

FBD Holdings plc

2022 Full Year Results

10th March 2023



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2022



Forward looking statements

This presentation contains certain forward-looking statements. Actual results may differ materially from those projected or implied in such forward-looking statements. Such forward-looking information involves risks and uncertainties that could affect expected results.



2022 FULL YEAR RESULTS

Overview

→ Tomás Ó Midheach, CEO



2022 At a Glance



Profit Before Tax
€74m supported
by very strong
underwriting
performance

COR 74.5%



GWP €383m up
3.4% on last year
with continued
increases in
Written Policy
count and
customer
Retention



Strong **Capital**
position with an
SCR of 226%

Proposed
Ordinary
Dividend 100c



Relationship
Strategy
delivering

Farm and
Business policy
count growing



Rising interest rates
negatively affected
Investment returns

Strategy mitigated
Capital impact –
future income
positive

Key Highlights

Full year profit of

€74m

before tax



- Underwriting profit of €86m
- Customer based Strategy delivering - policy count growth across all products
- Negative investment return of €10m through Income Statement (-€15m HY 2022)
- Facilitates a proposed Ordinary Dividend of 100c

Reported COR

74.5%



- Underlying COR of 91.9% (2021: 87.5%)
- Reduced injury claims frequency and benign weather positively impacting COR
- Positive prior year reserve development of €48m, split between large and smaller claims
- Margin for Uncertainty release of €10m

GWP of

€383m



- GWP up 3.4% excl. Covid-19 rebates
- Robust performances across Farm, Home & Business
- Private Motor average premium down 7.2%, Commercial Motor down 1.1%. Overall average up 0.6%
- Written policies increased by 2.8%

Profit supported by premium growth and positive claims experience

Key Highlights

Investments



- Bond returns negatively affected by rising interest rates - OCI impact -€90m (HY 2022:-€64m)
- Potential portfolio reinvestment at higher yields
- Pull to par impact to maturity of bonds will be positive
- Credit quality corporate bond portfolio A-

Capital



- Net Asset Value 1,188c impacted by Dividend payment & Investment losses
- Capital ratio after dividend of 226% (2021: 214%) reflecting appropriate investment strategy
- Return on Equity of 14%
- Return on Targeted Equity of 22%

Customer Focus



- Retaining more customers – 1.5% retention rate increase
- Home and Private Motor policy count up 5% and 4%
- Bank of Ireland partnership live for Home New Business in H2 2022
- Highest Retention level in 6 years - all products and channels up on last year

Market volatility continuing – Investment strategy has protected capital

Investment strategy mitigated the impacts on capital

Impact on Capital



- Impact on Solvency capital ratio somewhat mitigated:
 - Under Solvency II liabilities are discounted at the risk free rate which increased, reducing liabilities, offsetting reduction in bond valuations
 - FBD assets are well matched to liabilities
- Market risk charge reduced
- Underwriting profit contributed positively

Future investment income outlook positive



- Insurance companies operating in a 'lower for longer' interest rate environment
- Rising interest rates increases future income on bond portfolio
- Over time as existing bonds mature they will be reinvested at higher yields
- Bond assets of €834m with a duration of 3.2 years

Higher reinvestment yields available in the future

STRATEGY



- ESG integrated with our Strategy and incorporated into the FBD Business Model
- We will act where we can have a meaningful impact
- We have adopted the Principles for Sustainable Insurance and are governing in accordance with them
- Investigating Science Based targets and awaiting the SBTi financial services paper

OUR PILLARS



- Business divided into ESG Pillars:
 - Corporate & Advocacy
 - Operations
 - Underwriting & Sales
 - Investments
 - Disclosures
- Ownership agreed and areas of focus identified

We continue to progress our ESG Strategy

Business Interruption

Progress Update



- Settlement reached with two of the plaintiffs in the test cases
- Agreement reached with remaining two plaintiffs subject to ratification by the Judge
- Presented principles of proposed agreement to the High Court in November and await the Judge's ruling
- We are anticipating to proceed with finalising the settlement of all valid Covid-19 related claims during 2023
- Best Estimate reduced slightly from €43m at half-year to €42m net of reinsurance

Progressing towards resolution of Business Interruption issue

Strategy Delivering



Combined Operating Ratio

- Reported COR of 74.5%
- Robust performance with on-going disciplined underwriting



Strongly capitalised with an SCR of 226%

- Fundamentally strong business, well-capitalised and growing



Loyal Customer Base

- Customer loyalty and customer centric focus evidenced by strong retention - highest level in 6 years



Premium & Policy Count Growth

- Farmer relationship strengthening in evidence - increase in policy count
- Contributions made across all channels and products especially Business





FBD INSURANCE

FBD SEMPLE STADIUM

2022 FULL YEAR RESULTS

Financial Performance

→ John O'Grady, CFO



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2022 Full Year Results

	2022	2021
GWP	€383m	€366m
Profit before tax	€74m	€110m
EPS	181c	274c
NAV	1,188c	1,338c
ROE	14%	23%
	2022	2021
Loss ratio	45.9%	43.6%
Expense ratio	28.6%	27.9%
Combined Operating Ratio	74.5%	71.5%
Total investment return	(8.6%)	0.3%
▪ Income statement	(0.9%)	1.3%
▪ OCI	(7.7%)	(1.0%)



74.5%
Combined Operating
Ratio



14%
ROE

2022 Full Year Results

Income Statement	2022 €'000s	2021 €'000s
Gross written premium	382,889	366,328
Net earned premium	335,854	334,247
Net claims incurred (incl. MIBI)	(154,210)	(145,681)
Other underwriting expenses	(95,962)	(93,369)
Underwriting Result	85,682	95,197
Investment return	(10,413)	15,679
Finance costs	(2,559)	(2,545)
Other	1,013	2,104
Profit Before Taxation	73,723	110,435



€383m
GWP



€86m
Underwriting result

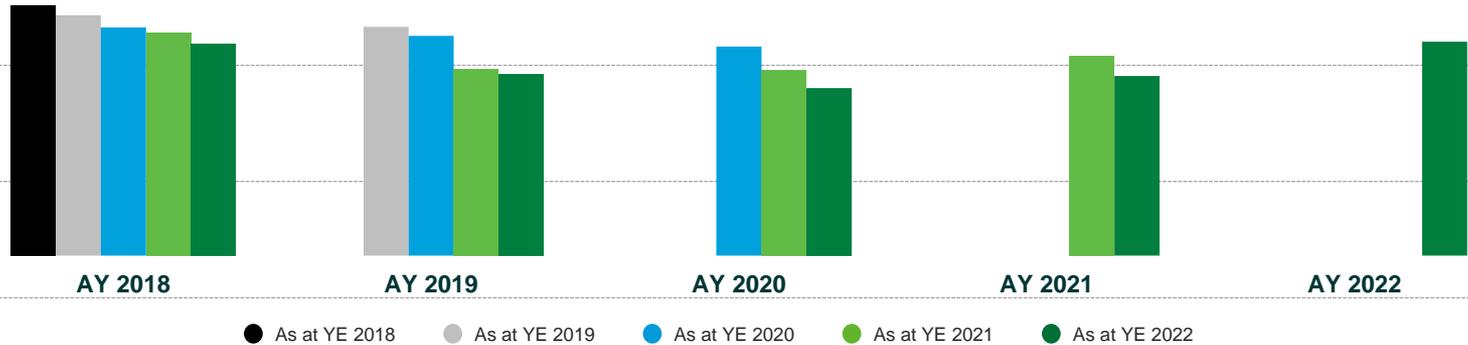
Analysis of Combined Operating Ratio

	2022 %	2021 %
Underlying Combined Operating Ratio	91.9%	87.5%
Impact of Consequential Payments provision	-	3.9%
Prior Year Reserve Releases	(14.4%)	(19.0%)
Margin for Uncertainty movement	(3.0%)	(0.9%)
Reported Combined Operating Ratio	74.5%	71.5%



Note: Underlying COR for 2021 was previously presented as 86.6% and has increased on account of the inclusion of the MFU movement

Claims Reserve Development (Net Loss Ratios)



- **Net positive** prior year reserve development in 2022 for Accident Years 2018-2021
- Favourable trends in **Large Claims** in recent years
- Smaller injury claims showing positive impact of the introduction of the **Personal Injuries Guidelines**
- Current year **frequency** continues to be lower than pre-Covid for some lines of business
- Expectations for future injury claims **inflation** have been allowed for within the reserves

Note: The above graphs include EL, PL and Motor only

Extremely challenging year for both equities and bonds

Income Statement return

-0.9%

Equates to -€10.5m



Risk Assets:

- Developed market equity funds down c. 18%
- Emerging market equities down c. 15%
- Sustainable equity fund underperformed due to lower exposure to energy sector
- Other risk assets posting negative returns
- Limited exposure (<€1m) through emerging market funds to Russian securities

OCI actual return

-7.7%

Equates to -€90.1m

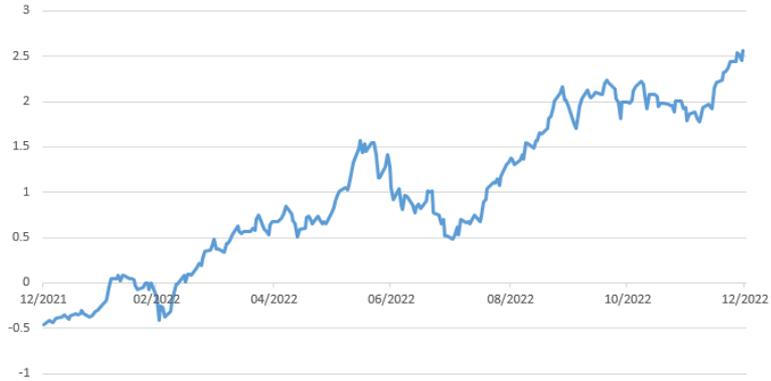


Corporate and Sovereign Bonds:

- Sharp increase in interest rates due to fears of inflation and more hawkish central bank responses
- Increased rates reduced bond values, leading to negative mark-to-market return through the OCI
- Credit spreads increased due to the deteriorating economic outlook and fears of recession

Interest rates continuing to impact bond returns

Increase in 5 year risk-free rate since YE 2021 (German bond)



Impact on bond portfolio

Sovereign bond total return for 2022: -€32.2m

Corporate bond total return for 2022: -€51.5m

MSCI World (EUR Hedged) performance since YE 2021



Risk Asset portfolio

FBD equity fund (see above) down 18% in 2022

Overall risk assets down €14.6m

Unrealised losses of €81m on the Sovereign and Corporate bond portfolios - we expect this to unwind as the bonds approach maturity

Investment Allocation

The following table illustrates the changes to investment allocation over the year:

Group Investment Assets	31-Dec-22		31-Dec-21	
	€m	%	€m	%
Corporate Bonds	563	49%	589	49%
Government Bonds	271	24%	303	25%
Deposits and Cash	172	15%	164	14%
Other Risk Assets	83	7%	84	7%
Equities	50	4%	54	4%
Investment Property	15	1%	16	1%
Total	1,154	100%	1,210	100%

- No downgrades below investment grade - allocation to BBB rated securities: 42% vs 47% at YE 2021
- Reduced overall assets as a result of mark to market losses experienced in most asset classes



Corporate Bond portfolio average credit rating of A- with lower exposure to BBB's



Underweight risk assets vs Strategic Asset Allocation



€35m cash invested in corporate bonds and risk assets

2022 FULL YEAR RESULTS

Conclusion

→ Tomás Ó Midheach, CEO



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Capital / Dividend



- Solvency Capital Ratio of 226% (unaudited)
- Given continuing strong capital position, ordinary dividend of 100c per share proposed



- Maintaining strong capital position is paramount
- SCR Risk Appetite 150%-170%



- Focus is on dividend sustainability with attractive yield, subject to maintaining a robust capital position



- In view of capital strength it is our intention to now engage with stakeholders on steps to return further capital in the short and medium term



Strategic intent

To become a digitally enabled, data enriched organisation which delivers an excellent customer and employee experience



Consistent annual dividends focused on shareholders' expectations



Disciplined pricing and underwriting



Measured profitable growth in customer numbers supported by strong retention levels



Guidance: IFRS 17 Combined Operating Ratio of low 90s achievable for 2023 (similar for current accounting basis)



Summary



Profit of €74m with Underlying COR **91.9%** and Reported COR **74.5%**



SCR strong at **226%** - SCR Risk Appetite 150%-170%
Ordinary **Dividend** of **100c** proposed



Strong **Premium** performance from policy count growth supported by our **relationship customers**



Adverse **Investment** performance recorded however, future **investment income** outlook more positive



Progressing well in positioning FBD for the **future**





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2022 FULL YEAR RESULTS

Appendix

FBD of 2027

A digitally enabled, data enriched organisation which delivers an excellent customer and employee experience, while also delivering for our 5 key stakeholders



1. FBD has a complete picture of our customer, understands them and delivers a proposition they value

2. FBD is recognised as an Irish insurer, supporting and sustaining our local communities

3. Our People have embraced change & are now driving it

Strategic Objectives

1 Focus on our strengths to deliver profitable growth

2 For farmers we focus on relationship strengthening

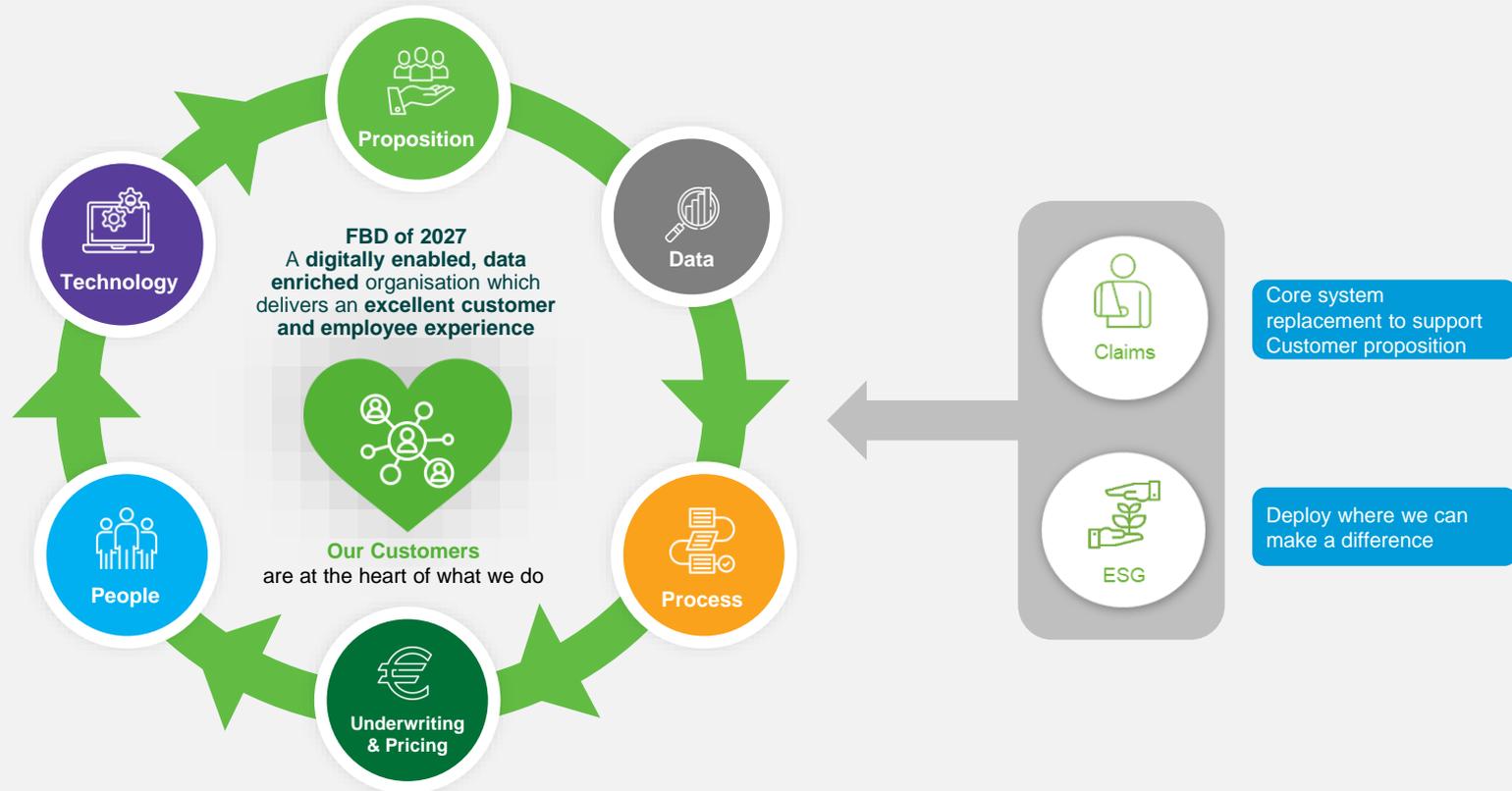
3 For business we build on momentum and relationships

4 In retail, execute our intermediary promise and build our offering for mass market

5 Key to success is understanding our customers and execution

FBD's Strategy – Progress in 2022

Programme of work on 6 key areas fully underway, with 2 starting



Focus our ESG Strategy where we can have a meaningful impact



Focus on **Ireland**...



...are the leading insurer
in **Agri/Farming**

E

...Deliver on our ESG
journey & **support our
customers** in theirs

S

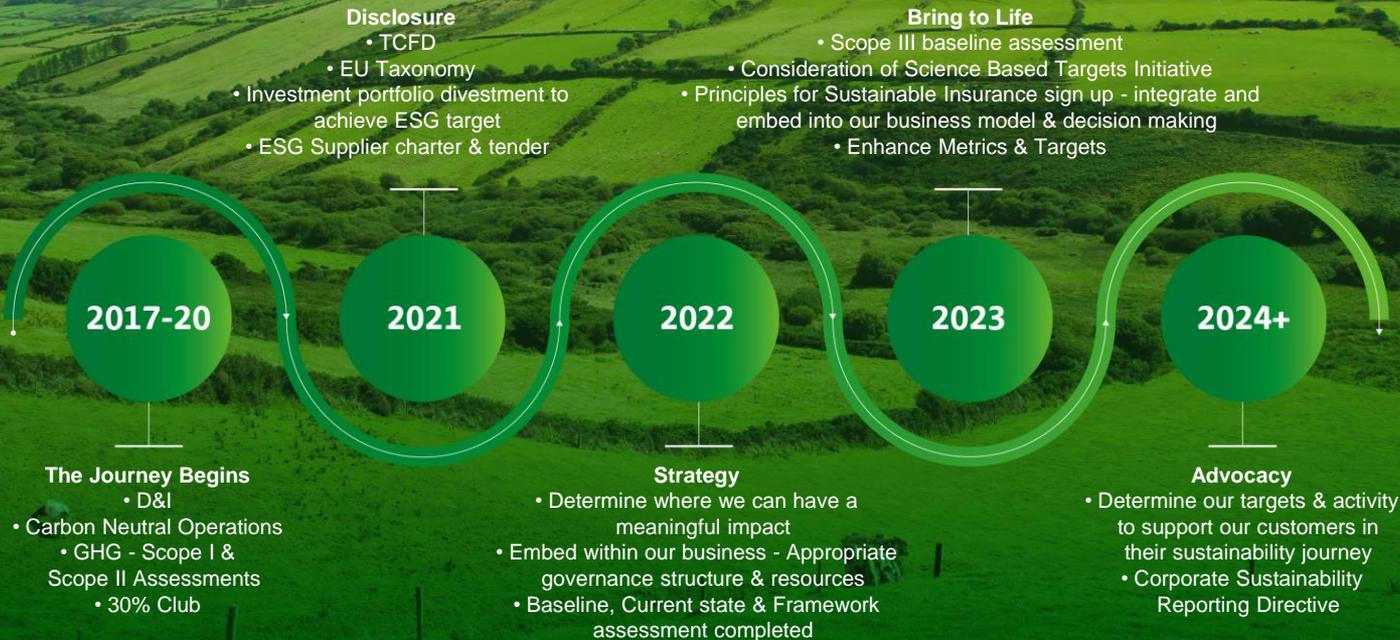
...a strong presence at the
**heart of the community
we serve**

G

...and a best in breed,
proactive governance
structure

FBD's ESG Direction of Travel

ESG Scaling up in FBD



UN PSIs will guide our ESG Strategy and be delivered by our Business through clearly defined Pillars

UN Principles for Sustainable Insurance

PRINCIPLE 1:

We will **embed** in our decision-making

PRINCIPLE 2:

Work together with our clients and business partners to **raise awareness**

PRINCIPLE 3:

Work with key stakeholders to **promote widespread action**

PRINCIPLE 4:

Disclose publicly our progress in implementing the Principles.

The pillars of our ESG strategy



Corporate & Advocacy

How we govern the organisation, our pledge and promise



Operations

How we run the organisation



Underwriting & Sales

Areas of the business that create liabilities



Investments

Manage the company assets



Disclosures

Reporting, Metrics & Measurements

ESG - Recent Progress

Environmental



- We are continuing to disclose climate related information in line with TCFD recommendations
- Continuing to disclose Scope 1 & 2 emissions
- Evolve our understanding and quantification of our Scope 3 emissions
- FBD purchases all its electrical energy from renewable sources
- ESG Factors integrated into Investment Portfolio
- ESG assessment tool used on strategic tenders
- Climate risk integrated into capital planning as part of the ORSA process

Social



- Inclusive Culture Programme:
 - Achieved Silver D&I accreditation in 2022 - Ambition for Gold accreditation
 - D&I Award Nominations in *Outstanding Diversity Initiative* and *LGBTQ+ inclusion*
- Founding partner of VOICE & Employee Wellness programme launched
- Continued partnership with Trinity Centre for People with Intellectual Disabilities
- Ronald McDonald House, CASA and DePaul chosen charities for 2022
- Gender Pay Gap report produced
- Continued support of Farm Champions for Safety, FBD Young Farmer of the year, Nuffield scholarships, Teagasc Student of the Year and FBD Trust throughout 2022

Governance



- Climate agenda item on all regular Board meetings
- ESG Board training delivered
- ESG included as a dedicated workstream within FBD's overall strategy

Customer Service & Brand

Loyalty

What does FBD stand for? FBD Stands for **Support**

Proving by doing with Customer **Retention** continuing to increase



Agri Events back in 2022

Customer Engagement

Primary sponsors of The National Ploughing Championships with record attendances as well as The Tullamore Show & County Shows



Irish Sponsorship Awards

Winner of 'Sponsorship of the Year' and Best Sports Team or Athlete Sponsorship



IFRS 17 Transition Adjustment - Overview of the main impacts

Presentation / Reporting



No fundamental impact:

- No Dividend, Solvency ratio or Cash generation impact
- No implications for Strategy, Risk appetite or Business plans
- No change to overall profitability; however claims reserves discounting will impact timing of profit recognition

Presentation/Metrics:

- Significant change to financial statements, enhanced disclosures with more granularity
- Insurance Revenue includes service charge on instalment premium (previously in non-risk income)
- Net Earned Premium no longer presented
- Combined Operating Ratio changes as reinsurance premium moves to numerator, also incorporates discounting

Balance Sheet and Earnings impact



Balance Sheet:

- Increase in Equity at transition – largely due to release of Margin For Uncertainty on transition to Risk Adjustment
- Moving of line items as insurance debtors/creditors now form part of insurance contract liabilities

Earnings:

- Change in phasing of profit recognition due to:
 - Discounting of claims liabilities
 - Stricter definition of acquisition cost permissible in Deferred Acquisition Costs
 - If group of contracts onerous, must recognise loss component immediately (similar to an AURR)

IFRS 17 Contd..

Transition Adjustment

Estimated increase in Group Total Equity	01 Jan 2022
Adjustments due to the adoption of IFRS 17:	
Re-measurement of non-life contracts under IFRS 17	€9.4m
Adjustments due to adoption of IFRS 9:	
Impairment of financial assets	(€0.4m)
Deferred tax impact	(€1.1m)
Estimated impact of IFRS 17 and IFRS 9 after tax	€7.9m

Premium Allocation Approach (PAA)

- As FBD contracts are less than one year, eligible to use the simplified PAA approach for the Liability for Remaining Coverage, similar to IFRS 4 unearned premium
- Introduction of risk adjustment, discounting and ENID to claims provisions

Presentation / Metrics

IFRS 17 Income Statement

Gross written premium	X
Change in unearned premium	(X)
Earned Interest on instalment premiums	X
Insurance Revenue (6)	X
Gross claims incurred	(X)
Discounting Impact on Insurance Service Expenses	X
Claims handling expenses	(X)
Insurance Acquisition Expenses	(X)
Insurance Service Expenses (1)	(X)
Insurance service result before reinsurance contracts held	X
Allocation of reinsurance premiums	(X)
Amounts recoverable from reinsurers for incurred claims	X
Discounting impact on RI claims	(X)
Net expenses from reinsurance contracts held (2)	(X)
Insurance service result	X
Net investment return through P&L	X
Insurance finance expenses for insurance contracts issued	(X)
Reinsurance finance income for reinsurance contracts held	X
Net insurance finance expenses	(X)
Net insurance and investment result	X
Non-attributable expenses (3)	(X)
MIBI levy (4)	(X)
FSPO (5)	(X)
Finance Costs	(X)
Other income & expenditure	X
Profit/(loss) Before Taxation	X

$$\text{IFRS 17 COR} = \frac{1+2+3+4+5}{6}$$

Underwriting Environment

Differential Pricing



- All planned changes completed ensuring policies are compliant with the guidelines
- Pricing practice review to be completed in Q1 2023

CICA

- Additional wording changes agreed as part of the Contract of Insurance review programme

General Scheme of Insurance Bill

- The Bill is before the Seanad for debate and to address a number of insurance related issues

Reinsurance



- Programme for 2023 successfully renewed with a similar structure
- Continuing hardening in the reinsurance market with rates impacted by geopolitical, macroeconomic and climate related factors

New Road Legislation

- **Motor Insurance Directive (MID):**
 - Deals with broadening the scope of compulsory insurance to potential scenarios where RTA cover applies
- **Road Traffic and Roads Bill:**
 - Makes changes to RTA legislation to better regulate use of scramblers/quads and e-bikes/e-scooters
- **Irish Motor Insurance Database (IMID):**
 - The next phase of the previously named MTPL will be the requirement to share additional data on Insured vehicles and drivers

Claims environment and emerging trends

Injury



- Settlement rates significantly down on 2021 with solicitor engagement on new injury guidelines a factor
- Challenge to the Personal Injuries Guidelines appealed to the Supreme Court
- Settlement activity on older claims not subject to the guidelines has improved

Progress on Claims Reform



- Personal Injuries Resolution Board Act signed into law
- Await announcement from Discount rate consultation process - monitoring PPO cases
- Personal Injury Guidelines
 - No significant volume of cases heard by the Courts
 - Trend in terms of Court acceptances may take time

Motor & Property



- Motor Damage notifications increased materially on 2021, frequency returning to close to pre-Covid levels, and cost of repairs inflation
- Average cost of Property claims relatively flat on 2021, significantly higher than 2019, due to materials, labour costs and increased supply line disruptions

Claims trends



Motor Damage and **Property** average Claims costs have increased by 11% and 1% respectively in 2022, and are now up **30% and 24% on 2019**, due to disrupted supply lines, skills shortages and materials.



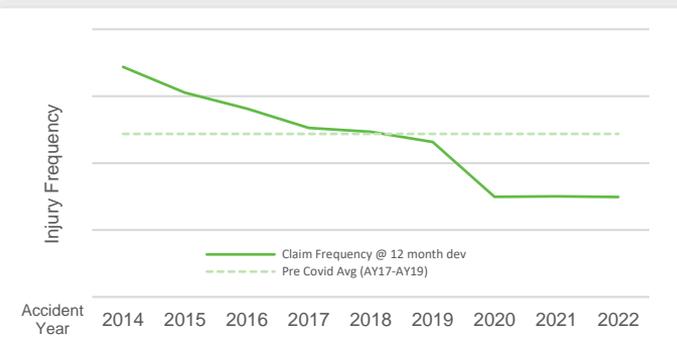
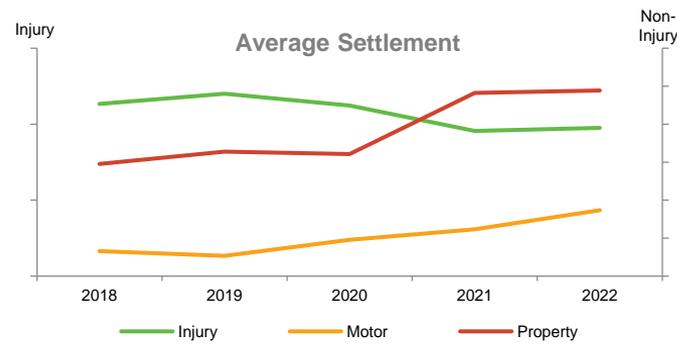
Average Injury Claims costs are largely unchanged. Injury **settlement activity** is materially down, with claimant solicitor engagement a factor. We welcome the increases seen in the **PIAB Acceptance rate** this year



We continue to track settlements under the **Personal Injury Guidelines** and where we do make settlements we have seen **reductions of approximately 40%-45%** versus the Book of Quantum



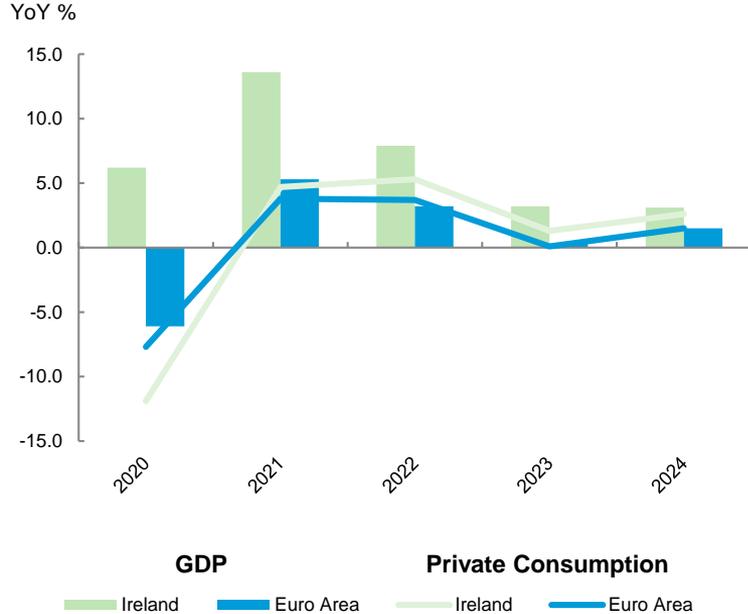
Private Motor Injury Frequency is consistent with 2021 & 2020 for accident year 2022 and **below pre-Covid levels** however significant increases observed in **Motor Damage Loss Ratios & Frequency** in 2022



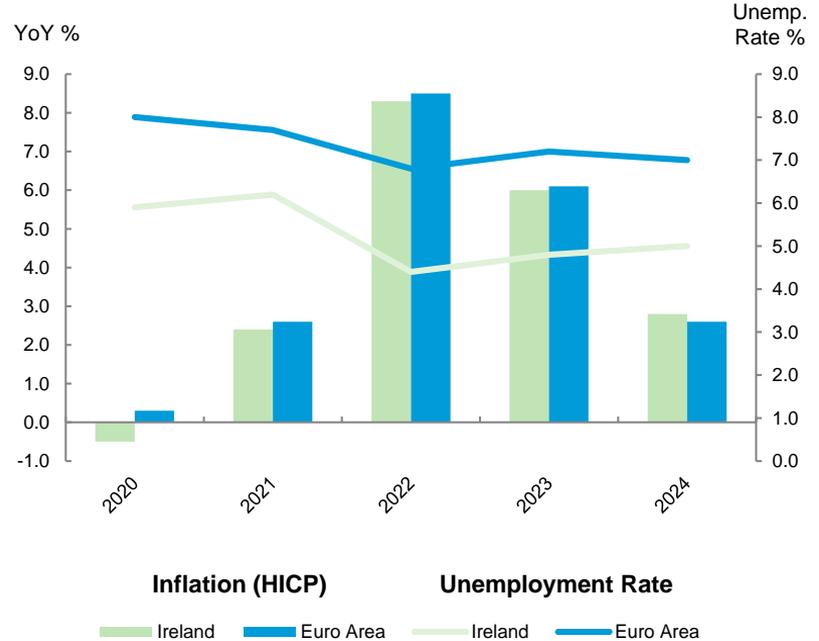
* Claimants with settlement payments up to and including €250,000 are included

Ireland & Euro Area Economic Environment

GDP & Private Consumption

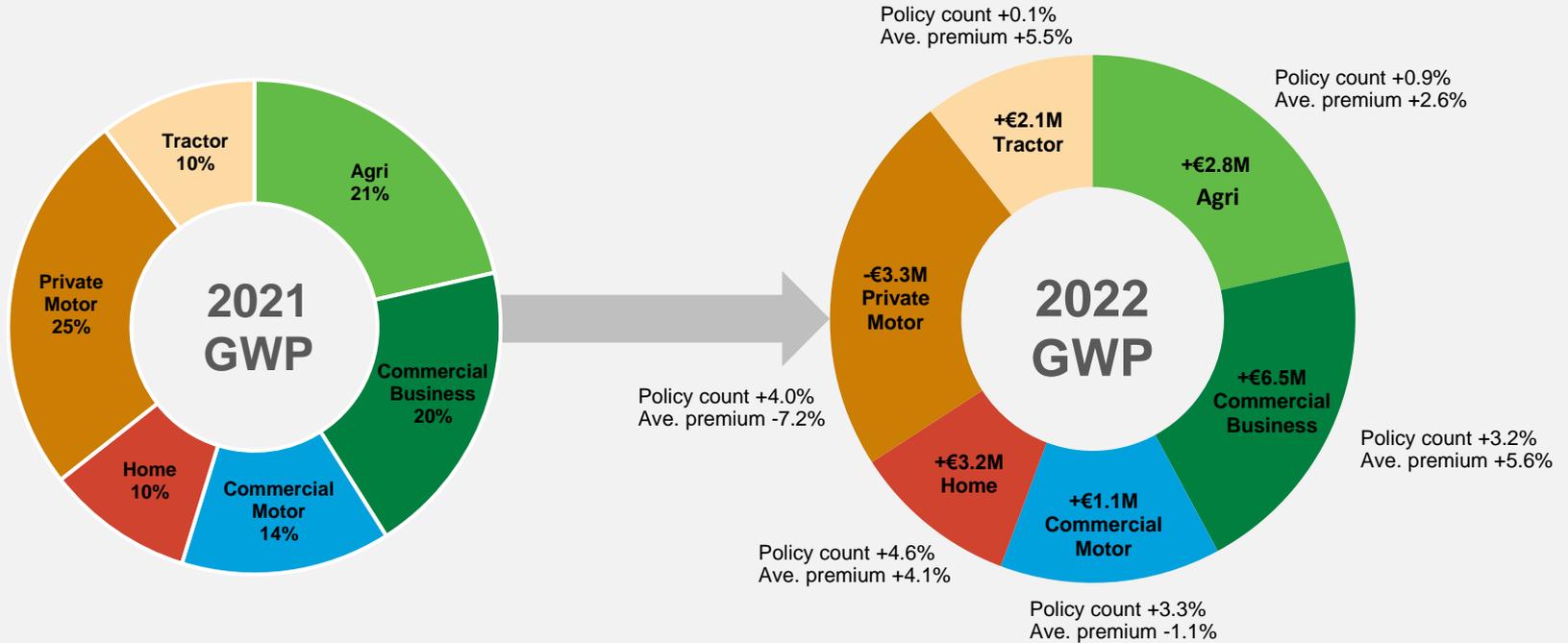


Inflation (HICP) & Unemployment Rate



Source: European Commission Autumn Economic Forecast

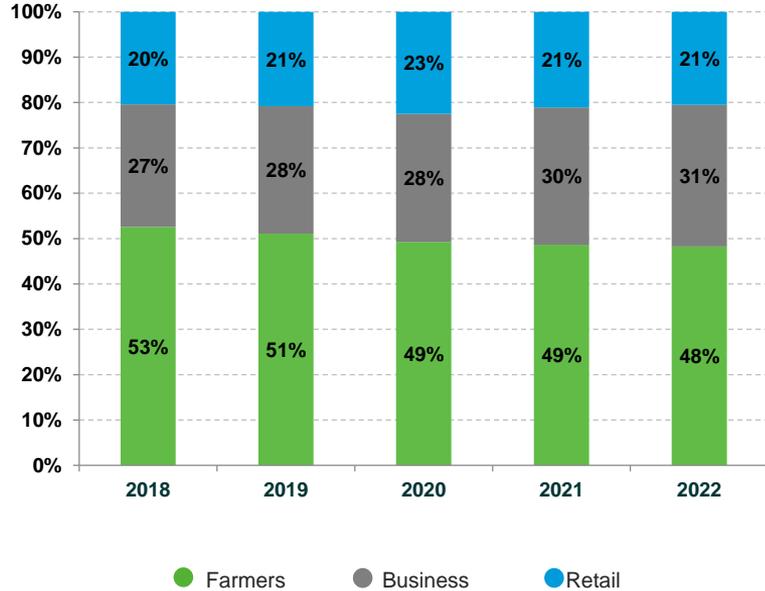
Premium Performance by Product



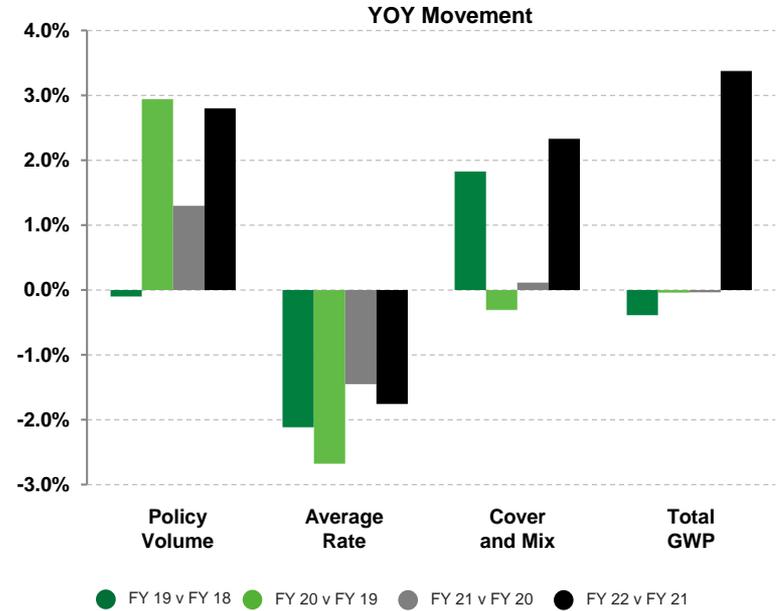
Note: GWP on the following slides excludes the impact of customer rebates

Premium Analysis

Premium by Customer Sector



Change in GWP



Customer Sectors



Farmers

- Farmer Segmentation on Agri & Home facilitated a further improvement in customer retention
- Average premium increases seen on Agri & Home, with reductions on Motor lines
- Policy growth across all Farmer products driven by strong retention rates and new business
- Increases seen in unique Farmer customer count as well as product holding ratio



Business

- Direct and Broker GWP finished higher than last year
- Policy count growth achieved across all channels
- Strong renewal retention and new business conversion rates
- Renewal premium growth aided by post-pandemic increases to trading exposures
- TaxiFair performance much improved in H2 2022, particularly on new business

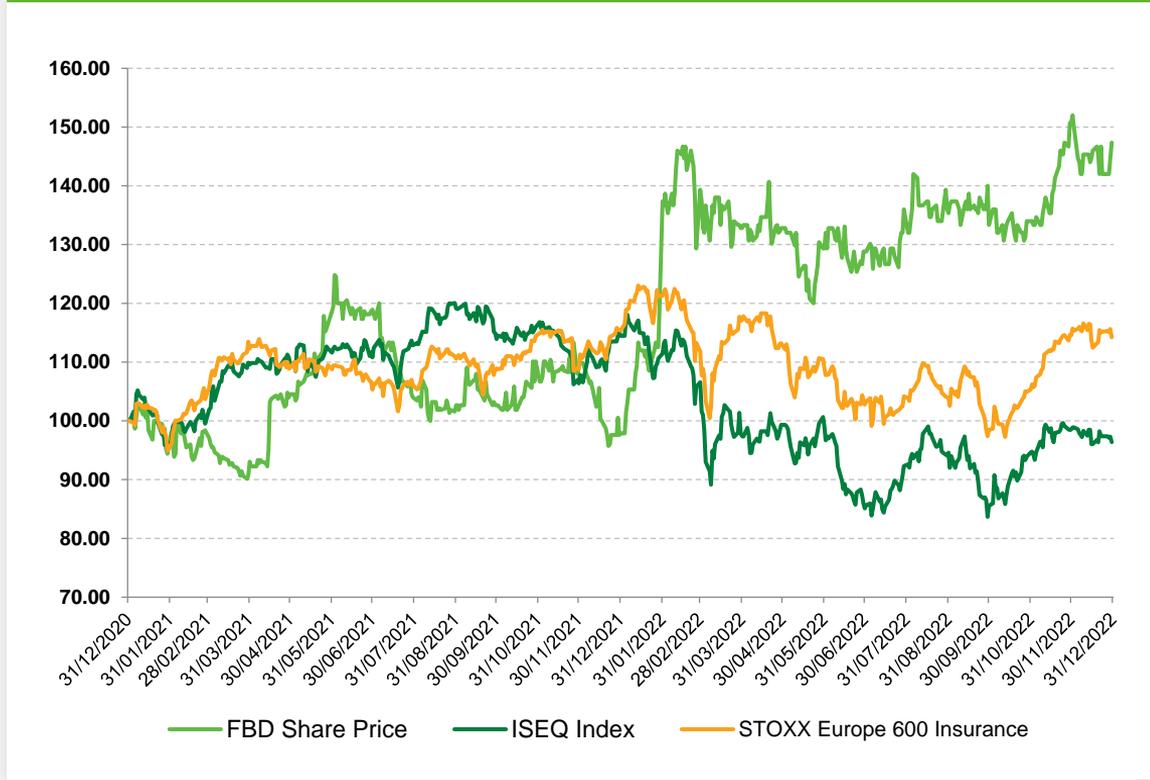


Retail

- Retail achieved a good result in a competitive market – both policy count and GWP grew
- Private Motor retention increased significantly year on year
- Exceptional Home retention rates, exceeding the strong levels achieved in 2021
- An Post Insurance account achieved growth in policy count despite challenging conditions
- Bank of Ireland launched in H2 for home insurance with positive early indicators



FBD Share Price Performance



Glossary

Acquisition	The total of net commission and operating expenses incurred in the generation of net earned premium and often expressed as a percentage of net earned premium. The operating expenses are after the transfer of direct costs for claims settlement expenses which are included in net incurred claims expense.	Excess of Loss Reinsurance	A form of reinsurance in which, in return for a premium, the reinsurer accepts liability for claims settled by the original insurer in excess of an agreed amount, generally subject to an upper limit.
Best Estimate	The actuary's expectation of future cost to settle all outstanding claims net of any margin for uncertainty, representing a 50% probability that the reserves are adequate to settle all future claims.	Expense Ratio	Underwriting and administrative expenses as a percentage of net earned premium.
Casualty Insurance	Insurance that is primarily concerned with the losses resulting from injuries to third persons or their property (i.e. not the policyholder) and the resulting legal liability imposed on the insured. It includes, but is not limited to, general liability, employers' liability, workers' compensation, professional liability, public liability and motor liability insurance.	General Insurance	Generally used to describe non-life insurance business including property and casualty insurance.
Catastrophe Reinsurance	A reinsurance contract (often in the form of excess of loss reinsurance) that, subject to specified limits and retention, compensates the ceding insurer for losses in related to an accumulation of claims resulting from a catastrophe event or series of events.	Gross Claims Incurred	The amount of claims incurred during an accounting period before deducting reinsurance recoveries.
Claim	The amount payable under a contract of insurance or reinsurance arising from a loss relating to an insured event.	Gross Earned Premium (GEP)	The total premium on insurance earned by an insurer or reinsurer during a specified period on premiums underwritten in the current and previous underwriting years.
Claims Incurred	The aggregate of all claims paid during an accounting period adjusted by the change in the claims provision for that accounting period.	Gross Written Premium (GWP)	The total premium on insurance underwritten by an insurer or reinsurer during a specified period, before deduction of reinsurance premium.
Claims Provision	The estimate of the most likely cost of settling present and future claims and associated claims adjustment expenses plus a risk margin to cover possible fluctuation of the liability.	Incurred but not Reported (IBNR)	Claims arising out of events that have occurred before the end of an accounting period but have not been reported to the insurer by that date.
Combined Operating Ratio	The sum of the loss ratio and expense ratio. A combined operating ratio below 100% indicates profitable underwriting results. A combined operating ratio over 100% indicates unprofitable underwriting results.	Long-tail	Classes of insurance business involving coverage for risks where notice of a claim may not be received for many years and claims may be outstanding for more than one year before they are finally quantifiable and settled by the insurer.
Deferred Acquisition Costs	Acquisition costs relating to the unexpired period of risk of contracts in force at the balance sheet date which are carried forward from one accounting period to subsequent accounting periods.	Loss Ratio	Net claims incurred as a percentage of net earned premium.
		Margin for Uncertainty	The margin held over and above the actuarial best estimate in order to provide greater certainty that claims reserves will be sufficient to settle all outstanding claims as they fall due.
		Net Claims Incurred	The amount of claims incurred during an accounting period after deducting reinsurance recoveries.
		Net Claims Ratio	Net claims incurred as a percentage of net earned premium.

Glossary

Net Earned Premium (NEP)	Net written premium adjusted by the change in net unearned premium for a year.	Reinsurer	The insurer that assumes all or part of the insurance or reinsurance liability written by another insurer.
Net Investment Income	Gross investment income net of foreign exchange gains and losses and investment expenses.	Retention	That amount of liability for which an insurance company will remain responsible after it has completed its reinsurance arrangements.
Net Written Premium (NWP)	The total premium on insurance underwritten by an insurer during a specified period after the deduction of premium applicable to reinsurance.	Return on Equity (ROE)	Profit after Tax as a percentage of average current year and prior year Equity attributable to ordinary equity holders of parent
Outstanding Claims Provision	The amount of provision established for claims and related claims expenses that have occurred but have not been paid.	Return on Targeted Equity (ROTE)	Profit after Tax as a percentage of IFRS Ordinary Shareholder Funds, at the SCR Risk Appetite
Personal Lines	Insurance for individuals and families, such as private motor vehicle and homeowners insurance.	Underwriting	The process of reviewing applications submitted for insurance or reinsurance coverage, deciding whether to provide all or part of the coverage requested and determining the applicable premium.
Policyholders' Funds	Those financial assets held to fund the insurance provisions of the Group.	Underwriting Expenses	The aggregate of policy acquisition costs, and administrative, general and other expenses attributable to underwriting operations.
Premium	Amount payable by the insured or reinsured in order to obtain insurance or reinsurance protection.	Underwriting Result	The amount of profit or loss from insurance activities exclusive of net investment income and capital gains or losses.
Short-tail	Classes of insurance business involving coverage for risks where claims are usually known and settled within 12 months.	Underwriting Year	The year in which the contract of insurance commenced or was underwritten.
Recoveries	The amount of claims recovered from reinsurance, third parties or salvage.	Unearned Premium	The portion of a premium representing the unexpired portion of the contract term as of a certain date.
Reinsurance	An agreement to indemnify a primary insurer by a reinsurer in consideration of a premium with respect to agreed risks insured by the primary insurer. The enterprise accepting the risk is the reinsurer and is said to accept inward reinsurance. The enterprise ceding the risks is the cedant or ceding company and is said to place outward reinsurance.	Written Premium	Premiums written, whether or not earned, during a given period.