its subsidiary companies to provide the cash flow required for distributions to be made to shareholders. The ability of the subsidiaries to pay dividends is subject to regulatory restrictions within the jurisdiction from which they operate.

Shares held by the Group Employee Benefit Trust

The Trustees of the Group Employee Benefit Trust purchased 2,974,660 shares (2024: nil shares) to facilitate the settlement of vesting awards under the Group's Performance Share Plan. As the Trust is consolidated into the Group financial results, these purchases are accounted for in the same way as treasury shares and are charged against retained earnings. The shares are held by the Trustees for the beneficiaries of the Trust. The following movements were noted in the number of shares held by the Group Employee Benefit Trust during the year:

	2025	2024
	Number of shares	Number of shares
At 1 January	343,420	1,054,472
Additions	2,974,660	–
Transfer of shares to employees	(2,069,147)	(711,052)
Total	1,248,933	343,420

19 Share capital (continued)

Share repurchase

Equity structure of Hiscox Ltd	Note	Number of ordinary shares in issue 2025	Number of ordinary shares in issue 2024
		000	000
At 1 January		347,503	355,283
Employee share option scheme – ordinary shares issued		531	1,916
Scrip Dividends to owners of the Company	27	235	253
Share buyback		(15,894)	(9,949)
At 31 December		332,375	347,503

All issued shares are fully paid.

Performance Share Plan awards

Performance Share Plan (PSP) awards are granted to Directors and other senior employees. Awards normally vest after a three-year period subject to the achievement of performance conditions which can be a mix of financial and non-financial measures. Awards are generally subject to continued employment; however, awards may vest to leavers in certain scenarios. Awards granted under the all-employee share ownership scheme (HSX:26) vest in April 2026 subject to continued employment and satisfactory personal performance between the date of grant and vesting.

In accordance with IFRS 2, the Group recognises an expense for the fair value of shares, share options and PSP award instruments issued to employees, over their vesting period through the income statement. The amount recognised in the consolidated income statement during the year was an expense of \$48.8 million (2024: \$49.1 million). This comprises an expense of \$40.5 million (2024: \$33.3 million) in respect of PSP awards, an expense of \$3.5 million (2024: \$3.1 million) in respect of share option awards and an expense of \$4.8 million (2024: \$12.7 million) in respect of employee share awards. The Group has applied the principles outlined in the Black-Scholes option pricing model when determining the fair value of each share option instrument. For the fair value pricing of PSPs, the Group uses the share price on the date of grant of the options. For any options contingent on achieving targets linked to total shareholder returns, the fair value price on date of grant is adjusted to take account of the probability of achieving the performance targets.

The range of principal Group assumptions applied in determining the fair value of share-based payment instruments granted during the year under review are:

Assumptions affecting inputs to fair value models	2025	2024
Annual risk-free rates of return and discount rates(%)	3.88-4.26	3.7-3.97
Long-term dividends yield (%)	1.75	1.54
Expected life of options (years)	3.25	3.25
Implied volatility of share price (%)	33.5	34.6
Weighted average share price (p)	1,106.0	1,186.6

The weighted average fair value of each share option granted during the year was 418.9p (2024: 409.5p). The weighted average fair value of each Performance Share Plan award granted during the year was 1,083.9p (2024: 1,186.2p).

Movements in the number of share options and PSP awards during the year and details of the balances outstanding at 31 December 2025 for the Executive Directors are shown in the annual report on remuneration 2025. The total number of options and PSP awards outstanding is 10,559,893 (2024: 10,376,020) of which 1,389,958 are exercisable (2024: 1,014,399). The total number of SAYE options outstanding is 1,859,102 (2024: 2,054,494) and employee share awards is 3,704,505 (2024: 4,729,792) of which 700 are exercisable (2024: 12,700).

The implied volatility assumption is based on historical data for periods of between five and ten years immediately preceding grant date.

20 Insurance contract liabilities and reinsurance contract assets

	2025	2024
	\$m	\$m
Insurance contract liabilities	6,877.5	6,396.3
Reinsurance contract assets	(1,824.8)	(1,976.8)
Net insurance contract liabilities	5,052.7	4,419.5

Detailed reconciliation of changes in insurance contract balances during the year is included below in note 20.1.

The analysis of changes is disclosed at a consolidated level in line with how the Group manages and monitors the statement of financial position. Further details related to changes in the consolidated income statement by segmental reporting are disclosed in note 4.

20.1(a) Net insurance contract liabilities

Net insurance contracts – analysis by remaining coverage and incurred claims

	Net liabilities for remaining coverage		Net liabilities for incurred claims		Total
	Excluding loss component	Loss component	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	
	\$m	\$m	\$m	\$m	\$m
Year to 31 December 2025					
Opening assets	69.7*	–	(1,726.2)	(320.3)	(1,976.8)
Opening liabilities	346.2	9.4	5,427.5	613.2	6,396.3
Net opening balance	415.9	9.4	3,701.3	292.9	4,419.5
Changes in the consolidated income statement					
Insurance revenue, net of allocation of reinsurance premiums†	(3,647.2)	–	–	–	(3,647.2)
Insurance service expenses, net of amounts recoverable from reinsurers					
Incurred claims and other attributable expenses	–	(11.5)	2,185.4	160.9	2,334.8
Amortisation of insurance acquisition cash flows	1,145.4	–	–	–	1,145.4
Adjustments to liabilities for incurred claims relating to past service	–	–	(353.8)	(96.5)	(450.3)
Losses and reversals of losses on onerous contracts	–	4.1	–	–	4.1
Effect of changes in non-performance risk of reinsurers	–	–	(0.7)	–	(0.7)
Total net insurance service expenses	1,145.4	(7.4)	1,830.9	64.4	3,033.3
Insurance service result	(2,501.8)	(7.4)	1,830.9	64.4	(613.9)
Net finance (income)/expenses from insurance contracts	(6.8)	–	171.8	–	165.0
Net foreign exchange losses	37.7	0.1	110.4	8.9	157.1
Total change recognised in comprehensive income	(2,470.9)	(7.3)	2,113.1	73.3	(291.8)
Investment components	39.7	–	(39.7)	–	–
Transfer to other items in statement of financial position	(281.0)	–	(711.4)	0.1	(992.3)
Net cash flows					
Net premium received	3,757.1	–	–	–	3,757.1
Net claims and other insurance service expenses paid	–	–	(935.5)	–	(935.5)
Insurance acquisition cash flows	(904.3)	–	–	–	(904.3)
Total cash flows	2,852.8	–	(935.5)	–	1,917.3
Closing assets	142.0*	–	(1,613.7)	(353.1)	(1,824.8)
Closing liabilities	414.5	2.1	5,741.5	719.4	6,877.5
Net closing balance	556.5	2.1	4,127.8	366.3	5,052.7

*The net liabilities for remaining coverage, excluding loss component, includes LPT ARC gross of premium payables of \$407.0 million at 31 December 2024 and \$288.4 million at 31 December 2025.

†Includes allocation of LPT premium of \$132.3 million.

20 Insurance contract liabilities and reinsurance contract assets

20.1(a) Net insurance contract liabilities

Net insurance contracts – analysis by remaining coverage and incurred claims (continued)

	Net liabilities for remaining coverage		Net liabilities for incurred claims		Total
	Excluding loss component	Loss component	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	
	\$m	\$m	\$m	\$m	\$m
Year to 31 December 2024					
Opening assets	118.8*	–	(1,696.3)	(520.8)	(2,098.3)
Opening liabilities	346.9	7.5	5,427.8	821.8	6,604.0
Net opening balance	465.7	7.5	3,731.5	301.0	4,505.7
Changes in the consolidated income statement					
Insurance revenue, net of allocation of reinsurance premiums†	(3,463.1)	–	–	–	(3,463.1)
Insurance service expenses, net of amounts recoverable from reinsurers					
Incurred claims and other attributable expenses	–	(10.4)	2,089.9	57.6	2,137.1
Amortisation of insurance acquisition cash flows	1,075.6	–	–	–	1,075.6
Adjustments to liabilities for incurred claims relating to past service	–	–	(255.4)	(59.4)	(314.8)
Losses and reversals of losses on onerous contracts	–	12.3	–	–	12.3
Effect of changes in non-performance risk of reinsurers	–	–	(0.6)	–	(0.6)
Total net insurance service expenses	1,075.6	1.9	1,833.9	(1.8)	2,909.6
Insurance service result	(2,387.5)	1.9	1,833.9	(1.8)	(553.5)
Net finance (income)/expenses from insurance contracts	(10.0)	–	162.1	–	152.1
Net foreign exchange gains	(24.1)	–	(44.4)	(5.6)	(74.1)
Total change recognised in comprehensive income	(2,421.6)	1.9	1,951.6	(7.4)	(475.5)
Investment components	36.3	–	(36.3)	–	–
Transfer to other items in statement of financial position	(271.8)	–	(702.1)	(0.7)	(974.6)
Net cash flows					
Net premium received	3,440.6	–	–	–	3,440.6
Net claims and other insurance service expenses paid	–	–	(1,243.4)	–	(1,243.4)
Insurance acquisition cash flows	(833.3)	–	–	–	(833.3)
Total cash flows	2,607.3	–	(1,243.4)	–	1,363.9
Closing assets	69.7*	–	(1,726.2)	(320.3)	(1,976.8)
Closing liabilities	346.2	9.4	5,427.5	613.2	6,396.3
Net closing balance	415.9	9.4	3,701.3	292.9	4,419.5

*Includes LPT ARC gross of premium receivable \$532.3 million at 31 December 2023 and \$407.0 million at 31 December 2024.

†Includes allocation of LPT premium of \$139.2 million.

20 Insurance contract liabilities and reinsurance contract assets (continued)

20.1(b) Insurance contract liabilities

Insurance contracts – analysis by remaining coverage and incurred claims

	Liabilities for remaining coverage		Liabilities for incurred claims		Total
	LRC excluding loss component	Loss component	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	
Year to 31 December 2025	\$m	\$m	\$m	\$m	\$m
Opening assets	–	–	–	–	–
Opening liabilities	346.2	9.4	5,427.5	613.2	6,396.3
Net opening balance	346.2	9.4	5,427.5	613.2	6,396.3
Changes in the consolidated income statement					
Insurance revenue	(4,883.7)	–	–	–	(4,883.7)
Insurance service expenses					
Incurred claims and other insurance service expenses	–	(11.5)	2,828.6	343.2	3,160.3
Amortisation of insurance acquisition cash flows	1,145.4	–	–	–	1,145.4
Adjustments for liabilities for incurred claims relating to past service	–	–	(352.6)	(252.7)	(605.3)
Losses and reversals of losses on onerous contracts	–	4.1	–	–	4.1
Total insurance service expenses	1,145.4	(7.4)	2,476.0	90.5	3,704.5
Insurance service result	(3,738.3)	(7.4)	2,476.0	90.5	(1,179.2)
Net finance expense from insurance contracts	–	–	238.6	–	238.6
Foreign exchange movements	29.2	0.1	167.9	15.6	212.8
Total change in the consolidated income statement	(3,709.1)	(7.3)	2,882.5	106.1	(727.8)
Investment components	(0.4)	–	0.4	–	–
Transfer to other items in statement of financial position	(281.0)	–	(711.4)	0.1	(992.3)
Cash flows					
Premium received	4,963.1	–	–	–	4,963.1
Claims and other insurance service expenses paid	–	–	(1,857.5)	–	(1,857.5)
Insurance acquisition cash flows	(904.3)	–	–	–	(904.3)
Total cash flows	4,058.8	–	(1,857.5)	–	2,201.3
Closing assets	–	–	–	–	–
Closing liabilities	414.5	2.1	5,741.5	719.4	6,877.5
Net closing liabilities	414.5	2.1	5,741.5	719.4	6,877.5

20 Insurance contract liabilities and reinsurance contract assets

20.1(b) Insurance contract liabilities

Insurance contracts – analysis by remaining coverage and incurred claims (continued)

	Liabilities for remaining coverage		Liabilities for incurred claims		Total
	LRC excluding loss component	Loss component	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	
	\$m	\$m	\$m	\$m	\$m
Year to 31 December 2024					
Opening assets	–	–	–	–	–
Opening liabilities	346.9	7.5	5,427.8	821.8	6,604.0
Net opening balance	346.9	7.5	5,427.8	821.8	6,604.0
Changes in the consolidated income statement					
Insurance revenue	(4,672.5)	–	–	–	(4,672.5)
Insurance service expenses					
Incurred claims and other insurance service expenses	–	(10.4)	2,612.6	136.6	2,738.8
Amortisation of insurance acquisition cash flows	1,075.6	–	–	–	1,075.6
Adjustments for liabilities for incurred claims relating to past service	–	–	(155.2)	(340.5)	(495.7)
Losses and reversals of losses on onerous contracts	–	12.3	–	–	12.3
Total insurance service expenses	1,075.6	1.9	2,457.4	(203.9)	3,331.0
Insurance service result	(3,596.9)	1.9	2,457.4	(203.9)	(1,341.5)
Net finance expense from insurance contracts	–	–	225.5	–	225.5
Foreign exchange movements	(11.1)	–	(69.2)	(3.5)	(83.8)
Total change in the consolidated income statement	(3,608.0)	1.9	2,613.7	(207.4)	(1,199.8)
Investment components	(0.6)	–	0.6	–	–
Transfer to other items in statement of financial position	(277.1)	–	(709.6)	(1.2)	(987.9)
Cash flows					
Premium received	4,718.3	–	–	–	4,718.3
Claims and other insurance service expenses paid	–	–	(1,905.0)	–	(1,905.0)
Insurance acquisition cash flows	(833.3)	–	–	–	(833.3)
Total cash flows	3,885.0	–	(1,905.0)	–	1,980.0
Closing assets	–	–	–	–	–
Closing liabilities	346.2	9.4	5,427.5	613.2	6,396.3
Net closing liabilities	346.2	9.4	5,427.5	613.2	6,396.3

20 Insurance contract liabilities and reinsurance contract assets (continued)

20.1(c) Reinsurance contract assets – analysis by remaining coverage and incurred claims

	Assets for remaining coverage		Assets for incurred claims		Total
	ARC excluding loss recovery component	Loss recovery component	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	
	\$m	\$m	\$m	\$m	\$m
Year to 31 December 2025					
Opening assets	(69.7)	–	1,726.2	320.3	1,976.8
Opening liabilities	–	–	–	–	–
Net opening balance	(69.7)	–	1,726.2	320.3	1,976.8
Changes in the consolidated income statement					
Allocation of reinsurance premiums	(1,236.5)	–	–	–	(1,236.5)
Amounts recoverable from reinsurers					
Recoveries of incurred claims and other attributable expenses	–	–	643.2	182.3	825.5
Adjustments to assets for incurred claims relating to past service	–	–	1.2	(156.2)	(155.0)
Effect of changes in non-performance risk of reinsurers	–	–	0.7	–	0.7
Total amounts recoverable from reinsurers	–	–	645.1	26.1	671.2
Net expense from reinsurance contracts held	(1,236.5)	–	645.1	26.1	(565.3)
Net finance income from reinsurance contracts	6.8	–	66.8	–	73.6
Foreign exchange movements	(8.5)	–	57.5	6.7	55.7
Total changes in the consolidated income statement	(1,238.2)	–	769.4	32.8	(436.0)
Investment components	(40.1)	–	40.1	–	–
Transfer to other items in the statement of financial position	–	–	–	–	–
Cash flows					
Premium paid	1,206.0	–	–	–	1,206.0
Amounts received	–	–	(922.0)	–	(922.0)
Total cash flows	1,206.0	–	(922.0)	–	284.0
Closing assets	(142.0)	–	1,613.7	353.1	1,824.8
Closing liabilities	–	–	–	–	–
Net closing balance	(142.0)	–	1,613.7	353.1	1,824.8

20 Insurance contract liabilities and reinsurance contract assets

20.1(c) Reinsurance contract assets – analysis by remaining coverage and incurred claims (continued)

	Assets for remaining coverage		Assets for incurred claims		Total
	ARC excluding loss recovery component	Loss recovery component	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	
	\$m	\$m	\$m	\$m	\$m
Year to 31 December 2024					
Opening assets	(118.8)	–	1,696.3	520.8	2,098.3
Opening liabilities	–	–	–	–	–
Net opening balance	(118.8)	–	1,696.3	520.8	2,098.3
Changes in the consolidated income statement					
Allocation of reinsurance premiums	(1,209.4)	–	–	–	(1,209.4)
Amounts recoverable from reinsurers					
Recoveries of incurred claims and other attributable expenses	–	–	522.7	79.0	601.7
Adjustments to assets for incurred claims relating to past service	–	–	100.2	(281.1)	(180.9)
Effect of changes in non-performance risk of reinsurers	–	–	0.6	–	0.6
Total amounts recoverable from reinsurers	–	–	623.5	(202.1)	421.4
Net expense from reinsurance contracts held	(1,209.4)	–	623.5	(202.1)	(788.0)
Net finance income from reinsurance contracts	10.0	–	63.4	–	73.4
Foreign exchange movements	13.0	–	(24.8)	2.1	(9.7)
Total changes in the consolidated income statement	(1,186.4)	–	662.1	(200.0)	(724.3)
Investment components	(36.9)	–	36.9	–	–
Transfer to other items in the statement of financial position	(5.3)	–	(7.5)	(0.5)	(13.3)
Cash flows					
Premium paid	1,277.7	–	–	–	1,277.7
Amounts received	–	–	(661.6)	–	(661.6)
Total cash flows	1,277.7	–	(661.6)	–	616.1
Closing assets	(69.7)	–	1,726.2	320.3	1,976.8
Closing liabilities	–	–	–	–	–
Net closing balance	(69.7)	–	1,726.2	320.3	1,976.8

20 Insurance contract liabilities and reinsurance contract assets (continued)

20.2 Claims development tables

The development of insurance contract liabilities provides a measure of the Group's ability to estimate the ultimate cost of claims. The Group analyses actual claims development compared with previous estimates on an accident year basis.

The Group provides information on the gross and net claims development for the current reporting period and four years prior to it. The Group considers that there is no significant uncertainty with regard to claims that were incurred more than four years before the reporting period.

(a) Insurance contract liability for incurred claims – net of reinsurance

Accident year	2021 \$m	2022 \$m	2023 \$m	2024 \$m	2025 \$m	Total \$m
Estimate of ultimate claims costs as adjusted for foreign exchange*						
at end of accident year:						
one period later	1,616.1	1,552.8	1,528.6	1,668.7	1,803.5	8,169.7
two periods later	1,522.6	1,557.2	1,485.2	1,585.6		6,150.6
three periods later	1,466.4	1,454.1	1,412.4			4,332.9
four periods later	1,439.8	1,375.4				2,815.2
Current estimate of cumulative claims	1,407.4	1,375.4	1,412.4	1,585.6	1,803.5	7,584.3
Cumulative payments to date	(1,041.3)	(951.6)	(879.9)	(637.9)	(467.3)	(3,978.0)
Net cumulative liability for incurred claims – accident years from 2021 to 2025	366.1	423.8	532.5	947.7	1,336.2	3,606.3
Net cumulative liability for incurred claims in respect of accident years before 2021						1,191.4
Effect of discounting						(303.6)
Total Group liability for incurred claims to external parties included in balance sheet – net						4,494.1

*The foreign exchange adjustment arises from the retranslation of the estimates at each date using the exchange rate ruling at 31 December 2025.

The table above excludes reinsurance recoveries related to the retroactive reinsurance contracts, for example legacy portfolio transfer arrangements where the financial effect of the underlying claims is still uncertain. These are included in reinsurance contract asset for remaining coverage.

(b) Insurance contract liability for incurred claims – gross

Accident year	2021 \$m	2022 \$m	2023 \$m	2024 \$m	2025 \$m	Total \$m
Estimate of ultimate claims costs as adjusted for foreign exchange*						
at end of accident year:						
one period later	2,608.2	2,581.2	2,047.9	2,328.1	2,680.5	12,245.9
two periods later	2,498.7	2,566.0	1,992.3	2,152.3		9,209.3
three periods later	2,329.3	2,235.2	1,853.1			6,417.6
four periods later	2,265.4	2,154.4				4,419.8
Current estimate of cumulative claims	2,201.7	2,154.4	1,853.1	2,152.3	2,680.5	11,042.0
Cumulative payments to date	(1,742.2)	(1,474.0)	(1,075.2)	(797.5)	(594.3)	(5,683.2)
Gross cumulative liability for incurred claims – accident years from 2021 to 2025	459.5	680.4	777.9	1,354.8	2,086.2	5,358.8
Gross cumulative liability for incurred claims in respect of accident years before 2021						1,515.1
Effect of discounting						(413.0)
Total Group liability for incurred claims to external parties included in balance sheet – gross						6,460.9

*The foreign exchange adjustment arises from the retranslation of the estimates at each date using the exchange rate ruling at 31 December 2025.

21 Other liabilities

	2025	2024 (restated)
	\$m	\$m
Social security and other taxes payable	14.8	13.5
Lease liabilities	62.2	79.5
Accruals and other creditors*	348.7	240.3
Restructuring and other provisions*	8.9	9.6
Total	434.6	342.9

*The restructuring and other provisions previously presented in accruals and other creditors have been represented separately. The comparative period has been re-presented on a consistent basis.

Restructuring and other provisions comprise a restructuring provision of \$5.2 million (2024: \$nil) and other provisions of \$3.7 million (2024: \$9.6 million). The restructuring provision relates to the accelerated change programme which commenced in 2025.

The amounts expected to be settled within and after one year are estimated as follows:

	2025	2024
	\$m	\$m
Within one year	381.4	270.8
After one year	53.2	72.1
Total	434.6	342.9

The carrying amounts disclosed above are reasonably approximate to the fair value at the reporting date.

The Group acts as both lessee and lessor in relation to various offices in the UK and overseas, which are held under non-cancellable lease agreements. The leases have varying terms, escalation clauses and renewal terms.

Extension and termination options were taken into account on recognition of the lease liability if the Group was reasonably certain that these options would be exercised in the future. As a general rule, the Group recognises non-lease components, such as services, separately to lease payments.

Maturity analysis – contractual undiscounted cash flows:

	2025	2024
	\$m	\$m
Not later than one year	17.0	12.7
Later than one year and not later than five years	48.8	44.0
Later than five years	27.5	29.9
Total undiscounted lease liabilities	93.3	86.6

Income from subleasing

Hiscox acts as a lessor and sublets excess capacity of its office space to third parties.

The total future aggregate minimum lease rentals receivable by the Group as lessor under non-cancellable operating property leases are as follows:

	2025	2024
	\$m	\$m
Not later than one year	0.9	2.2
Later than one year and not later than five years	0.9	1.0
	1.8	3.2

22 Tax expense

The Company and its subsidiaries are subject to enacted tax laws in the jurisdictions in which they are incorporated and domiciled. The principal subsidiaries of the Company and the country in which they are incorporated are listed in note 30. The amounts charged in the consolidated income statement comprise the following:

	2025	2024
	\$m	\$m
Current tax expense		
Expense for the year	117.1	44.2
Adjustments in respect of prior years	0.3	(9.2)
Total current tax expense	117.4	35.0
Deferred tax expense		
Expense for the year	10.5	33.1
Adjustments in respect of prior years	1.5	(9.9)
Effect of rate change	(0.8)	–
Total deferred tax expense	11.2	23.2
Total tax expense to the income statement	128.6	58.2

The standard rate of corporation tax in Bermuda is 15% (2024: 0%) whereas the effective rate of tax for the Group is 17.6% (2024: 8.5%).

A reconciliation of the difference is provided below:

	2025	2024
	\$m	\$m
Profit before tax	732.7	685.4
Tax calculated at the standard corporation tax rate applicable in Bermuda: 15% (2024: 0%)	109.9	–
Effects of Group entities subject to overseas tax at different rates	17.7	54.2
Impact of overseas tax rates on:		
Effect of rate change	(0.8)	–
Expenses not deductible for tax purposes	5.9	5.7
Tax losses for which no deferred tax asset is recognised	(1.3)	14.1
Adjustment to tax charge in respect of prior periods	1.8	(19.1)
Foreign tax credits	(4.8)	–
Other	0.2	3.3
Tax charge for the year	128.6	58.2

Included within the current tax, a provision is recognised for those matters for which the tax determination is uncertain but it is considered probable that there will be a future outflow of funds to a tax authority. The provisions are measured at the best estimate of the amount expected to become payable.

The Group companies' tax filings include transactions which are subject to transfer pricing legislation and the taxation authorities may challenge the tax treatment of those transactions. The Directors are proactively engaged in discussions with the tax authorities regarding these tax positions. The Group determines, based on tax and transfer pricing advice provided by external specialist tax advisors, that: it is probable that the tax authorities will assess additional taxes in respect of these filings, for which provisions have been made; and the amount recognised at the end of the reporting period represents the best estimate of the amount expected to be settled, taking into account the range of potential outcomes and the current progression of discussions with tax authorities.

A \$0.3 million charge for current tax has been made in respect of taxes assessable under legislation implementing global minimum tax rules in line with the OECD two-Pillar reform framework ('Pillar Two legislation'). The Group has applied the mandatory exception under IAS12 to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes.

23 Deferred tax

	2025	2024
	\$m	\$m
Deferred tax assets	164.0	179.4
Deferred tax liabilities	(64.4)	(75.8)
Net deferred tax asset	99.6	103.6

	2025	2024
	\$m	\$m
Bermuda ETA	139.4	154.6
Trading losses in overseas entities	28.5	33.4
Employee retirement benefit assets	(12.8)	(11.4)
Goodwill and intangible assets	(21.5)	(21.2)
Property, plant and equipment	0.8	(1.0)
Financial assets	(4.4)	(1.5)
Insurance contract liabilities	(66.8)	(66.6)
Employee share options	31.0	16.5
Other	5.4	0.8
Net deferred tax asset	99.6	103.6

Deferred tax assets and deferred tax liabilities relating to the same tax authority are presented net in the consolidated statement of financial position.

	2024	Income statement (charge) / credit	Recognised in other comprehensive income/equity	Foreign exchange	2025
	\$m	\$m	\$m	\$m	\$m
At 31 December					
Bermuda ETA	154.6	(15.2)	–	–	139.4
Trading losses in overseas entities	33.4	(5.3)	–	0.4	28.5
Employee retirement benefit assets	(11.4)	(0.2)	(0.3)	(0.9)	(12.8)
Goodwill and intangible assets	(21.2)	0.4	–	(0.7)	(21.5)
Property, plant and equipment	(1.0)	1.9	–	(0.1)	0.8
Financial assets	(1.5)	(2.8)	–	(0.1)	(4.4)
Insurance contract liabilities	(66.6)	3.7	–	(3.9)	(66.8)
Employee share options	16.5	1.7	10.8	2.0	31.0
Other	0.8	4.6	–	–	5.4
Net deferred tax asset	103.6	(11.2)	10.5	(3.3)	99.6

Movements in deferred and current tax relating to tax deductions arising on employee share options are recognised in the statement of changes in equity to the extent that the movement exceeds the corresponding charge to the income statement.

Movements in deferred tax relating to the employee retirement benefit obligation are recognised in the statement of comprehensive income to the extent that the movement corresponds to actuarial gains and losses recognised in the statement of comprehensive income.

23 Deferred tax (continued)

The total income recognised outside the income statement is \$10.5 million (2024: income of \$4.2 million), all comprising deferred tax (2024: \$1.4 million deferred tax income and \$2.8 million current tax income).

Deferred tax assets of \$28.5 million (2024: \$33.4 million), relating to losses arising in overseas entities, which depend on the availability of future taxable profits, have been recognised. Business projections indicate it is probable that sufficient future taxable income will be available against which to offset these recognised deferred tax assets within five years. \$27.7 million (2024: \$27.7 million) of the tax losses to which these assets relate will expire within ten years; a further \$0.8 million (2024: \$5.9 million) will expire after ten years or will be available indefinitely. The Group has not provided for deferred tax assets totalling \$82.7 million (2024: \$91.6 million) in relation to losses in overseas companies and unutilised tax credits of \$408.4 million (2024: \$439.8 million).

In accordance with IAS 12, all deferred tax assets and liabilities are classified as non-current. The amount of deferred tax asset expected to be recovered after more than 12 months is \$99.6 million (2024: \$101.8 million).

24 Employee retirement benefit obligations

The Company's subsidiary Hiscox plc operates a defined benefit pension scheme based on final pensionable salary. The scheme closed to future accruals with effect from 31 December 2006 and active members were offered membership of a defined contribution scheme from 1 January 2007. The funds of the defined benefit scheme are controlled by the Trustees and are held separately from those of the Group. 61% of any scheme surplus or deficit is recharged to Syndicate 33. The full pension obligation of the Hiscox defined benefit pension scheme is recorded and the recovery from the third-party Names for their share of the Syndicate 33 recharge is shown as a separate asset.

The gross amount recognised in the consolidated statement of financial position in respect of the defined benefit scheme is determined as follows:

	2025	2024
	\$m	\$m
Present value of scheme obligations	225.0	209.1
Fair value of scheme assets	(271.1)	(249.1)
Net amount recognised as a defined benefit surplus	(46.1)	(40.0)

As the fair value of the scheme assets exceeds the present value of scheme obligations, the scheme reports a surplus (2024: reports a surplus).

The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit actuarial cost method. A formal full actuarial valuation is performed on a triennial basis, most recently at 31 December 2023, and updated at the end of each intervening reporting period by the actuaries. The year-end present value of the defined benefit obligation under IAS 19 is determined by discounting the estimated future cash flows, using interest rates of AA-rated corporate bonds that have terms to maturity that approximate to the terms of the related pension liability, and is not impacted directly by the triennial valuation.

The scheme assets are invested in pooled investment vehicles as follows:

	2025	2025	2024	2024
	Total	Of which not quoted on an active market	Total	Of which not quoted on an active market
	\$m	\$m	\$m	\$m
At 31 December				
Invested assets				
UK equity	6.5	6.5	6.6	6.6
US equity	—	—	—	—
Diversified growth	49.9	49.9	43.3	43.3
Bonds	87.5	87.5	65.8	65.8
Liability-driven investments	96.2	96.2	100.7	100.7
Assets held by insurance company	2.2	2.2	2.0	2.0
Cash	28.8	28.8	30.7	30.7
	271.1	271.1	249.1	249.1

24 Employee retirement benefit obligations (continued)

The amounts recognised in total comprehensive income are as follows:

	2025	2024
	\$m	\$m
For the year ended 31 December		
Past service cost	–	–
Interest cost on defined benefit obligation	12.1	11.0
Interest income on plan assets	(14.4)	(13.1)
Net interest income	(2.3)	(2.1)
Administrative expenses and taxes	0.9	–
Total income recognised in operational expenses in the income statement	(1.4)	(2.1)
Remeasurements		
Effect of changes in actuarial assumptions	(2.9)	(26.5)
Return on plan assets (excluding interest income)	1.1	32.2
Remeasurement of third-party Names' share of defined benefit obligation	0.4	(0.9)
Total remeasurement included in other comprehensive income	(1.4)	4.8
Total defined benefit charge recognised in comprehensive income	(2.8)	2.7

The movement in the surplus recognised in the consolidated statement of financial position is as follows:

	2025	2024
	\$m	\$m
Group defined benefit surplus at beginning of year	(40.0)	(44.4)
Third-party Names' share at beginning of year	(5.6)	(5.0)
Net defined benefit surplus at beginning of year	(45.6)	(49.4)
Defined benefit income included in the income statement	(1.4)	(2.1)
Total remeasurements included in other comprehensive income	(1.4)	4.8
Other movements	(3.1)	1.1
Net defined benefit surplus at end of year	(51.5)	(45.6)
Third-party Names' share at end of year	5.4	5.6
Group defined benefit surplus at end of year	(46.1)	(40.0)

A reconciliation of the fair value of scheme assets is as follows:

	2025	2024
	\$m	\$m
Opening fair value of scheme assets	249.1	280.6
Interest income	14.4	13.1
Cash flows		
Benefit payments	(8.8)	(7.8)
Administrative expenses	(0.9)	–
Remeasurements		
Return on plan assets (excluding interest income)	(1.1)	(32.2)
Foreign exchange movements	18.4	(4.6)
Closing fair value of scheme assets	271.1	249.1

24 Employee retirement benefit obligations (continued)

A reconciliation of the present value of obligations of the scheme is as follows:

	2025	2024
	\$m	\$m
Opening present value of scheme obligations	209.1	236.2
Past service cost	—	—
Interest expense	12.1	11.0
Cash flows		
Benefit payments	(8.8)	(7.8)
Remeasurements		
Changes in actuarial assumptions	(2.9)	(26.5)
Foreign exchange movements	15.5	(3.8)
Closing present value of scheme obligations	225.0	209.1

Assumptions regarding future mortality experience are set based on the S4PA (2024: S4PA) light tables. Reductions in future mortality rates are allowed for by using the CMI 2024 (2024: 2023) projections (core model) with 1.25% per annum long-term trend for improvements.

The average life expectancy in years of a pensioner retiring at age 60 on the end of the reporting period is as follows:

	2025	2024
Male	28.1	27.9
Female	29.8	29.8

The average life expectancy in years of a pensioner retiring at 60, 15 years after the end of the reporting period, is as follows:

	2025	2024
Male	28.3	28.1
Female	30.3	30.2

The weighted average duration of the defined benefit obligation at 31 December 2025 was 13.0 years (2024: 14.0 years)

Other principal actuarial assumptions are as follows:

	2025	2024
	%	%
Discount rate	5.67	5.57
Inflation assumption (RPI)	2.89	3.07
Inflation assumption (CPI)	2.39	2.47
Pension increases	2.72	2.89

The scheme operates under UK Trust law and the Trust is a separate legal entity from the Group. The scheme is governed by a board of Trustees, comprised of member-nominated and employer-appointed Trustees. The Trustees are required by law to act in the best interests of scheme members and are responsible for setting certain policies, together with the principal employer. The scheme is funded by the Group when required. Funding of the scheme is based on a separate actuarial valuation for funding purposes for which assumptions may differ from the assumptions above. Funding requirements are formally set out in the statement of funding principles, schedule of contributions and recovery plan agreed between the Trustees and the Group.

A triennial valuation was carried out as at 31 December 2023 and resulted in a surplus position of £3.7 million (\$4.7 million) on a technical provisions basis. The previous recovery plan has therefore now fallen away and no further deficit recovery contributions are due.

While management believes that the actuarial assumptions are appropriate, any significant changes to those could affect the statement of financial position and income statement. For example, an additional one year of life expectancy for all scheme members would increase the scheme obligations by £5.0 million (\$6.7 million) at 31 December 2025 (2024: £4.2 million (\$5.3 million)), and would increase/reduce the recorded net deficit/surplus on the statement of financial position by the same amounts.

24 Employee retirement benefit obligations (continued)

A Court of Appeal legal ruling in July 2024 (Virgin Media Limited v NTL Pension Trustees II Limited) decided that certain pension scheme amendments were invalid if they were not accompanied by the correct actuarial confirmation. In September 2025, the Government published draft legislation which provides for the retrospective validation of such scheme amendments where certain conditions are met. The Group continues to believe that the pension scheme deed, including relevant amendments, remains valid and has set the IAS19 *Employee Benefits* assumptions accordingly.

The most sensitive and judgemental financial assumptions are the discount rate and inflation. These are considered further below. CPI revaluation in deferment is used for contracted-out members. Contracted-in members are linked to RPI, as well as for all pension in payment increases.

The Group has estimated the sensitivity of the present value of unfunded obligations to isolated changes in these assumptions at 31 December 2025 as follows:

	Present value of unfunded obligations before change in assumption	Present value of unfunded obligations after change	(Increase) / decrease in obligation recognised on balance sheet
	\$m	\$m	\$m
Effect of change in discount rate			
Use of discount rate of 5.92%	225.0	218.1	6.9
Use of discount rate of 5.42%	225.0	232.3	(7.3)
Effect of change in discount rate			
Use of RPI inflation assumption of 3.14%	225.0	227.5	(2.5)
Use of RPI inflation assumption of 2.64%	225.0	222.7	2.3

25 Business combinations

Corix

On 11 August 2025, Hiscox Holdings Inc. (HHI), a fully owned subsidiary of the Company, acquired 100% of the ordinary share capital of Corix Insurance Services LLC (Corix), a US-based managing general agent, from Vouch US Insurance Services Holdings LLC for a total consideration of \$59.0 million. The transaction includes the acquisition of US broker technology to accelerate the ongoing digitisation of Hiscox's US broker platform. The acquisition of Corix supports Hiscox USA's expansion into new specialist customer segments.

Intangible assets to the value of \$14.3 million were recognised upon acquisition, representing the technology, as well as the trademark acquired. The residual goodwill on acquisition of \$36.6 million represents the significant product and underwriting synergies gained from the technology acquired.

Contingent consideration of \$10.0 million was recognised at acquisition. The Group considers it highly probable that the conditions stipulated in the contract will be met, therefore the liability for the full \$10.0 million has been recognised.

Lokky

On 18 June 2025, Hiscox Europe Holdings Ltd (HEH), a fully owned subsidiary of Hiscox Ltd, acquired 100% of the ordinary share capital of Lokky S.r.l (Lokky), an online insurance broker in Italy, as part of its entry strategy for the Italian market for \$6.2 million. Net assets of \$1.1 million and goodwill of \$5.1 million were recognised on acquisition.

The table below summarises the consideration for the above acquisitions, the fair value of the assets acquired and liabilities assumed and resulting allocation to goodwill.

	Corix	Lokky
	\$m	\$m
Intangible assets	14.3	1.1
Trade and other receivables	22.2	2.3
Cash and cash equivalents	9.8	0.3
Total identifiable assets	46.3	3.7
Other liabilities	23.9	2.6
Total identifiable liabilities	23.9	2.6
Net identifiable assets acquired	22.4	1.1
Goodwill arising on acquisition	36.6	5.1
Total consideration paid	59.0	6.2
Consideration satisfied by cash	49.0	6.2
Contingent consideration	10.0	–
Total consideration paid	59.0	6.2

26 Earnings per share

Basic

Basic earnings per share is calculated by dividing the profit or loss attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the period, excluding ordinary shares purchased by the Group and held in treasury as own shares.

	2025	2024
Profit for the period attributable to owners of the Company (\$m)	604.1	627.2
Weighted average number of ordinary shares in issue (thousands)	334,304	342,273
Basic earnings per share (cents per share)	180.7	183.2

Diluted

Diluted earnings per share is calculated by adjusting the assumed conversion of all dilutive potential ordinary shares. The Company has one category of dilutive potential ordinary shares, share options and awards. For the share options, a calculation is made to determine the number of shares that could have been acquired at fair value (determined as the average annual market share price of the Company's shares) based on the monetary value of the subscription rights attached to outstanding share options. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the share options.

	2025	2024
Profit for the period attributable to owners of the Company (\$m)	604.1	627.2
Weighted average number of ordinary shares in issue (thousands)	334,304	342,273
Adjustment for share options (thousands)	10,985	9,841
Weighted average number of ordinary shares for diluted earnings per share (thousands)	345,289	352,114
Diluted earnings per share (cents per share)	175.0	178.1

Diluted earnings per share has been calculated after taking account of 6,902,028 (2024: 6,263,301) PSP awards, 385,846 (2024: 371,118) options under SAYE schemes and 3,696,935 (2024: 3,206,786) employee share awards.

27 Dividends paid to owners of the Company

	2025	2024
	\$m	\$m
Final dividend for the year ended:		
31 December 2024 of 29.9¢ (net) per share	100.8	–
31 December 2023 of 25.0¢ (net) per share	–	86.0
Interim dividend for the year ended:		
31 December 2025 of 14.4¢ (net) per share	48.6	–
31 December 2024 of 13.2¢ (net) per share	–	44.8
	149.4	130.8

The interim and final dividend for 2024 was paid either in cash or issued as a Scrip Dividend at the option of the shareholder. The interim dividend for the year ended 31 December 2024 was paid in cash of \$42.6 million and 144,509 shares for a Scrip Dividend. The final dividend for the year ended 31 December 2024 of 29.9¢ was paid in cash of \$98.4 million and 146,706 shares for the Scrip Dividend.

The interim dividend for 2025 was paid either in cash or issued as a Scrip Dividend at the option of the shareholder. The amounts were \$47.0 million in cash and 88,711 shares for a Scrip Dividend.

The Board recommended a final dividend of 35.9¢ per share to be paid, subject to shareholder approval, on 8 June 2026 to shareholders registered on 24 April 2026. Dividends will be paid in Sterling unless shareholders elect to be paid in US Dollars. The foreign exchange rate to convert the dividends declared in US Dollars into Sterling will be based on the average exchange rate between 19 May 2026 and 26 May 2026 inclusive.

When determining the level of dividend each year, the Board considers the ability of the Group to generate cash and the availability of that cash in the Group, while considering constraints such as regulatory capital requirements and the level required to invest in the business. This is a progressive policy and is expected to be maintained for the foreseeable future.

28 Contingencies and guarantees

The Group's parent company and subsidiaries may become involved in legal proceedings, claims and litigation in the normal course of business. The Group reviews and, in the opinion of the Directors, maintains sufficient provision, capital and reserves in respect of such claims.

The following guarantees have also been issued:

- (a) Hiscox Dedicated Corporate Member Limited (HDCM) and Hiscox Insurance Company (Bermuda) Limited (Hiscox Bermuda) provide assets under a security and trust deed charged to Lloyd's of London, to meet any liabilities that occur from their interest in Syndicates 33 and 3624. At 31 December 2025, HDCM held \$99.7 million of investments (2024: \$79.9 million), \$0.6 million of cash (2024: \$12.7 million) and a \$106.4 million LOC (2024: \$106.4 million) in favour of Lloyd's of London under this arrangement. At 31 December 2025, Hiscox Bermuda held \$243.9 million of investments (2024: \$216.1 million), \$12.4 million of cash (2024: \$19.9 million) and a \$159.6 million LOC (2024: \$159.6 million) in favour of Lloyd's of London under this arrangement.
- (b) In 2020, HDCM entered into a \$65.0 million Funds at Lloyd's agreement under which the lending bank provides assets on HDCM's behalf under a security and trust deed charged to Lloyd's of London as part of the Company's Funds at Lloyd's provision. This has been extended annually. At 31 December 2024 and 2025 the full \$65.0 million was utilised.
- (c) In June 2024, Hiscox plc renewed its LOC and revolving credit facility with Lloyds Banking Group, as agent for a syndicate of banks. The facility may be drawn in cash up to \$650.0 million (2024: \$650.0 million) under a revolving credit facility and LOC up to \$266.0 million (2024: \$266.0 million). The terms also provide that the facility may be drawn in USD, GBP or EUR, or another currency with the agreement of the banks. At 31 December 2025, \$266.0 million (2024: \$266.0 million) was utilised by way of LOC to support the Funds at Lloyd's requirement and \$nil cash drawings were outstanding (2024: \$nil).
- (d) As Hiscox Bermuda is not an admitted insurer or reinsurer in the USA, the terms of certain US insurance and reinsurance contracts require Hiscox Bermuda to provide LOCs or other terms of collateral to clients. Hiscox Bermuda has in place a LOC reimbursement and pledge agreement for the provision of a committed LOC facility in favour of USA ceding companies and other jurisdictions, and also committed LOC facility agreements. The agreements combined allow Hiscox Bermuda to request the issuance of up to \$295.0 million in committed LOCs (2024: \$395.0 million). LOCs issued under these facilities are collateralised by cash, US government and corporate securities of Hiscox Bermuda. LOCs under these facilities totalling \$124.4 million were issued with an effective date of 31 December 2025 (2024: \$205.1 million) and these were collateralised by US government and corporate securities with a fair value of \$250.0 million (2024: \$251.2 million). In addition, Hiscox Bermuda maintained assets in trust accounts to collateralise obligations under various reinsurance agreements. At 31 December 2025, total cash and marketable securities with a carrying value of approximately \$42.1 million (2024: \$46.2 million) were held in external trusts. Cash and marketable securities with an approximate market value of \$631.9 million (2024: \$521.9 million) were held in trust in respect of internal quota share arrangements.
- (e) Hiscox Société Anonyme has arranged bank guarantees with respect to its various office deposits and insurance claims liabilities obligation for a total of €1.6 million (2024: €0.5 million).
- (f) See note 22 for tax-related contingent liabilities.

29 Capital commitments

Refer to note 21 for lease commitments and income from sub-leasing and note 24 for the Group's funding contributions to the defined benefit scheme. The Group's capital commitments contracted for at the end of the reporting period but not yet incurred for property, plant, equipment and software development were \$0.3 million (2024: \$0.2 million).

The Group has given an undertaking to provide up to \$652.7 million in private credit funds (2024: \$296.7 million). The table below shows the total commitment and the amount that remains undrawn as at 31 December 2025.

	Undrawn commitment
	\$m
Amount of commitment to invest in private credit funds	
US Dollar \$547 million	403.4
Sterling £40 million	28.9
Euro €45 million	29.1
Total	461.4

30 Principal subsidiary companies of Hiscox Ltd at 31 December 2025

Company	Nature of business	Country
Hiscox plc*	Holding company	United Kingdom
Hiscox Insurance Company Limited	General insurance	United Kingdom
Hiscox Insurance Company (Guernsey) Limited*	General insurance	Guernsey
Hiscox Holdings Inc.	Holding company	USA (Delaware)
ALTOHA, Inc.	Insurance holding company	USA (Delaware)
Hiscox Insurance Company Inc.	General insurance	USA (Illinois)
Hiscox Inc.	Insurance intermediary	USA (Delaware)
Hiscox Special Risks Agency (Americas) Inc.	Underwriting agency	USA (Delaware)
Hiscox Insurance Services Inc.	Insurance intermediary	USA (Delaware)
Hiscox Speciality Insurance Company Inc.	General insurance	USA (Illinois)
Hiscox Insurance Company (Bermuda) Limited*	General insurance and reinsurance	Bermuda
Hiscox Dedicated Corporate Member Limited	Lloyd's corporate Name	United Kingdom
Hiscox Re Insurance Linked Strategies Limited*	Investment manager	Bermuda
Hiscox Agency Limited*	Lloyd's service company	Bermuda
Hiscox Dollar Holdings Ltd*	Investment company	Bermuda
Hiscox Services Ltd*	Service company	Bermuda
Hiscox Holdings Limited	Insurance holding company	United Kingdom
Hiscox Syndicates Limited	Lloyd's managing agent	United Kingdom
Hiscox ASM Ltd.	Insurance intermediary	United Kingdom
Hiscox Underwriting Group Services Limited	Service company	United Kingdom
Hiscox Underwriting Ltd	Underwriting agent	United Kingdom
Hiscox Société Anonyme*	General insurance	Luxembourg
Hiscox Insurance Services (Guernsey) Limited	Underwriting agency	Guernsey
Hiscox MGA Limited	Insurance intermediary	United Kingdom
Hiscox Insurance Holdings Limited	Holding company	United Kingdom
Hiscox Connect Limited	Service company	United Kingdom
Hiscox Assure SAS	Insurance intermediary	France
Hiscox Europe Holdings Ltd*	Holding company	Luxembourg
Lokky S.r.l	Insurance intermediary	Italy
Lokky Agency S.r.l	Insurance agent	Italy
Corix Insurance Services LLC	Managing general agent	USA
Hiscox Asia Holdings Pte Ltd	Holding company	Singapore
Hiscox Asia Management Services Pte Ltd	Service company	Singapore

*Held directly by Hiscox Ltd.

All principal subsidiaries are wholly owned. The proportion of voting rights of subsidiaries held is the same as the proportion of equity shares held.

31 Related-party transactions

The Directors of the Company are deemed to be the Group's key personnel. Details of the remuneration of the Group's key personnel, presented in Sterling, are shown in the Directors' remuneration report 2025 on pages 118 to 127. A number of the Group's key personnel hold insurance contracts with the Group, all of which are on normal commercial terms and are not material in nature.

The following transactions were conducted with related parties during the year.

(a) Syndicate 33 at Lloyd's

Related-party balances between Group companies and Syndicate 33 reflect the 27.4% interest (2024: 27.4%) that the Group does not own, and are as follows.

	Transactions in the income statement for the year ended		Balances outstanding receivable/(payable) at	
	31 December 2025	31 December 2024	31 December 2025	31 December 2024
	\$m	\$m	\$m	\$m
Hiscox Syndicates Limited	30.0	21.5	42.9	32.4
Hiscox Group Insurance carriers	16.8	38.0	(37.2)	(55.0)
Hiscox Group Insurance intermediaries	5.5	7.1	(2.7)	(2.9)
Other Hiscox Group companies	60.0	53.8	(2.4)	(1.4)
	112.3	120.4	0.6	(26.9)

(b) Transactions with associates

Certain companies within the Group conduct insurance and other business with associates. These transactions arise in the normal course of obtaining insurance business through brokerages, and are based on arm's length arrangements.

	2025	2024
	\$m	\$m
Insurance revenue achieved through associates	9.0	8.5
Commission expense charged by associates	2.7	2.2

There were no material outstanding balances with associates.

Details of the Group's associates are given in note 13.

(c) Internal reinsurance arrangements

During the current and prior year, there were a number of reinsurance arrangements entered into in the normal course of trade between various Group companies. The related results of these transactions have been eliminated on consolidation.

32 Events after the reporting period

There are no material events that have occurred after the reporting date.

Alternative performance measures

The Group uses, throughout its financial publications, alternative performance measures (APMs) in addition to the figures that are prepared in accordance with UK-adopted international accounting standards. The Group believes that these measures provide useful information to enhance the understanding of its financial performance. The APMs are: adjusted operating earnings per share, return on tangible equity, net asset value per share and net tangible asset value per share, insurance contract written premium, net insurance contract written premium, combined, claims and expense ratios and prior-year developments. Most of these are common measures used across the industry, and allow the reader of the report to compare across peer companies. The APMs should be viewed as complementary to, rather than a substitute for, the figures prepared in accordance with accounting standards.

Adjusted operating profit (AOP) before tax and AOP after tax

During the year, Hiscox introduced AOP before tax and AOP after tax as new APMs. Hiscox uses AOP before tax and AOP after tax to evaluate the performance of its operating segments, as well as of the Hiscox Group as a whole.

AOP before tax represents the pre-tax profit that the Group's ongoing core operating activities generate, including insurance and investment activity, adjusted to remove the impact of market volatility and other non-operating variables. We consider the presentation of AOP before tax to be useful and meaningful to investors because it enhances the understanding of the Group's underlying operating performance and the comparability of its operating performance over time. As such, it is used internally for decision-making and performance management of our operating segments.

AOP before tax excludes the impact of the following items which are a source of market volatility and do not reflect the underlying performance of the business:

- unrealised fair value gains and losses arising on fixed income securities carried at fair value;
- impact on discounting from changes in the yield curve included in insurance finance income and expenses;
- net foreign exchange gains or losses.

AOP before tax also excludes the impact of accelerated change costs relating to a well-defined programme that materially changes the scope of the Group's business or the manner in which it is conducted. This includes restructuring provisions associated with this programme.

AOP before tax also excludes the impact of the following items which are not considered to reflect ongoing core operating activities:

- one-off gains or losses arising on undertaking legacy portfolio transactions (LPTs);
- gains or losses arising from significant acquisitions or disposals;
- impairment of goodwill and acquired intangible assets;
- pension administration cost including the impact of scheme amendments and buyout;
- profit or loss arising from discontinued and non-core operations;
- integration, restructuring or other significant one-off project costs impacting the income statement; and
- share of profit or loss of associates after tax.

The Group discloses AOP before tax as defined above. The Group also discloses AOP after tax, which reflects the AOP after taking into account the effective tax impact of the adjustments made to arrive at the AOP. The effective tax rate applied to these adjustments is consistent with the Group's effective tax rate.

The Group AOP before tax should be viewed as complementary to IFRS measures. It is important to consider the Group AOP and profit before tax together to understand the performance of the business in the period.

	Note	2025 \$m	2024 \$m
Profit before tax		732.7	685.4
Adjusted for:			
Unrealised fair value (gains) or losses on fixed income securities carried at fair value		(59.8)	(46.4)
Impact on discounting from changes in yield curve included in insurance finance income and expenses	7	18.9	(8.1)
Net foreign exchange (gains) or losses		(7.1)	11.2
Accelerated change costs		24.0	—
One-off (gains) or losses and non-core operations		35.1	41.2
Adjusted operating profit before tax		743.8	683.3
Income tax (expense)/credit on adjusted operating profit		(128.9)	(52.1)
Adjusted operating profit after tax		614.9	631.2

Adjusted operating earnings per share (EPS)

During the year, Hiscox introduced adjusted operating earnings per share as a new APM. Adjusted operating EPS is considered meaningful to stakeholders because it enhances the understanding of the Group's operating performance over time by adjusting for the effects of non-operating items. The adjusted basic operating EPS is calculated by dividing the Group AOP by the weighted average number of ordinary shares in issue during the period, excluding ordinary shares purchased by the Group and held in treasury as own shares.

The adjusted diluted operating EPS is calculated by adjusting the assumed conversion of all dilutive potential ordinary shares.

Please refer to note 26 for details of the calculation of the weighted average number of ordinary shares.

Note	2025	2024
Adjusted operating profit after tax (\$m)	614.9	631.2
Weighted average number of ordinary shares in issue (thousands)	334,304	342,273
Adjusted basic operating earnings per share (cents per share)	183.9	184.4

Note	2025	2024
Adjusted operating profit after tax (\$m)	614.9	631.2
Weighted average number of ordinary shares for diluted earnings per share (thousands)	345,289	352,114
Adjusted diluted operating earnings per share (cents per share)	178.1	179.3

Return on equity (ROE)

The ROE is shown in note 6, along with an explanation of the calculation. Use of ROE is common within the financial services industry, and the Group uses ROE as one of its key performance indicators. While the measure enables the Group to compare itself against other peer companies in the insurance industry, it is also a key measure internally where it is used to compare the profitability of business segments, and underpins the performance-related pay and pre-2018 share-based payment structures.

Operating return on tangible equity (ROTE)

During the year, Hiscox introduced operating ROTE as a new APM. Operating ROTE is considered meaningful to stakeholders because it measures the profitability of the Group's ongoing core operating activities against tangible equity and is a key driver of valuation multiples in the insurance industry. The operating ROTE is calculated by using the Group AOP, divided by the adjusted opening total tangible equity. The adjusted opening total equity represents the equity on 1 January of the relevant year as adjusted for:

- time-weighted aspects of capital distributions, share buyback, issuing of shares or treasury share purchases during the period. The time-weighted positions are calculated on a daily basis with reference to the proportion of time from the transaction to the end of the period;
- cumulative impact of opening unrealised fair value gains or losses on fixed income securities carried at fair value;
- cumulative impact of opening discounting of insurance contract liabilities and reinsurance contract assets; and
- opening goodwill and intangible assets.

Note	2025 \$m	2024 \$m
Adjusted operating profit after tax	614.9	631.2
Opening total equity	3,689.9	3,296.7
Time-weighted impact of capital distributions, share buyback and issuance of shares	(160.8)	(136.8)
Cumulative impact of opening unrealised fair value (gains) or losses on fixed income securities carried at fair value	(0.1)	55.0
Cumulative impact of opening discounting of insurance contract liabilities and reinsurance contract assets	(280.5)	(268.2)
Opening goodwill and intangible assets	(308.8)	(323.9)
Adjusted opening total equity	2,939.7	2,622.8
Operating return on tangible equity (%)	20.9	24.1

Net asset value (NAV) per share and net tangible asset value per share

NAV per share and net tangible asset value per share are shown in note 5, along with an explanation of the calculation. Net tangible asset value comprises total equity excluding intangible assets. The Group uses NAV per share as one of its key performance indicators, including using the movement of NAV per share in the calculation of the options vesting of awards granted under PSPs from 2018 onwards. This is a widely used key measure for management and also for users of the financial statements to provide comparability across peers in the market.

Insurance contract written premium (ICWP) and net insurance contract written premium (NICWP)

ICWP is the Group's top-line key performance indicator, comprising premiums on business incepting in the financial year, adjusted for estimates of premiums written in prior accounting periods, reinstatement premium and non-claim dependent commissions.

NICWP comprises premiums on business incepting in the financial year, net of reinsurers' share of premiums, and adjusted for reinstatement premium and non-claim dependent commissions, net of reinsurance commissions.

The tables below reconcile the ICWP back to insurance revenue and NICWP back to net insurance revenue.

Writing insurance policies is the Group's primary function and this measure allows a written premium measure alongside the earned premium basis adopted by the Group under the premium allocation approach for insurance revenue under IFRS 17.

	2025	2024 (restated)
	\$m	\$m
Insurance contract written premium	4,979.0	4,703.7
Change in unearned premium included in the liability for remaining coverage	(131.8)	(92.6)
Insurance revenue from other operations*	36.5	61.4
Insurance revenue	4,883.7	4,672.5

*Insurance revenue from other operations comprises insurance revenue from 'other' segment. Following the completion of the sale of DirectAsia in July 2025, DirectAsia has been included in the 'other' segment, and comparatives have been restated to report on a consistent basis.

	2025	2024 (restated)
	\$m	\$m
Net insurance contract written premium	3,865.8	3,622.4
Change in unearned premium included in the liability for remaining coverage	(131.8)	(92.6)
Change in reinsurance provision for unearned premium included in asset for remaining coverage	(117.0)	(118.7)
Net insurance revenue from other operations*	30.2	52.0
Net insurance revenue (Insurance revenue less allocation of reinsurance premiums)	3,647.2	3,463.1

*Net insurance revenue from other operations comprises net insurance revenue from 'other' segment. Following the completion of the sale of DirectAsia in July 2025, DirectAsia has been included in the 'other' segment, and comparatives have been restated to report on a consistent basis.

Combined, claims and expense ratios

The combined ratio is calculated as the sum of the claims ratio and the expense ratio. Claims are discounted under IFRS 17 which can introduce volatility to the ratios if interest rates move significantly during a period, therefore ratios are also presented on an undiscounted basis. The combined, claims and expense ratios are common measures enabling comparability across the insurance industry, and are used by the Group to measure the relative underwriting profitability of the business by reference to its costs as a proportion of the insurance revenue net of allocation of reinsurance premiums. The calculation is discussed further in note 4, operating segments.

Prior-year developments

Prior-year developments are a measure of favourable or adverse development on claims reserves, net of reinsurance, that existed at the end of the prior year.

The prior-year development is calculated as the positive or negative movement in ultimate losses on prior accident years during the year on an undiscounted basis adjusted for LPT premium.

Prior-year developments are a useful measure as they enable users of the financial statements to compare and contrast the Group's performance relative to peer companies and to understand the consistency of the Group's conservative approach to reserving.

The LPT premium reclassification captures the LPT reinsurance recoveries due to changes in ultimate losses related to the covered business which is recognised in the reinsurance asset held for remaining coverage.

Prior-year development recognised for the year amounts to \$292.7 million (2024: \$145.5 million) and comprises:

	2025	2024
	\$m	\$m
Adjustment to liabilities for incurred claims relating to past service, net of reinsurance recoveries (on a present value basis)	450.3	314.8
Adjustment for discounting impact	(25.4)	(30.1)
Adjustment for LPT premium and experience adjustment	(132.2)	(139.2)
	292.7	145.5

Five-year summary

	2025	2024	2023	2022	2021
	\$m	\$m	\$m	\$m	\$m
Results					
Profit before tax	732.7	685.4	625.9	275.6	190.8 [†]
Insurance revenue	4,883.7	4,672.5	4,483.2	4,273.3	–
Profit for the year after tax	604.1	627.2	712.0 [¶]	253.9	189.5 [†]
Assets employed					
Goodwill and intangible assets	381.0	308.8	323.9	320.4	313.1
Financial assets carried at fair value	8,432.0	7,077.6	6,574.4	5,812.1	6,041.3
Cash and cash equivalents	878.0	1,227.0	1,437.0	1,350.9	1,300.7
Insurance contract liabilities and reinsurance contract assets	(5,052.7)	(4,419.5)	(4,505.7)	(4,177.1)	(4,690.4) [†]
Other net liabilities	(690.5)	(504.0)	(532.9)	(671.3)	(155.4)
Net assets	3,947.9	3,689.9	3,296.7	2,635.0	2,539.3
Net assets value per share (cents)	1,220.0	1,086.4	951.1	764.5	739.8
Key statistics					
Basic earnings per share (¢)	180.7	183.2	206.1 [*]	73.8	55.3 [†]
Diluted earnings per share (¢)	175.0	178.1	201.5 [*]	72.7	54.7 [†]
Combined ratio (%)	83.7 [‡]	84.7 [‡]	85.5 [‡]	88.7 [‡]	93.2 [†]
Return on equity (%)	17.1	19.8	27.6	10.1	8.1 [†]
Dividends per share (¢)	50.3	43.1	37.5	36.0	34.5
Share price – high (p) [§]	1,454.0	1,281.0	1,193.0	1,106.5	1,004.0
Share price – low (p) [§]	1,022.0	998.0	938.0	827.2	770.0

*These numbers were previously presented as US Dollars and have now been corrected.

[†]Represent balances reported under IFRS 4 and IAS 39.

[‡]Represents combined ratio on a discounted basis.

[§]Closing mid-market prices.

[¶]This includes a tax credit relating to a \$150 million deferred tax asset recognised in respect of the Bermuda ETA.

The five-year summary is unaudited.

Glossary of terms

ABI stands for Association of British Insurers.

ABIR stands for Association of Bermuda Insurers and Reinsurers.

ACA stands for Associate Chartered Accountant.

AGM stands for Annual General Meeting.

AOP stands for adjusted operating profit.

ARC stands for assets for remaining coverage.

BIBA stands for British Insurance Brokers' Association.

Big-ticket stands for large and complex (re)insurance business written through Hiscox London Market and Hiscox Re.

BMA stands for Bermuda Monetary Authority.

BSCR stands for Bermuda Solvency Capital Requirement.

CBES stands for Climate Biennial Exploratory Scenario.

CGU stands for cash-generating unit.

CIAB stands for Council of Insurance Agents and Brokers.

CIT stands for corporate income tax.

COR stands for combined ratio.

CSRD stands for Corporate Sustainability Reporting Directive.

CVaR stands for Climate Value-at-Risk.

DEI stands for diversity, equity and inclusion.

D&O stands for directors and officers' insurance.

DPD stands for digital partners and direct.

DTA stands for deferred tax asset.

EAD stands for exposure at default.

ECL stands for expected credit loss.

EPS stands for earnings per share.

ESG stands for environmental, social and governance.

ETA stands for economic transition adjustment.

ETR stands for effective tax rate.

FCA stands for Financial Conduct Authority.

FRC stands for Financial Reporting Council.

FVOCI stands for fair value through other comprehensive income.

FVPL stands for fair value through profit or loss.

GBP stands for Great British Pounds (Sterling).

GEC stands for Group Executive Committee.

GHG stands for greenhouse gas.

GIST stands for general insurance stress test.

GMM stands for General Measurement Model.

GRCC stands for Group Risk and Capital Committee.

GRI stands for Global Reporting Initiative.

GSSA stands for Group Solvency Self Assessment.

GUR stands for Group Underwriting Review.

H1 stands for first half of the year.

H2 stands for second half of the year.

IAS stands for International Accounting Standards.

IBNR stands for incurred but not reported.

ICWP stands for insurance contract written premium.

IFRS stands for the International Financial Reporting Standards.

ILS stands for insurance-linked securities.

IPCC stands for Intergovernmental Panel on Climate Change.

KPI stands for key performance indicator.

LGD stands for loss given default.

LIC stands for liability for incurred claims.

LOC stands for Letter of Credit.

LPT stands for legacy portfolio transaction.

LRC stands for liability for remaining coverage.

LTIP stands for long-term incentive plan.

NICWP stands for net insurance contract written premium.

MSCI stands for Morgan Stanley Capital International.

NAV stands for net asset value.

NAVPS stands for net asset value per share.

OCI stands for other comprehensive income.

OECD stands for Organisation for Economic Co-operation and Development.

ORSA stands for own risk and solvency assessment.

PAA stands for premium allocation approach.

PBT stands for profit before tax.

PD stands for probability of default.

PRA stands for Prudential Regulation Authority.

PSP stands for performance share plan.

Re stands for reinsurance.

ROE stands for return on equity.

ROTE stands for return on tangible equity.

RIMS stands for Risk and Insurance Management Society.

SME stands for small- and medium-sized enterprises.

SPPI stands for solely payments of principal and interest.

USD stands for United States Dollars.

WACC stands for weighted average cost of capital.



Hiscox Ltd

Chesney House
96 Pitts Bay Road
Pembroke HM 08
Bermuda

T +1 441 278 8300
E enquiry@hiscox.com
www.hiscoxgroup.com

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www.em-project.com

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