

# IGI Investor Presentation Fourth Quarter 2023

*March 2024*



# Forward Looking Statements

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This presentation contains “forward-looking statements” within the meaning of the “safe harbour” provisions of the Private Securities Litigation Reform Act of 1995. The expectations, estimates, and projections of the business of IGI may differ from its actual results and, consequently, you should not rely on forward-looking statements as predictions of future events. Words such as “expect,” “estimate,” “project,” “budget,” “forecast,” “anticipate,” “intend,” “plan,” “may,” “will,” “could,” “should,” “believes,” “predicts,” “potential,” “continue,” “commitment,” and similar expressions are intended to identify such forward-looking statements. Forward-looking statements contained in this press release may include, but are not limited to, our expectations regarding the performance of our business, our financial results, our liquidity and capital resources, the outcome of our strategic initiatives, our expectations regarding pricing and other market conditions, and our growth prospects. These forward-looking statements involve significant risks and uncertainties that could cause the actual results to differ materially from the expected results. Most of these factors are outside of the control of IGI and are difficult to predict. Factors that may cause such differences include, but are not limited to: (1) changes in demand for IGI’s services together with the possibility that IGI may be adversely affected by other economic, business, and/or competitive factors globally and in the regions in which it operates; (2) competition, the ability of IGI to grow and manage growth profitably and IGI’s ability to retain its key employees; (3) changes in applicable laws or regulations; (4) the outcome of any legal proceedings that may be instituted against the Company; (5) the effects of the hostilities between Russia and Ukraine and the sanctions imposed on Russia by the United States, European Union, United Kingdom and others; (6) the effects of the war between Israel and Hamas; (7) the inability to maintain the listing of the Company’s common shares on Nasdaq; and (8) other risks and uncertainties indicated in IGI’s filings with the SEC. The foregoing list of factors is not exclusive. In addition, forward-looking statements are inherently based on various estimates and assumptions that are subject to the judgment of those preparing them and are also subject to significant economic, competitive, industry and other uncertainties and contingencies, all of which are difficult or impossible to predict and many of which are beyond the control of IGI. There can be no assurance that IGI’s financial condition or results of operations will be consistent with those set forth in such forward-looking statements. You should not place undue reliance upon any forward-looking statements, which speak only as of the date made. IGI does not undertake or accept any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements to reflect any change in its expectations or any change in events, conditions, or circumstances on which any such statement is based except to the extent that is required by law.

# Overview

IGI is an **international specialist** (re)insurance group with **deep technical expertise** providing coverage across a **diversified portfolio of specialty lines**

- **“Underwriting first” individual risk underwriting strategy** focused on profitable growth, diversification, and lower volatility
- Underwriting portfolio **well-diversified** by line of business, product, and territory serviced by 120 underwriters<sup>(1)</sup> across 8 offices
- **Performance-based culture** with well-respected and recognized leadership and proven expertise in **intelligent risk selection** across a diverse range of specialty lines
- Uniquely positioned to capitalize on market opportunities through **dynamic portfolio management** across market cycles
- **Balance sheet strength and stability** focused on **capital preservation** underpinned by a **prudent reserving** philosophy and **conservative investment strategy**
- Strong **shareholder alignment** through significant insider ownership (Jabsheh family ownership: 33.7%)

## Key Market Data<sup>(1)</sup>

Stock Exchange	Nasdaq
Symbol	IGIC
Market Cap/Price	\$562mm / \$12.88
Sh. Equity/BVPS	\$540.5mm / \$12.40
Employees	402

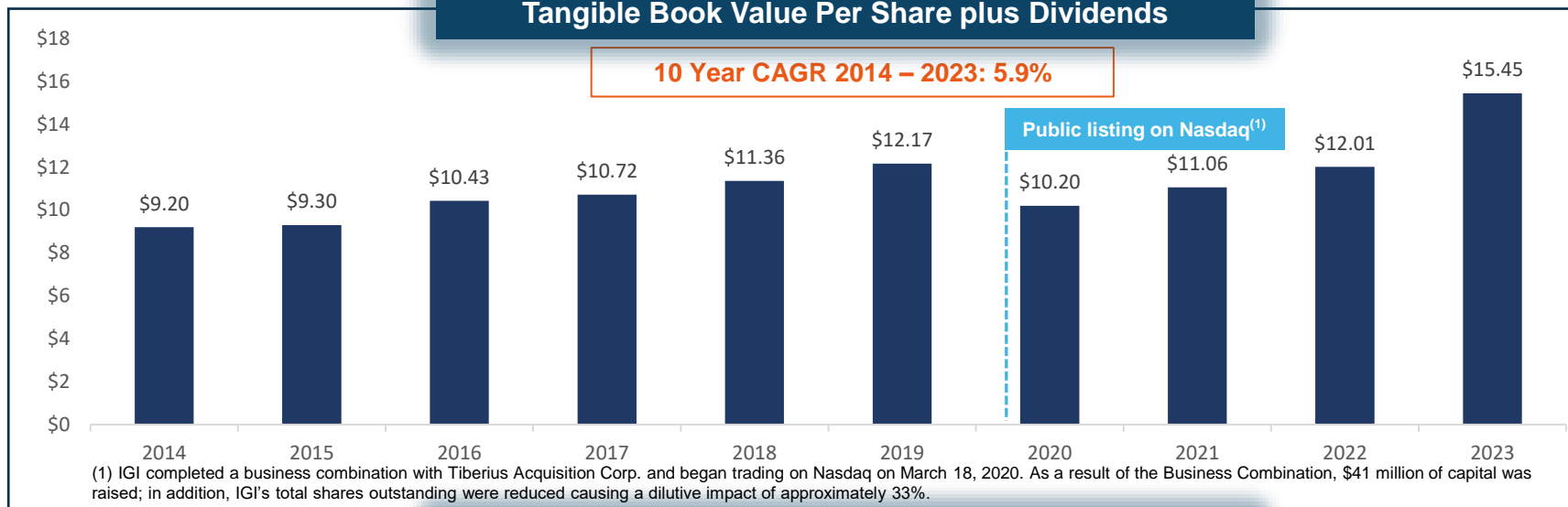


Commitment to long-term **total value creation** through growth in tangible book value per share plus dividends

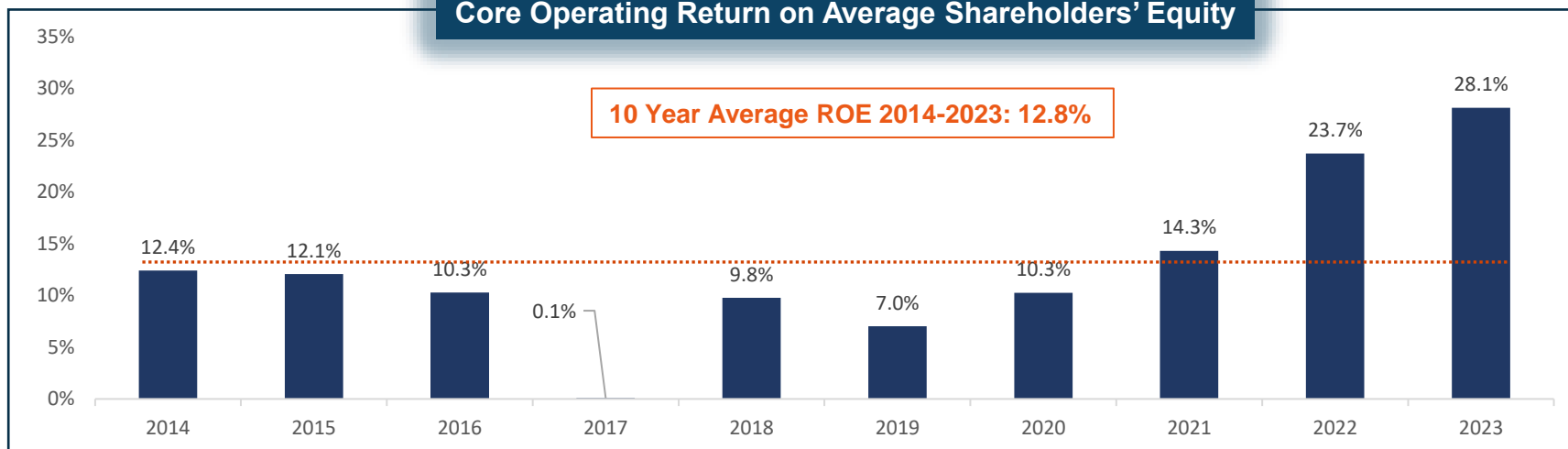
(1) Data as of December 31, 2023

# Track Record of Maximizing Total Value Creation

## Tangible Book Value Per Share plus Dividends



## Core Operating Return on Average Shareholders' Equity



# Superior Total Value Creation

➤ Proven track record of higher, more consistent returns with lower volatility

Return on Tangible Equity and Sharpe Ratio  
12/31/2014-12/31/2023

*Higher Volatility, Higher Returns*

*Lower Volatility, Higher Returns*



*Higher Volatility, Lower Returns*

*Lower Volatility, Lower Returns*

Source: Dowling Research. Note: The chart represents 10-year average ROTE and Sharpe ratio (or shorter period for companies where 10 years is not available). Sharpe ratio is estimated as the difference between 10 Year average ROTE and 10 Year Mean U.S. Treasury, divided by the Company's ROTE Standard Deviation.

# Global Presence, Local Knowledge

- Main underwriting hubs in Bermuda, UK, Europe, Middle East / North Africa, Asia Pacific covering a mix of mature and high-growth, under-represented geographies
- Distribution relationships and presence in key territories with high degree of local knowledge, cultural compatibility, and trusted relationships



# Strategy to Maximize Total Value Creation over the Long-term

## Consistent Execution of Underwriting Strategy

Individual risk underwriting facilitates tighter risk control

Global footprint, local knowledge, long relationships

Deep technical expertise, specialized experience

Dynamic cycle management, focused on lines with strong margins and rate momentum

Lower volatility, prudent use of reinsurance, managed catastrophe exposure

## Balance Sheet Strength, Prudent Use of Capital

Maintain optimal level of capital for “underwriting first” strategy; return excess capital in dividends, share repurchases

Zero financial leverage

Prudent reserving philosophy

Conservative investment portfolio structure – high quality fixed income; duration management

## Track Record of Strong Underwriting Results

Underwriting strategy results in average ~4 pt combined ratio advantage<sup>1</sup> vs. peers

10-year average<sup>2</sup> 87.7% combined ratio

10-year<sup>2</sup> average 12.8% core operating ROE, including soft market years

Superior risk adjusted return, low relative volatility<sup>3</sup>

(1) Represents difference in average combined ratios for the period 2014–2023 between IGIC and peers. Peers include: MKL, ACGL, WRB, RE, RNR, HSX-LON, AXS, RLI, BEZ-LON, KNSL, LRE-LON, JRVR and Lloyd's of London

(2) 2014-2023

(3) Source Dowling Research (see Slide 5)

# Well-Positioned for Future Total Value Creation Opportunities

## Build-out of US/European Business

- US: \$94.2mm in 2023, including E&S business; all short-tail, primarily property, energy, contingency, and treaty reinsurance
- Europe: \$81.0mm in 2023; predominantly long-tail lines, supplemented by some short-tail business

## Capitalize on Market Opportunities

- Steady growth in short-tail and reinsurance lines where conditions remain strong: cumulative net rate increases at 12/31/2023: 9.0% short-tail; 25.5% treaty reinsurance
- Continued build out of long-tail opportunities in Europe and Nordic region, MENA region, and Asia Pacific, with dedicated expertise expanded in these regions
- Demonstrated ability to shift underwriting focus with market opportunities

## Continued Focus on Diversification and Growth

- Expected growth in Nordic markets through acquisition of Norwegian energy MGA and build out of team – addition of two professional and financial lines underwriters
- On-the-ground presence in Bermuda with gradual buildout of reinsurance treaty business
- Single “hub” underwriting approach promotes efficiency in decision-making across markets
- Continuous evaluation of opportunities to enter new lines/markets within risk appetite

## Prudent Capital Management

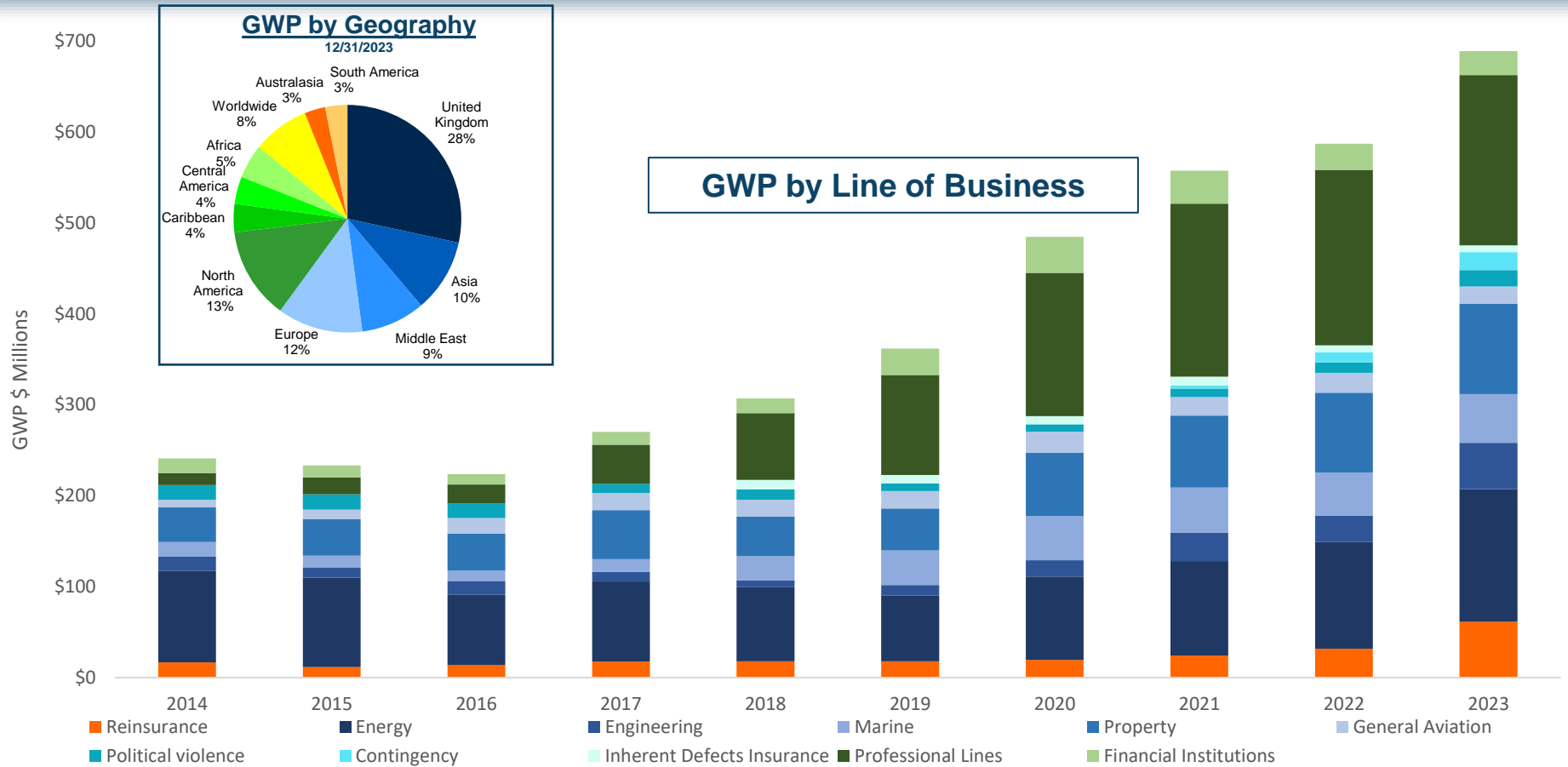
- Efficient use of capital, prioritizing profitable growth in underwriting first, then returning capital to shareholders through dividends and share repurchases; repurchases 2022 - 2023 = 3,731,780 common shares; utilized 75% of current 5 million common share repurchase authorization
- Paid \$1.9 million in quarterly common share dividends in 2023; regular quarterly common share dividend of \$0.01 per share; full year 2023 extraordinary cash dividend of \$0.50 per share
- Final cash settlement and delisting of warrants (17.25 million) from Nasdaq at average price per warrant of \$0.95 for a total of \$16.3 million

# Financial Performance Overview Q4 / FY 2023

Q4 2023			Year Ended December 31, 2023		
<p><b>\$164.9 million</b> Gross Written Premium</p>	<p>Compared to \$154.8 mm in Q4'22</p>	<p>Premium growth of <b>6.5%</b> driven by growth in short-tail business</p>	<p><b>\$688.7 million</b> Gross Written Premium</p>	<p>Compared to \$582.0 mm for 2023</p>	<p>Premium growth of <b>18.3%</b> due to growth in reinsurance and short-tail business due to new business and improved market conditions</p>
<p><b>\$43.5 million</b> Underwriting Income</p>	<p>Compared to \$24.7 mm in Q4'22</p>	<p>Increase of <b>76.1%</b> due to higher net earned premiums due to overall portfolio growth</p>	<p><b>\$183.1 million</b> Underwriting Income</p>	<p>Compared to \$148.6 mm for 2023</p>	<p>Increase of <b>23.2%</b> due to higher reinsurance and short-tail premiums, offset by higher net losses and net policy acquisition expenses</p>
<p><b>\$33.0 million</b> Net Income</p>	<p>Compared to \$22.5 mm in Q4'22</p>	<p>Increase of <b>46.7%</b> primarily due to increase in underwriting income and net investment income, partially offset by negative movement relating to the fair value of warrants and earnout shares</p>	<p><b>\$118.2 million</b> Net Income</p>	<p>Compared to \$89.2 mm for 2023</p>	<p>Increase of <b>32.5%</b> driven by higher underwriting and net investment income, partially offset by negative movement relating to the fair value of warrants and earnout shares</p>
<p><b>81.8%</b> Combined Ratio</p>	<p>Compared to 92.1% in Q4'22</p>	<p>Improvement of <b>10.3 pts</b> due to lower loss ratio</p>	<p><b>76.7%</b> Combined Ratio</p>	<p>Compared to 78.5% for 2023</p>	<p>Improvement of <b>1.8 pts</b> primarily due to lower acquisition expense ratio</p>
<p><b>23.7%</b> Core Operating ROAE</p>	<p>Compared to 13.7% in Q4'22</p>	<p><b>10.0 pt</b> improvement due to higher underwriting income driven by higher written and earned premium</p>	<p><b>28.1%</b> Core Operating ROAE</p>	<p>Compared to 23.7% for 2023</p>	<p><b>4.4 pt</b> improvement due to higher underwriting income, partially offset by higher net losses</p>

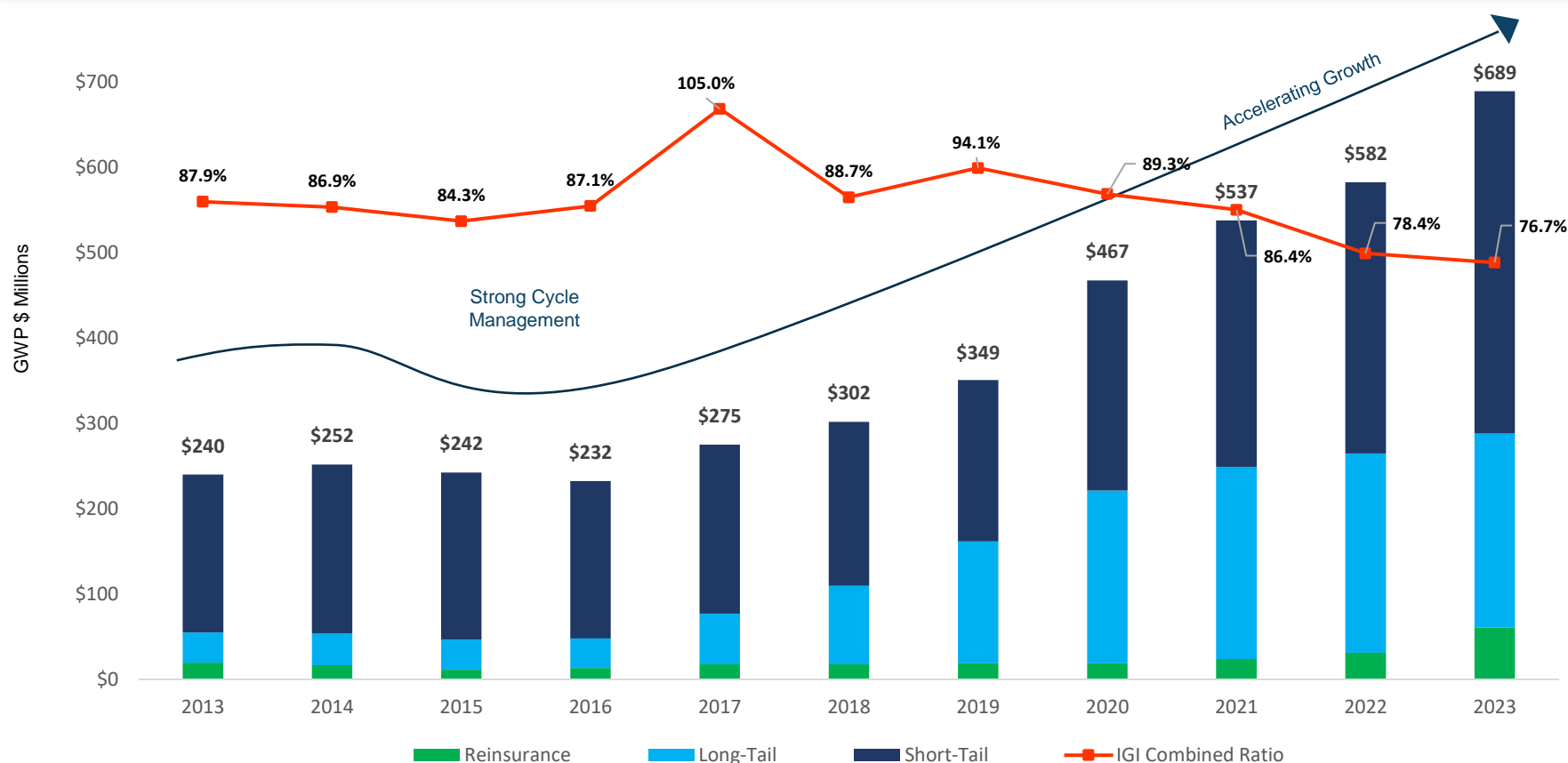
# Earnings Stability Through Broad Diversification

- Meaningful diversification by line of business, product, geography, broker distribution, facility vs. individual risk, and short vs. long-tail risks
- ~25 lines of business written globally, supported by 8 offices



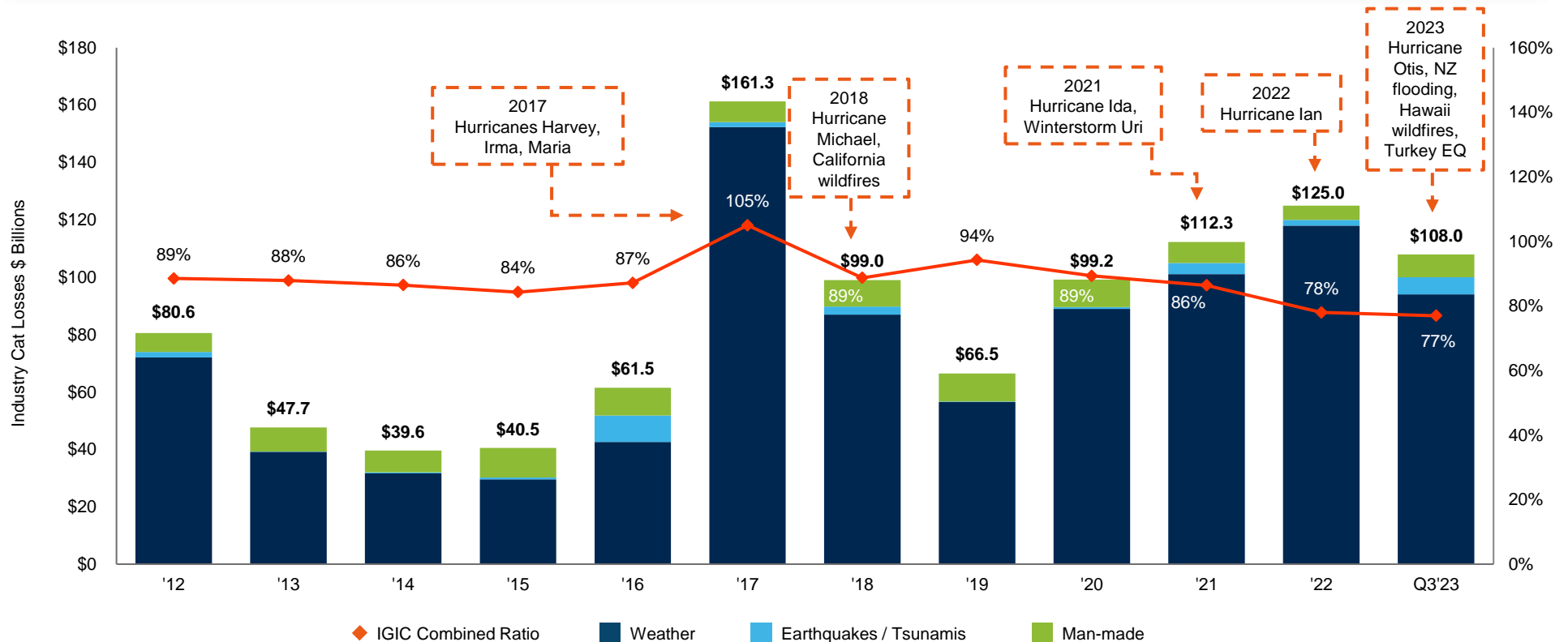
# Track Record of Profitable Growth & Strong Cycle Management

- Prudent growth and cycle management balancing growth and risk selection
- Sound approach to capitalizing on market dislocation
- 10 Year (2014 –2023) GPW CAGR: 11.8%
- 10 Year (2014 –2023) combined ratio average: 87.7%



# Specialist Individual Risk Strategy to Protect Capital and Optimize Profitability

- 68% individually underwritten for the year 2023; 24% MGA-originated; 8% reinsurance
- Class-underwriting profit centers irrespective of geography of risk
- In-depth risk assessment of underlying exposure
- Facultative reinsurance designed to enhance risk-adjusted returns
- Prudent use of treaty reinsurance to protect capital



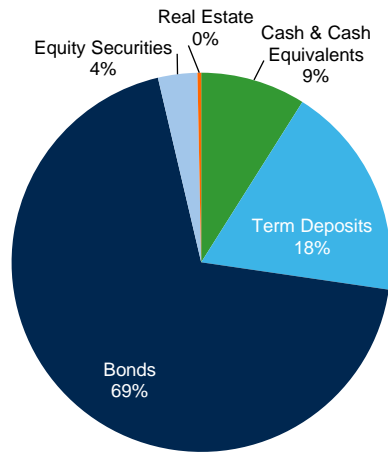
Source: Swiss Re Institute, PCS, Insurance Information Institute, A.M. Best, AON Global Cat Recap, IGI.

# Conservative Investment Strategy

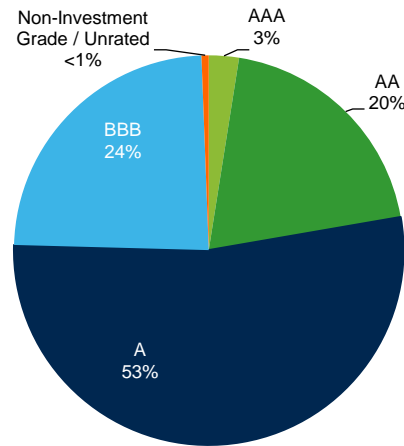
➤ Investment portfolio managed conservatively to ensure on-going ability to pay claims and improve ROE while avoiding undue risk

Total Investment Portfolio of \$1.133 Billion  
12/31/2023

Asset Allocation  
Total Investment Portfolio\*

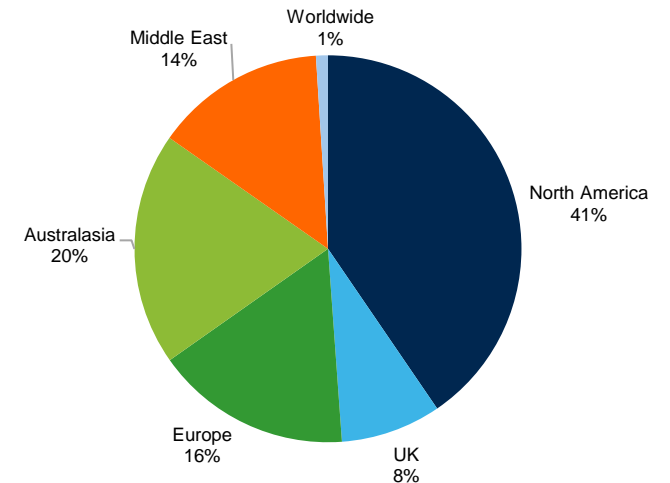


Credit Quality  
Bond Portfolio



**Average Credit Quality: A**  
**Duration: 3.2 Years**

Geographic Diversification  
Bond Portfolio

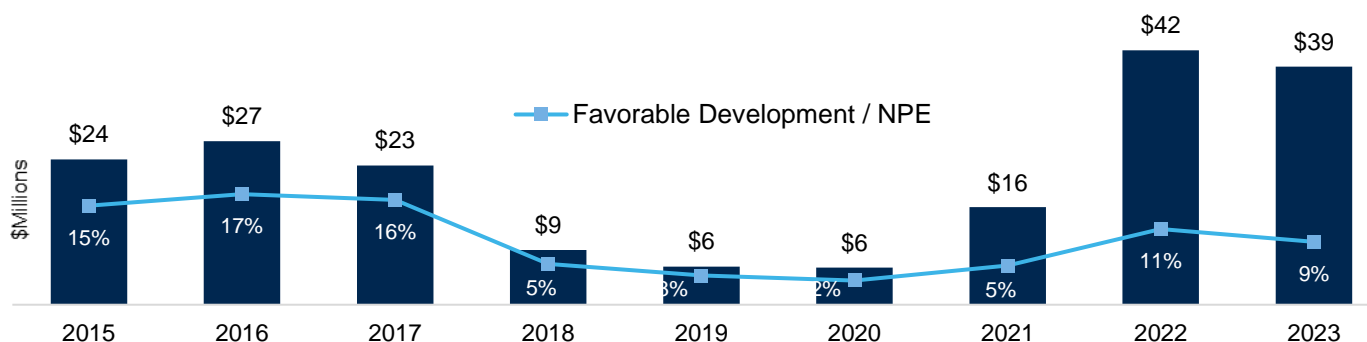


\* Investment properties are presented under Property & Equipment under U.S. GAAP and are no longer part of the investment portfolio, whereas under IFRS it was included in the investment portfolio

# Prudent Reserving Philosophy Anchored in Conservatism and Balance Sheet Preservation

- IBNR reserves reflect growth of specialty long-tail lines (average duration 4-7 years)
- History of releasing reserves once losses are fully developed
- No U.S. casualty exposure

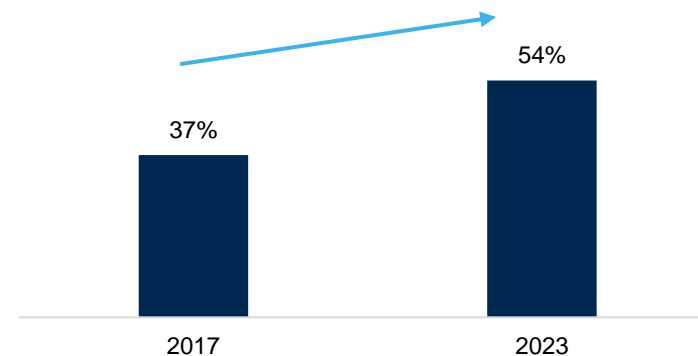
## Favourable Reserve Development



## Specialty – Long-Tail as % of Total NPW



## IBNR as % of Total Net Reserves



(1) Data based on case + IBNR reserve development.

# Commitment to Social Responsibility and Governance

**Our purpose: To provide peace of mind in times of uncertainty. This is core to our values, our business, and our corporate character. We have a long track record of supporting our people and our communities.**

## Mature governance structure:

- Majority independent Board with well-defined committees and charters
- Robust corporate policies – subject to regular review
- ESG Committee established and meets quarterly reporting to Executive and Board

## History of community and social support:

- Significant investment in support of arts, educational, and health initiatives
- Culture of participation and giving back to the communities where our people live and work

## Long standing commitment to Diversity & Inclusion:

- Diversified workforce: culture, gender, religion, race, age, etc.
- Sixth consecutive year of support for Lloyds of London 'Dive In Festival' supporting D&I in insurance; designated country lead for future 'Dive In' events in Jordan

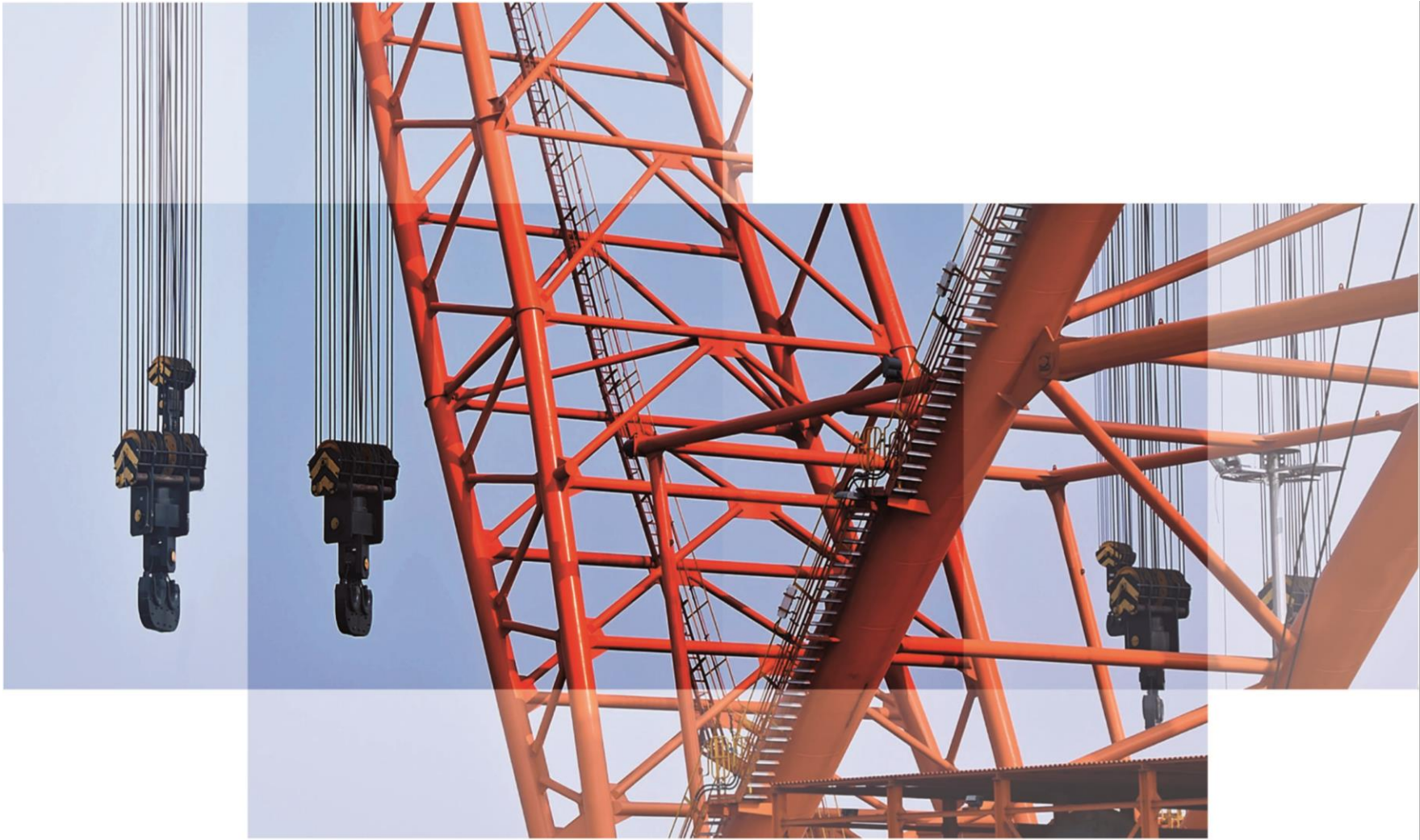
## Sustainability:

- ESG Committee progressing sustainability and climate risk initiatives

**IGI Values are Embedded Throughout the Company**



# Appendix



# Selected Financial Data

	IFRS (Audited)				U.S. GAAP (Unaudited)			U.S. GAAP (Unaudited)	
	Year Ended December 31,				Year Ended December 31,			Quarter ended Dec 31,	
(\$ in mm)	2017	2018	2019	2020	2021	2022	2023	2022	2023
<b>Operating Results:</b>									
Gross Written Premiums	\$275.1	\$301.6	\$349.2	\$467.3	\$537.2	\$582.0	\$688.7	\$154.8	\$164.9
Underwriting Income	\$23.6	\$56.1	\$52.0	\$77.4	\$104.0	\$148.6	\$183.1	\$24.7	\$43.5
<b>Core Operating Income</b>	<b>\$0.3</b>	<b>\$29.5</b>	<b>\$21.6</b>	<b>\$35.6</b>	<b>\$53.0</b>	<b>\$93.9</b>	<b>\$133.8</b>	<b>\$13.6</b>	<b>\$30.0</b>
<b>Core Operating Return on Equity <sup>(1)</sup></b>	<b>0.1%</b>	<b>9.8%</b>	<b>7.0%</b>	<b>10.3%</b>	<b>14.3%</b>	<b>23.7%</b>	<b>28.1%</b>	<b>13.7%</b>	<b>23.7%</b>
<b>Key Metrics:</b>									
Loss Ratio	59.2%	46.5%	54.8%	53.5%	51.4%	41.9%	42.3%	55.6%	47.6%
Net policy acquisition expense ratio	24.7%	22.9%	21.1%	19.2%	17.7%	18.7%	16.8%	18.8%	14.5%
G&A expense ratio	21.1%	19.3%	18.2%	16.6%	17.3%	17.9%	17.6%	17.7%	19.7%
<b>Combined Ratio</b>	<b>105.0%</b>	<b>88.7%</b>	<b>94.1%</b>	<b>89.3%</b>	<b>86.4%</b>	<b>78.5%</b>	<b>76.7%</b>	<b>92.1%</b>	<b>81.8%</b>
<b>Financial Position:</b>									
Investments and Cash Portfolio	\$489.6	\$505.0	\$604.7	\$775.3	\$886.6	\$958.8	\$1,132.7	\$958.8	\$1,132.7
Debt	--	--	--	--	--	--	--	--	--
Shareholders' Equity	\$301.4	\$301.2	\$312.1	\$381.0	\$381.1	\$411.0	\$540.5	\$411.0	\$540.5
Book Value per Share	--	--	--	\$8.39	\$8.38	\$9.07	\$12.40	\$9.07	\$12.40
<b>Select Ratios:</b>									
Retention Ratio (NPW / GPW)	58.4%	67.4%	72.2%	72.4%	70.6%	67.5%	72.2%	72.9%	70.1%
Premium Leverage (NPE / Shareholders' Equity) <sup>(2)</sup>	48.7%	60.8%	71.6%	90.8%	94.0%	98.8%	108.8%	101.5%	111.9%
Debt-to-Total Capitalization Ratio	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

(1) Represents annualized core operating income for the period divided by average shareholders' equity; Average shareholders' equity equals the total equity at the reporting period end plus the total equity as of the beginning of the reporting period, divided by 2.

(2) Represents annualized net premium earned for the quarter divided by prior year end shareholders' equity.

# Summary Income Statement

(\$ in mm)	IFRS (Audited) Year Ended December 31,				U.S. GAAP (Unaudited) Year Ended December 31,			U.S. GAAP (Unaudited) Quarter ended Dec 31,	
	2017	2018	2019	2020	2021	2022	2023	2022	2023
Gross Written Premiums	\$275.1	\$301.6	\$349.2	\$467.3	\$537.2	\$582.0	688.7	\$154.8	\$164.9
Ceded Written Premium	(114.3)	(98.2)	(97.1)	(128.9)	(157.9)	(189.2)	(191.5)	(42.0)	(49.3)
<b>Net Written Premiums</b>	<b>\$160.8</b>	<b>\$203.4</b>	<b>\$252.2</b>	<b>\$338.4</b>	<b>\$379.3</b>	<b>\$392.8</b>	<b>\$497.2</b>	<b>\$112.8</b>	<b>\$115.6</b>
Net Change in Unearned Premiums	(14.0)	(20.1)	(36.6)	(54.9)	(42.7)	(16.4)	(50.0)	(16.1)	(0.7)
<b>Net Premiums Earned</b>	<b>\$146.7</b>	<b>\$183.3</b>	<b>\$215.5</b>	<b>\$283.5</b>	<b>\$336.6</b>	<b>\$376.4</b>	<b>\$447.2</b>	<b>\$96.7</b>	<b>\$114.9</b>
Net Loss and Loss Adjustment Expenses	(86.9)	(85.3)	(118.1)	(151.7)	(173.0)	(157.6)	(189.1)	(53.8)	(54.7)
Net Policy Acquisition Expenses	(36.2)	(42.0)	(45.4)	(54.4)	(59.6)	(70.2)	(75.0)	(18.2)	(16.7)
<b>Underwriting Income</b>	<b>\$23.6</b>	<b>\$56.1</b>	<b>\$52.0</b>	<b>\$77.4</b>	<b>\$104.0</b>	<b>\$148.6</b>	<b>\$183.1</b>	<b>\$24.7</b>	<b>\$43.5</b>
Net Investment Income	13.6	9.4	13.0	8.5	11.0	14.4	50.2	8.1	14.5
General & Administrative Expenses	(30.9)	(35.4)	(39.3)	(46.9)	(58.2)	(67.2)	(78.9)	(17.1)	(22.6)
Listing Associated Extraordinary Expenses	-	-	(4.8)	(3.4)	-	-	-	-	-
Other Expenses, net	(1.8)	(1.2)	(1.4)	(4.4)	(2.2)	(1.6)	(3.7)	(0.5)	(0.6)
Changes in Fair Value of Derivative Financial Liabilities	-	-	-	(4.4)	0.7	4.6	(27.3)	(0.6)	(6.7)
Change in allowance for credit losses on receivables	-	-	-	-	(3.3)	(3.2)	(2.5)	(0.9)	(2.0)
Gain / (Loss) on Foreign Exchange	2.6	(3.4)	5.7	2.5	(3.4)	(3.5)	5.1	10.3	8.5
<b>Income Before Tax</b>	<b>\$7.0</b>	<b>\$25.6</b>	<b>\$25.3</b>	<b>\$29.3</b>	<b>\$48.6</b>	<b>\$92.1</b>	<b>\$126.0</b>	<b>\$24.0</b>	<b>\$34.6</b>
Tax Expense	0.0	(0.1)	(1.7)	(2.1)	(1.8)	(2.9)	(7.8)	(1.5)	(1.6)
<b>Net Income</b>	<b>\$7.0</b>	<b>\$25.5</b>	<b>\$23.6</b>	<b>\$27.2</b>	<b>\$46.8</b>	<b>\$89.2</b>	<b>\$118.2</b>	<b>\$22.5</b>	<b>\$33.0</b>

# Reconciliation – Core Operating Earnings

(\$ in mm)	IFRS (Audited)			
	Year Ended December 31,			
	2017	2018	2019	2020
<b>Net Income for the period</b>	<b>\$7.0</b>	<b>\$25.5</b>	<b>\$23.6</b>	<b>\$27.2</b>
Net Realized Losses / (Gains) on Investments (tax adjusted)	(3.1)	(1.3)	(1.0)	(0.9)
Net Impairment Losses Recognized in Earnings	0.1	0.0	(0.0)	-
Unrealized Loss (Gain) on Revaluation on Financial Assets <sup>(1)</sup>	-	0.9	(1.6)	-
Change in Allowance for Credit Losses on Investments	-	-	-	0.3
Unrealized Losses / (Gains) on Investments (tax adjusted) <sup>(1)</sup>	(0.1)	-	-	-
Fair Value Losses / (Gains) on investment properties	-	-	0.3	2.0
Fair value (Gain) / Loss on investment properties held through associates	(1.0)	0.9	0.4	1.5
Changes in Fair Value of Derivative Financial Liabilities	-	-	-	4.4
Net Foreign Exchange (Gain) / Loss (Tax Adjusted) <sup>(1)</sup>	(2.6)	3.4	(4.9)	(2.3)
Listing Associated Extraordinary Expenses <sup>(2)</sup>	-	-	4.8	3.4
<b>Core Operating Income</b>	<b>\$0.3</b>	<b>\$29.5</b>	<b>\$21.6</b>	<b>\$35.6</b>

	U.S. GAAP (Unaudited)			U.S. GAAP (Unaudited)	
	Year Ended December 31,			Quarter Ended December 31,	
	2021	2022	2023	2022	2023
Net Income For the Period	<b>\$46.8</b>	<b>\$89.2</b>	<b>\$118.2</b>	<b>\$22.5</b>	<b>\$33.0</b>
Net realized (gain) loss on investments (tax adjusted) <sup>(1)</sup>	(0.3)	0.7	(6.7)	0.1	(2.0)
Net unrealized (gain) loss on investments (tax adjusted) <sup>(1)</sup>	3.8	5.4	(2.6)	(1.6)	(0.5)
Change in allowance for credit losses on investments (tax adjusted) <sup>(1)</sup>	0.1	0.4	(0.4)	0.4	(0.2)
Change in fair value of derivative financial liabilities	(0.7)	(4.6)	27.3	0.6	6.7
Expenses related to conversion of warrants in cash <sup>(3)</sup>	--	--	1.9	--	(0.1)
Net foreign exchange loss (gain) (tax adjusted) <sup>(1)</sup>	3.3	2.8	(3.9)	(8.4)	(6.9)
<b>Core Operating Income</b>	<b>\$53.0</b>	<b>\$93.9</b>	<b>\$133.8</b>	<b>\$13.6</b>	<b>\$30.0</b>

(1) Represents a non-GAAP financial measure as the line item balances reported in the "Summary Income Statement" have been adjusted for the related tax impact.

(2) Related to the business combination with Tiberius Acquisition Corp. in March 2020.

(3) This expense is included in 'Other expenses' line item in the condensed consolidated statements of income.

## For more information:

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### **Investor Relations**

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