What we offer

We are delivering less volatile and more sustainable results.

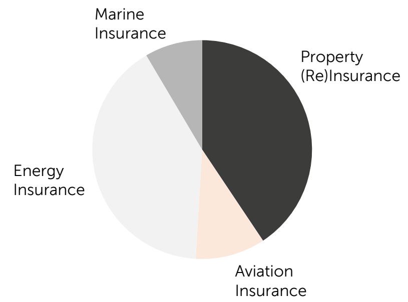
- Strong underwriting and capital management are in our DNA.
- We have the ability to attract and retain quality people who share our vision and purpose.
- The breadth of our franchise is growing.
- We have a proven entrepreneurial mindset and are experts at cycle management.

A diversified portfolio

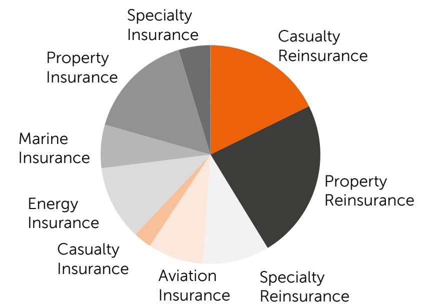
"With the diversification of our portfolio we have been focused on adding the right opportunities at the right time in the cycle. We have grown in areas where we have the expertise, or have been able to attract the best talent, to capitalise on those opportunities for us."

Alex Maloney
Group Chief Executive Officer

2006 GPW business mix



2024 GPW business mix



Who we are

Lancashire is a provider of global specialty insurance and reinsurance products, operating in Bermuda, London, the US, and Australia, across three delivery platforms: rated company, Lloyd's and collateralised security.

Our focus is on short-tail, specialty (re)insurance risks.

Insurance

Aviation
- Space
- Aviation War and AV52
- Airline and Airline Deductible

Casualty
- Accident & Health / Casualty
- Professional Lines
- Financial Lines

Energy and Marine
- Energy Downstream / Energy Liability / Energy Upstream / Renewables
- Power / Marine Liability / Cargo and Specie
- Marine Hull and War

Property
- Construction
- Property D&F

Specialty
- Terror and Political Violence
- Political and Credit Risks

Reinsurance

Casualty
- General Liability
- Professional Lines
- Mortgage and Financial Lines
- Accident & Health Treaty

Property
- Property Catastrophe
- Property Proportional
- Property Risk Excess of Loss

Specialty
- Aviation
- Energy, Marine and Terror
- Property Retrocession

Our claims focus:
- Pay valid claims quickly
- Transparent and expeditious determination of coverage
- Triage standard / complex claims

Key performance indicators

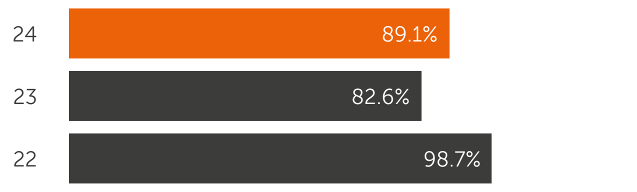
Change in DBVS

23.4%

The delivery of a strong and consistent profit after tax of $321.3 million has resulted in an excellent return on equity. This reflects the Group's impressive expertise in both underwriting and investment management during the year, notwithstanding multiple catastrophe and large loss events.

Combined ratio (undiscounted)

89.1%



The Group has delivered an excellent combined ratio for 2024, which supports our long-term strategy to manage the market cycle and deliver strong, profitable growth through our diversified insurance portfolio. The combined ratio (undiscounted) of 89.1% is a strong result in a year with over $145 billion of insured natural catastrophe events estimated for the industry, and $214.1 million (undiscounted, including reinstatement premiums) of natural catastrophe, weather and large losses for the Group.

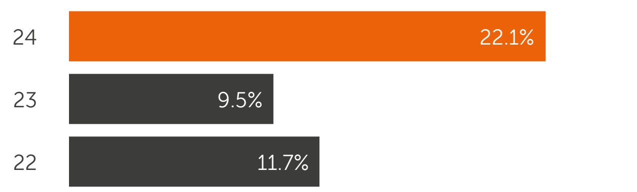
Total investment return

5.0%

The Group's investment portfolio, including realised and unrealised gains and losses, returned 5.0% during 2024. The impressive returns were primarily driven by $144.8 million of interest and dividend income, as the investment portfolio continued to benefit from higher yields.

Total shareholder return

22.1%



The Group's shares continued to perform broadly in line with the FTSE 250 during 2024. The improved total shareholder return of 22.1% was supported by exceptional special dividends of $1.25 per share, and increased ordinary dividends of $0.225 per share, during the year. This continues to demonstrate Lancashire's proven track record of returning excess capital to shareholders over time.

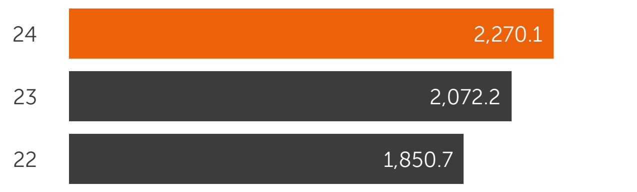
Insurance service result

$379.9m

The Group's insurance service result of $379.9 million represents an excellent underwriting result for a year of heavy natural catastrophe and large loss activity. Insurance revenue grew 16.1% to $1,765.1 million, driven by premium growth within both the Group's reinsurance and insurance segments. The Group is particularly pleased with the increased profitability in the property and specialty reinsurance classes, and the development of the new Lancashire Insurance US operation.

GPW managed

$2,270.1m



During 2024, Lancashire Insurance US commenced underwriting, and further growth is expected from this operation during 2025. The Group will continue to expand and diversify its underwriting portfolio across all strategic areas, and also take advantage of rate increases and underwriting opportunities where applicable.

Key

KPI linked to Executive Directors' remuneration. For more information, see pages 92 to 108.

Alternative Performance Measures (APMs). Refer to page 184.

Chair's statement

Continuity and growth

Q&A

"It is an exciting time for Lancashire and the results for 2024 demonstrate that the growth and diversification strategy of the past five years has been the right one."

Philip Broadley
Non-Executive Chair

What were your perceptions of Lancashire before taking up the role of Chair?

I was aware of Lancashire due to its FTSE listing, but my previous experience has not been directly in the P&C (re)insurance sector, so my knowledge of the business was somewhat limited.

However, as I began to meet the management team, and members of the Board, it quickly became clear what a great business Lancashire is.

I was immediately struck by the strength of the management team and their focus on diversification of income and tight capital controls.

The strong emphasis on quality and disciplined underwriting, and the efficient running of the business, really came across in my conversations with Alex, Natalie and Paul.

This all became very persuasive for me to accept the role, which is my first as a FTSE Chair.

Lancashire is a relatively easy business to understand, with a simple and effective structure and a clear strategy.

I bring a complementary skill set to the business through my broader financial industry experience beyond the P&C (re)insurance sector. That is not uncommon, and a Chair can bring value to the role through different insights.

What has excited you most about Lancashire in your first year and have your expectations of the role changed?

The more I have got to know people across the Lancashire Group, the more I have enjoyed it.

It is an exciting time for Lancashire and the results for 2024 demonstrate that the growth and diversification strategy of the past five years has been the right one.

This last year has demonstrated that the business can now absorb large losses, such as the MV Dali / Baltimore bridge collision, and the weather-related events, and still generate returns for investors. In that context, the positive change in DBVS of 23.4% is an excellent result for the business and for our shareholders.

So, my expectations haven't changed – it's just better than I thought. I had a very thorough induction process, between November 2023 and March 2024, and I met more than 40 people from around the Group during that time.

What was clear was that there was cohesion across the business, with a focus on quality underwriting and maintaining a strong culture.

How have the strategic priorities for the business developed in your first year?

The priority for the Board and the management team has been continuing to deliver what we said we would do and making the most of the underwriting opportunities that we see in the market.

The launch of the US business has gone very well, and we have seen that develop during the first eight months of its operations.

Lancashire has quickly established a strong US team, and we are planning for more progress and growth in the US over the next few years.

The Board is fully supportive of what the business is doing, and our priority is to maintain underwriting and pricing discipline.

The growth and diversification in the Group's underwriting, in particular longer tail casualty lines, has enabled us to grow the size of our investment portfolio and enhance our income in a better investment return environment.

The Board is pleased that the Group's underwriting operations and investment returns have made significant contributions to profitability over the year.

How does the Board engage with company culture and how important is this to the business?

All members of the Board enjoy meeting people across the Group, and we take that engagement seriously.

I have been pleased to take part in town hall sessions and other events with employees to introduce myself, to discuss my career and background, and to hear feedback directly from people working in the business.

The Company events I have attended tend to feel less corporate than others I have been to, and that is because Lancashire has a uniquely open and meritocratic culture and one that is genuine, authentic and not forced.

The Directors place great value in listening to people informally and formally and enjoy those personal interactions. Lancashire is a relatively small organisation, and the Directors regularly have the opportunity to meet people across the business.

How does the Board think about the Company's dividend policy and capital management decisions?

The Board takes a proactive approach to capital management and it's a regular topic of discussion at our meetings.

The profitable performance and improved resilience of the business during 2023 and 2024 enabled the Board to commit to increasing the Company's usual ordinary interim and final dividend by 50% to $0.075 and $0.15, respectively.

The Board's dividend policy is focused on ensuring that the Company has the capital it requires to support its underwriting plans and to remain resilient.

We actively debate how best to deploy our capital, and we are always open to returning capital when there is excess for our business purposes.

The Board was pleased to pay two exceptional special dividends during 2024 in total amounting to $1.25 per common share. Full details of these dividends are set out on page 109.

For the full-year 2024, the Board declared a final ordinary dividend of $0.15 per common share, subject to shareholder approval, and a special dividend of $0.25 per common share.

In February 2025, the business reported on the impact of the devastating California wildfires.

As Natalie notes in her review on page 15, the business remains strongly capitalised and well-positioned to deliver attractive future returns.

What are the Board's priorities for 2025?

The priority is really more of the same – and that is not a weakness.

The (re)insurance sector is not one in which you see rapid pivots and the Board understands that this is a long-term cyclical business.

The Board will be focusing on continuity and growth, where it makes sense, and continuing to be supportive of management in what they do.

There are further opportunities for Lancashire in the US in terms of capacity and pricing, and to accelerate growth in that market.

Further strengthening our Board

During 2024, Lancashire appointed one Executive Director and three Non-Executive Directors. Please see page 68 for more information.

(Left to right): Non-Executive Directors Linda Ventresca, Bob Cox, and Nathalie Rachou, and Executive Director Paul Gregory with Chair Philip Broadley.

Delivering on our priorities

Q&A

"We have utilised our capital more efficiently, diversified our underwriting portfolio to reduce volatility, and broadened our talent base by attracting good people who fit our culture."

Alex Maloney
Group Chief Executive Officer

How do you view Lancashire's performance in 2024?

2024 was another superb year for Lancashire across all our key strategic priorities as we continued to deliver on what we said we would do when we refocused the business in 2018.

We are in great shape, having grown materially at the right time in the underwriting cycle.

We have utilised our capital more efficiently, diversified our underwriting portfolio to reduce volatility, and broadened our talent base by attracting good people who fit our culture.

This achievement was possible due to the hard work of everyone across the Group and their commitment and support in helping to build a stronger and more robust business.

The result of this work is that in 2024, gross premiums written increased by 11.3%, and insurance revenue increased by 16.1%, compared to the prior year. Our insurance service result was $379.9 million.

Our strong underwriting performance is seen through a combined ratio (undiscounted) of 89.1%. This is despite 2024 being a very active year in terms of the loss environment.

We have demonstrated both a robust and disciplined underwriting performance and returns for our investors – with two special dividends totalling $1.25 per common share paid during the year.

Returning excess capital that we do not need to our shareholders has always been a core part of Lancashire's DNA, and we remain well-capitalised to fund the future growth opportunities that we see.

How has Lancashire's strategy contributed to this strong performance in 2024?

Our strategy has always been to actively manage the market cycle and grow when the conditions are right. After investing in the business over the past few years, we are now achieving results that support more sustainable outcomes across the cycle.

Our strong and disciplined underwriting, with expert teams across our product classes, and effective capital management, have always been part of who we are.

As our underwriting portfolio continues to benefit from a more balanced risk profile, our return profile has strengthened and allowed us to use our capital more efficiently.

We have always retained an entrepreneurial mindset, which means that we quickly evaluate opportunities and act on them if the conditions are right.

You've mentioned managing the market cycle. How does Lancashire approach this?

Right from inception, Lancashire has focused on cycle management. It is fundamental to how we run the business, our day-to-day focus, and how we manage our capital resources.

This has meant that we take advantage of positive market conditions and re-balance if the profitability outlook changes, reducing our exposures, and returning capital if we do not need it for underwriting.

With the diversification of our portfolio over the past few years, we have been focused on adding the right opportunities at the right point in the cycle.

We have grown in areas where we have the expertise, or have been able to attract the best talent, to capitalise on those opportunities for us.

How has Lancashire evolved in the past few years?

Looking back, Lancashire grew strongly as the market cycle turned more positive in 2018, and we have more than tripled gross premiums written and more than doubled the number of product classes that we now write.
We have also always focused on building deep relationships with brokers and clients, positioning ourselves as a solution-oriented business. Those relationships give us increased optionality at different points in the cycle.

Ultimately, managing the cycle means being alert to changes in the market and retaining our discipline. We are now in a stronger position than ever before, with the ability to use all the underwriting levers at our disposal to effectively manage volatility and deliver a better risk and return profile for investors.

What are your expectations for Lancashire's US business?

We believe there are excellent opportunities for Lancashire in the US. We are attracting great talent from across the industry to join us, and we are building a strong franchise on the ground.

We will continue to look at the broader opportunities to grow in product areas that fit our appetite.

We were clear from the start that we saw an opportunity in the US to write excess and surplus lines business that we could not access through our other platforms with new customers.

The team has done a fantastic job hitting the ground running, and we are pleased to be on the ground in the US at this time offering products where we have deep expertise. That gives us confidence in the long-term prospects of this venture.

How has Lancashire retained its strong purpose and culture following this period of growth?

Becoming an employer of choice in the market is one of our core strategic priorities.

To do this we need to continue to attract and retain the best talent in the sector. It is very important to me that all our people – wherever they work across the Group – understand both what we are trying to achieve and also how we want to achieve it.

Everyone has a role to play in our success and a responsibility to help drive the business forward.

We believe that the way we behave and approach our work day-to-day is what makes us unique and creates a positive experience for our people and those we do business with.

During 2024, we launched The Lancashire Way, a set of core behaviours and expectations that capture how we operate and areas we want our people to prioritise. These include an emphasis on the value of constructive challenge and being straight-talking, collaboration and sharing knowledge, owning our individual responsibility for the Company's success, and being positive ambassadors for Lancashire.

None of this is rocket science, as we have always been a business that values its people.

How does Lancashire support the development of its people and help them thrive?

We always look for employees who share our values and purpose, and who want to develop rewarding careers in a supportive environment.
Despite our recent growth, we remain a relatively small business in terms of employee numbers, and this means we can ensure our people's progress in a more bespoke manner.

Of course, there is always more we can do, and we will continue to prioritise training and development in 2025 and the coming years.

I am always keen to promote from within and provide the best career opportunities for our people.

Having a strong team with a range of talents means that we can more readily do that.

I am also very proud that people see Lancashire as a place they want to spend large portions of their careers. We don't take that for granted and always look at ways to make our work environment and culture the most supportive they can be.

In 2025, Lancashire celebrates its 20th anniversary, which will be an opportunity to take stock of what we have achieved and to thank our employees for their role in our success.

What opportunities do you see for Lancashire in 2025?

I am very excited for the future of our business and what we can do. What we have done over the past five years in terms of driving the business forward has been phenomenal.

We will always continue to be led by the market conditions, but we have built a much more robust business that is better able to withstand external shocks.

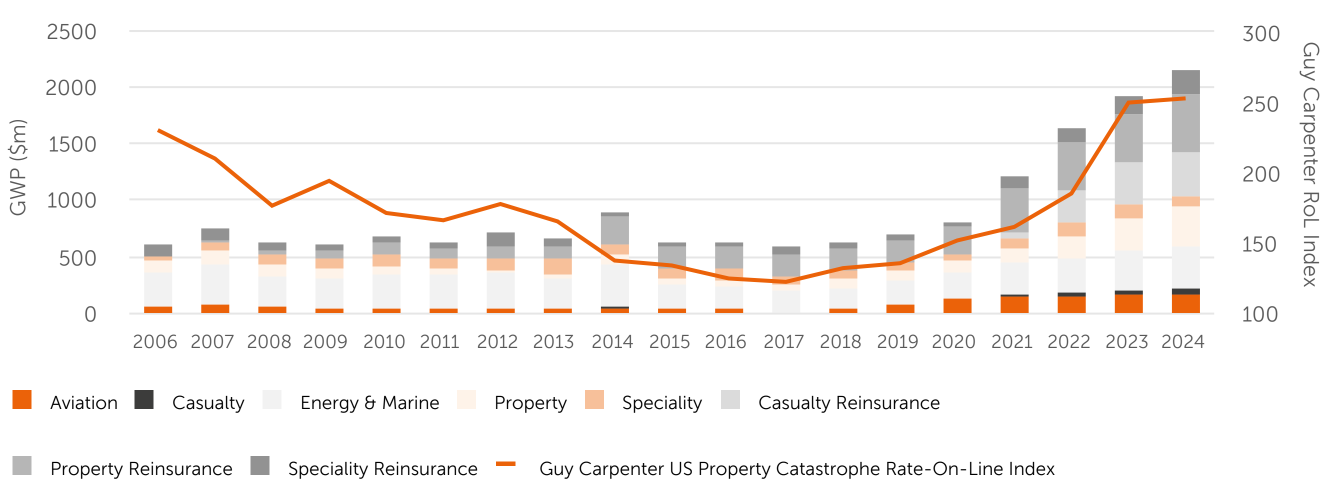
As I look to 2025, I would expect a large part of our organic growth to come from the continued development of our US business. Additionally, as our clients and business partners continue to face an uncertain world, demand for our products should remain resilient. Aligned with our purpose, we will continue to offer risk solutions that shield against the impact of uncertain loss events.

Away from our day-to-day work, there are also further opportunities for Lancashire and its employees to make a positive impact on society, particularly through the Lancashire Foundation.

Most importantly, across the Group, I am pleased to say that we are well-positioned to address the prevailing market conditions, and we have the talent and the passion to continue to make Lancashire an even better business.

Having the right vision and the right people to deliver it is always the goal, and I am excited that we have both of those going into 2025.

Group premium development 2006 to 2024



Our purpose

1

Deliver bespoke risk solutions that protect our clients and support economies, businesses and communities in the face of uncertain loss events.

See page 10

2

Manage our risk exposures and capital resources to generate returns for our investors.

See page 23

3

Support our people and work with our stakeholders, fostering a positive, sustainable and open business culture to the benefit of society.

See page 38

Our business model

Our business model supports our vision to be the leading underwriter of specialty insurance and reinsurance products.

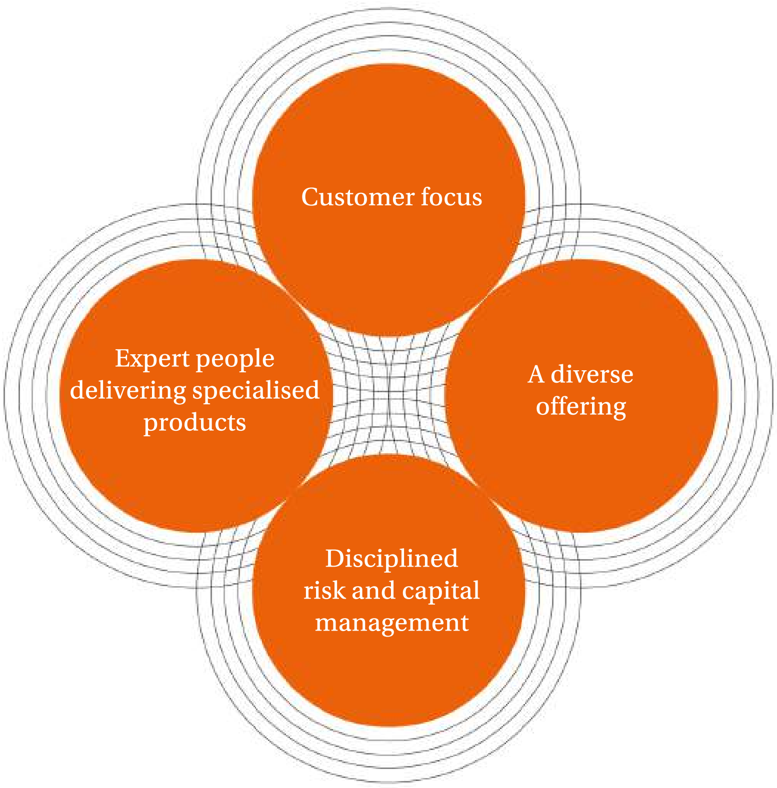
By focusing on our core strengths, we deliver our strategic objectives to benefit all our stakeholders.

We are always led by our purpose to deliver risk solutions that offer protection, manage risk and have a positive impact.

We do this 'The Lancashire Way' through our strong culture and inclusive and supportive work environment.

To read more about The Lancashire Way, please see page 33.

How we operate



Customer focus

Aligned to our purpose, we aim to help our clients recover from the impacts of loss events as soon as practicable.

We work hard to maintain long and mutually beneficial relationships with our clients and brokers.

Our focus on customer solutions and service helps ensure we are responsive, open and honest at all times.

A diverse offering

We have the ability to write business across our differing platforms.

We have a disciplined underwriting approach across our portfolio.

We provide clients with bespoke risk solutions and maximise underwriting opportunities through access to multiple markets.

Disciplined risk and capital management

Our strong track record of capital management is central to our strategy.

We maintain rigorous systems for risk monitoring and management.

We manage our underwriting portfolio through market cycles and reduce volatility by balancing risk and optimising our capital.

Expert people delivering specialised products

We are led by an experienced management team with the expertise and skills to deliver our strategy.

Our teams are empowered to make decisions quickly and effectively.

The (re)insurance products we offer are highly specialised with market barriers to entry.

Delivering value for

Our people

Top 10

employer in Bermuda in 2024

Our shareholders

23.4%

change in DBVS per share

Our policyholders

$511.3m

gross losses paid in 2024

The environment

3,700

carbon credits purchased

Society

$23.9m

donated through the Lancashire Foundation since 2007

1

Deliver bespoke risk solutions

that protect our clients and support economies, businesses and communities in the face of uncertain loss events.

Purpose in action

A decisive and proactive team

Q&A

"We provide the support that people and communities need during those tough moments."

Steve Yeo
Group Head of Claims

How does Lancashire's purpose to protect and support people and communities feed into the claims process?

Our approach has always focused on a prompt resolution to valid claims. We recognise that this plays a huge role in providing certainty to policyholders looking to recover following a loss. We have market-leading claims expertise and our team has the authority and autonomy to be decisive and proactive in responding to all losses notified. A (re)insurance policy is essentially a 'promise to pay' and the post-loss environment can be stressful so, while difficult for all involved, it gives us an opportunity to demonstrate that we are true to our word in providing support during those tough moments.

What have been the key challenges and opportunities for the claims team during 2024?

We have responded proactively to a number of significant elemental and non-elemental events which have impacted our industry during the course of 2024. While all of these events present different challenges, our efforts are centred around ensuring a prompt response to claims, in both our insurance and reinsurance lines, and playing our part in ensuring that policyholders with valid claims are indemnified without delay.

2024 has also been a busy year for the team, with a number of exciting initiatives coming to fruition, including our expansion into the US, and implementing a new and more efficient claims system which gives us access to better data.

How do you ensure the Lancashire claims team is responsive?

Within all of our product lines, we have experts who know the sector and are sensitive to the issues that losses can present. Our aim is to make the claims process as smooth as possible, so whether we are dealing with sophisticated buyers of (re)insurance, or have homeowners impacted by natural catastrophes, we appreciate that a difficult claims experience is the last thing they need. We provide a claims service that must have empathy at its core.

How are Lancashire's culture and values reflected in your approach to claims handling?

Primarily, it is around our communication; we want to collaborate in response to a loss situation, but we appreciate that insurance is often a secondary consideration. This is particularly true for our commercial clients, who are focused on reparation to their businesses, and that is exactly as it should be. We have the experience and autonomy to be transparent and honest about what support we can offer to positively manage the claim forward to an amicable resolution.

What is your focus in engaging with clients and brokers following a loss?

We don't impose ourselves; we appreciate that the client will have other issues that need to be addressed in a post-loss environment. We let those stakeholders know that we are ready to engage when they are ready to do so, at a time that is suitable to them.

The hunger for information needs to be tempered by the needs of the client responding to an impairment to their homes or businesses. So, again, we ensure that all parties know that we are willing to provide support when it is called upon, in whatever form that takes.

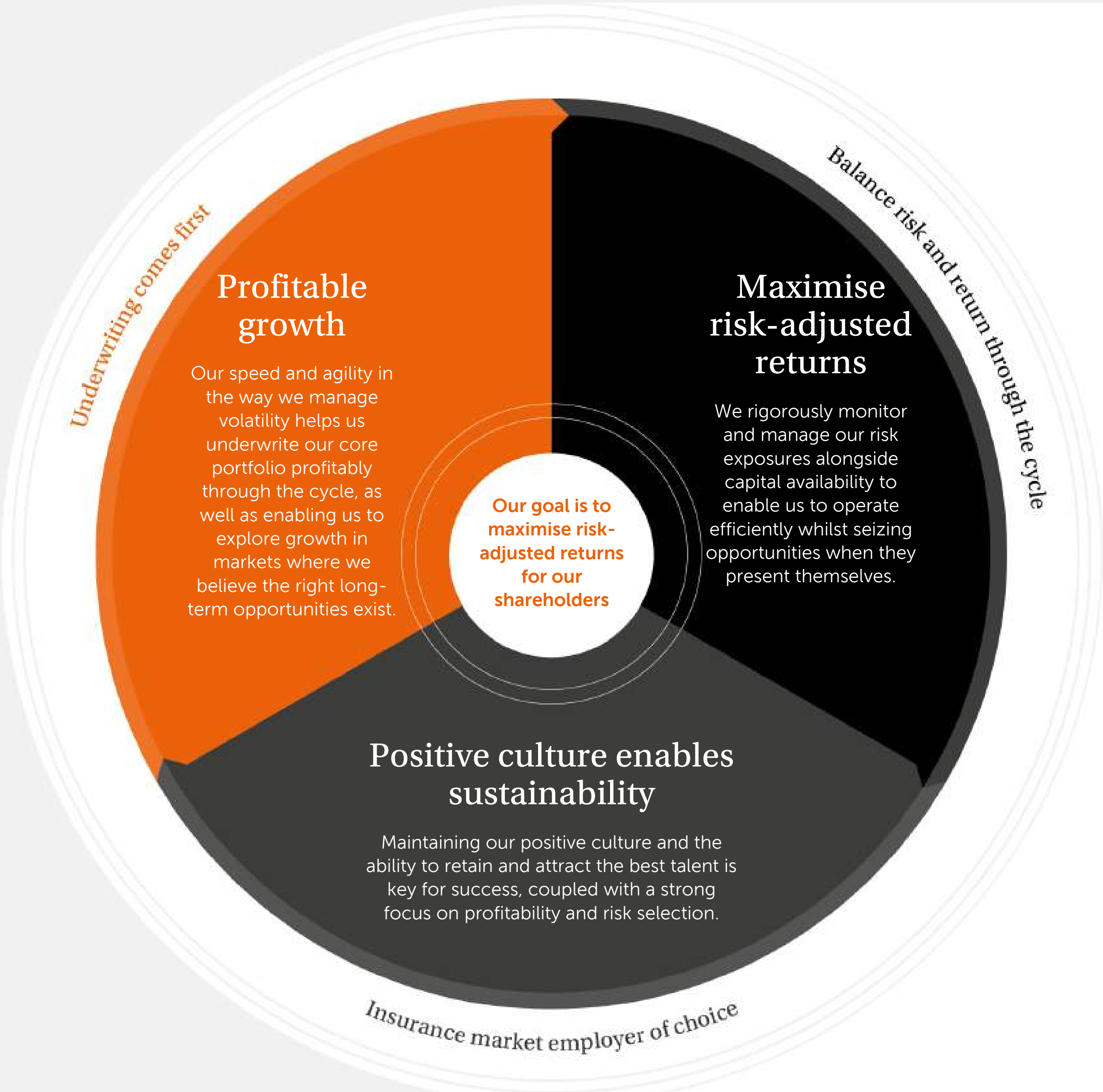
How does Lancashire differentiate itself in a crowded market?

Claims service is absolutely a differentiator and reputations have to be earned and can easily be lost. The majority of the claims we respond to can be resolved in a relatively straightforward way, but the more complex losses can distinguish you from your peers. It comes back to the people within the team and ensuring that they all apply a consistent approach to the claims handling process. We meet with our clients during new business and renewal meetings, ahead of any loss activity. We understand what their expectations and requirements are in the event of a loss and we tailor our response, should it be required, with those expectations and requirements in mind. Technical expertise is, and should be, assumed but what sets us apart is our prompt and transparent communication. We strive to be a positive voice for progressing claims to a resolution.

What makes a good claims professional?

We are fortunate to have folk who are smart, driven and keen to develop and grow. We encourage that development and for them to cultivate lasting relationships, with clients, brokers and service providers externally. Equally important are the internal relationships with colleagues in underwriting, actuarial, finance, exposure management and operations. Understanding the requirements of all our stakeholders is fundamental to delivering a quality claims service. When a loss has occurred, we see ourselves as the conduit for bringing internal disciplines together to ensure a robust and joined-up response. Communication is key and we are fortunate to have people who are personable, adaptable, empathetic, and, quite frankly, understand and espouse the values that we have as a business.

Focusing on our strategy



Strategic pillar	Underwriting comes first	Balance risk and return through the cycle	Insurance market employer of choice
Objective	Profitable growth	Maximise risk-adjusted returns	Positive culture enables sustainability
Drivers	• Continue to grow in classes where favourable and improving market conditions exist, and explore new distribution opportunities • Reduce earnings volatility from natural catastrophe risk • Focus on maintaining a diversified portfolio structure and our core clients	• Actively manage capital to support underwriting opportunities • Deploy capital quickly when it is needed and have the discipline to return it when it is not • Encourage a culture of risk challenge, questioning and understanding	• Foster entrepreneurial, collaborative culture via The Lancashire Way • Further develop the Group's ESG principles to ensure we operate responsibly as a business • Continuously strive for operational efficiency alongside development of data capabilities
Delivery	Gross premiums written of **$2,149.6m** in 2024 Insurance revenue of **$1,765.1m** in 2024 New operation in the **US** opened in March 2024 focusing on excess and surplus lines market	Total capital available of **$1,940.3m** in 2024 Total dividends to shareholders in 2024 of **$354.2m** including special dividends of **$300.2m**	Values and behaviours Launch of The **Lancashire Way** Manager Training programme rolled out Completed phase one of programme to bring our core underwriting platforms together onto an upgraded policy administration system

Financial review

Disciplined underwriting and maximising returns

Q&A

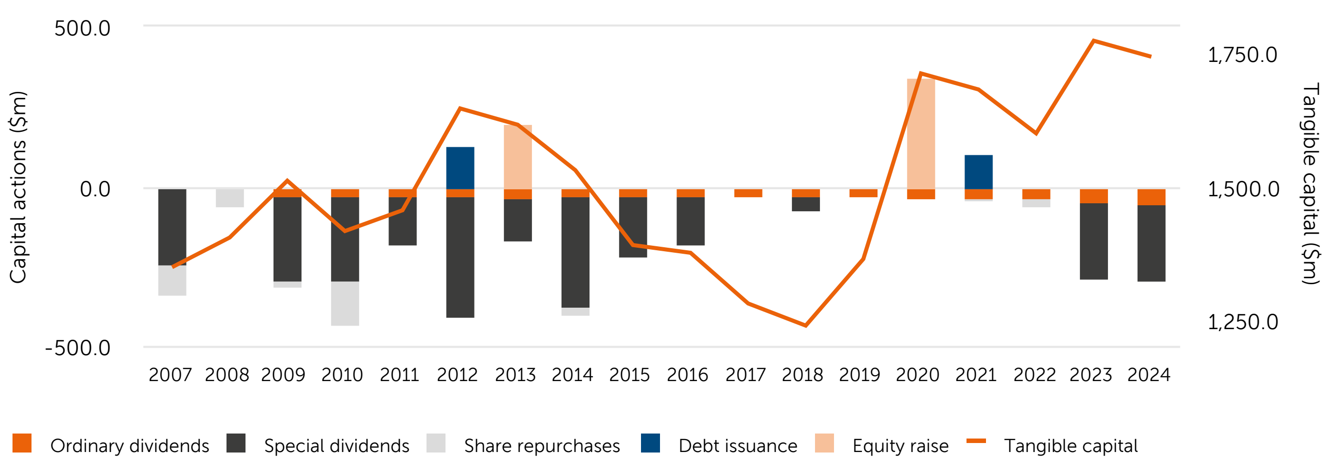
“Lancashire’s strong financial performance in 2024 clearly demonstrated the benefits of our growth and diversification strategy."

Natalie Kershaw
Group Chief Financial Officer

For the year ended 31 December	2024 $m	2023 $m	2022 $m
Highlights			
Gross premiums written	**2,149.6**	1,931.7	1,652.3
Insurance revenue	**1,765.1**	1,519.9	1,226.5
Insurance service result	**379.9**	382.1	141.6
Net investment return	**162.2**	160.5	(76.7)
Profit (loss) after tax	**321.3**	321.5	(15.5)
Dividends[1]	**354.2**	155.3	36.2
Net insurance ratio	**71.3%**	65.1%	83.4%
Combined ratio (discounted)	**80.0%**	74.9%	90.2%
Combined ratio (undiscounted)	**89.1%**	82.6%	98.7%
Total investment return	**5.0%**	5.7%	(3.5)%
Diluted book value per share	**$6.03**	$6.17	$5.48
Change in diluted book value per share	**23.4%**	24.7%	(1.2)%

1. Dividends are included in the financial statement year in which they were recorded.

Capital actions chart[1]



1. Dividends are included in the capital actions chart in the year to which they relate.

How would you sum up Lancashire's performance in 2024?

2024 has been another extremely strong year for Lancashire and we have delivered an excellent overall result. Our profit after tax of $321.3 million represents another exceptional year. We have maintained our emphasis on underwriting discipline and maximising risk adjusted returns through product diversification. The benefits of the strategic changes we have made to the business in the last few years are now evident. In particular, we continue to focus on return on capital, as measured by the change in diluted book value per share in 2024 of 23.4%.

How has Lancashire balanced its risk exposures and capital to generate returns for investors?

Managing our capital resources and our risk exposures is a core part of our purpose. We have a long track record of successfully doing this and that continued in 2024. As a specialist underwriting business, our goal is always to be good stewards of capital and to use our resources where we believe the best returns can be found. We always aim to generate sustainable returns for our investors by continuing to manage our risk exposures and capital resources as we look to the next phase of development for Lancashire.

Ultimately, flexible use of capital is in our DNA and our considered approach to balancing our capital requirements – always reflective of the underwriting environment – means we can grow the business when conditions are right and also reward our shareholders. Since inception Lancashire has returned more than $3.4 billion to shareholders and raised around $550 million of equity capital to grow at the optimal points in the cycle.

How has Lancashire considered capital returns for shareholders during 2024?

Our philosophy is not to hoard capital and to return it to shareholders when it is not required to support our underwriting. Those decisions are always made collaboratively across the business with ongoing cross-departmental discussions. The relatively small size of the Company, efficient structure and incentivisation plans make those conversations straightforward.

In March 2024, we announced a change to our regular final and interim ordinary dividend policy to increase regular returns to our shareholders by 50%.

In November, due to the strong operational performance, we also announced a special dividend of $0.75 per common share. For the full year, we paid out $354.2 million in dividends.

In an active industry loss environment, what has been Lancashire's focus?

2024 saw a number of significant loss events, both elemental and non-elemental. Aon estimates that insured market-wide losses for the year are likely to be in the region of $145 billion, exceeding the 2023 level of $125 billion.

The growth and diversification efforts we have successfully implemented mean that larger losses are much less impactful to our earnings. Over the past five years, we have worked hard to balance our underwriting portfolio and increase diversification across products. While we remain committed to underwriting catastrophe risk, these steps have been successful in making Lancashire more able to absorb volatility.

We are now better able to absorb large losses and return an underwriting profit, robust combined ratio and a strong RoE. Total catastrophe, weather and large losses, (undiscounted and net of reinstatement premiums), for the year were $214.1 million. Even with this quantum of losses our undiscounted combined ratio was a healthy 89.1%.

Lancashire has always had a conservative reserving philosophy. What drives this and do you see that changing?

Our prudence in reserving is also part of our DNA and won't change. This conservative approach has helped support the business over the long term and Lancashire has never had a year of reserve strengthening. Our robust reserve setting process is validated through external actuarial reviews twice a year and we will maintain this disciplined approach.

For 2024, the confidence level of our net insurance reserves was 86%, with a net risk adjustment of $256.8 million, or 14.7% of net insurance contract liabilities. Importantly, our confidence level remains within our preferred range of 80%-90%.

Additionally, favourable prior year loss development totalled $121.1 million, resulting from general IBNR releases due to a lack of reported claims and releases on natural catastrophe loss events across the 2022 and 2021 accident year. We also benefited from the release of expense provisions and reductions in outwards reinstatement provisions.

How has the investment portfolio performed during 2024 and how important is it to the business?

Our investment portfolio has grown substantially in recent years, resulting in a more meaningful contribution to Group RoE. During the year, the investment portfolio performed very well, generating a return of 5.0% or $162.2 million. These returns were driven primarily from investment income given the higher yields during the year on the growing portfolio.

Our portfolio remains relatively conservative with an overall credit rating of AA-. We will continue to maintain a short duration, high credit quality focus with some diversification to balance the overall risk-adjusted return.

What is Lancashire's capital position going into 2025?

Our diversification strategy over recent years has improved our capital efficiency. We hold a conservative capital position, such that we can withstand a significant catastrophe event and still retain our ratings and regulatory solvency position. We monitor capital and headroom against internal, rating agency and regulatory requirements.

As an underwriting business it is important that we hold sufficient capital so we can continue to write business immediately after a market-turning event. This ability to be flexible and deploy capital aligned to the market opportunity – and return it dependent on the cycle – has been very successful. At our heart we are an entrepreneurial company, and we are confident that we have the capital required to make the most of the opportunities we see in the market, including supporting our planned growth in the US.

In January 2025, we saw the devastating impact of the California wildfires, which have caused major catastrophe losses for the (re)insurance industry.

Given our strong earnings performance and capital generation in 2024, Lancashire remains extremely well capitalised to fund future opportunities.

In addition, the aggregate reinsurance cover the Company has in place to protect against the frequency of large catastrophe events should allow Lancashire to deliver an attractive return for shareholders in 2025.

Underwriting review

A resilient business

Q&A

> "The core of Lancashire's strategy is that underwriting comes first. Every decision we make starts with this in mind. In this context, 2024 saw us reap the benefits of our labours and demonstrate the effectiveness of our underwriting strategy."

Paul Gregory
Group Chief Underwriting Officer

How has the Lancashire underwriting team performed in 2024?

Facilitated by market conditions, our aim in recent years has been to build a more resilient business.

We have done this by investing in people, developing our underwriting talent and broadening our underwriting bench. This has allowed us to grow our business when market conditions have been favourable and create an underwriting portfolio that is more likely to provide appropriate returns, and still respond to significant loss events that our industry is there to respond to.

In the context of a year with notable loss activity we have delivered an outstanding underwriting result. Insured loss activity is estimated at around $145 billion, which is significantly higher than 2023, and one of the most expensive years on record.

Despite this we have produced an insurance services result of $379.9 million with an undiscounted combined ratio of 89.1% (80.0% discounted). This underwriting profitability helped the Group produce an overall change in DBVS of 23.4%.

The profitability of our underwriting is stable year-on-year, despite far more substantial insured losses in 2024 than the year prior. This demonstrates how much more resilient our underwriting portfolio has become.

What has the loss environment been like during the year?

2024 was an active year for natural catastrophes around the world. There continued to be events from all types of natural peril that had tragic consequences for those people and communities affected, and created significant insured and economic loss.

The year started with an earthquake in Japan on New Year's Day and over the following 12 months we saw flooding in Brazil, wildfires, hailstorms and flooding in Canada, extreme flooding across Europe and the Middle East, typhoons and cyclones in Asia and major hurricane and severe convective storm activity in the US.

These events test our industry, but at the same time, demonstrate the value of our product, which helps communities, and their economies rebuild after devastating events.

It was not just natural catastrophes that produced loss events. We also continued to see man-made loss activity with significant incidents in the marine, energy, and aviation industries.

The geopolitical and economic climate also remains unstable with the situations in Israel and Gaza as well as Russia and Ukraine continuing.

All these events and tensions impact the product lines we underwrite. Some create direct losses to our portfolio, and others impact the risk associated with the products we underwrite, which brings additional underwriting considerations.

It is the backdrop of these loss events and constantly evolving risk environment that has helped maintain market discipline at the point where supply and demand started to rebalance.

Have you seen changes in rate during the year?

2024 was the seventh year in a row of rate momentum. As expected, the rate environment plateaued, however, we finished the year in positive territory with an RPI of 101%.

Given that for the vast majority of products the rating environment has moved to a healthy place over the past few years, it is of no surprise that carriers are willing to deploy more capacity.

Helpfully factors such as inflation and increased demand due to changing risk perceptions continue to increase the demand for most products, which has offset the increased supply.

We are believers in the market cycle and therefore understood and accepted that at some point rates would plateau. The encouraging dynamic of 2024 was that underwriting discipline continued, the rating environment remained robust, and terms and conditions were stable.

Given the healthy rating levels, we continued our strategy of growing at the right point of the cycle.

We increased our gross premiums written by 11.3% to $2,149.6 million, and insurance revenues by 16.1% to $1,765.1 million. This is the seventh consecutive year we have grown ahead of rate as we maximise the market opportunity.

We are more than 3.5 times the size of where we were at the bottom of the underwriting cycle in 2017, taking advantage of an improved rate environment and more than doubling our product offering.

We are far more capital efficient, far less reliant on producing a very low combined ratio to deliver an appropriate return on equity, and have many more options to manage the future underwriting cycle.

	Gross premiums written $m			Insurance revenue $m			RPI	
Segment	2024	2023	Variance	2024	2023	Variance	2024	2023
Reinsurance	**1,097.8**	967.5	130.3	**855.1**	714.9	140.2	**101%**	122%
Insurance	**1,051.8**	964.2	87.6	**910.0**	805.0	105.0	**101%**	110%
Total	**2,149.6**	1,931.7	217.9	**1,765.1**	1,519.9	245.2	**101%**	115%

How has the US business performed?

During 2024, we successfully started underwriting from our newly minted US office.

We have successfully transferred in-house underwriting talent to lead this business whilst, at the same time, recruiting new local talent to the underwriting team as we build out our product offering.

This adds to our long and established track record of developing and promoting our people, and being able to attract new underwriting talent to the business.

We are extremely pleased with our first nine months of underwriting in the US and are even more excited about future profitable growth opportunities in the years to come.

Has the portfolio changed during 2024?

Our portfolio remains very equally split between insurance (48.9% of gross premiums written) and reinsurance (51.1% of gross premiums written).

We will always be agnostic to the split, and our decisions are driven purely by market conditions and expected returns. For each segment of the portfolio there were varying dynamics.

How did the reinsurance segment perform in 2024?

Our reinsurance segment contains casualty reinsurance, property reinsurance and specialty reinsurance.

Given supportive market conditions, we have continued to grow our footprint and increased premiums in each sector. The reinsurance segment RPI was 101% and we have increased our premiums by 13.5% year-on-year.

Casualty reinsurance comprises casualty, professional and financial lines, and accident and health reinsurance. The rating environment for all these sub-classes has been broadly stable over the year.

As anticipated, growth in the class was more measured during 2024 given that we had got our portfolio to a size we were happy with, and changes were more focused on portfolio refinement. Within the pure casualty class, there continues to be deterioration on older casualty years in the industry, coupled with increased commentary on newer years being less profitable than some expected.

We have no exposure to older years given our entry into the class in 2021. Given our prudent approach to reserving since we entered the class, we remain confident that there is profitable margin in the years we have underwritten, which will be realised over time.

The benefit of this continued focus on the adequacy of industry reserving for casualty is that it keeps pricing momentum in the market. We continue to see primary casualty insurance rate increases implemented by our cedants and, as a reinsurer, we get the benefit of this.

Property reinsurance comprises our catastrophe-exposed reinsurance classes as well as our excess of loss risk and other property treaty portfolios.

After the dislocation we saw in 2023, as expected, 2024 was far more stable. Rating across the portfolio was marginally positive, albeit as the year progressed the market continued to stabilise as increased demand was offset by increased supply. Importantly there was no softening of terms and conditions, and recently improved risk attachment points remained in place, adjusted for inflation.

Increased risk attachment points means that cedants must retain more risk before their reinsurance coverage is triggered. For reinsurers, this insulates the portfolio from the frequency of small-to mid-size losses.

The value of this can be seen in 2024, which saw many small-to mid-size loss events. Whilst these loss events did impact the reinsurance market, they were less impactful to profitability than would have been the case a few years ago. The product is still there to provide clients with balance sheet protection for the large loss events that they may face.

The Group's overall appetite for catastrophe risk was broadly stable year-on-year as we are satisfied with the overall balance of the group underwriting portfolio.

Specialty reinsurance comprises our reinsurance offering for classes such as aviation, marine and energy, as well as our property retrocession portfolio.

The rating environment across all the sub-classes remained positive during 2024. This was an area of targeted growth for us due to the positive market conditions and our underweight position in this area. We were successful in building a footprint and will continue to do so for as long as market conditions allow.

Much like our property reinsurance class, our risk appetite for the property retrocession sub-class was broadly stable as we look to maintain the Group's natural catastrophe footprint.

After seeing significant hardening in the aviation reinsurance market over the past few years 2024 was more stable albeit still positive.

How did the insurance segment perform in 2024?

Our insurance segment includes aviation, casualty, energy and marine, property and specialty insurance. Given favourable market conditions we have continued to grow our footprint and increased premiums in each sector. The insurance segment RPI was 101% and we have increased our premiums by 9.1% year-on-year.

Underwriting review *continued*

Aviation insurance market classes that we underwrite remained rate positive during the year, despite increasing competition in some of the product lines as the year progressed. Large loss events of recent years and increased reinsurance costs have helped keep rating levels broadly stable.

The aviation market continues to see frequent loss activity, sometimes with tragic human consequences.

We continue to be selective in the sub-classes of the aviation market that we underwrite, where we believe rating levels are more than adequate. In those sub-classes where we do not underwrite in a meaningful way, we will remain patient until market conditions improve to the level required.

At this point, we would happily broaden our appetite and we have the team with the expertise to do this.

Casualty insurance is a small segment of the business and comprises our accident and health insurance sub-class and a small amount of professional lines insurance that we support via consortium relationships with market leaders within Lloyd's. Market conditions remain broadly stable.

Energy and marine insurance provide products across the spectrum of the marine and energy sectors. We underwrite marine hull, marine war, marine liabilities, upstream, renewable, and downstream energy, power and utilities, and energy liability.

The rating environment has remained positive during the year and whilst each product is at a different point in the rating cycle, all saw modest rate increases.

The marine and energy classes are exposed to numerous risk factors and are inherently volatile classes of business in what are complex industries.

The risk in these sectors is constantly evolving. The challenges of inflation, volatile commodity prices and political unrest are just some of the underwriting considerations in these product lines. Whilst these classes can be extremely profitable, they require careful and considered underwriting and can have significant loss events.

Early in the year, we saw the Baltimore bridge disaster that led to the regrettable loss of life of six maintenance crew who were working on the bridge.

This is an example of the type of complex loss these classes can encounter, which often takes many years to resolve but, at the same time, demonstrates the purpose and value of insurance.

Property insurance comprises property direct and facultative insurance and construction insurance. Trading conditions have remained stable during the year, following many years of strong cumulative rate increases.

Given the robust rating adequacy within the property market, we have continued to grow our market share with growth coming across all platforms. Property insurance is one of our two product lines underwritten from our new US operation.

This office can access business that does not make its way to London giving us an additional distribution source in the world's largest property insurance market.

The new US operation has contributed to our growth in property and will continue to do so as it builds out.

Specialty insurance comprises our terrorism, political violence, and political and sovereign risks sub-classes. Given the continued global unrest, the terrorism and political violence classes have remained in positive rate territory during the year.

Despite the heightened risk environment that class remains very profitable, and little capacity has left the sector which tempers the upward rate trajectory somewhat.

As the conflicts around the world show little sign of resolution, we would anticipate underwriting discipline to remain in focus across the market.

The political and sovereign risk portfolio is non-renewable business and therefore premium levels are difficult to forecast, however, we have been successful in delivering stable year-on-year volumes. Market discipline has remained in this class, with adequate rating and underlying terms and conditions remaining.

How would you sum up the underwriting performance in 2024?

2024 has been a highly successful year for the Lancashire Underwriting team.

We have continued to grow in a strong market. We have successfully launched our US office, which will aid growth of the business in future years.

Most importantly we have delivered a very profitable result in a highly active loss environment, helping us demonstrate the durability we have been building over the past seven years.

Underwriting results

For the year ended 31 December	2024 Reinsurance $m	2024 Insurance $m	2024 Total $m	2023 Reinsurance $m	2023 Insurance $m	2023 Total $m
Gross premiums written	**1,097.8**	**1,051.8**	**2,149.6**	967.5	964.2	1,931.7
RPI	**101%**	**101%**	**101%**	122%	110%	115%
Insurance revenue	**855.1**	**910.0**	**1,765.1**	714.9	805.0	1,519.9
Insurance service expenses	**(420.0)**	**(766.1)**	**(1,186.1)**	(254.2)	(442.0)	(696.2)
Insurance service result before reinsurance contracts held	**435.1**	**143.9**	**579.0**	460.7	363.0	823.7
Allocation of reinsurance premium	**(168.2)**	**(271.2)**	**(439.4)**	(174.6)	(250.2)	(424.8)
Amounts recoverable from reinsurers	**(2.8)**	**243.1**	**240.3**	(78.2)	61.4	(16.8)
Net expense from reinsurance contracts held	**(171.0)**	**(28.1)**	**(199.1)**	(252.8)	(188.8)	(441.6)
Insurance service result	**264.1**	**115.8**	**379.9**	207.9	174.2	382.1
Net insurance ratio	**61.6%**	**81.9%**	**71.3%**	61.5%	68.6%	65.1%
Other operating expenses			**8.7%**			9.8%
Combined ratio (discounted)[1]			**80.0%**			74.9%
Combined ratio (undiscounted)[1]			**89.1%**			82.6%

1. The combined ratio (discounted and undiscounted) is the ratio, in per cent, of the sum of net insurance expense plus all other operating expenses to net insurance revenue.

Gross premiums written

Gross premiums written increased by $217.9 million, or 11.3% during 2024 compared to 2023. Excluding the impact of reinstatement premiums and multi-year contracts, underlying growth in gross premiums written was 11.6%. The Group's two principal segments, and the key market factors impacting them, are discussed below.

Reinsurance segment

Gross premiums written for 2024 increased by $130.3 million, or 13.5%, compared to 2023. New business within the property reinsurance and specialty reinsurance lines was the most significant driver of growth. The RPI for the reinsurance segment was largely flat for the year at 101%.

Insurance segment

Gross premiums written for 2024 increased by $87.6 million, or 9.1% compared to 2023. This increase was primarily driven by new business within the property class, including business written through both our Lancashire US and Lancashire Australia distribution channels for the property direct and facultative line of business.

Insurance revenue

Insurance revenue increased by $245.2 million, or 16.1%, for 2024 compared to 2023. Gross premiums earned, which is the key driver of insurance revenue, as a percentage of gross premiums written was 95.1% for 2024 compared to 89.2% in 2023. Insurance revenue has increased at a faster rate than gross premiums written, which reflects the benefit of gross premiums earned from the significant increase in business in recent years.

Allocation of reinsurance premiums

Allocation of reinsurance premiums increased by $14.6 million, or 3.4%, during 2024 compared to 2023. The allocation of reinsurance premiums as a percentage of insurance revenue for the Group was 24.9%, a decrease from 27.9% in the prior year, reflecting the Group's increased risk retention given the positive market environment.

Net claims

During 2024, the Group experienced net losses (undiscounted, including reinstatement premiums) from catastrophe, weather and large loss events totalling $214.1 million. Catastrophe and weather losses were $122.7 million with hurricane Milton the most significant, together with the combined impact of hurricane Helene, hurricane Debby, storm Boris and the Calgary hailstorms. During 2024, the Group also experienced net losses (undiscounted, including reinstatement premiums) from large risk events totalling $91.4 million. The MV Dali Baltimore bridge collision loss, which occurred in the first quarter, was the most significant. None of these large risk losses were individually material for the Group.

In comparison, during 2023 the Group experienced net losses (undiscounted, including reinstatement premiums) from catastrophe, weather and large loss events totalling $106.1 million.

Favourable prior accident year loss development, including the undiscounted net movement in loss reserves, reinstatement premiums and expense provisions, was $121.1 million during 2024. This was primarily due to attritional loss experience in respect of the 2023 accident year, together with catastrophe event reserve releases on the 2022 and 2021 accident years.

In comparison, favourable prior accident year development during 2023 of $78.8 million was primarily the result of favourable attritional loss experience and reserve releases on the 2022 accident year.

The prior accident year loss development for both 2024 and 2023 also benefited from the net release of expense provisions and reductions in outwards reinstatement premiums. This reduction was slightly more pronounced in 2024.

Net discounting benefit

The table below shows the total net impact of discounting by financial statement line item.

For the year ended 31 December	**2024 $m**	2023 $m
Initial discount included in insurance service result	**120.3**	84.7
Unwind of discount	**(68.6)**	(55.8)
Impact of change in assumptions	**14.7**	(10.8)
Finance (expense) income	**(53.9)**	(66.6)
Total net discounting income	**66.4**	18.1

The total impact of discounting for 2024 was a net benefit of $66.4 million, compared to a net benefit of $18.1 million in 2023. The higher net initial discount in 2024 compared to 2023 is primarily due to the underlying growth of the Group's insurance portfolio and an active loss environment in 2024, which in turn has resulted in an increased quantum of initial loss reserves being established. The sustained high discount rate environment over the last few years has contributed to an increased net expense from the unwind of discount relative to the prior year.

The majority of the Group's net insurance contract liabilities are denominated in US dollars, and this has driven a positive impact from the change in discount assumptions, primarily due to the increase in the US dollar three-year and five-year discount rates during the year.

In 2023, discount rates across all the Group's major currencies were at a relatively high level throughout the year, with a small decrease in the fourth quarter. This drove the relatively high initial discount and low change in assumption impact.

Investment results

"The primary objective for our investment portfolio is capital preservation and liquidity. We position our portfolio to limit downside risk in the event of market shocks and this is more important than ever in today's volatile markets."

Denise O'Donoghue
Group Chief Investment Officer

Investments and liquidity

Since inception, the primary objectives for our investment portfolio have been capital preservation and liquidity, and we position our portfolio to limit downside risk in the event of market shocks. Those objectives remain unchanged and are more important than ever in today's volatile markets. The year started with elevated yields and an inverted yield curve. By the end of 2024, the shape of the yield curve became ever so slightly upward-sloping again, with the Federal Reserve lowering rates at the front end by 100 basis points and the long end of the curve increasing in rates. With strong fundamentals continuing in the US and the expectation of a normalised yield curve, we did increase duration slightly to 2.0 years.

As we head into 2025, we will re-assess this, given the expected uncertainly around the Trump administration and potential inflationary pressures from potential tax cuts and US tariffs, in addition to geopolitical risk which was heightened in 2024. Given the expected volatility we will continue to maintain a short, high credit quality portfolio with increased portfolio diversification to balance the overall risk-adjusted return.

Investment performance

Net investment income, excluding realised and unrealised gains and losses, was $144.8 million in 2024, an increase of 33.5% compared to 2023. Total investment return, including net investment income, net realised gains and losses and net change in unrealised gains and losses, was $162.2 million in 2024 compared to $160.5 million in 2023.

The investment portfolio generated a total investment return of 5.0% during 2024. The returns were driven primarily from investment income given the higher yields throughout most of the year. In addition to positive returns from the fixed income portfolio, the risk assets, notably the bank loans and the private credit funds, contributed positively to the overall investment return.

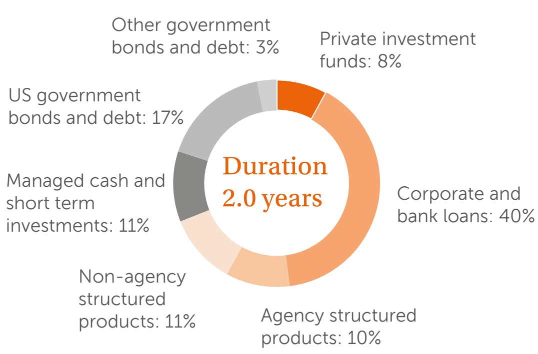
In 2023, the investment portfolio generated a positive return of 5.7%. The returns were driven primarily from elevated interest rates and the tighter credit spreads, in addition to positive return contributions from risk assets, resulting in positive returns in all asset classes.

Our portfolio mix illustrates our conservative philosophy, as shown in the chart below.

Conservative portfolio structure – quality

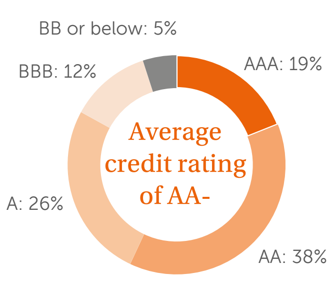
Asset allocation

Total investment portfolio and managed cash



Credit quality

Fixed maturities and managed cash



Other financial information

Other operating expenses

For the year ended 31 December	2024 $m	2023 $m
Operating expenses – fixed	**184.8**	147.9
Operating expenses – variable	**36.4**	41.7
Total operating expenses	**221.2**	189.6
Directly attributable expenses allocated to insurance service expenses	**(105.3)**	(82.2)
Other operating expenses	**115.9**	107.4

The most significant driver of the increase in operating expenses for 2024, compared to 2023, was an increase in fixed costs of $36.9 million or 24.9%. This increase is primarily in relation to employment expenses given the continued growth in headcount for the Group. The growth of the business also drove an increase in IT, building and operational processing costs.

In 2024, $105.3 million of operating expenses were considered directly attributable to the fulfilment of insurance contracts issued and have therefore been re-allocated to insurance service expenses and form part of the insurance service result. This compares to $82.2 million for 2023, and is reflective of the increase within the Group's overall fixed operating expense base.

California wildfires

The Group estimates its aggregate net ultimate losses relating to the wildfires in California, which occurred in January 2025, to be in the range of $145 million to $165 million. The estimate falls within the Group's modelled loss ranges for this type of catastrophe event. This estimate is undiscounted, after anticipated recoveries from Lancashire's outwards reinsurance programme and the impact of outwards and inwards reinstatement premiums.

Given our strong earnings performance and capital generation in 2024 Lancashire remains extremely well capitalised to achieve its strategic ambitions. In addition, the aggregate reinsurance cover the Group has in place to protect against the frequency of large catastrophe events should allow the Group to deliver an attractive return for shareholders in 2025.

The preliminary estimate has been derived from a combination of market data and assumptions, a limited number of provisional loss advices, limited client loss data and modelled loss projections. As additional information emerges, the Group's actual ultimate loss may vary from the preliminary estimate.

Capital

As at 31 December 2024, total capital available to Lancashire was approximately $1.9 billion, comprising shareholders' equity of $1.5 billion and $0.4 billion of long-term debt. Tangible capital was approximately $1.7 billion. Leverage was 23.0% on total capital and 25.6% on tangible capital. Total capital and total tangible capital as at 31 December 2023 were $2.0 billion and $1.8 billion respectively.

Dividends

On 5 March 2025, Lancashire's Board of Directors declared a final ordinary dividend of $0.15 (approximately £0.12) per common share, subject to a shareholder vote of approval at the AGM to be held on 30 April 2025, which will result in an aggregate payment of approximately $36.0 million. The dividend will be paid in Pounds Sterling on 13 June 2025 (the "Dividend Payment Date") to shareholders of record on 16 May 2025 (the "Record Date") using the £ / $ spot market exchange rate at 12 noon London time on the Record Date.

Lancashire's Board of Directors has declared a special dividend of $0.25 per common share (approximately £0.20 per common share at the current exchange rate), which will result in an aggregate payment of approximately $60.0 million. The dividend will be paid in Pounds Sterling on 11 April 2025 (the "Dividend Payment Date") to shareholders of record on 14 March 2025 (the "Record Date") using the £ / $ spot market exchange rate at 12 noon London time on the Record Date.

2

Manage our risk exposures

and capital resources to generate returns for our investors.

Risk management is central to our purpose and performance

Q&A

"As a risk function we aim to partner seamlessly with the business, bringing clearer insights and enabling us to take measured risks aligned with our strategy."

Louise Wells
Group Chief Risk Officer

How has Lancashire managed the changing risk landscape?

We have managed our operations through the changing risk landscape by partnering with the business to embed risk awareness and ownership. We have developed a culture of risk challenge, questioning and understanding, which enables us to manage risk effectively.

This has been a vital component in the successful delivery of our growth strategy over the last five years, and in the rollout of our transformative change portfolio.

What have been the key areas of development / focus in 2024?

During 2024, we have focused on the appropriateness of the RMF following our period of growth and the increasing volatility and interconnectedness of the top risks in today's world.

Our purpose as a function is to work with the business to balance the need to take risk with the need to manage it. Having an appropriate RMF in place is crucial to our success.

Climate change, geopolitical risk and cybersecurity have all remained a priority in 2024, with AI now also an increasing focus. AI is a good example of the need to balance risk: the risks associated with using AI versus the risks of failing to embrace it.

As part of our efforts to further understand the challenges and opportunities of climate-related issues, we continue to be a ClimateWise member and have published our 2024 report on our website. Our TCFD report, which complements our ClimateWise report, starts on page 46 of this report.

With 2024 being the 'year of elections', it is unsurprising that geopolitical risk has continued to be a focus during the past 12 months.

The full impact of the elections internationally, locally, on our industry and, ultimately, on the Group continues to unfold. Our focus on this risk will therefore continue into 2025.

Cyber security risk was also a priority in 2024, with the risk function working collaboratively with our strengthened information security function to ensure our cyber risk framework evolved as required with new and changing regulatory requirements.

Cyber security risk is included within the principal risk of operational risk, which is discussed on page 32.

Can you outline the Group's risk management strategy?

Our risk management strategy remains closely aligned with the Group strategy, and is focused on adding value to the business and providing assurance over the management of the principal risks, those risks subject to change as a result of our strategic growth over the past few years and any emerging risks to the Group.

The Board is responsible for ensuring the maintenance of a sound system of internal control and risk management and retains responsibility for the oversight of risk management activities.

How does Lancashire approach balancing capital and risk?

The Group takes an enterprise-wide approach to managing risk. The primary objective being to ensure that the capital resources held are matched to the risk profile of the Group and that the balance between risk and return is considered as part of all key business decisions.

The RMF sets out our approach to identifying, assessing, mitigating, and monitoring the principal risks the Group faces. The diagram on page 26 illustrates how the various parts of the RMF come together to form Lancashire’s overall ORSA process.

Our ORSA process is an ongoing analysis of the Group's risk profile and its capital adequacy to support the business strategy over the business plan horizon.

The key activities within this process consider how the financial and principal risks to which we are exposed may change over the planning cycle, what drives these changes, and how resilient the Group's resources are to a range of extreme but possible events.

As such, it is an important business management tool which is used to inform key business decisions.

The ERM and ORSA activities are underpinned by our risk culture and governance.

Our collaborative risk culture is driven from the ‘top down’ via the Board and the executive management team to the business, with the management RRC central to these processes.

The RRC is the key management tool for monitoring and challenging the assessment of risk on a regular basis. It seeks to optimise risk-adjusted returns and facilitate the appropriate use of the Group's internal models, including considering their effectiveness. Risk culture is also driven from the ‘bottom up’ through the risk and control affirmation process.

The primary role of the Group CRO is to facilitate the effective operation of ERM and the ORSA processes throughout the Group and to provide day-to-day oversight and challenge on risk-related issues.

The risk management function, led by the Group CRO, has three key strategic objectives:

- Relevant risk management framework – continual development and enhancement of the RMF alongside the growth of the business to ensure relevance and the ability to scale as required
- Balance the need to take risk with the need to manage it – partner with the business to embed risk awareness and ownership; encourage a culture of risk challenge, questioning and understanding; and ensure risk is managed effectively
- Risk management employer of choice – attract and develop outstanding people with the skills, knowledge and mindset to anticipate and respond to business growth with the ability to identify and manage the associated risk efficiently.

ERM & ORSA

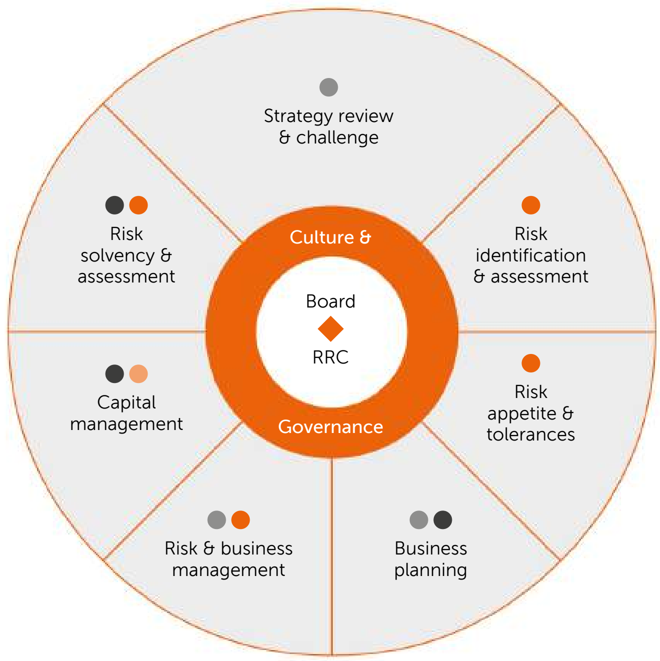
Key activities

Strategy review & challenge

- Review of business strategy with challenge from the Board
- Annual approval of a business strategy paper by the Board
- Development of ESG strategy and framework

Key elements of ORSA

- Board sign-off and embedding
- Business strategy
- Risks
- Capital and solvency
- Stress and scenario testing



Risk solvency & assessment

- Group CRO reports to Board and is a member of the Group Executive Committee
- Production of quarterly ORSA report for review and approval by the Board

Capital management

- Capital and liquidity management frameworks
- Review of internal model policies, capital and solvency appetites
- Full/proxy capital assessments
- Rating agency capital assessments
- Stress and scenario testing
- Board quarterly review of capital needs, headroom and actions

Risk identification & assessment

- Quarterly risk and control affirmations
- Emerging risk forum
- Quarterly internal audit reports to the Audit Committee providing an update on work performed and analysis of root cause of audit findings
- External audit reports to the Audit Committee
- Audit Committee annual review of the effectiveness of financial reporting internal controls
- Quarterly ESG Committee

Risk & business management

- Review of risk management policies
- Assessment of risk management framework maturity
- Integrated assurance assessment
- Emerging risk assessment
- ESG framework and strategy
- Review and approval of business plan by the Board

Business planning

- Stress and scenario testing (business plan)
- Assessment of management actions
- Group CRO review of business plan
- Board business performance review
- Board consideration of stakeholder engagement

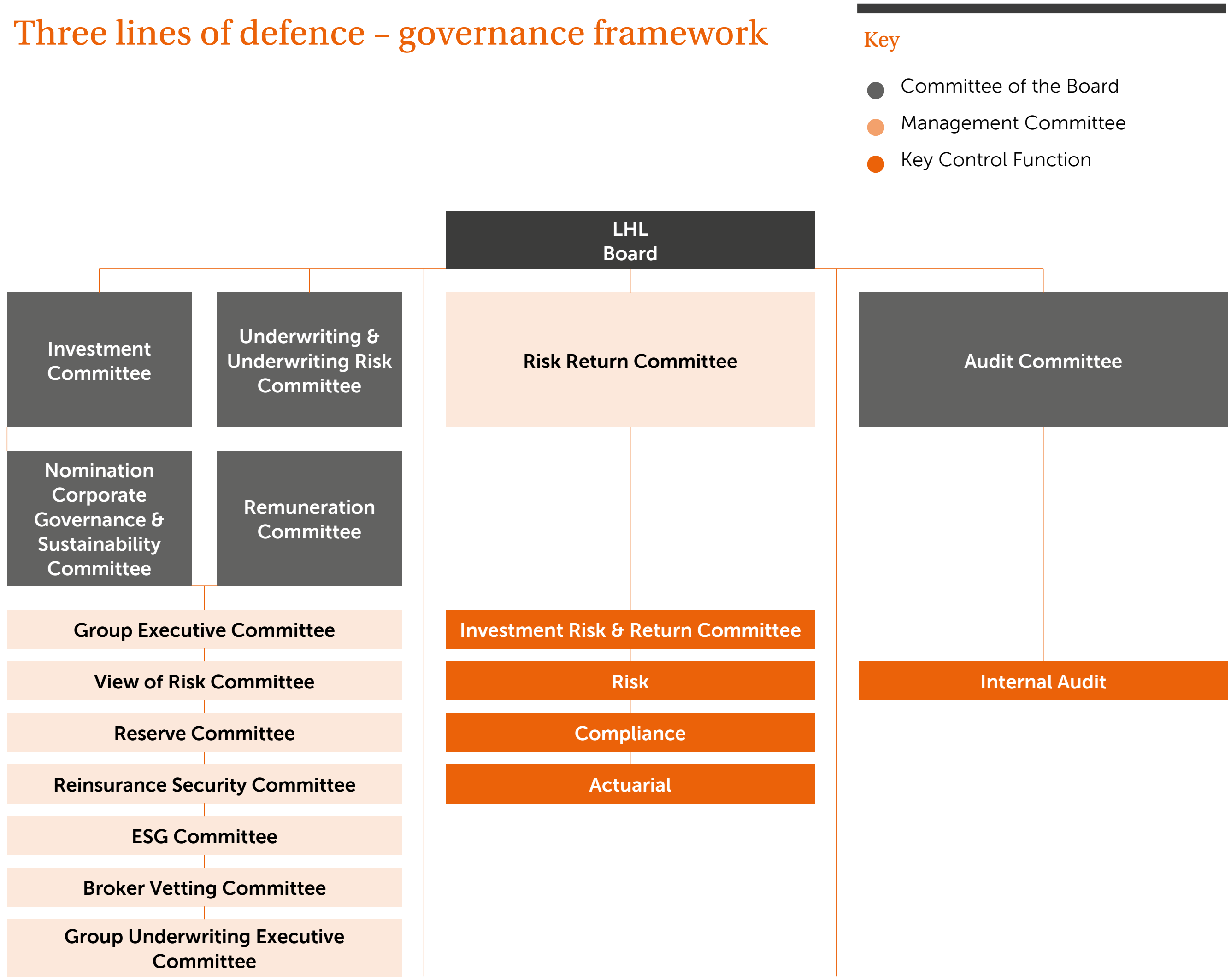
Risk appetite & tolerances

- Review of risk strategy and 'attitude to risk'
- Review and measurement of risk appetite and limits
- Review of Group risk tolerances
- Management, Board and subsidiary board approval and monitoring of risk appetite and tolerances

The ORSA processes are ongoing and operate throughout the year, with the annual ORSA report, summarising their outcome for management and the Board on an annual basis. The quarterly ORSA update report provides the Board with a point-in-time update on the key activities listed above and the challenge provided by the Group CRO.

Risk governance is a major component of the overall RMF and provides for clear roles and responsibilities in the oversight and management of risk. It also provides a framework for the reporting and escalation of risk and control issues across the Group. Lancashire operates a three lines of defence governance model.

Three lines of defence – governance framework



1st line of defence

Risk owners within each business function are responsible for promoting a strong risk culture, managing their risks within risk appetite and ensuring the effectiveness of their controls.

2nd line of defence

Provides expert advice, challenge and guidance together with providing independent oversight to the first line of defence to help ensure that risk taking remains within risk appetite. Includes the risk, compliance and actuarial functions, reporting to the RRC via the Group CRO.

3rd line of defence

The Internal Audit team provides independent assurance to the Audit Committee, by assessing the effectiveness of our risk management processes and that risk controls are being managed in line with approved policies, appetite, frameworks and processes. Additionally, it helps verify that the internal control system is effective. The Group Head of Internal Audit reports to the Board Audit Committee on internal control framework issues.

The Board retains responsibility for all risks within the Group and is responsible for setting and monitoring the Group's risk appetite and tolerances, whereas the individual entity boards are responsible for setting and monitoring entity-level risk tolerances. Risk tolerances represent the maximum amount of capital, generally on a modelled basis, that the Group and its entities are prepared to expose to certain risks. The Group's appetite for risk will vary marginally from time to time to reflect the potential risks and returns that present themselves. However, protecting the Group's capital and maximising risk-adjusted returns for investors over the long term are constants. All risk tolerances are subject to at least an annual review and consideration by management and the respective boards. The Board and individual entity boards review actual risk levels versus tolerances, emerging risks, loss event and near miss reporting, key risk indicators, and an overview of the control environment (driven by key control testing and control affirmations and supported by internal audit findings) at least quarterly. In addition, on at least a monthly basis, management assesses our PMLs against risk tolerances to ensure that risk levels are managed in accordance with them.

The Group CRO provides regular reports to the management team outlining the status of the Group's ERM activities and strategy, as well as formal reports to the Board.

The Group CRO reports to the Chair of the Board and Group CEO, but ultimately has the right to report directly to the Group and entity regulators if they feel that management is not appropriately addressing areas of concern regarding the Group as a whole or any of the individual operating entities.

We continue to perform a quarterly risk and control affirmation process whereby the operation of all key controls is affirmed by the control operators and then reviewed and approved by the risk owners. In addition, the risk owners are required to affirm that their risks remain appropriately documented and scored. The risks are scored on both a gross basis (i.e., inherent risk pre-controls) and a net basis (i.e., residual risk post the application of controls). The output from this process is reported to the RRC and the Group and operating subsidiary audit and risk committees, or boards of directors, as appropriate.

As at 31 December 2024, all Group entities were operating within their Board-approved risk tolerances.

The quarterly ORSA reports prepared by the Group CRO to the Group and subsidiary boards, provide a timely analysis of current and potential or emerging risks, compared against risk tolerances, along with their associated capital requirements.

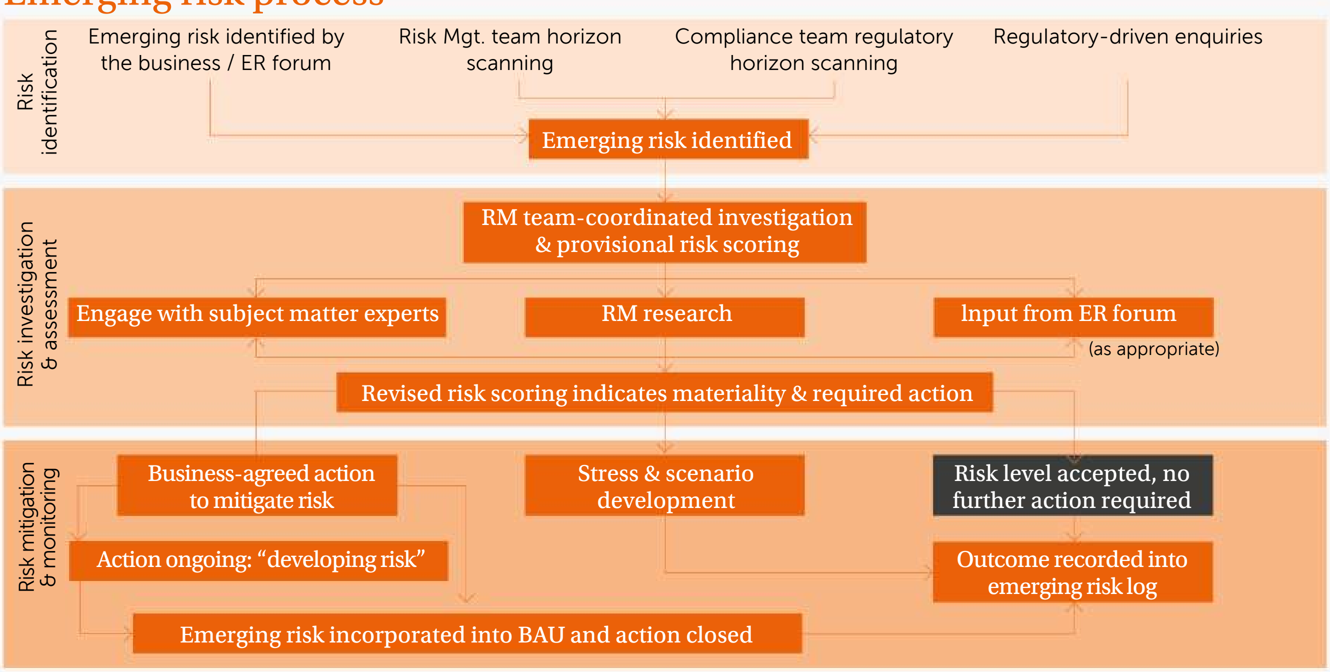
The 2025 annual ORSA report will be presented to the Board for review, challenge, and approval at the Q1 2025 Board meeting. The equivalent reports for the operating subsidiaries will also be presented to their boards for review, challenge, and approval during Q1 2025. As a Lloyd's managing agent, LSL falls within the Society of Lloyd's for Solvency II reporting, preparing ORSA reports for each syndicate. LSL has its own RMF to ensure it operates in line with the principles for doing business at Lloyd's.

Emerging risk

Lancashire defines emerging risk as a change in, or change in understanding of, the internal or external risk environment that could impact the validity of assumptions relating to strategy, decision-making and/or risk management approach. An emerging risk can arise in three ways:

- A genuinely new source of risk that has not existed before;
- A change in the way that an already identified risk can manifest which may not be adequately managed through Lancashire's current risk management procedures; or
- A change in understanding of an already identified risk.

Emerging risk process



Principal risks

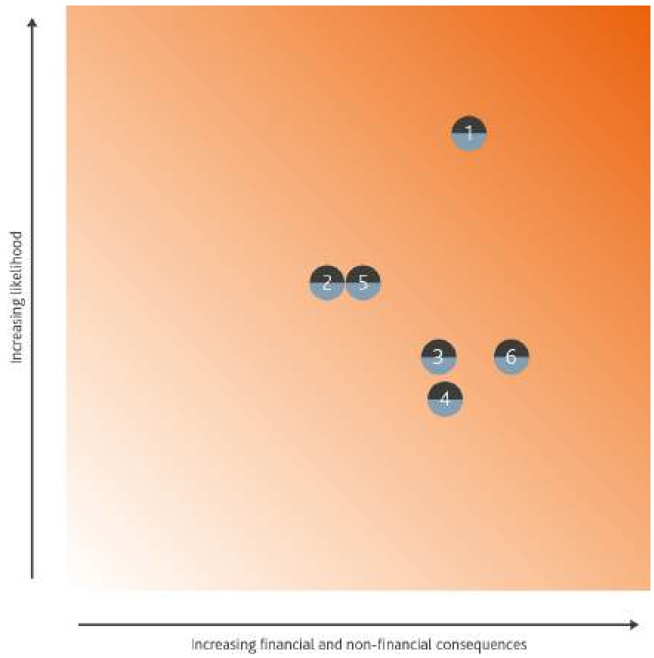
The process by which emerging risks are identified, investigated, assessed and reported is illustrated in the diagram on the previous page.

Emerging risks are identified by both the risk management function and the business, and are considered at the emerging risk forum, a Group-wide forum with cross-functional membership. A detailed log of all emerging risks identified is maintained including the anticipated impact, likelihood, time horizon, velocity, longevity, risk sector, risk type and any actions required.

The top emerging risks for the Group are recorded on our emerging risk radar and discussed with risk owners, executive committees, the Board and entity boards of directors on a periodic basis. The emerging risk radar is therefore subject to an iterative process of review and oversight. During the year, oversight of the following risks moved to our business-as-usual risk management processes: climate change, operational strain (driven by growth), geopolitical risk, inflation, tax and regulatory change, OECD global minimum tax and Bermuda CIT, and cyber security risks. As a result, emerging risk discussions predominantly focused on artificial intelligence, the many different components of AI and our risk appetite for utilising them.

Principal risks

Current assessment of principal risks



The Board evaluated the risks disclosed, alongside other factors, in the assessment of the Group's viability and prospects as set out in the going concern and viability statement in the Directors' report on page 111.

Given the broad reach of climate change and the risks associated with it, we concluded that these risks are most appropriately managed by including their impact through existing principal risks, rather than a separate climate change principal risk. The impact of climate change is therefore covered in the following principal risks: underwriting, investment, operational and strategic.

Key

Principal risk

- 1 Underwriting
- 2 Investment and Liquidity
- 3 Reserving
- 4 (Re)insurance counterparty
- 5 Operational
- 6 Strategic
- 2024
- 2023

Principal risks *continued*

Principal Risks

Principal risk category/risk owner	Key mitigating actions	How the Board reviews this risk
Underwriting **UURC** **Risk description and performance** Inadequate pricing of risk resulting in insufficient premium to cover any losses arising. Failure to monitor exposure accurately such that losses exceed expectation. Our underwriting performance is discussed on page 16. Our RPI for both the insurance and reinsurance segments was 101%. We remained within tolerance for all PMLs and RDSs during 2024.	We define our underwriting risk appetite and set risk tolerances as a percentage of capital we are prepared to risk for both natural catastrophe events and man-made disasters. PMLs for natural catastrophe perils are modelled monthly, and RDSs for non-elemental perils are updated quarterly. Both are provided to the RRC for review. We model our portfolio against Lloyd's RDSs to assess potential losses. We apply loads to and stress test stochastic models and develop alternative views of losses using exposure damage ratios. We review assumptions periodically to ensure they remain appropriate. We use our RPI measure to track trends in premium rates for our renewed business. The RRC considers accumulations, clashes and parameterisation of losses and models. Underwriters have individual underwriting authorities they must comply with. We perform pre- and post-bind peer review of a sample of risks written. Reinsurance is purchased to manage exposure and protect our balance sheet.	The Board delegates oversight of underwriting risk to the UURC. See page 88 for how the committee discharged its responsibilities in this area. Management reports to the UURC on underwriting performance, strategy and risk tolerances. The Board is engaged in the development and implementation of the Group's underwriting strategy, including the potential risks to this such as geopolitical risks and climate-related physical, transition and litigation risks. The Board reviews and approves the underwriting risk appetite, the risk tolerances and the structure of the outwards reinsurance programme on an annual basis. The Board reviews performance against risk tolerances on a quarterly basis.
Investment and liquidity **Investment Committee** **Risk description and performance** The risk of insufficient liquid assets to pay claims when due. The Group continues to have excess liquidity compared to tolerance and remained within investment guidelines.	We stress test our portfolio to understand the impact of a range of realistic loss scenarios, including risk-on, risk-off and interest rate hike scenarios. A biannual strategic asset allocation study is performed, the recommendations from which are discussed at the Investment Committee and presented to the Board for approval. The IRRC meets quarterly and reports to the RRC and to the Investment Committee via the Group CRO. External investment managers are used to manage the portfolios. The Group's principal investment managers are signatories to the UNPRI.	The Board delegates oversight of investment risk to the Investment Committee. See page 87 for how the Committee discharged its responsibilities this year. Management reports to the Investment Committee on investment performance, strategy, including asset allocation, and risk tolerances. The Investment Committee receives and reviews the investment strategy, guidelines and policies, risk appetite, and associated risk tolerances and makes recommendations to the Board in this regard. It also monitors performance against risk tolerances, investment guidelines, carbon intensity scores and a climate value at risk measure quarterly.

Strategic objectives	Risk trends	Impact trend	Appetite trend
Underwriting comes first	Stable risk	High	Acceptable
Balance risk and return through the cycle	Decreased risk	Moderate	Reassess
Insurance market employer of choice	Increased risk	Low	Unacceptable

Principal risks *continued*

Principal risk category/risk owner	Key mitigating actions	How the Board reviews this risk
Reserving **Reserve Committee** **Risk description and performance** The risk that established reserves are inadequate and claims exceed them. The confidence level of 86% is within our desired range.	Lancashire adopts a conservative reserving approach for all new classes of business until they are established. Actuarial and statistical data is used to set estimates of future losses. These are reviewed by underwriters, claims staff and actuaries to ensure they reflect the actual experience of the business. Reserves are reviewed and approved by the Reserve Committee whose members include representation from finance, actuarial and claims; there are additional attendees from underwriting, legal and risk. An independent review by external actuaries of reserve adequacy is performed twice a year.	The Board delegates oversight of reserving risk to the Audit Committee. See page 78 for how the Committee discharged its responsibilities this year. Management reports to the Audit Committee quarterly on reserves for material new claims, developments on established reserves, the reserve margin and confidence levels. The Audit Committee receives and considers the report from the external actuary on reserve adequacy. The Committee's review is also informed by the work performed by the external auditors.
(Re)Insurance and intermediary counterparty risk **UURC** **Risk description and performance** The risk our reinsurance counterparties are unable or unwilling to pay us in the event of a loss. The risk of mishandling by, or failure of, our intermediaries. The Group was within our stated risk appetite and tolerance during the year.	Our Broker Vetting Committee is responsible for the broker vetting approval process and monitoring credit risk in relation to brokers. The majority of business is conducted using non-risk transfer TOBAs. Monies are held by brokers in segregated client money accounts. Board-approved counterparty credit limits are used, reinsurers must meet minimum rating standards, and collateral agreements are used, where appropriate. The RSC approves counterparties within the framework set and monitors first loss and aggregate limits against the approved tolerances.	The UURC receives quarterly information from management with regard to broker distribution. The Group CRO reports to the Board on performance against Board-approved risk tolerances.

Strategic objectives	Risk trends	Impact trend	Appetite trend
Underwriting comes first	Stable risk	High	Acceptable
Balance risk and return through the cycle	Decreased risk	Moderate	Reassess
Insurance market employer of choice	Increased risk	Low	Unacceptable

Principal risks *continued*

Principal risk category/risk owner	Key mitigating actions	How the Board reviews this risk
Operational **Audit Committee & Board** **Risk description and performance** The risk of inadequate or failed internal processes, personnel, systems or (non-insurance) external events. The Group did not have any material operational loss events during the year.	The Group has a robust quarterly risk and control affirmation process in place, which is supported by detailed control testing. A description of certain of the Group's operational risks and controls can be found on pages 58 to 60. IT availability risk is mitigated through disaster recovery and business continuity plans which are tested annually. IT integrity risk is mitigated through independent penetration tests and restricting access to key systems to individuals who are qualified and need to use them. We have a cyber incident response plan to guide management in the event a third party gains access to our systems. The annual test of this is facilitated by a third-party specialist. KRIs and KPIs are used to monitor performance against our cyber risk appetite.	The Board delegates oversight of internal controls and risk management systems to the Audit Committee. See page 78 for how the Committee discharged its responsibilities this year. The Board retains the responsibility for risk oversight of IT and cyber risk. The Group CEO and management team manage the operation of the business and report to the Board and its committees. The Audit Committee receives a quarterly report from the Group CRO, summarising the results from the quarterly risk and control affirmation process and detailed control testing, along with the Group CRO's opinion on the overall control environment. The Audit Committee reviews this alongside the quarterly update from the Head of Internal Audit. The Board receives a quarterly ORSA update report from the CRO, which includes, by exception, details of loss events, performance against operational risk KRIs, and changes in the risk and control environment. The Group COO reports to the Board on operational matters, including the programme of change, IT and cyber security.
Strategic **Board** **Risk description and performance** The risk of failing to devise and/or implement an effective business strategy that is aligned with risk appetite and/or not adapting the strategy/ business plan for the prevailing market conditions. This includes the potential impacts of climate change and impacts of transition.	Strategic opportunities and capital planning are discussed at a dedicated session attended by all Directors and members of the management team. The Group has a clear vision and strategic objectives that are well communicated internally, thereby enabling all employees to understand their role and their contribution to these objectives. Regular town hall meetings are held with all employees to communicate performance against the strategic objectives. Succession planning helps ensure awareness of the strength in depth, or lack of, and the necessary action in the event a key role becomes vacant.	The Board retains responsibility for the oversight of strategic risk. The Group CEO and management team lead in the delivery of strategy. The Directors are involved in setting the strategy and approve the annual business plan. The Board receives quarterly updates on the Group's performance against the plan in its execution of the strategy.

Strategic objectives	Risk trends	Impact trend	Appetite trend
Underwriting comes first	Stable risk	High	Acceptable
Balance risk and return through the cycle	Decreased risk	Moderate	Reassess
Insurance market employer of choice	Increased risk	Low	Unacceptable

At Lancashire, we believe our culture sets us apart

The Lancashire Way

The way we behave and approach our work day-to-day is what makes us unique and creates a positive experience for our people, business partners and other stakeholders.

Honesty and integrity in all we do is a given and The Lancashire Way reflects our true character and spirit.

Straight-talking

We feel empowered to share thoughts and ideas, because everyone's voice matters.

Responsible

We focus on achieving tangible results with consistent standards across the Group.

Collaborative

We work together towards common goals, share knowledge and support each other.

Positive

We engage with brokers, clients, communities, stakeholders and colleagues professionally and passionately as proud ambassadors of Lancashire.

Hard-working

We all have a stake in the Company's success and are proactive in contributing to our goals and vision.

Passionate about our people

Total number of employees

426

We have one employee based in Canada

US
18
employees

UK
335
employees

Bermuda
65
employees

Australia
7
employees

Making Lancashire an employer of choice is one of our key strategic priorities.

We want to retain and attract the best talent across our markets and offer an inclusive and rewarding work environment.

The Lancashire Way is our framework for how we behave towards each other and our stakeholders and sets out what we expect of our employees.

Our people are drawn from a diverse range of backgrounds, which gives our community of colleagues a thriving and collaborative environment in which to excel.

Our people at a glance

Total number of employees:
426
(permanent and FTC)

Voluntary annual employee turnover:
8%

Permanent employees eligible to be considered for RSS awards:
100%

Employees promoted during 2024:
34

Gender split of employees:
59% male
41% female

Gender split of Group Executive Committee:
50% male
50% female

Gender split of senior management:
54% male
46% female

Data as at 31 December 2024

Listening to our people

We believe that giving people a voice and the opportunity to provide feedback on their experience of working at Lancashire is vital to our ongoing success.

During 2024, we followed up the full staff survey carried out in 2023 with a series of feedback sessions.

These sessions looked at areas where we scored strongly in the survey and also three areas where the management team felt we could do better.

These included reward and recognition, training and having clear career paths. Other areas discussed included increasing knowledge of the work of different teams around the business and our approach to inclusion. The feedback from these sessions has helped inform the talent agenda, a major strategic focus for the business into 2025, following the growth the business has experienced over recent years.

Despite our growth, we are still a relatively small company. Our size means we can retain our 'open door' policy, and everyone is able to raise any issues and suggest possible solutions. They can do this by talking to their manager, a member of the Group Executive Committee, or the local HR teams.

Top ten employer for the third year

Lancashire was named a Top Ten employer in Bermuda in the annual awards run by the island newspaper *The Royal Gazette* and sponsored by PwC.

Lancashire was placed sixth in the top 10 (out of 45 participating companies).

This achievement builds on our success in recent years when we came 8th in 2021 and 7th in 2023. Importantly, our employees in Bermuda were instrumental in our nomination, showing continued high levels of engagement.

Engaging with our people

We understand the importance of communicating with our people, particularly following our recent growth in headcount.

Senior executives are available to discuss issues with employees on both a formal and ad hoc basis.

Group CEO Alex Maloney communicates regularly with employees on Company issues and town hall meetings are held for all colleagues each quarter. At these, our progress against our strategic goals is reviewed and Group-wide corporate activities are highlighted.

A Non-Executive Director attends each of these events where they are asked to outline their role, comment on recent Board discussions, and answer questions.

During 2024, we launched The Lancashire Way at a series of events in each of our offices to ensure employees understand the expected behaviours.

Following feedback from these sessions, a new initiative – ideas@lancashire – was launched, offering people the opportunity to submit ideas and comments with a focus on increasing operational efficiency.

Also in 2024, a new Group-wide intranet was launched which is regularly updated with news and information from around the business, enabling all employees, wherever they are based, to receive important information in a timely manner.

The Lancashire Employee Network

The Lancashire Employee Network (LEN) is run by our employees for our employees and offers valuable opportunities to share experiences and knowledge.

The LEN hosts internal and external speakers on a range of topics. During 2024, a new series of 'LEN-bitesize' was launched focusing on highlighting the activities of various teams around the Group to increase knowledge of our operations across the business.

Other events held during the year included a talk by a sports psychiatrist on boosting performance, teamwork, well-being, and resilience, and a session led by an international public speaking expert giving insights into presentation skills and the value of networking.

As part of the LEN sessions, members of the Group Executive Committee are interviewed to discuss their careers, current roles and offer advice to our people.

Supporting our people

We are pleased to offer our employees a range of benefits.

These are designed to support colleagues in line with local practices and, depending on location, include 'family-friendly' employment policies, such as enhanced maternity, paternity and adoption leave, and paid leave for IVF treatment and pregnancy loss.

We also have a support framework for employees experiencing menopause, as part of our commitment to providing a safe and inclusive environment and encouraging colleagues to have open conversations.

All permanent employees have an enhanced interest in the performance and success of the Company through our RSS to ultimately become a shareholder in LHL.

The Group also provides subsidised lunches on specific days for employees to encourage them to interact in the office during breaks.

During the course of the year, we offer advice and information on a range of health, wellbeing and financial matters through our external partners including health checks, and financial wellbeing workshops.

Additional resources are also available 24 hours a day through the EAP. Areas covered include supporting home life, work life and physical and emotional health, and the opportunity to enrol in self-help programmes.

The Group has volunteer first aid and wellbeing officers available to employees, and Lancashire offers non-judgmental support for those suffering mental health difficulties and ill-health.

Rewarding long service

Our focus on retaining the best talent includes offering long-service benefits.

We value the experience and expertise of our people, many of whom have spent large parts of their careers with us, and a sabbatical benefit is available for those who have served for 10 years or more.

Training and development

Increasing people's skills, experience and knowledge is good for our employees and our business.

We aim to assist employees in developing their talents to meet their career ambitions with us, and a number of training and professional development initiatives are offered to all employees at all levels.

During 2024, we rolled out a new three-day Management Development Programme for our leadership community with sessions held in Bermuda and London. The programme was developed in partnership with a leading external expert.

The course aimed to give our managers assistance and advice to drive individual and team performance. The programme focuses on inspiring attendees to think differently, work across diverse groups, and adapt to changing environments. It also highlights the importance of trust, commitment, accountability, healthy conflict and focusing on results.

In addition to individually focused coaching, we offer externally facilitated coaching sessions to employees across the business periodically during the year.

We also offer employees a range of support through our online e-learning platform. This provides compliance, soft skills, management and health and wellbeing training, along with (re)insurance-specific training courses. Where appropriate, financial support and incentives for professional qualifications are available.

All employees are encouraged to discuss training requirements with their manager on an ongoing basis and through more formal performance review discussions.

Compulsory training is also delivered to all new permanent employees, including people working part time, and those on fixed-term contracts.

Topics covered include tax/regulatory operating guidelines, disclosure (including the requirements of the Market Abuse Regulation 2016), inspections, financial crime, ERM, cyber security, communications etiquette/equality, diversity and inclusion, GDPR and conduct rules.

New employees are expected to complete this training during the first three months of employment.

Further training is offered, depending on individual requirements. The Board receives quarterly updates regarding completion of these sessions.

A responsible employer

We comply with all relevant requirements with respect to human rights, rights of freedom of association, collective bargaining, and working time regulations.

We believe every employee, and prospective employee, should be treated with dignity, respect and fairness. As an equal opportunity employer, we do not discriminate, or tolerate discrimination, on grounds of race, age, sex, sexual orientation, marital or civil partnership status, gender reassignment, pregnancy or maternity, disability, religion and/or beliefs.

All employees have a duty to treat colleagues, visitors, clients, customers, and suppliers with dignity at all times.

Please see page 58 for more information on our Group policies and procedures.

Inclusion

Lancashire has always been proud of its open and honest culture. We welcome talented people from all backgrounds and are committed to being an inclusive employer.

We show this commitment day-to-day in how we operate and how we behave towards each other and all our stakeholders.

Attracting new talent

To ensure we have access to the best and most diverse talent pools we recruit new employees through a number of channels, including direct outreach, corporate social media, and through our website.

All employees receive training on unconscious bias and other recruitment themes as part of our efforts to give everyone an equal opportunity to show their best during the selection process.

Our induction programme for new employees includes training on diversity matters to support our focus on fairness and inclusion.

Alongside our more experienced employees, we have a number of apprentices who receive training and support as they begin their careers with us in their chosen field.

Retaining talent

All employees are encouraged to take opportunities to develop their careers at Lancashire. We value initiative and drive, and seek to reward these attributes when suitable opportunities arise.

During 2024, 34 colleagues were promoted internally across the Group.

External benchmarking

Lancashire actively supports external initiatives which seek to build more inclusive businesses. These include the FTSE Women Leaders Review, to improve the representation of women on boards and in leadership positions. The Group submits data annually to the review.

Lancashire is also a partner for the Insider Progress initiative, launched by the Insurance Insider. Our support ensures events are free for participants across the industry from all backgrounds. Insider Progress is designed to promote discussions around building an insurance workplace for the future with a focus on inclusion. Our Group CFO, Natalie Kershaw, is a member of the Insider Progress advisory board, which sets the agenda for events and highlights topics and areas for discussion. We hosted two events for Insider Progress during 2024 at our London office.

Lancashire is also a member of the Insurance Breakfast Club and offers selected employees the valuable opportunity to participate in its events. The Insurance Breakfast Club programme involves ten months of structured development, and provides connections for people at a crucial time in their careers. Its overall aim is to assist companies in their development of female talent.

Inclusion-related policies and procedures

Our efforts in this area are supported by policies that help ensure people do not face any discrimination as an employee or during our recruitment process.

Board and senior management

The Chair's statement on diversity, and on the representation of women on the Board and within executive and senior management, and in relation to ethnic diversity, is available on our website.

The tables below set out data about the sex and ethnicity of the Board and executive management as at 31 December 2024 in the format prescribed by the Listing Rules. Data concerning ethnic background and gender is collected directly from individuals.

	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
Men	7	58	3	4	50
Women	5	42	1	4	50
Other categories	–	–	–	–	–
Not specified/prefer not to say	–	–	–	–	–

	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
White British or other White (including minority-white groups)	11	92	4	8	100
Mixed/Multiple Ethnic Groups	–	–	–	–	–
Asian/Asian British	–	–	–	–	–
Black/African/Caribbean/Black British	1	8	–	–	–
Other ethnic group, including Arab	–	–	–	–	–
Not specified/prefer not to say	–	–	–	–	–