Gable Holdings Inc

Approaching the end of the tunnel

Gable Holdings is a specialist non-life insurer focussed on writing SME business. It looks for niche areas and for each line it works through a Managing General Agent who deals with customers and claims handling. Having only started in 2006, this has been very successful and it now has 20 lines across Europe. Premium growth has been very strong organically as well as from new lines, with 31% historic growth, a trend we expect to continue. On an underlying basis underwriting results have been good and looking forward we expect combined ratios of around 90%.

- **Reserving:** Over the last three years Gable has been augmenting its reserves for reasons that are explained in the note, but this process is coming to an end. A final amount of £3.75m will be added in 2H15, allowing the underlying profitability to emerge thereafter.
- **Capital:** Although Gable has adequate capital for its current business, the additional reserving and the advent of Solvency II means it needs to augment its current arrangements. An announcement on either a quota share arrangement and/or structured debt will be made before the year end.
- **Valuation:** The current share price makes no allowance for the underlying profitability of Gable's business, either on P/E or Price/NAV. Our 2016 forecasts make no explicit allowance for the cost of new capital arrangements, but our sensitivity analysis indicates 2016 should still be nicely profitable.
- **Risks:** As a small insurance company Gable's results can be sensitive to individual large claims. Operationally the MGAs add some complexity, and hence risk, though that is being managed. The additional reserving and capital discussions further add to risk, but these should be resolved by the year end.
- **Investment summary:** Gable is about to emerge from a challenging period as it concludes its extra reserving and secures its capital position. On an underlying basis its underwriting has continued to be profitable and it has grown its premiums by a compound 31% since 2011. Neither of these is reflected in the current rating, suggesting plenty of upside if it can regain investors confidence.

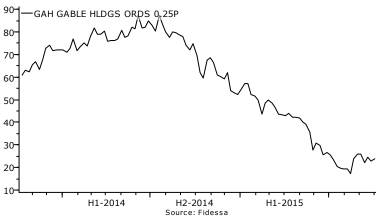
Financial summary and valuation

Year end Dec (£m)	2011	2012	2013	2014	2015E	2016E
Gross written premiums	25.7	36.0	58.9	80.0	95.2	131.8
Net earned premiums	22.6	30.9	42.0	51.4	74.9	98.0
Net claims	-11.5	-13.2	-18.0	-35.4	-45.0	-51.0
Total expenses	-11.1	-12.0	-16.9	-21.5	-33.6	-36.9
Underlying PTP	0.2	5.7	8.6	0.9	4.1	10.4
Statutory PTP	0.2	5.7	7.2	-5.4	-3.4	10.4
Underlying EPS (p)	0.2	4.3	6.6	1.1	3.4	6.7
Statutory EPS (p)	0.2	4.3	5.4	-3.6	-2.2	6.7
Net asset value	9.5	14.8	31.7	27.3	24.3	33.4
Shares issued (m)	113.3	113.3	133.4	135.3	135.3	135.3
P/E (x)	128.2	5.5	4.4	-6.7	-10.8	3.6
Price/NAV (x)	2.8	1.8	1.0	1.2	1.3	1.0

Source: Hardman & Co Research

** Note that 2016E take no account of the results of capital discussions to be announced later this year.*

FTSE sector - Insurance



Source: Fidessa

Market data	
EPIC/TKR	GAH
Price (p)	23.8
12m High (p)	74.0
12m Low (p)	17.0
Shares (m)	135.0
Mkt Cap (£m)	32.1
NAV (£m)	27.3
Free Float* (%)	78%
Market	AIM

**As defined by AIM Rule 26*

Description

Gable Holdings is a European non-life insurer. They underwrite a wide range of specialist policies for the commercial sectors in the UK, Denmark, France, Germany, Iceland, Ireland, Italy, the Netherlands, Norway, Spain and Sweden.

Company information	
CEO	William Dewsall
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Next event	
Update	4Q15
Annual Results	May 2016

Analysts

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Executive summary

Business Model

Gable operates a slightly different model from most non-life insurers - it underwrites niche lines through various Managing General Agents (MGAs). The latter deal with the clients and their brokers, including claims handling, so Gable has no direct customer contact.

The niches in which Gable operates are focussed on SMEs and new lines come though an MGA bringing them appropriate books of business. Gable audits the MGAs capabilities and sets strict terms and conditions. Policies are usually moved across as they renew. Currently it has 20 different lines across nine European countries.

This business model has some advantages and disadvantages. The focus on small niches often means customer retention is based more on service than price, and Gable has retention rates in some lines of over 90%. However the added management layer can lead to slow information flow, though Gable has recently invested in improving this area.

Reserving

The focus on niches and the introduction of stricter underwriting terms means that the statistical significance of the historic data is limited. Though Gable's underwriters can have confidence in their pricing, external reviews have had to be based on market wide rather than niche specific data. In the first few years of trading to 2012 this led to a gap arising between Gable's reserves and the best estimate. Although Gable's reserves were still within an acceptable range, the gap had grown with Gable's growth and the amount was starting to concern some investors.

In 2013 the decision was taken to close the gap, then £15.2m, by adding to reserves over the following three years. The final part of this, an addition of £3.75m, will take place in 2H15. All reserves for business written since 2012 have also been on the external best estimate basis. If Gable's underwriters are correct then this will lead to surpluses emerging from reserves in future years.

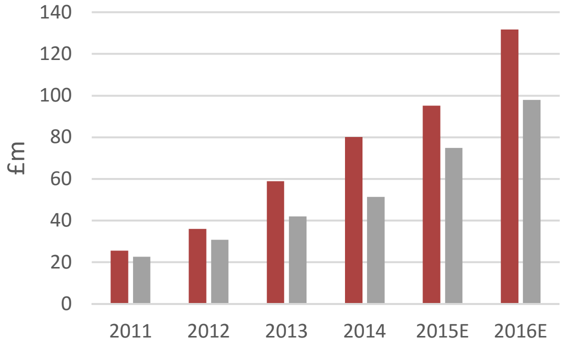
Capital

While Gable has adequate capital for its current level of business, the additional reserving means the overall level has declined. Solvency II requires capital to be held to for future growth plus a buffer for catastrophic events. As a consequence Gable is in discussions with a number of parties to deliver a solution based a mix of quota share and structured debt arrangements. An announcement should be made before the year end.

Investment conclusion

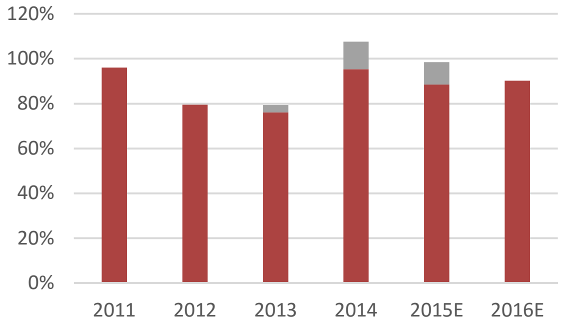
By concluding its extra reserving and securing its capital position Gable is about to emerge from a challenging period. On an underlying basis its underwriting has continued to be profitable and it has shown an ability to grow its premiums quickly. Neither of these are reflected in the current rating, suggesting plenty of upside if it can regain investors confidence.

Gross written (red) and net earned premiums (grey)



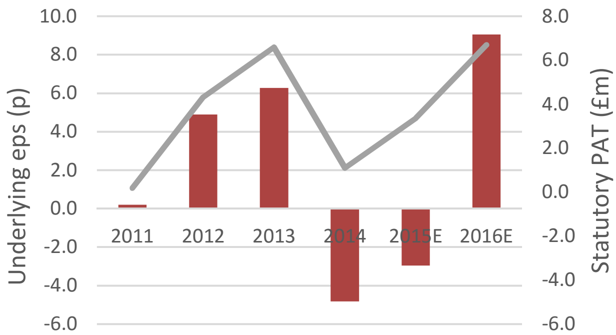
- Gross written premium growth to continue
- Large part of that growth is UK, French and Danish business
- Quota share already announced means growth in net earned premiums is slower, but still significant

Combined ratio



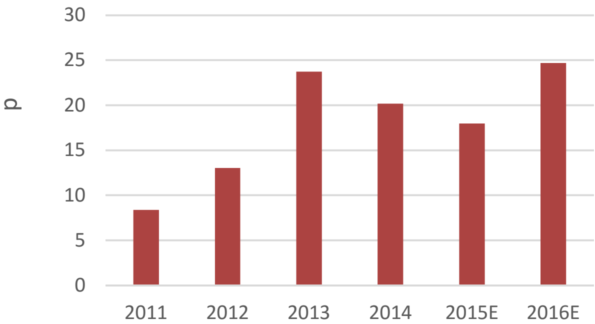
- Effect of additional reserving shown in grey
- Additional reserving finishes in 2015
- Underlying combined ratio almost unchanged in 2016 as Gable's costs growing slower than premiums

Underlying eps (line) and reported PAT



- Reported profit in 2013-2015 affected by additional reserving
- Underlying 2014 results affected by large claims
- 2015 earnings also have a large IAS21 adjustment for currency movements
- 2016 is the first "clean" year following closure of the reserving gap

Net Asset Value per share



- Growth in NAV slowed by additional reserving
- 2013 boosted by equity issue at NAV premium
- Should see resumption of NAV growth in 2016

Source: Company data; Hardman & Co Research

Business Model

The business model that Gable uses is a little different from most non-life insurers. It writes business in various niches in conjunction with Managing General Agents (MGAs). Gable itself has no direct customer contact, with the MGAs managing the broker and customer relationships, including claims handling. Currently Gable has 20 product lines across 9 countries.

Broadly a new line arises from an approach to Gable from a MGA. Usually the MGA will have an existing business line where it is dissatisfied with the current insurer. Typically this is because the line is niche and being written with a large multi-line insurer who is giving poor service because it is so small. Gable is focussed on areas where the customer is an SME, generally avoiding retail business.

Gable does not look at start-up lines and insists on the MGA having experience that it can use to assess the business, both from the perspective of the ability of the MGA to deal with the business and to allow Gable to underwrite effectively. Gable audits the MGA’s ability to handle the business, making sure it has good customer service capability and the ability to process claims effectively as well as being able to deal with the technical aspects. The relationship is generally exclusive in both directions – the MGA will only offer the Gable line for that product and Gable will not offer that product to any other provider in that territory.

Pricing is determined jointly, drawing on the data that the MGA brings. Gable supplies policy wordings and sets strict limits on the MGA in terms of the business they can accept. Anything outside the standard terms gets referred to Gable for further underwriting. Gable also sets volume limits on the amount of premium it will take on for that line.

It is rare, but not unknown, for Gable to transfer an existing book of business onto its balance sheet, with the normal pattern being customers moving across when their policies are renewed. Note that growth does not come simply from the adding of new lines, with many of its existing products having good growth prospects. The advantage of secure niches is a high retention rate – over 90% for many business lines – meaning almost any new business grows the premium income.

One of Gable’s priorities is fast claims processing. Customers in its SME target market often cannot stand the cashflow strain of slow payment. In addition fast payment reduces professional fees, which can be a significant strain on smaller commercial claims.

Model pros and cons

This business model has several advantages for Gable, but also some disadvantages. It allows Gable to run a relatively lean operation - Gable only has 21 staff. Despite that it is very scalable, with Gable having invested in systems and people over the last couple of years. This has seen Gable’s costs grow quickly over that period, but we anticipate lower cost growth going forward. It should be noted that commission to the MGAs is typically 25-30% of premiums, so overall costs are not any lower than industry norms and underwriting discipline remains important.

The model also allows Gable to expand in a very controlled way. It turns down a lot of offers, only selecting those which fit its criteria. With gross written premiums in 2014 of £80m the average line is £4m in size. The spread of lines and countries brings diversification advantages too. Their niche nature also means competition is often weak, with Gable's MGAs usually competing more on service than price.

There are a couple of disadvantages. The flow of information from the MGAs is slower than a single company would have. Most MGAs submit details of new business and claims to Gable on a monthly basis. Often the monthly report does not capture activity in the last few days of the preceding month, meaning data can take up to two months to reach Gable. Data then has to be transcribed to Gable's systems, recorded and agreed. Until recently this was all done via spreadsheets, but the installation of a new premium and claims management system should make this more efficient and ultimately could take a couple of weeks off the time it takes to produce year end reports.

The second disadvantage is the niche nature of the lines and introduction of new lines and pricing often means the data provided from new business is insufficient to produce a statistically relevant result. So actuarial reviews have to be based on broader industry data, which doesn't capture the niche benefits of Gable's business. This is discussed further in *Reserving* below.

Example

In the UK Gable writes a commercial combined line providing insurance for restaurants, small hotels and pubs. Although this may not sound like a niche, one of its agents specialises in Indian and Chinese restaurants in the north of England, using native language speakers to interact with customers. The language service greatly enhances customer retention, while coverage is still only a small proportion of the target market suggesting the potential for good organic growth.

Overview of Underwriting Results

Profit & Loss summary of Gable's insurance business

£m	2011	2012	2013	2014	1H15
Gross Written Premiums	25.7	36.0	58.9	80.0	51.7
Net Earned Premiums	22.6	30.9	42.0	51.4	38.5
Net Claims	-11.5	-13.2	-18.0	-35.4	-21.9
Additional Reserving			1.4	6.3	3.8
Commission Expenses	-6.6	-8.3	-12.1	-15.6	-10.5
Gable insurance expenses	-3.6	-3.1	-3.3	-4.3	-8.6
Underlying Loss Ratio	51%	43%	40%	57%	47%
Expense Ratio	45%	37%	36%	39%	37%
Underlying combined ratio	96%	80%	76%	95%	84%

Source: Gable Holdings, Hardman & Co Research

With low interest rates meaning insurers cannot make meaningful income from investing their assets, underwriting discipline has become more important across the industry. Unlike some insurance companies, Gable has been focussed on that since its inception. The additional reserving is discussed in the next section. On an underlying basis Gable has consistently made an underwriting profit.

As a small insurer which is growing rapidly (31% compound growth in net earned premiums since 2011) it should come as no surprise that the combined ratio moves around. In 2014 Gable experienced two significant claims (one in the UK and one in France) and we'd regard the outcome for that year as being around the lower end of the likely range of profitability.

Reserving

Background

One of the difficulties of focussing on niche sectors is getting sufficient data to justify reserving bases to external agents. This has been difficult for Gable and has created some misunderstandings about the business.

When Gable agrees to underwrite a new line it examines the historic data that the MGA has brought to it and between them they construct a pricing basis, including a set of terms and conditions. Often the latter are significantly different from those that were previously used, with Gable's terms usually being tighter than before.

This allows Gable to have confidence in the pricing as its underwriters can assess how the changes to terms will affect the business. The claims experience to date would justify the view of Gable's underwriters. However when it comes to the external actuarial consultants their procedures see the change as a discontinuity, invalidating the prior data. In addition the data from the niche is very limited and niche specific data from other sources is rarely available. The net result is that the external actuarial review of reserves has been based on market wide data rather than that specific to the niche.

This would be straightforward if the niches performed the same as the market as the whole, but their differences are part of the attraction to Gable. The net effect is that while Gable's reserves have always been within the range of estimates that the actuarial consultants would accept, they have been towards the lower end of that range. As Gable's premiums grew it consequently saw the gap between its reserves and the best estimate grow in monetary terms.

Changing the reserving basis

Reserve and capital summary of Gable's insurance business

£m	2011	2012	2013	2014	1H15
Technical Provisions	16.6	19.0	24.5	40.7	51.7
Net Assets	9.5	14.8	31.7	27.3	25.0
Stated gap to actuaries	11.7	15.2	13.8	7.5	3.75
Additional Reserving			*1.4	6.3	3.75

Source: Gable Holdings, Hardman & Co Research

**Note that a charge of £4.2m was taken in 2013, but £2.8m was absorbed by two large claims and attritional deterioration so we have used the net £1.4m.*

By the end of 2012 the gap had grown to £15.2m. Although Gable had confidence in the adequacy of its reserves, and its claims experience justified that, closing the gap from its own data would take decades. Additionally the size of the gap had become very significant compared to the company's capital and was starting to impact on investor confidence.

The decision was taken to close the gap over the following three years by additional reserving. Hence Gable took additional reserve charges in 2013 and 2014, with a final charge of £7.5m to be taken in 2015. Half of that was charged in the first half results. As importantly, all ongoing reserving for business written after the end of 2012 has been done at the actuarial best estimate to prevent a gap emerging again. All this was agreed with the company's regulator, the FMA in Liechtenstein.

The changes will have a complicated effect on underwriting results. There is a discontinuity between underlying underwriting results prior to 2013 and those after

2012, although the rapid growth in new lines already made comparisons difficult. In particular we'd expect the greater reserving to on average push combined ratios higher than they were previously, but still be profitable as the last two years show.

Against that we'd expect claims development relative to reserves to be more positive than it had been before. The table above shows that the extra provisioning has significantly increased reserves relative to Gable's expectations. The claims experience would have to deteriorate a long way beyond those before the new reserves would prove to be inadequate.

In short, if Gable's underwriters are correct then some of the extra provisioning may emerge as profit over the life of the book. This will be a somewhat slow process however, as the current book has a duration of around 6 years. There should be a similar effect from the reserving for business written since 2012. However, in broad terms, the growing premium income should mean that financial benefit of releases in any year is less than the additional reserves required for business being written i.e. combined ratios will continue to be higher on average than they were prior to the change.

Quantifying the changes

Quantifying the expected effect of these changes on profits is somewhat challenging given the rapid growth of the book and the consequent changes in its composition. Given the additional reserving will be finished by the end of 2015 and we wish to assess profitability beyond that date we feel justified in looking at claims on an underlying basis i.e. with the additional reserve charge removed.

Crudely the additional reserving could give an average benefit to underwriting profit, after allowing for some more attritional deterioration, of up to £1m per annum which will decline over the next decade.

Claims and loss ratios summary of Gable's insurance business

£m	2011	2012	2013	2014	1H15
Net earned premiums	22.6	30.9	42.0	51.4	38.6
Net claims (gross of extra reserving)	-11.5	-13.2	-18.0	-35.4	-21.9
Underlying loss ratio	51%	43%	40%	57%	47%

Source: Gable Holdings, Hardman & Co Research

The premium weighted average loss ratio has been 48% over the last four years and 48.4% since the end of 2012. Looking forward we'd suggest an expected average ratio the range of 48-52%. We feel this is reasonably conservative given the benefits of the new reserving policy noted above. However, premium growth and the changing composition of the book mean this expectation is far from fixed. We also note that the loss ratio is likely to continue to be somewhat volatile in the short term too, though the hope is that increasing scale will reduce that over time.

Current Finances

Capital

One unfortunate side effect of increasing the claim reserves has been to reduce Gable's solvency ratio. It fell from 169% at the end of 2013 to 108% at the end of 2014 due to premium growth and equity reduction due to losses. The position is complicated by the advent of Solvency II rules from the start of 2016. To meet the requirements of its regulators under the new regime, Gable's growth plans will drive a requirement for additional capital.

Having raised £10.7m in equity in 2013, Gable has committed to using other methods this time. It is currently in talks with a selection of major reinsurers about quota share arrangements. Not only can these be useful in augmenting capital, but they also provide some external validation of Gable's underwriting approach. It is also in discussions with two institutions about structured debt. An announcement is expected before the end of the year and it may involve one or both of these options.

In broad terms Gable needs capital for its future growth – on a nil growth basis the regulatory requirement would be broadly in line with existing capital. Historically it has grown net earned premiums at an average of 31% per annum and we'd expect that sort of rate in the near future too. In very crude terms, to require no extra capital for next year at that growth rate would require a quota share arrangement of about 25% across the whole book. Alternatively using an adjusted 2014 year end capital base of just under £17m that would need £5m of additional capital. This does not take account of future years growth, but that will be offset by earnings from 2016 onwards. There is as much judgement as mathematics in the decision, but this may give an idea of the order of magnitude. Our 2016 forecasts will not explicitly allow for any of this extra capital until the details are known.

This need not be an inhibition to Gable growing its profitability. March saw the launch of Gable's first motor insurance product in conjunction with Movinsure in Italy. The latter was founded by Carlo Faina, who was formerly Managing Director of Berkshire Hathaway in Italy. It is based on a rigorous actuarial rating plan and will cover third party commercial fleet accounts. The product is in conjunction with Qatar Re, who will take 95% of the underwriting risk. Gable expects to make a return on the 5% it retains, but the principle income will be from the reinsurance commission. With a medium term premium target of €50m per annum this should be worth between €1.6m and €4.7m a year to Gable before its expenses.

In line with many underwriting focussed insurers Gable follows a conservative investment policy and holds predominantly cash or equivalents. There should be a small benefit to income when interest rates start to rise, but even with increasing cash balances this is unlikely to be significant for some years.

1H15 Results and current trading

The results for the first half of 2015 showed a continuation of the previous trends. Premium growth was strong, with gross written premiums up 33% on 1H14 and net earned premiums up by 65%. These were boosted by organic growth in existing UK, French and Danish programmes.

The underwriting result was solid, with an underlying loss ratio of 47%. As promised an additional £3.75m was added to the claim reserves, leaving another £3.75m to be taken in the second half to finish closing the gap to the actuarial best estimate.

Expenses saw a lower average commission rate for the MGAs offset by a full year effect of the investment Gable has made in its internal systems and people. The underlying combined ratio was 84%, or 94% including the extra reserving.

The results were adversely affected by a large forex charge under IAS 21. Over half of Gable's premium income is in European currencies – primarily Euros but also Danish, Swedish and Norwegian Krone. The average exchange rate in the first half of 2015 was 13% lower for Euros compared to 2014 and more for some of the other currencies. The unearned premium and deferred acquisition costs on the balance sheet had to be adjusted accordingly through the profit & loss account. This does seem a little unjust as the lower rate will be reflected when the premiums are earned anyway. However, there was a £4.1m charge in the first half results which does not affect cash or really reflect actual profits for that period.

Overall the total loss before tax was £2.4m, but allowing for the extra reserving and the IAS21 adjustment that would have been a profit before tax of £6.3m.

The debtors figure also grew in the first half. The overall figure is underpinned by after-the event insurance premiums, which are only payable after the insured case is concluded. We also understand there were some timing effects in the first half that will be reversed in the second half. Excluding these underlying growth was in line with premium growth.

The announcement also included the appointment of two new non-executive directors: Andrew Trott, who has a background in commercial insurance law, and Julian Connerty, who has a commercial litigation background. Another appointment is also being considered. Overall this is a welcome strengthening of the board.

Financial Forecasts

Profit & Loss

The table below gives earnings forecasts for 2015 and 2016. Note that we have made no explicit allowance for the results of the discussions on capital which will have a significant effect. We give an idea of how the results might be affected below.

Profit & Loss account

	2011	2012	2013	2014	2015E	2016E
Gross written premiums	**25.7**	**36.0**	**58.9**	**80.0**	**95.2**	**131.8**
Net earned premiums	**22.6**	**30.9**	**42.0**	**51.4**	**74.9**	**98.0**
Interest income	0.0	0.1	0.1	0.1	0.2	0.3
Net claims	-11.5	-13.2	-18.0	-35.4	-45.0	-51.0
Additional reserving	0.0	0.0	1.4	6.3	7.5	0.0
Commission expenses	-6.6	-8.3	-12.1	-15.6	-21.7	-29.5
Other expenses	-4.5	-3.8	-4.9	-5.9	-11.9	-7.4
Pre-tax profit	**0.0**	**5.7**	**7.2**	**-5.4**	**-3.4**	**10.4**
Reported taxation	0.2	-0.8	-0.9	0.6	0.4	-1.4
Underlying net income	**0.2**	**4.9**	**7.7**	**1.5**	**4.5**	**9.0**
Statutory net income	0.2	4.9	6.3	-4.8	-3.0	9.0
All in U/I combined ratio	96%	80%	76%	95%	89%	90%
Period-end shares (m)	113.3	113.3	133.4	135.3	135.3	135.3
Fully diluted shares (m)	119.5	119.5	125.7	144.3	143.6	143.6
Underlying Basic EPS (p)	**0.19**	**4.32**	**6.59**	**1.09**	**3.35**	**6.69**
U/I Fully-diluted EPS (p)	**0.18**	**4.09**	**6.11**	**1.02**	**3.16**	**6.30**
Statutory Basic EPS (p)	0.19	4.32	5.39	-3.57	-2.19	6.69
Stat. Fully-diluted EPS (p)	0.18	4.09	4.99	-3.34	-2.06	6.30

Source: Hardman & Co Research

These assume a loss ratio of 52%. Note that the IAS21 charges in 1H15 are under other expenses and are assumed to be a one off.

To give investors an idea of how results might vary a sensitivity analysis is given below. We focus on 2016 estimates as that year should have no further reserving charges and hence should give a better idea of profitability beyond then. We don't know what the outcome of the discussions on capital will produce, so below we have given two possibilities:

- Adding £10m of debt with a pre-tax cost of 7% per annum. It is likely that any structured debt will have more complicated terms.
- Adding a 10% quota share across the whole book. We have excluded Italian motor and the domestic Danish business which already have agreements in place.

The amount of debt and the quota share proportion chosen are arbitrary and are to allow investors to judge sensitivity rather than being forecasts.

Sensitivity Analysis for 2016E	eps (p)	Change on base	Return on Equity	NAV (p)
Base case 2016E	6.7		31.3%	24.7
55% loss ratio	4.8	-28%	23.5%	22.8
£10m of debt at 7%	6.2	-7%	29.5%	24.2
10% quota share	5.6	-16%	27.1%	23.6

Source: Hardman & Co Research

These can be considered roughly additive. So, for example, a 20% quota share with £10m of structured debt – a combination which would seem reasonably conservative for funding future growth - would give an eps of approximately 4.1p and a RoE of 19%. Likely combinations look like they would still leave Gable with good profitability in 2016. Once the new arrangements are in place the estimates will be updated to provide a new base for moving forward.

Balance sheet

The same comments as for the profit & loss forecasts apply to the balance sheet ones i.e 2016E takes no account of the outcomes of the capital discussions.

Balance sheet

Year end Dec (£m)	2011	2012	2013	2014	2015E	2016E
Technical provisions	16.6	19.0	24.5	40.7	66.8	87.4
Unearned premium reserve	8.2	10.3	24.6	47.3	56.3	78.0
Trade & other payables	6.0	8.3	13.8	16.4	23.9	31.3
Other items	1.0	1.3	2.0	1.2	0.8	2.2
Total equity	9.5	14.8	31.7	27.3	24.3	33.4
Total liabilities	**41.4**	**53.6**	**96.5**	**132.9**	**172.2**	**232.3**
Fixed assets	0.4	0.3	0.5	0.4	0.5	0.5
Intangible assets (goodwill)	4.3	4.3	4.3	4.3	4.3	4.3
Deferred acquisition costs	2.8	3.1	6.9	13.2	14.9	20.7
Trade & Other receivables	17.3	30.9	56.7	66.4	79.0	109.4
Cash & equivalents	10.9	9.7	27.0	42.4	69.9	90.5
Other items	5.7	5.3	1.1	6.3	3.7	7.0
Total assets	**41.4**	**53.6**	**96.5**	**132.9**	**172.2**	**232.3**
Underlying after-tax ROE	2.2%	40.3%	33.0%	5.0%	17.6%	31.3%
Statutory After-tax ROE	2.2%	40.3%	27.0%	-16.4%	-11.5%	31.3%
Interest rate	0.5%	0.7%	0.8%	0.3%	0.4%	0.3%
Net asset value/share (p)	8.4	13.0	23.7	20.2	18.0	24.7
Tangible NAV/share (p)	4.6	9.3	20.5	17.0	14.8	21.5

Source: Hardman & Co Research

Glossary

Loss ratio	The total amount of claims paid plus net reserve additions divided by the total premiums earned.
Expense ratio	The total amount of insurance related expenses divided by the total premiums earned.
Combined ratio	The sum of the loss ratio and the expense ratio.

Notes

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