

## Lloyd's Insurers

### Valuation sheet & recent developments

The Lloyd's Insurance Index started to marginally outperform the insurance sector in the past two weeks as we neared the end of another relatively benign quarter in terms of natural catastrophes. Hence, underwriters have been able to build a comfortable capital buffer to absorb potential Cat losses in H2. A challenging outlook for rates across reinsurance and specialty lines explains the underperformance so far this year. However, investors are now more likely to focus on loss experience in H2, as this will drive the outlook for special dividends. Sector yields are 4.8% without factoring special dividends (which are likely should H2 loss experience align with cat budgets) whilst valuation remains in line with long term returns at 1.5x 2014e PTNAV (range (1.2x-1.8x). We would recommend investing at the lower end of the valuation spectrum through the hurricane season (Catlin (OW), BRIT (OW)) and pick up the sector more broadly nearer Q4 as potential special dividends start to get priced in (Beazley (N), LRE (N), Hiscox (N)). We remain cautious on Amlin (UW).

- Lloyd's Tour and Swiss Re Investor Day:** During our Lloyd's Tour last week underwriters acknowledged worse than expected rate declines during the US renewals but an easing of the rate pressure in the Cat Bond/Alternative market. This was subsequently corroborated by Swiss Re. As such, some underwriting discipline is emerging in property Cat reinsurance lines, albeit rate pressure is spilling over in other classes. This is creating some uncertainty for 2015 and we believe underwriters are likely to make material portfolio changes ahead of the 2015 renewals.
- Catastrophe events benign:** The main events during Q2 include higher costs for the Costa Concordia wreck removal, US Tornados and a Satellite loss, but overall the second quarter was fairly benign as was Q1. The first hurricane of the season, Hurricane Arthur, a category 2 hurricane, shaved the NC coastline over the long weekend albeit the damage is likely to be well within Q3 catastrophe budgets. As such, so far earnings and capital buffers are healthy, in our view.
- H1 Results are around the corner** and we expect many insurers will be tuning down their growth expectations for 2015. We expect the H1 focus will be on attritional loss experience in a softening cycle, the build-up of excess capital in a benign claims environment and the outlook for reinsurance vs insurance capacity deployment in 2015. We believe the Lloyd's underwriters are in a favorable position and able to manage the cycle but likely to shrink reinsurance and continue to grow insurance into 2015.

#### Insurance - Non-life

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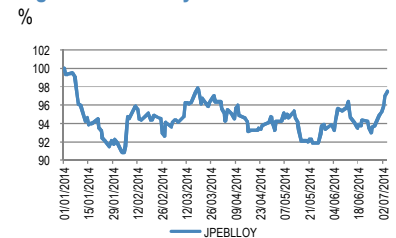
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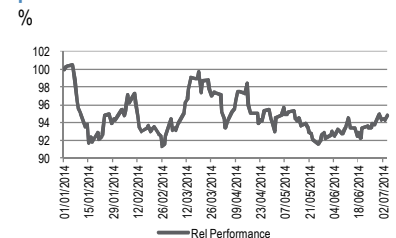
J.P. Morgan Securities plc

Figure 1: JPM Lloyd's Insurers Index



Source: J.P. Morgan estimates, Company data.

Figure 2: JPM Lloyd's Index relative performance vs SXIP



Source: J.P. Morgan estimates, Company data.

See page 14 for analyst certification and important disclosures, including non-US analyst disclosures.

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## Lloyd's Insurers Valuation Sheet

Table 1: Valuation sheet

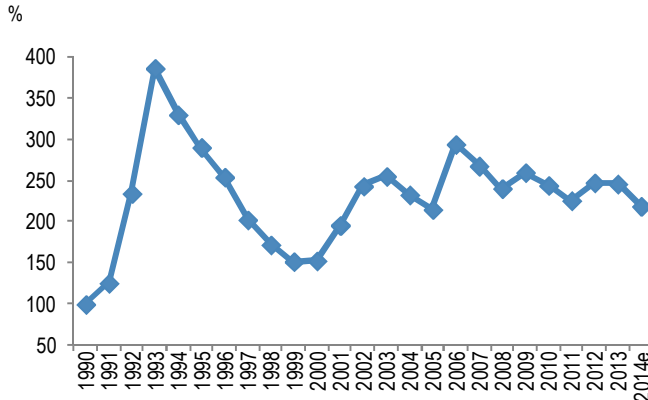
\$ million

LLOYD's Valuation Metrics	Rec.	BBG RICs	Price (p)	Target Price	Mkt cap (£m)	P/TNAV x 2013	P/TNAV x 2014E	P/TNAV x 2015E	RTNAV % 2013	RTNAV % 2014E	RTNAV % 2015E
Amlin	UW	AML LN	480	390	2403	1.6x	1.6x	1.6x	21.9%	13.1%	10.3%
Beazley	N	BEZ LN	262	258	1367	1.5x	1.7x	1.6x	22.5%	17.9%	15.0%
BRIT	OW	BRIT LN	248	256	991	1.3x	1.4x	1.3x	15.4%	14.3%	13.8%
Catlin	OW	CGL LN	545	580	1973	1.2x	1.2x	1.1x	16.1%	11.8%	13.2%
Hiscox	N	HSX LN	735	631	2339	1.8x	1.8x	1.7x	18.0%	11.5%	12.7%
Lancashire	N	LRE LN	659	744	1235	1.9x	1.4x	1.3x	16.9%	15.5%	13.7%
<b>Wght avg.</b>						<b>1.5x</b>	<b>1.5x</b>	<b>1.5x</b>	<b>18.6%</b>	<b>13.4%</b>	<b>12.8%</b>
LLOYD's Valuation Metrics	Yield % 2013	Yield % 2014E	P/E x 2014E	P/E x 2015E	EPS p 2013	EPS p 2014E	EPS p 2015E	EPS p 2016E	DPS p 2013	DPS p 2014E	DPS p 2015E
Amlin	5.7%	5.4%	12.7x	15.7x	59	38	31	30	26	26	26
Beazley	11.3%	3.5%	10.1x	11.4x	32	26	23	na	25	9	10
BRIT	12.1%	7.6%	10.1x	9.7x	25	24	26	27	25	19	19
Catlin	6.1%	6.0%	10.7x	9.0x	65	51	60	68	31	33	35
Hiscox	8.4%	3.3%	16.3x	14.5x	65	45	51	54	57	25	27
Lancashire	13.1%	3.2%	11.2x	11.3x	70	59	58	59	105	21	9
<b>Wght avg.</b>											
LLOYD's Valuation Metrics	TNAV 2013	TNAV 2014E	TNAV 2015E	GWP-\$m 2013	GWP-\$m 2014E	CR % 2013	CR % 2014E	Attr. CR % 2012	Attr. CR % 2013	Attr. CR % 2014E	NII % 2013
Amlin	288	299	303	4,085	4,368	90.0%	92.3%	89.5%	88.9%	87.9%	3.2%
Beazley	150	153	167	1,970	2,061	84.1%	88.9%	90.8%	88.1%	91.0%	1.0%
BRIT	162	181	189	1,963	1,985	85.3%	90.5%	88.6%	88.2%	87.4%	2.2%
Catlin	435	451	479	5,309	5,543	91.3%	94.1%	89.0%	89.2%	88.9%	2.7%
Hiscox	381	404	432	2,814	3,051	84.0%	90.1%	88.9%	91.3%	92.1%	1.9%
Lancashire	429	466	524	680	941	70.2%	74.1%	45.8%	61.9%	61.5%	1.8%
<b>Wght avg.</b>						<b>87.4%</b>	<b>91.2%</b>	<b>87.5%</b>	<b>88.1%</b>	<b>88.2%</b>	<b>2.3%</b>

Source: J.P. Morgan estimates, Company data. CoB 02/07/2014

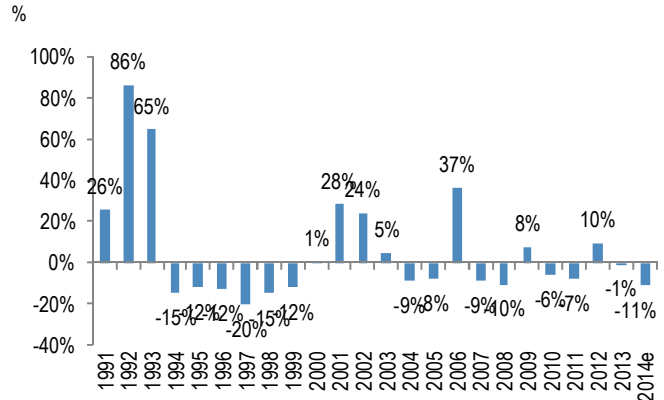
## Cat Reinsurance Rates & Exposures

Figure 3: Guy Carpenter Global ROL Index



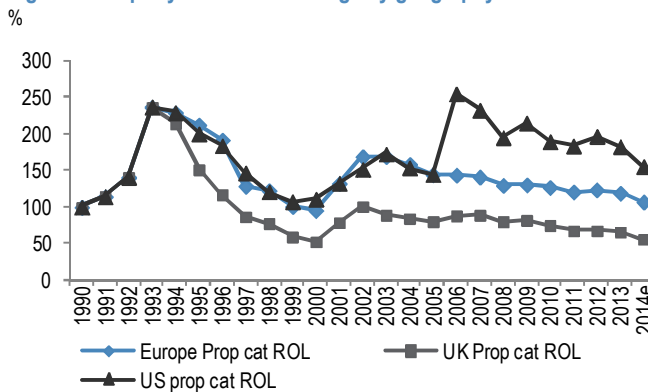
Source: J.P. Morgan estimates, Guy Carpenter

Figure 4: Guy Carpenter Global ROL Index



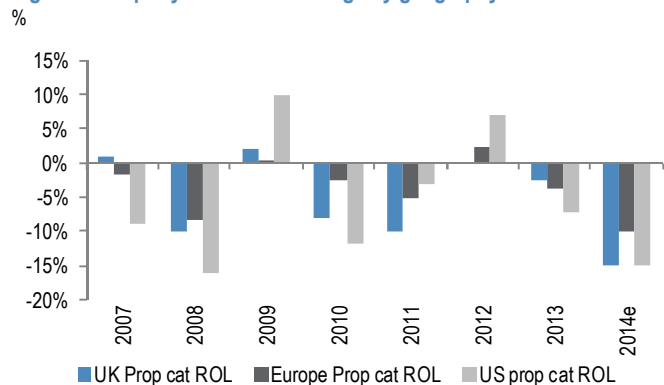
Source: J.P. Morgan estimates, Guy Carpenter

Figure 5: Property Cat Re rate change by geography



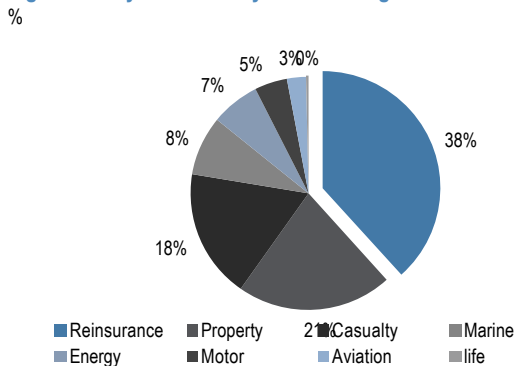
Source: J.P. Morgan estimates, Guy Carpenter.

Figure 6: Property Cat Re rate change by geography



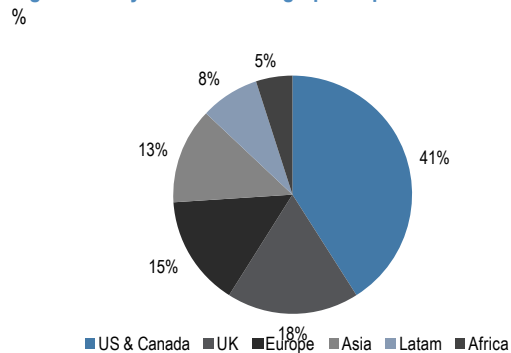
Source: J.P. Morgan estimates, Guy Carpenter

Figure 7: Lloyd's Market by Underwriting Class



Source: J.P. Morgan estimates, Company data.

Figure 8: Lloyd's Market Geographic Split



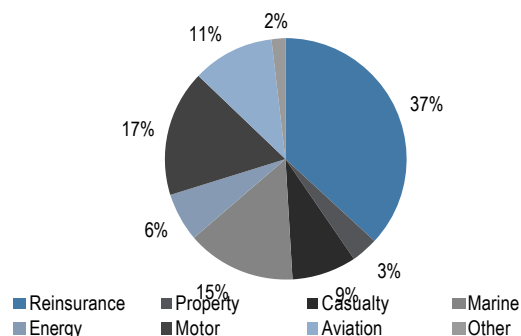
Source: J.P. Morgan estimates, Company data.

## Lloyd's Insurers premium split

### Premium split by line of business (2013)

Figure 9: Amlin

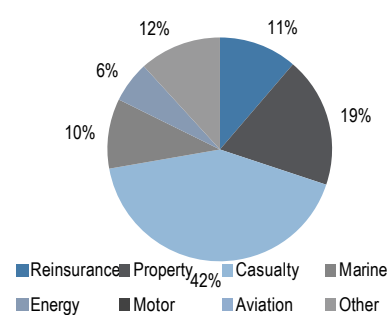
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Source: Company reports and J.P. Morgan estimates.

Figure 10: Beazley

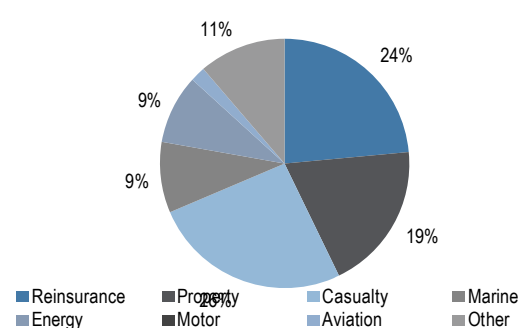
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Source: Company reports and J.P. Morgan estimates.

Figure 11: BRIT

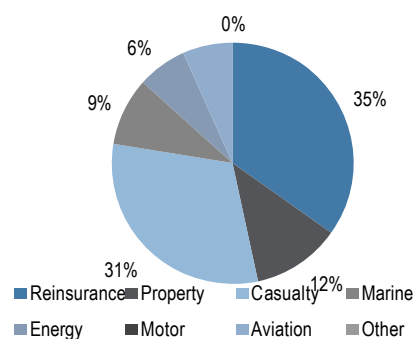
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Source: Company reports and J.P. Morgan estimates.

Figure 12: Catlin

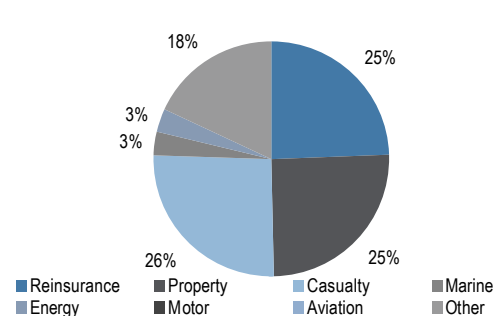
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Source: Company reports and J.P. Morgan estimates.

Figure 13: Hiscox

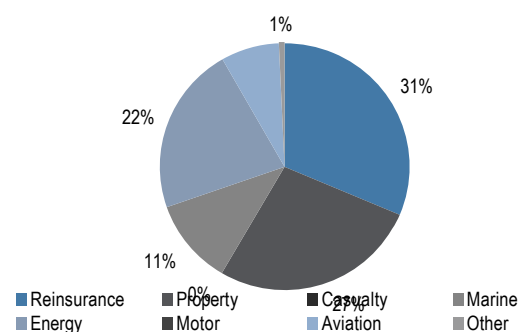
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Source: Company reports and J.P. Morgan estimates.

Figure 14: Lancashire

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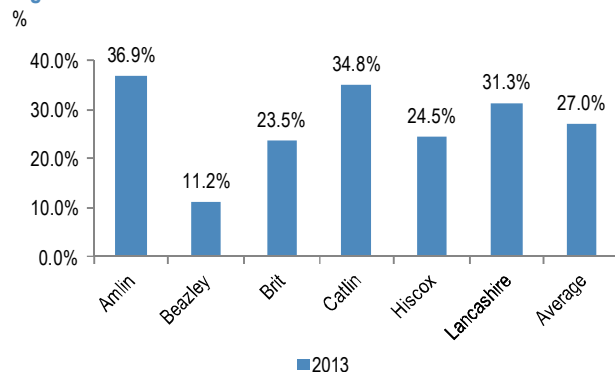


Source: Company reports and J.P. Morgan estimates

## Lloyd's Insurers premium rankings (% GWP)

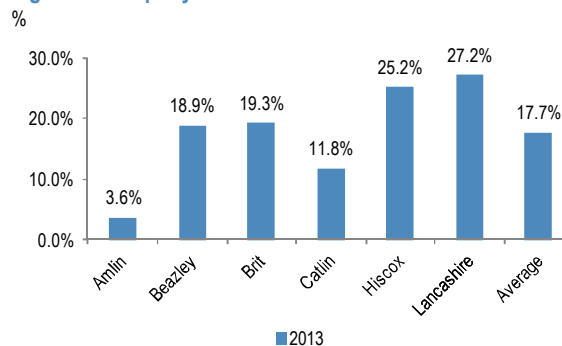
### Premium split by line of business (2013)

Figure 15: Reinsurance



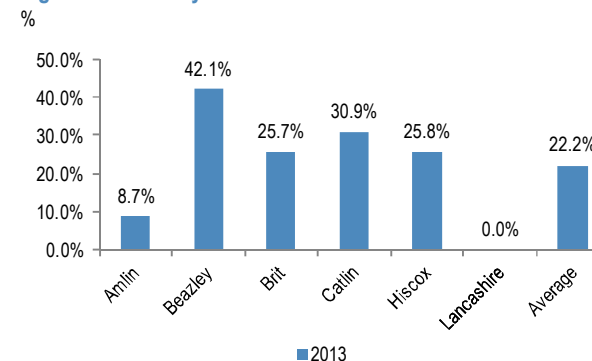
Source: Company reports and J.P. Morgan estimates.

Figure 16: Property Insurance



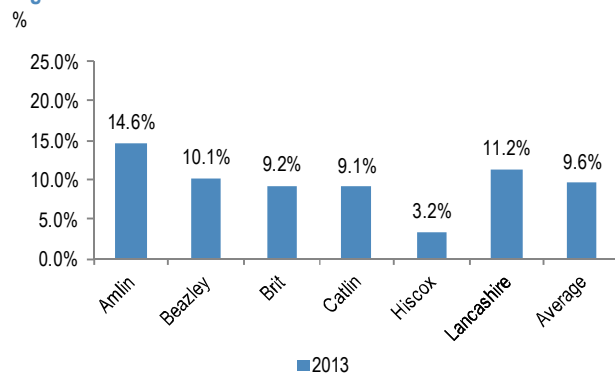
Source: Company reports and J.P. Morgan estimates.

Figure 17: Casualty Insurance



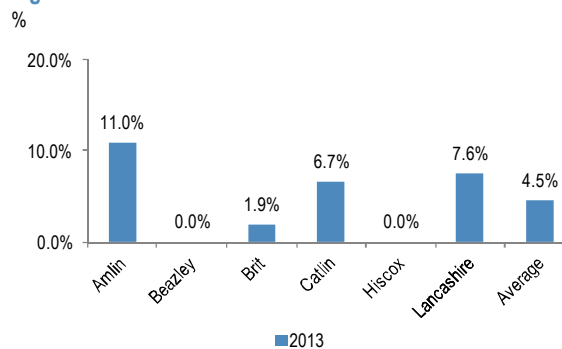
Source: Company reports and J.P. Morgan estimates.

Figure 18: Marine Insurance



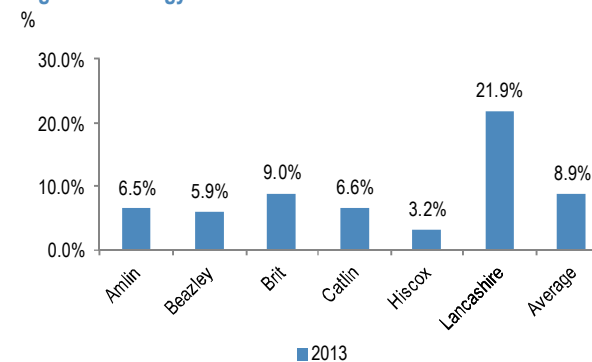
Source: Company reports and J.P. Morgan estimates.

Figure 19: Airline Insurance



Source: Company reports and J.P. Morgan estimates.

Figure 20: Energy Insurance



Source: Company reports and J.P. Morgan estimates

## Reinsurance premium split

### Reinsurance Premium split by line of business (2013)

Figure 21: Amlin

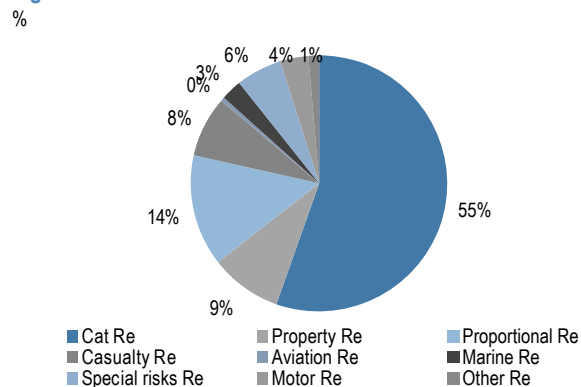


Figure 22: Beazley

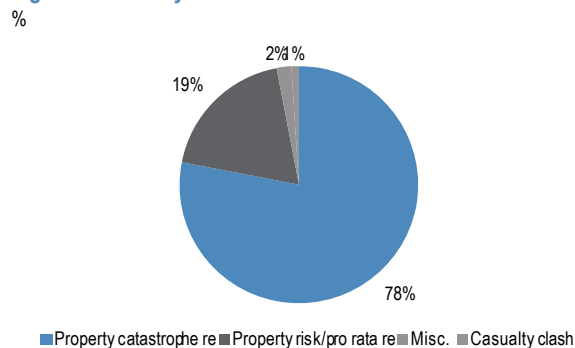


Figure 23: BRIT

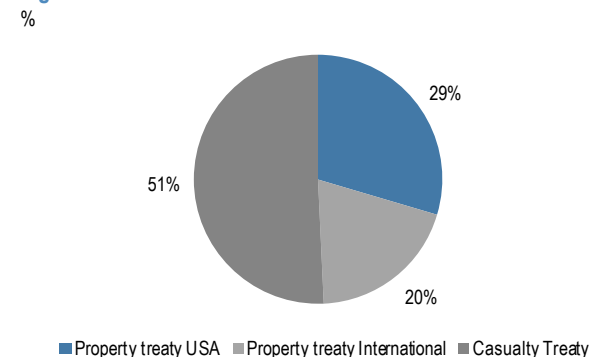


Figure 24: Catlin

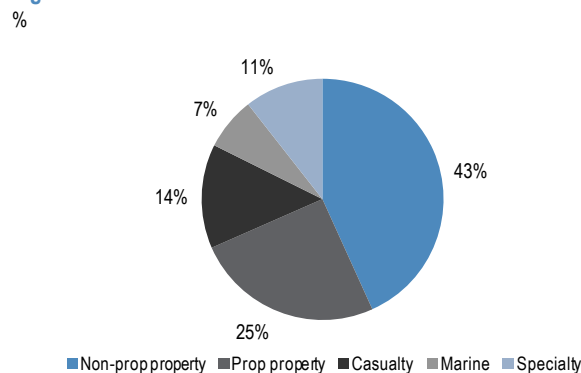


Figure 25: Hiscox

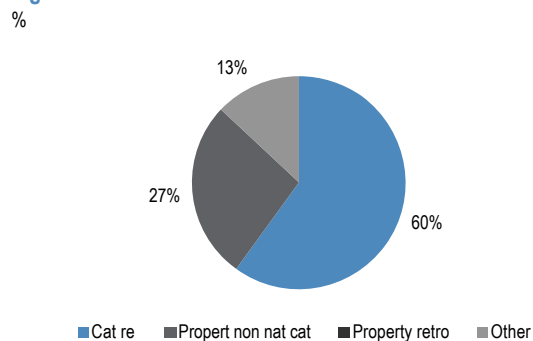
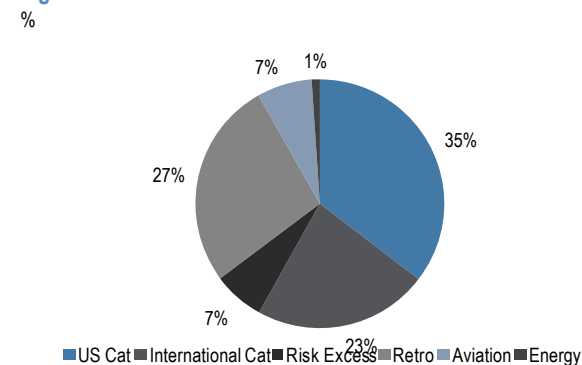


Figure 26: Lancashire

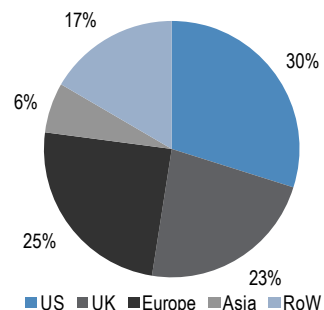


## Lloyd's Insurers Geographic premium split

### Premium split by geography (2013)

Figure 27: Amlin

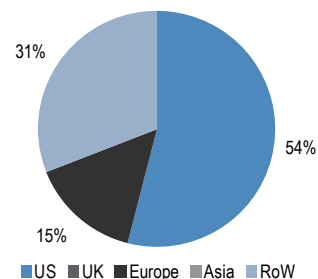
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Source: Company reports and J.P. Morgan estimates.

Figure 28: Beazley

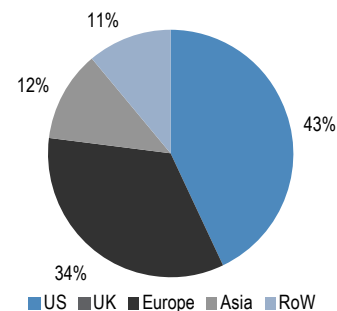
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Source: Company reports and J.P. Morgan estimates.

Figure 29: BRIT

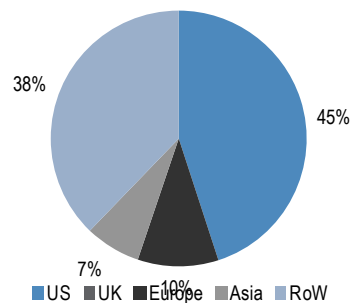
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Source: Company reports and J.P. Morgan estimates.

Figure 30: Catlin

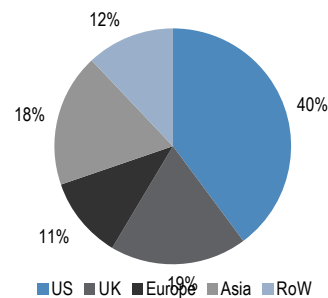
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Source: Company reports and J.P. Morgan estimates.

Figure 31: Hiscox

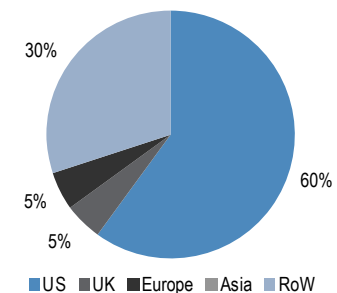
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Source: Company reports and J.P. Morgan estimates.

Figure 32: Lancashire

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Source: Company reports and J.P. Morgan estimates

Table 2: Amlin Key data

Profit and Loss statement								Ratio Analysis							
£ in millions	FY11	FY12	FY13	FY14e	FY15e	FY16e	FY17e	p	FY11	FY12	FY13	FY14e	FY15e	FY16e	FY17e
Gross Written Premiums	2,304	2,406	2,467	2,545	2,624	2,708	2,799	Shares Outstanding	495	495	499	499	499	499	499
% change Y/Y	6%	4%	3%	3%	3%	3%	3%	EPS(diluted)p	-30.1	49.4	58.9	37.9	30.6	30.0	33.9
Net Written Premiums	2,013	2,059	2,107	2,192	2,255	2,323	2,396	% change Y/Y	-168%	-264%	19%	-36%	-19%	-2%	13%
% change Y/Y	5%	2%	2%	4%	3%	3%	3%	DPS(p)	23.0	24.0	26.0	26.0	26.0	26.0	26.0
Net Earned premiums	1,927	1,971	2,077	2,133	2,197	2,262	2,332	% change Y/Y	0%	4%	8%	0%	0%	0%	0%
% change Y/Y	10%	2%	5%	3%	3%	3%	3%	Payout ratio	-76.5%	48.6%	44.1%	68.7%	84.8%	86.6%	76.6%
Insurance related expenses	(1,499)	(1,125)	(1,093)	(1,218)	(1,289)	(1,352)	(1,395)	TNAV / share(p)	242.9	259.7	288.4	299.2	302.5	305.2	311.7
Admin expenses	-69	-87	-81	-62	-59	-59	-59	JPM TNAV / share(p)	227.1	243.2	270.2	281.0	284.3	287.0	293.5
Acquisition expenses	(574)	(639)	(696)	(689)	(699)	(708)	(716)	P/E x	-10.4x	7.7x	7.8x	12.7x	15.7x	16.0x	14.1x
Underwriting profit	(215)	120	207	164	150	142	162	Dividend yield	7.3%	6.3%	5.7%	5.4%	5.4%	5.4%	5.4%
Of which Reserve releases	113	94	134	116	111	108	114	P/TNAV x	1.3x	1.5x	1.6x	1.6x	1.6x	1.6x	1.5x
Investment income	41	165	160	93	64	66	69	RTNAV %	-10.9%	19.9%	21.9%	13.1%	10.3%	10.0%	11.2%
Other income	9	6	4	(3)	(2)	(1)	1	P/JPM TNAV x	1.4x	1.6x	1.7x	1.7x	1.7x	1.7x	1.6x
Other expenses	(28)	(27)	(50)	(29)	(29)	(29)	(29)	RTNAV %	-8.1%	14.4%	23.3%	14.0%	11.0%	10.7%	11.9%
Earnings before tax	(194)	264	326	226	183	179	202	Debt / Capital	37.0%	37.0%	34.5%	33.7%	33.5%	33.3%	32.8%
% change Y/Y	-175%	-236%	23%	-31%	-19%	-2%	13%	Equity/ GWP	61.6%	62.0%	68.0%	68.1%	66.7%	0.0%	0.0%
Tax	44	(17)	(27)	(34)	(27)	(27)	(30)	Reserves / GWP	143%	130%	119%	122%	125%	0%	0%
% Tax rate	22.9%	6.2%	8.3%	15.0%	15.0%	15.0%	15.0%	TNAV	1,201	1,286	1,440	1,493	1,510	1,523	1,556
Minorities	(0)	-	-	-	-	-	-	JPM TNAV	1,123	1,204	1,349	1,402	1,419	1,432	1,465
Net Income (Reported)	(150)	248	299	192	155	152	172	Ratio Analysis	FY11	FY12	FY13	FY14e	FY15e	FY16e	FY17e
% change Y/Y	nm	nm	21%	-36%	-19%	-2%	13%	Loss ratio %	77.8%	57.1%	52.6%	57.1%	58.7%	59.8%	59.8%
Balance sheet (IFRS)	FY11	FY12	FY13	FY14e	FY15e	FY16e	FY17e	Expense ratio %	33.4%	36.8%	37.4%	35.2%	34.5%	33.9%	33.2%
ASSETS								Combined ratio %	111.2%	93.9%	90.0%	92.3%	93.2%	93.7%	93.1%
Intangible assets	219	211	239	239	239	239	239	Attritional COR %	87.9%	89.5%	88.9%	87.9%	89.2%	89.6%	89.3%
Investment in associates	8	9	13	13	13	13	13	Attritional Loss ratio %	54.6%	52.7%	51.5%	52.7%	54.6%	55.7%	56.1%
Investments	4,080	4,205	4,369	4,607	4,805	5,015	5,205	Reserve release % prem	-5.8%	-4.8%	-6.4%	-5.4%	-5.1%	-4.8%	-4.9%
Insurance receivables	934	1,003	1,014	1,046	1,078	1,113	1,150	Investment yield %	0.9%	3.5%	3.2%	2.0%	1.3%	1.3%	1.3%
Reinsurance assets	667	525	388	465	493	509	519	Large losses % prem	3.1%	1.2%	3.7%	2.7%	2.7%	2.7%	2.7%
Other receivables	69	82	88	91	94	97	100	Nat Cat % Premiums	26.0%	8.0%	3.9%	7.1%	6.4%	6.2%	6.0%
DAC	208	239	246	254	262	270	279	Investment assets							
Deferred tax	27	18	6	6	6	6	6	Equities/Property	7.5%	10.3%	15.1%	15.6%	15.6%	15.6%	15.7%
Cash	256	191	165	191	191	191	191	Fixed income	62.9%	62.7%	24.4%	24.6%	24.5%	24.5%	24.5%
Total Assets	6,502	6,517	6,573	6,957	7,225	7,498	7,748	Cash	5.9%	4.5%	4.1%	4.0%	3.8%	3.7%	3.5%
LIABILITIES								Other	23.7%	22.5%	56.4%	55.8%	56.0%	56.3%	56.3%
Policyholder liabilities	3,304	3,132	2,930	3,110	3,289	3,467	3,615	Pretax split							
Debt	400	416	396	396	396	396	396	Amlin London	35%	36%	35%	38%	38%	0%	0%
Subordinated debt								Amlin UK	12%	13%	13%	13%	13%	0%	0%
Deferred tax liabilities	42	28	64	64	64	64	64	AFU	2%	0%	0%	0%	0%	0%	0%
Creditors	219	275	273	282	291	300	310	Amlin Bermuda	25%	24%	24%	23%	22%	0%	0%
Other liabilities	1117	1174	1232	1372	1436	1509	1568	ACI	24%	20%	19%	18%	17%	0%	0%
Shareholders' equity	1420	1491	1678	1732	1749	1762	1795	Others	3%	6%	8%	9%	9%	100%	100%
Minorities	1	1	1	1	1	1	1								
TOTAL LIABILITIES	6,502	6,517	6,573	6,957	7,225	7,498	7,748								

Source: J.P. Morgan estimates, Company data.



Table 3: Beazley

PnL							Key Per share data						
\$ in millions	FY10	FY11	FY12	FY13	FY14e	FY15e	\$/p	FY10	FY11	FY12	FY13	FY14e	FY15e
	\$	\$	\$	\$	\$	\$		\$	\$	\$	\$	\$	\$
Gross Written Premiums	1,742	1,712.5	1,895.9	1,970.2	2,061.1	2,132.6	Shares Outstanding	505	506	501	502	502	502
% change Y/Y	-1%	-2%	11%	4%	5%	3%	EPS(diluted)p	26.1	7.7	25.8	32.5	26.0	22.9
Net Written Premiums	1,402	1,374	1,543	1,677	1,654	1,711	% change Y/Y	47%	-70%	234%	26%	-20%	-12%
% change Y/Y	5%	-2%	12%	9%	-1%	3%	DPS(p)	10.0	7.9	16.7	24.9	9.2	9.7
Net Earned premiums	1,405	1,385	1,479	1,591	1,629	1,664	% change Y/Y	43%	-21%	111%	49%	-63%	5%
% change Y/Y	7%	-1%	7%	8%	2%	2%	Payout ratio	38.3%	102.0%	64.6%	76.7%	35.6%	42.3%
Insurance related expenses	-738	-851	-778	-719	-826	-870	TNAV / share(p)	124	120	134	150	153	167
Admin expenses	-119	-127	-155	-188	-193	-197	JPMCTNAV / share(p)	110	108	117	124	142	155
Acquisition expenses	-381	-391	-409	-432	-429	-438							
Underwriting profit	166.4	17.2	136.6	252.1	181.4	158.8	P/E x	4.4x	17.3x	6.0x	6.8x	10.1x	11.4x
Of which Reserve releases	145	187	126	218	204	199	Dividend yield	8.7%	5.9%	10.8%	11.3%	3.5%	3.7%
Investment income	38	39	83	43	72	64	P/TNAV x	0.9x	1.1x	1.1x	1.5x	1.7x	1.6x
Other income	28.1	28.1	24.7	36.4	30.6	30.6	RTNAV %	23.5%	6.9%	21.1%	22.5%	17.9%	15.0%
Other expenses	19	(22)	7	(19)	(17)	(17)	P/ JPMC TNAV x	1.0x	1.2x	1.3x	1.8x	1.9x	1.7x
Earnings before tax	251	63	251	313	267	236	JPMC RTNAV %	23.9%	6.2%	20.4%	26.4%	19.0%	15.6%
% change Y/Y	59%	-75%	301%	25%	-15%	-12%							
Tax	-34	3	-37	-49	-43	-38	Debt / Capital	20%	20%	21%	17%	17%	16%
% Tax rate	13.5%	-4.9%	14.6%	15.7%	16.0%	16.0%	Equity/ GWP	62%	63%	64%	68%	66%	69%
Minorities							Reserves / GWP	232%	253%	236%	232%	220%	213%
Net Income (Reported)	217	66	215	264	224	198	TNAV	966	933	1,097	1,247	1,265	1,385
% change Y/Y	56%	-70%	226%	23%	-15%	-12%	JPMCTNAV	907	890	981	1,067	1,214	1,331
Balance sheet (IFRS)							Ratio Analysis						
\$ in millions	FY10	FY11	FY12	FY13	FY14e	FY15e	Non-life	FY10	FY11	FY12	FY13	FY14e	FY15e
	\$	\$	\$	\$	\$	\$							
<b>ASSETS</b>							Loss ratio %	52.4%	61.4%	52.6%	45.2%	50.7%	52.3%
Intangible assets	117	131	115	92	92	92	Expense ratio %	35.9%	37.4%	38.1%	38.9%	38.2%	38.2%
Investment in associates	7	9	10	8	8	8	Combined ratio %	88.3%	98.8%	90.8%	84.1%	88.9%	90.5%
Investments	2,578	3,357	3,685	4,044	4,332	4,640	Attritional COR %	88.6%	94.3%	90.8%	88.1%	91.0%	92.2%
Insurance receivables	527	559	578	618	649	681	Attritional Loss ratio %	52.7%	56.9%	52.7%	49.2%	52.8%	54.0%
Reinsurance assets	1,035	1,198	1,187	1,178	1,237	1,299	Reserve release % prem.	-10.3%	-13.5%	-8.5%	-13.7%	-12.5%	-11.9%
Other receivables	34	22	32	42	42	42	Investment yield %	1.0%	1.0%	1.9%	1.0%	1.5%	1.3%
DAC	164	160	185	206	216	227	Large losses % Prem.	1.6%	2.4%	0.0%	0.0%	1.4%	1.3%
Deferred tax	10	13	11	9	9	10	Nat Cat % Premiums	8.3%	15.5%	8.4%	9.8%	9.1%	8.9%
Cash	1,265	650	637	383	410	439		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Total Assets</b>	<b>5,774</b>	<b>6,119</b>	<b>6,455</b>	<b>6,585</b>	<b>7,000</b>	<b>7,443</b>	<b>Investment assets</b>	0%	0%	0%	0%	0%	0%
							Equities/Property						
<b>LIABILITIES</b>							Fixed income	56%	74%	83%	80%	80%	80%
Policyholder liabilities	4,047	4,335	4,484	4,580	4,535	4,543	Cash	33%	16%	7%	9%	9%	9%
Debt	268	267	315	275	275	275	Other	11%	10%	10%	12%	12%	12%
Subordinated debt							<b>PBTsplit</b>	0%	0%	0%	0%	0%	0%
Deferred tax liabilities	91	80	84	65	65	65	Marine	16%	16%	18%	16%	17%	17%
Creditors	285	366	361	308	750	1065	Pol. Risks & Conti.	6%	6%	6.6%	6.2%	6.2%	6.1%
Other liabilities	0	0	0	19	19	19	Property	21%	21%	18%	19%	18%	18%
<b>Shareholders' equity</b>	<b>1083</b>	<b>1071</b>	<b>1212</b>	<b>1338</b>	<b>1357</b>	<b>1477</b>	Reinsurance	9%	9%	9%	10%	11%	10%
Minorities							Specialty lines	43%	42%	42%	42%	43%	44%
<b>TOTAL LIABILITIES</b>	<b>5,774</b>	<b>6,119</b>	<b>6,455</b>	<b>6,585</b>	<b>7,000</b>	<b>7,443</b>	Other	4%	5%	5%	6%	6%	5%

Source: J.P. Morgan estimates, Company data.

Table 4: BRIT

Profit and Loss statement	2011	2012	2013	2014e	2015e	2016e	2017e	Valuation Multiples	2011	2012	2013	2014e	2015e	2016e	2017e
<b>£ in millions, year-end Dec</b>								<b>p</b>							
Gross Written Premiums	1180	1148	1186	1199	1240	1298	1312	Shares Outstanding	400.0	400.0	400.0	400.0	400.0	400.0	400.0
% change Y/Y		-3%	3%	1%	3%	5%	1%	EPS(diluted)p	25	29	25	24	26	27	30
Net Written Premiums	975	937	956	962	997	1045	1056	% change Y/Y		14%	-13%	-2%	5%	5%	10%
% change Y/Y		-4%	2%	1%	4%	5%	1%	DPS(p)	18	93	25	19	19	19	19
Net Earned premiums	1004	945	946	953	982	1028	1052	% change Y/Y			-73%	-25%	0%	0%	0%
% change Y/Y		-6%	0%	1%	3%	5%	2%	Payout ratio	72%	323%	101%	77%	73%	70%	63%
Insurance related expenses	-604	-530	-459	-510	-534	-560	-566	TNAV / share(p)	224	161	162	181	189	198	210
Acquisition expenses	-257	-243	-236	-241	-249	-261	-267	BV / share(p)	243	176	177	197	204	214	226
Admin expenses	-124	-107	-114	-114	-117	-123	-126								
Underwriting profit	19	65	137	89	82	84	94	P/E x	8.2	7.2	8.3	10.1	9.7	9.2	8.3
Of which Reserve releases	93	0	-11	0	27	0	16	Dividend yield	8.7%	44.9%	12.1%	7.6%	7.6%	7.6%	7.6%
Investment income	65	83	57	59	63	68	71	P/TNAV x	0.92	1.28	1.27	1.37	1.31	1.25	1.18
Other income	80	28	14	0	0	0	0	RTNAV %	11.2%	14.9%	15.4%	14.3%	13.8%	13.9%	14.6%
Other expenses	-60	-50	-102	-40	-32	-33	-33	P/BV x	0.85	1.17	1.16	1.26	1.21	1.16	1.10
<b>Earnings before tax</b>	104	125	106	108	113	119	131	RoE JPMe %	10.4%	13.7%	14.1%	13.1%	12.8%	12.9%	13.5%
% change Y/Y		20%	-15%	2%	5%	5%	10%								
Tax	-3	-11	-7	-10	-11	-11	-13	Debt / Capital	20%	15%	15%	14%	13%	13%	12%
% Tax rate	3%	8%	6%	9%	10%	10%	10%	Equity/ GWP	82%	61%	60%	66%	66%	66%	69%
Pref div								Reserves / GWP	301%	223%	219%	234%	244%	249%	258%
Net Income (Reported)	101	115	100	98	102	108	119	Achilles TNAV	895	642	647	724	755	792	840
% change Y/Y		14%	-13%	-2%	5%	5%	10%	Achilles BV	972	704	710	787	818	855	902
<b>Balance sheet (IFRS)</b>								<b>Ratio Analysis</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014e</b>	<b>2015e</b>	<b>2016e</b>	<b>2017e</b>
<b>£ in millions, year-end Dec</b>															
<b>ASSETS</b>								<b>Non-life</b>							
Intangible assets	77	62	63	63	63	63	63	Attritional Loss ratio %	56.4%	51.8%	51.4%	50.5%	51.6%	52.1%	51.7%
Investment in associates	15	15	0	0	0	0	0	Nat Cat % Premiums	14.4%	6.2%	3.2%	5.8%	5.6%	5.4%	5.2%
Investments	3206	2312	2280	2384	2554	2717	2849	Large losses % prem.	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Receivables	521	353	381	385	398	417	422	Reserve release % prem	-9.5%	-1.7%	-6.0%	-2.7%	-2.9%	-3.0%	-3.2%
Reinsurance recoverable	566	414	450	490	529	566	597	Loss ratio %	61.3%	56.2%	48.6%	53.5%	54.3%	54.5%	53.8%
Other receivables	25	24	40	40	40	40	40	Expense ratio %	38.3%	36.8%	36.8%	37.0%	37.1%	37.1%	37.1%
DAC	157	113	126	127	131	138	139	Combined ratio %	99.6%	93.0%	85.3%	90.5%	91.4%	91.6%	90.9%
Deferred tax	24	0	6	6	6	6	6	Attritional COR %	94.7%	88.6%	88.2%	87.4%	88.7%	89.2%	88.8%
Cash	458	305	312	415	440	467	495	Investment yield %	3.0%	2.9%	2.2%	2.1%	2.4%	2.4%	2.4%
<b>Total Assets</b>	<b>5049</b>	<b>3598</b>	<b>3657</b>	<b>3909</b>	<b>4161</b>	<b>4413</b>	<b>4609</b>	<b>Investment assets</b>							
<b>LIABILITIES</b>								Equities/Property	4%	4%	5%	6%	6%	6%	5%
Policyholder liabilities	3557	2561	2594	2810	3021	3228	3391	Fixed income	79%	82%	78%	74%	75%	75%	75%
Debt	245	122	123	123	123	123	123	Cash	15%	12%	13%	15%	15%	15%	15%
Subordinated debt (Incl. pref)								Other	3%	3%	4%	5%	5%	5%	5%
Deferred tax liabilities	44	23	28	28	28	28	28								
Creditors	222	176	187	147	157	165	151	<b>NEP split</b>							
Other liabilities	2	6	14	14	14	14	14	Global Markets	71%	73%	75%	77%	78%	78%	78%
<b>Shareholders' equity</b>	<b>972</b>	<b>704</b>	<b>710</b>	<b>787</b>	<b>818</b>	<b>855</b>	<b>902</b>	Reinsurance	28%	26%	25%	22%	21%	22%	22%
Minorities	7	6	1	1	1	1	1	UK	0%	0%	0%	0%	0%	0%	0%
<b>TOTAL LIABILITIES</b>	<b>5049</b>	<b>3598</b>	<b>3657</b>	<b>3909</b>	<b>4161</b>	<b>4413</b>	<b>4609</b>	Other	1%	1%	0%	1%	1%	1%	1%

Source: J.P. Morgan estimates, Company data.

Table 5: Catlin

Profit and Loss statement									Valuation Multiples								
\$ in m, year-end Dec	FY10	FY11	FY12	FY13	FY14e	FY15e	FY16e	FY17e	\$/p	FY10	FY11	FY12	FY13	FY14e	FY15e	FY16e	FY17e
Gross Written Premiums	4,069	4,513	4,972	5,309	5,543	5,790	5,988	6,197	Shares Outstanding	343	344	349	358	358	358	358	358
% change Y/Y	10%	11%	10%	7%	4%	4%	3%	3%	EPS(diluted)p	59.9	6.9	52.9	64.7	50.8	60.3	67.5	80.5
Net Written Premiums	3,318	3,835	3,834	4,052	4,000	4,172	4,304	4,443	% change Y/Y	-39%	-89%	672%	22%	-21%	19%	12%	19%
% change Y/Y	5%	16%	0%	6%	-1%	4%	3%	3%	DPS(p)	26.5	28.0	29.5	31.0	33.0	35.1	37.3	39.7
Net Earned premiums	3,219	3,612	3,604	3,948	4,021	4,117	4,262	4,399	% change Y/Y	6%	6%	5%	5%	6%	6%	6%	6%
% change Y/Y	10%	12%	0%	10%	2%	2%	4%	3%	Payout ratio	44.2%	408.6%	55.8%	47.9%	64.9%	58.1%	55.3%	49.3%
Ins. related expenses	(1,852)	(2,529)	(2,020)	(2,063)	(2,245)	(2,298)	(2,383)	(2,447)	TNAV / share(p)	424	393	405	435	451	479	512	556
Admin expenses	(356)	(420)	(431)	(435)	(437)	(429)	(430)	(431)	JPM TNAV / share(p)	405	374	386	414	428	455	486	528
Acquisition expenses	(684)	(759)	(796)	(882)	(897)	(875)	(861)	(842)	P/E x	6.2x	NM	8.3x	7.9x	10.7x	9.0x	8.1x	6.8x
<b>Underwriting profit</b>	<b>327</b>	<b>(96)</b>	<b>357</b>	<b>568</b>	<b>443</b>	<b>515</b>	<b>588</b>	<b>678</b>	Dividend yield	7.2%	7.0%	6.7%	6.1%	6.0%	6.4%	6.8%	7.3%
<i>Of which Reserve releases</i>	144	103	139	167	80	82	85	88	P/TNAV x	0.9x	1.0x	1.1x	1.2x	1.2x	1.1x	1.1x	1.0x
Investment income	205	248	158	124	156	152	162	160	RTNAV %	16%	2%	14%	16%	12%	13%	14%	15%
Other income	(10)	13	(7)	(15)	11	11	11	11	P/JPM TNAV x	0.9x	1.1x	1.1x	1.2x	1.3x	1.2x	1.1x	1.0x
Other expenses	(116)	(94)	(169)	(245)	(219)	(222)	(227)	(223)	RTNAV JPM %	14%	2%	15%	21%	12%	14%	15%	16%
<b>Earnings before tax</b>	<b>406</b>	<b>71</b>	<b>339</b>	<b>432</b>	<b>392</b>	<b>456</b>	<b>534</b>	<b>627</b>	Debt / Capital	32%	39%	24%	22%	21%	20%	19%	18%
% change Y/Y	-33%	-83%	377%	28%	-9%	16%	17%	17%	Equity/ GWP	70.2%	60.0%	58.8%	60.1%	59.8%	60.1%	0.0%	0.0%
Tax	(25)	11	10	4	(39)	(46)	(80)	(94)	Reserves / GWP	136.4%	143.3%	134.5%	126.4%	125.6%	122.1%	0.2%	0.2%
% Tax rate	6.2%	-15.5%	-3.0%	-0.9%	10.0%	10.0%	15.0%	15.0%	TNAV	2,236	2,099	2,305	2,565	2,688	2,855	3,053	3,316
Pref div	(44)	(44)	(44)	(44)	(44)	(44)	(44)	(44)	JPM TNAV	2,137	1,995	2,195	2,441	2,554	2,711	2,899	3,152
Net Income (Reported)	337	38	305	392	309	367	410	489									
% change Y/Y	-34%	-89%	NM	29%	-21%	19%	12%	19%									
Balance sheet (IFRS)	FY10	FY11	FY12	FY13	FY14e	FY15e	FY16e	FY17e	Ratio Analysis	FY10	FY11	FY12	FY13	FY14e	FY15e	FY16e	FY17e
<b>ASSETS</b>									<b>Non-life</b>								
Intangible assets	716	717	720	720	720	720	720	720	Loss ratio %	57.5%	70.0%	56.0%	52.3%	55.8%	55.8%	55.9%	55.6%
Investment in associates									Expense ratio %	35.4%	35.0%	38.4%	39.1%	38.3%	36.8%	35.4%	33.8%
Investments	5,371	6,325	6,300	6,926	7,488	7,667	7,908	8,160	Combined ratio %	93.0%	105.0%	94.4%	91.3%	94.1%	92.6%	91.3%	89.5%
Receivables	1,322	1,679	1,838	1,845	2,015	2,204	2,361	2,533	Attritional COR %	87.6%	85.0%	89.0%	89.2%	88.9%	88.4%	87.2%	85.5%
Reinsurance recoverable	1,229	1,217	1,503	1,480	1,480	1,480	1,480	1,480	Attritional Loss ratio %	52.2%	50.0%	50.6%	50.1%	50.6%	51.6%	51.8%	51.7%
Other receivables									Res. release % prem	-4.5%	-2.9%	-3.9%	-4.2%	-2.0%	-2.0%	-2.0%	-2.0%
DAC	354	398	464	490	490	490	490	490	Investment yield %	2.0%	3.0%	2.0%	2.7%	1.4%	1.6%	1.7%	1.6%
Deferred tax									Large losses % prem.	3.0%	1.5%	2.3%	2.1%	3.0%	2.6%	2.5%	2.5%
Cash	2,650	2,063	2,474	2,291	1,920	1,920	1,920	1,920	Nat Cat % Premiums	6.8%	21.3%	7.0%	4.3%	4.2%	3.7%	3.6%	3.4%
<b>Total Assets</b>	<b>12,082</b>	<b>12,959</b>	<b>14,041</b>	<b>14,555</b>	<b>14,921</b>	<b>15,278</b>	<b>15,668</b>	<b>16,082</b>									
<b>LIABILITIES</b>									<b>Investment assets</b>	-	-	-	-	-	-	-	-
Policyholder liabilities	5,549	6,467	6,686	6,709	6,965	7,069	7,210	7,356	Equities/Property								
Debt									Fixed income	57.0%	71.9%	63.9%	65.7%	67.8%	68.1%	68.6%	69.1%
Sub debt (Incl. pref)	683	681	682	683	683	683	683	683	Cash	33.0%	24.6%	28.2%	25.7%	20.4%	20.0%	19.5%	19.1%
Deferred tax liabilities	237	202	185	140	140	140	140	140	Other	9.9%	3.5%	7.9%	8.6%	11.8%	11.8%	11.8%	11.8%
Creditors									<b>NEP split</b>	-	-	-	-	-	-	-	-
Other liabilities	2,755	2,901	3,566	3,830	3,818	3,905	3,956	3,960	London/UK originating	57.1%	51.9%	50.8%	46.6%	44.3%	42.7%	41.3%	39.9%
<b>Shareholders' equity</b>	<b>2,858</b>	<b>2,708</b>	<b>2,922</b>	<b>3,193</b>	<b>3,316</b>	<b>3,483</b>	<b>3,681</b>	<b>3,944</b>	Catlin Bermuda	12.3%	12.2%	10.5%	10.9%	11.2%	11.0%	10.4%	9.8%
Minorities									Catlin US	17.4%	18.9%	21.0%	22.8%	24.1%	25.3%	27.0%	28.7%
<b>TOTAL LIABILITIES</b>	<b>12,082</b>	<b>12,959</b>	<b>14,041</b>	<b>14,555</b>	<b>14,921</b>	<b>15,279</b>	<b>15,669</b>	<b>16,083</b>	International	13.2%	17.1%	17.7%	19.7%	20.5%	20.9%	21.3%	21.6%

Source: J.P. Morgan estimates, Company data.

Table 6: Hiscox

Profit and Loss statement							Valuation Multiples						
£ in millions	FY12	FY13	FY14e	FY15e	FY16e	FY17e		FY12	FY13	FY14e	FY15e	FY16e	FY17e
Gross Written Premiums	1,566	1,699	1,778	1,893	1,973	2,058	Shares Outstanding	394	350	318	318	318	318
% change Y/Y	8%	9%	5%	6%	4%	4%	EPS adj (diluted) p	50.9	64.9	45.0	50.7	54.5	56.6
Net Written Premiums	1,268	1,371	1,432	1,539	1,613	1,692	% change Y/Y	856%	27%	-31%	13%	7%	4%
% change Y/Y	8%	8%	4%	8%	5%	5%	DPS incl sp. (p)	56.0	57.0	24.6	26.6	28.6	29.7
Net Earned premiums	1,199	1,283	1,393	1,510	1,593	1,670	% change Y/Y	229%	2%	-57%	8%	7%	4%
% change Y/Y	5%	7%	9%	8%	5%	5%	Payout ratio	110.0%	87.8%	54.6%	52.5%	52.5%	52.5%
Insurance related expenses	-539	-519	-639	-691	-731	-766	TNAV / share(p)	332	381	404	432	462	493
Admin expenses	-199	-253	-275	-297	-316	-335	JPM TNAV / share(p)	282	331	388	415	443	473
Acquisition expenses	-284	-306	-340	-367	-387	-406							
<b>Underwriting profit</b>	<b>162</b>	<b>205</b>	<b>138</b>	<b>156</b>	<b>159</b>	<b>162</b>	P/E x	12.7x	11.8x	16.3x	14.5x	13.5x	13.0x
Of which Reserve releases	152	140	106	106	106	106	Dividend yield	11.0%	8.4%	3.3%	3.6%	3.9%	4.0%
Investment income	92	60	38	39	49	51	P/TNAV x	1.5x	1.8x	1.8x	1.7x	1.6x	1.5x
Other income	14	21	22	24	25	26	RTNAV %	16.6%	18.0%	11.5%	12.7%	12.8%	12.5%
Other expenses	(66)	(41)	(30)	(30)	(30)	(30)	P/ JPM TNAV x	1.8x	2.0x	1.9x	1.8x	1.7x	1.6x
Earnings before tax	218	245	168	189	202	209	JPM RTNAV %	15.2%	19.6%	12.4%	13.3%	13.3%	13.0%
% change Y/Y	1176%	13%	-31%	12%	7%	4%							
Tax	-9	-7	-18	-19	-20	-20	Debt / Capital	16%	13%	14%	13%	12%	11%
% Tax rate	4.3%	2.8%	10.7%	10.3%	9.8%	9.4%	Equity/ GWP	88.0%	82.9%	76.4%	76.4%	78.2%	79.7%
Minorities							Reserves / GWP	165.8%	153.8%	145.2%	137.9%	135.2%	133.4%
Net Income (Reported)	208	238	150	169	182	189	TNAV	1,309	1,337	1,286	1,375	1,470	1,567
% change Y/Y	877%	14%	-37%	13%	7%	4%	JPM TNAV	1,112	1,162	1,234	1,318	1,409	1,504
Balance sheet (IFRS)							Ratio Analysis						
£ in millions	FY12	FY13	FY14e	FY15e	FY16e	FY17e	Non-life	FY12	FY13	FY14e	FY15e	FY16e	FY17e
<b>ASSETS</b>													
Intangible assets	70	73	73	73	73	73	Loss ratio %	45.0%	40.5%	45.9%	45.7%	45.9%	45.9%
Investment in associates	9	8	8	8	8	8	Expense ratio %	41.6%	43.6%	44.2%	43.9%	44.1%	44.4%
Investments	2,406	2,585	3,189	3,306	3,454	3,630	Combined ratio %	86.5%	84.0%	90.1%	89.7%	90.0%	90.3%
Loans & rec. incl. ins. rec.	492	493	516	550	573	597	Attritional cor %	88.9%	91.3%	92.1%	91.7%	91.9%	92.0%
Reinsurance assets	540	459	453	458	468	482	Attritional Loss ratio %	47.3%	47.7%	47.9%	47.8%	47.8%	47.6%
Other receivables							Reserve release % prem	-12.7%	-10.9%	-7.6%	-7.0%	-6.7%	-6.4%
DAC	166	198	207	220	229	239	Investment yield %	3.1%	1.9%	1.2%	1.2%	1.4%	1.5%
Deferred tax	26	32	32	32	32	32	Large losses % Prem	1.7%	2.3%	2.7%	2.6%	2.6%	2.5%
Cash	658	564	590	629	655	683	Nat Cat % Premiums	8.7%	1.4%	2.9%	2.4%	2.2%	2.1%
<b>Total Assets</b>	<b>4,386</b>	<b>4,436</b>	<b>5,093</b>	<b>5,302</b>	<b>5,519</b>	<b>5,773</b>							
<b>LIABILITIES</b>							<b>Investment assets</b>						
Policyholder liabilities	2,597	2,613	2,582	2,610	2,666	2,746	Equities/Property	6.2%	7.1%	7.6%	7.9%	8.2%	8.4%
Debt	0	0	0	0	0	0	Fixed income	71.8%	74.6%	73.8%	73.4%	73.2%	73.2%
Subordinated debt							Cash	22.0%	18.2%	18.6%	18.7%	18.6%	18.4%
Deferred tax liabilities	138	76	76	76	76	76	Other						
Creditors							<b>Pretax split</b>						
Other liabilities	273	337	1077	1168	1234	1312	London market	34.7%	33.2%	32.6%	31.7%	na	na
<b>Shareholders' equity</b>	<b>1378</b>	<b>1409</b>	<b>1358</b>	<b>1447</b>	<b>1542</b>	<b>1639</b>	UK & Europe	38.1%	38.8%	38.8%	39.1%	na	na
Minorities							International	25.7%	26.4%	28.1%	28.7%	na	na
<b>Total Liabilities</b>	<b>4,386</b>	<b>4,436</b>	<b>5,093</b>	<b>5,302</b>	<b>5,519</b>	<b>5,773</b>	Other	1.5%	1.6%	0.5%	0.5%	na	na
							Check						

Source: J.P. Morgan estimates, Company data.

Table 7: Lancashire

Profit and Loss statement (IFRS)									Valuation Multiples								
\$ in millions, year-end Dec	FY10	FY11	FY12	FY13	FY14e	FY15e	FY16e	FY17e	\$/p	FY10	FY11	FY12	FY13	FY14e	FY15e	FY16e	FY17e
Gross Written Premiums	689	632	724	680	941	956	971	987	Shares Outstanding	152	157	161	181	181	181	181	181
% change Y/Y	9.8%	-8.2%	14.6%	-6.2%	38.5%	1.5%	1.6%	1.6%	EPS(diluted)p	120.8	75.4	81.1	69.8	58.7	58.5	58.8	60.5
Net Written Premiums	650	565	576	558	796	811	825	839	% change Y/Y	-9%	-38%	7%	-14%	-16%	0%	1%	3%
% change Y/Y	12.6%	-13.0%	1.9%	-3.2%	42.7%	1.9%	1.7%	1.7%	DPS (p)	10	9	9	10	9	9	9	9
Net Earned premiums	614	575	583	568	828	840	845	861	DPS incl special (p)	101	60	66	105	21	9	9	9
% change Y/Y	3.3%	-6.5%	1.4%	-2.5%	45.8%	1.4%	0.6%	1.8%	% change Y/Y	12.6%	-40.5%	10.2%	58.7%	-80.1%	-57.1%	0.0%	0.0%
Insurance related expenses	(166)	(182)	(174)	(188)	(323)	(332)	(331)	(335)	Payout ratio	83.3%	79.4%	81.4%	150.1%	35.5%	15.3%	15.2%	14.7%
Admin expenses	(62)	(71)	(78)	(85)	(114)	(114)	(114)	(114)	TNAV / share(p)	541	547	529	429	466	524	583	644
Acquisition expenses	(106)	(112)	(119)	(126)	(176)	(179)	(180)	(185)	JPMC TNAV / share(p)	485	493	482	405	435	479	529	580
Underwriting profit	280	209	211	169	215	215	220	227									
Of which Reserve releases	100	155	27	16	28	31	31	31	P/E x	4.3x	8.7x	9.7x	11.5x	11.2x	11.3x	11.2x	10.9x
Investment income	87	51	45	43	37	40	37	36	Dividend yield	19.5%	9.1%	8.4%	13.1%	3.2%	1.4%	1.4%	1.4%
Other income	(0)	(9)	12	32	-	-	-	-	P/NAV x	1.0x	1.3x	1.5x	1.9x	1.4x	1.3x	1.1x	1.0x
Other expenses	(28)	(33)	(31)	(26)	(35)	(35)	(35)	(35)	RTNAV %	24.3%	16.0%	16.5%	16.9%	15.5%	13.7%	12.3%	11.4%
<b>Earnings before tax</b>	<b>339</b>	<b>219</b>	<b>237</b>	<b>219</b>	<b>216</b>	<b>220</b>	<b>222</b>	<b>228</b>	JPMC P/TNAV x	1.1x	1.5x	1.6x	2.0x	1.5x	1.4x	1.2x	1.1x
% change Y/Y	-12.7%	-35.6%	8.3%	-7.6%	-1.1%	1.9%	0.5%	2.9%	JPMC RTNAV %	21.7%	14.3%	15.1%	15.5%	14.1%	12.7%	11.5%	10.8%
Tax	(8)	(6)	(2)	4	(6)	(10)	(10)	(10)	Debt / Capital	10.3%	9.4%	16.2%	20.6%	18.9%	17.2%	0.0%	0.0%
% Tax rate	2.5%	2.9%	0.8%	-1.7%	2.7%	4.7%	4.6%	4.6%	Equity/ GWP	186.8%	209.8%	191.6%	214.8%	169.5%	185.6%	201.2%	216.7%
Minorities									Reserves / GWP	76.6%	94.1%	77.4%	194.9%	144.6%	145.0%	146.9%	149.8%
Net Income (Reported)	331	212	235	223	210	210	211	218	TNAV	1,287	1,327	1,387	1,283	1,418	1,596	1,776	1,961
% change Y/Y	-14.2%	-35.9%	10.7%	-5.3%	-5.5%	-0.1%	0.6%	2.9%	% change Y/Y	-6.7%	3.1%	4.6%	-7.6%	10.6%	12.6%	11.2%	10.4%
									JPMC TNAV	1,467	1,490	1,533	1,428	1,564	1,721	1,900	2,085
<b>Balance sheet (IFRS)</b>									<b>Ratio Analysis</b>								
\$ in millions, year-end Dec	FY10	FY11	FY12	FY13	FY14e	FY15e	FY16e	FY17e	<b>Non-life</b>	FY10	FY11	FY12	FY13	FY14e	FY15e	FY16e	FY17e
<b>ASSETS</b>									Loss ratio %	27%	32%	30%	33%	39%	40%	39%	39%
Intangible assets				177	178	178	178	178	Expense ratio %	27%	32%	34%	37%	35%	35%	35%	35%
Investment in associates	0	51	82	65	65	65	65	65	Combined ratio %	54%	64%	64%	70%	74%	74%	74%	74%
Investments	1,719	1,713	1,875	2,016	2,577	2,691	2,790	2,881	Attritional COR %	51%	53%	46%	62%	61%	65%	65%	65%
Insurance receivables									Attritional Loss ratio %	24%	22%	12%	25%	26%	30%	30%	30%
Reinsurance assets	44	85	89	209	172	172	173	173	Reserve rel % prem	-16%	-27%	-5%	-3%	-3%	-4%	-4%	-4%
Other receivables	284	277	230	319	475	689	1,017	1,521	Investment yield %	4%	2%	2%	2%	1%	1%	1%	1%
DAC	61	61	68	74	36	36	36	37	Large losses % prem	5%	9%	10%	7%	6%	3%	3%	3%
Deferred tax	6	8	0	6	8	8	8	8	Nat Cat % Premiums	15%	29%	13%	4%	10%	10%	10%	10%
Cash	513	312	296	403	657	834	886	943									
<b>Total Assets</b>	<b>2,627</b>	<b>2,508</b>	<b>2,639</b>	<b>3,268</b>	<b>4,168</b>	<b>4,672</b>	<b>5,152</b>	<b>5,805</b>	<b>Investment assets</b>								
									Equities/Property	0.0%	0.0%	0.0%	0.7%	0.6%	0.6%	0.6%	0.6%
<b>LIABILITIES</b>									Fixed income	78.1%	86.8%	88.9%	84.5%	85.3%	85.9%	86.4%	86.9%
Policyholder liabilities	528	595	561	1,324	1,361	1,386	1,426	1,478	Cash	21.9%	13.2%	11.1%	14.7%	13.9%	13.3%	12.8%	12.4%
Debt	129	128	259	332	331	331	331	331	Other	0.0%	0.0%	0.0%	0.2%	0.2%	0.2%	0.2%	0.2%
Subordinated debt																	
Deferred tax liabilities									<b>UW result split (excl Cath)</b>								
									Property	48.1%	32.6%	62.8%	96.0%	100.5%	85.4%	83.4%	80.1%
Creditors									Energy	32.0%	35.6%	61.2%	56.1%	23.4%	36.0%	36.8%	38.3%
Other liabilities	684	458	432	151	881	1182	1443	1859	Marine	6.4%	17.2%	-1.1%	-14.9%	4.2%	5.0%	5.0%	5.3%
<b>Shareholders' equity</b>	<b>1287</b>	<b>1327</b>	<b>1387</b>	<b>1460</b>	<b>1595</b>	<b>1774</b>	<b>1953</b>	<b>2138</b>	Aviation	13.5%	14.7%	14.3%	8.8%	19.1%	18.9%	19.0%	18.8%
Minorities																	
<b>TOTAL LIABILITIES</b>	<b>2,627</b>	<b>2,508</b>	<b>2,639</b>	<b>3,268</b>	<b>4,168</b>	<b>4,672</b>	<b>5,152</b>	<b>5,805</b>									

Source: J.P. Morgan estimates, Company data.

**Companies Discussed in This Report** (all prices in this report as of market close on 04 July 2014)

Amlin (AML.L/480p/Underweight), BRIT plc (BRIT.L/248p/Overweight), Beazley Plc (BEZG.L/262p/Neutral), Catlin (CGL.L/545p/Overweight), Hiscox (HSX.L/735p/Neutral), Lancashire (LRE.L/659p/Neutral)

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