

International General Insurance Holdings

Q4 and Full Year 2025 Investor Conference

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CORPORATE PARTICIPANTS

Robin Sidders – *Corporate Relations*

Wasef Jabsheh – *Executive Chairman of IGI*

Waleed Jabsheh – *President and CEO*

Pervez Risvi – *Chief Financial Officer*

PRESENTATION

Operator

Good day. Welcome to the International General Insurance Holdings Fourth Quarter and Full Year 2025 Financial Results Conference call. All participants are in a listen-only mode. Should you need assistance, please signal a conference specialist by pressing the star key followed by zero.

After today's presentation, there will be an opportunity to ask questions. To ask a question, you may press star then one on your telephone keypad. To withdraw your question, please press star then two. Please note this event is being recorded.

I would now like to turn the conference over to Robin Sidders, head of Corporate Relations. Please go ahead.

Robin Sidders

Thank you, Danielle, and good morning. Welcome to today's conference call. Today we'll be discussing the financial results for the fourth quarter and full year 2025. We issued a press release after the close yesterday, and you can find that on our website in the Investor Relations section at iginsure.com. We've also posted a supplementary investor presentation, which can be found on our website as well on the Presentations page in the Investors Section.

On today's call are Executive Chairman of IGI Wasef Jabsheh; President and CEO Waleed Jabsheh; and Chief Financial Officer, Pervez Risvi. As always, Wasef will begin the call with some high level comments, before handing over to Waleed to talk through the key drivers of our results for the fourth quarter and full year 2025, finish up with our views on market conditions and our outlook for the remainder of 2026 and then we'll open the call up for Q&A.

I'll begin with the customary Safe Harbor language. Our speakers remarks may contain forward-looking statements. Some of the forward-looking statements can be identified by the use of forward-looking words. We caution you that such forward-looking statements should not be regarded as a representation by us that the future plans, estimates or expectations contemplated by us will in fact be achieved. Forward-looking statements involve risks, uncertainties and assumptions. Actual events or results may differ materially from those projected in the forward-looking statements due to a variety of factors, including the risk factors set forth in the company's annual report on Forms 20F for the year ended December 31, 2024; the company's reports on Form 6K; and other filings with the SEC, as well as our press release issued last evening. We undertake no obligation to update or revise publicly any forward-looking statements which speak only as of the date they are made.

During this call, we will use certain non-GAAP financial measures. For a reconciliation of non-GAAP measures to the nearest GAAP measure, please see our earnings release, which has been filed with the SEC and is available on our website as I said.

With that, I'll turn the call over to Executive Chairman Wasef Jabsheh.

Wasef Jabsheh

Thank you, Robin. Good day, everyone. Thank you for joining us on today's call.

I'm very pleased with the outstanding results we achieved in 2025. Next year will be IGI's 25th anniversary year, which is quite a milestone for us. We have built a successful track record of consistently strong performance, generating significant value for our shareholders over this time.

I'm delighted that in addition to our solid financial results highlighted by roughly 14% growth in book value, plus the return of more than \$108 million to shareholders through our capital management actions that we announced a special dividend of \$1.15 per share this morning. This is the third consecutive year that we have made the decision to pay a special dividend in addition to our regular quarterly dividend. Our ability to do this really shows our confidence in the strength of our balance sheet and our capital position, and it rewards our shareholders for their trust and support of IGI over the years.

I want to congratulate all of our people whose focus, dedication and loyalty not only produce these results, but who have helped to build our track record over more than two decades. I'm very proud of the people we have at IGI. It is their passion for our business and their belief in what we have built and continue to build at IGI that continues to drive our success. With this excellent foundation, I'm confident that we will continue to serve as a stable market for our customers and generate strong value for our shareholders in '26 and beyond,

I will now hand over to Waleed to discuss the numbers in more detail and talk about market conditions and our outlook. I'll remain on the call for any questions at the end.

Waleed Jabsheh Thank you, Wasef. Good morning, everyone, and thanks for joining us on the call today.

As Wasef said, we had an excellent fourth quarter, capping off what was another exceptional year for IGI. Strong underwriting execution, strong investment performance, all of which leading to a very solid bottom line result. This adds a further set of data points to what is a very strong and consistent track record that we've built now over the past 24 years.

To begin with, I'm just going to run through the key highlights of our performance for 2025 before delving into detail into the results. In the last 12 months, we delivered more than \$161 million in underwriting income, leading to a combined ratio of just under 86% for the year. That's well below our 10 year average. We delivered a return on average equity of 18.6%, also well above our 10 year average. Book value per share growth of almost 14% to \$16.91. And finally, capital return to shareholders of more than \$108 million in dividends and share repurchases. And as Wasef mentioned, we announced our ordinary common share dividend in our press release last night, and declared another extraordinary, special cash dividend this morning, this time \$1.15 per common share, marking the third consecutive year now that we've paid a special cash dividend.

This level of performance is the result of a very well laid out, well understood strategy that's executed at a very high level consistently year after year, and our history has shown that this strategy is what works for us and drives sustainable value to our business partners, shareholders and our employees. We have what we believe are strategic advantages and attributes that are unique to IGI and that underpin the results we are able to achieve. One, we have a high-performance profitability driven culture underpinned by strict discipline in underwriting. Two, we've got deep specialist and technical expertise driven by years of experience and an underground presence in our core regions allowing us to do business in a manner that is culturally compatible with our markets. Three, we are value driven, we're long-term focused. And finally, four, our significant insider ownership and founder manager mindset aligns directly with shareholder interests. Our view of success, as we've said time and time again, is not over a one or two year period, but a much longer-term period encompassing everchanging conditions, dynamics in our market, and more broadly, global social and economic environments that are constantly shifting.

Now I'll move on to the results for the fourth quarter and full year of 2025. I'm going to do this just a little bit differently and really focus on the key points for the quarter and the year and what the drivers are behind the numbers, and then I'm happy to answer any questions any of you may have at the end.

Starting with the top line, and as we said would be the case on prior calls, gross premiums within the fourth quarter were down \$33.4 million or just over 19%. Similarly, gross premiums for the full year were down by the same dollar amount, \$33.4 million and that's equivalent to about 4.8 percentage points. This predominantly relates to the non-renewal of a large professional indemnity binder in our long tail portfolio that we disclosed to you on our Q2 call last year. At the time we said the impact could flow through four consecutive quarters, starting with Q3, and that the largest portion, which is about half of the total, would be reflected in Q4. So that's what you're predominantly seeing in the top line movements for the quarter.

Net premiums earned were \$111.4 million for Q425 versus \$120.6 million for the same period in the year before. For the full year, net premiums earned were \$453.8 million versus \$483.1 million. For the full year, net premiums earnings included the impact of reinstating premiums on loss affected business, amounting to \$10.2 million. We've mentioned this on previous calls. And as I've said before, our reinsurance buying approach is very strategic, aiming really to help mitigate volatility in the high severity lines of business that we write.

It's important to note that our reinsurance purchasing patterns vary depending on where we are in the market cycle. For example, we tend to buy more facultative coverage during periods of softer market conditions, and we retain more risk in harder market conditions. Now this is all part of our cycle management strategy, but it can definitely sometimes result in some distortion in the component parts of our combined ratio, and I'll talk more about that in a moment.

Now, the combined ratio for Q425 was 82% and that included 18.1 points of accident year CAT losses and 5.2 points of favorable reserve development. This compares to 77.8% for Q424 which included 6 points of accident year CAT losses and 2.3 points of favorable reserve development. The Q424 combined ratio also benefited from the impact of about 18.3 points of foreign currency revaluation.

The full year '25 combined ratio was just under 86% and included 14.5 points of accident year CAT losses and just under 8 points of favorable reserve development. The full year combined ratio was also negatively impacted by about 6 points of negative currency revaluation. Now this compares to a full year 2024 combined ratio of 79.9%, which included 9 points of accident year CAT losses, 7 points of favorable reserve development and just under 2 points of positive currency revaluation. So, if you're looking at it on an FX neutral basis, we're comparing 79.9% combined ratio for the full year 2025 to 81.8% for 2024.

Now, during the fourth quarter of 2025, currency revaluation movements played a very tiny, minuscule part on our results. But for the full year, in line with the first three quarters results in the commentary there, the volatility of the US dollar during those three quarters against our major transactional currencies impacted a number of line items in the results.

Now just a few comments on the G&A expense ratio. For the fourth quarter and full year of '25 versus the same period in '24, we saw increases of 5.9 points or \$4.8 billion and 2.7 points or \$6.6 billion, respectively. Now this is largely the result of new hires, system costs and a number of other items, which are all part of the investments we've made in the build out of our business and in our visibility in the market. So, you're seeing a higher dollar expense load in the fourth quarter versus Q4 in 2024. Now the higher fourth quarter '25 expense ratio is then compounded by the lower level of period over period net premium signed. I would also say that the fourth quarter 2024 G&A expense ratio benefited from a reclassification of expenses from the G&A line to the acquisition cost line, so the Q4 year over year comparison isn't really on an apples to apples basis.

For the full year, you're also seeing the effect of the strengthening of the pound versus our dollar reporting currency during '25. This directly reflects and impacts the level of G&A expenses that are transacted in pounds, which for our businesses is fairly chunky. Generally speaking, the total expense ratio provides a

truer reflection of overall expenses as a component part. And I'm talking here about G&A combined with acquisition costs, but that will move around a bit at this stage of the cycle, depending upon the cycle management actions that we take. All in, we delivered net income of \$32.3 million or \$0.76 per share for Q425 versus \$30 million or \$0.65 per share for the same quarter in 2024. For the full year in 2025, we generate net income of \$127.2 million or \$2.89 per share versus \$135 million or \$2.98 per share in 2024.

Moving on to our segment results, in the short tail segment conditions are somewhat mixed, but rates remain broadly adequate. Underwriting income in this segment improved by over 14% for the fourth quarter and declined a little over 7% for the full year, and that's largely due to a lower level of net premiums earned, as well as a higher level of seeded premium.

As I mentioned a moment ago, part and parcel of our cycle management is taking advantage of reduced reinsurance pricing, with the aim always to protect and mitigate the volatility in our portfolio. And this definitely becomes more pronounced as the cycle softens.

In the reinsurance segment, conditions generally remain strong and pricing more than adequate in the business that we write. Underwriting income was down about 4.5% in Q4, predominantly due to a lower level of net earned premiums. But for the full year, underwriting was up almost 30% and this is a better measure of the true performance of this segment in 2025 and also reflects the shift in focus we made in late 2022 to the higher margin reinsurance business as part of our cycle management actions, which we've spoken about previously.

Now the long tail segment has continued to be the area of our portfolio that has definitely been the most challenging for several years now, but it's also where we're hopeful for some improvement in 2026 or at least a bottoming out in pricing and conditions. This is the area where we also took action in the second quarter of the year, when we've non renewed the large account, the PI binder that we mentioned before, and that's what's impacted the top line, both in Q4 and full year for this segment.

Underwriting income for both the fourth quarter and full year of '25 was impacted by lower net earned premiums, and more pronounced here also by the currency valuation movements since this portfolio is primarily transacted in British pounds. Underwriting income of \$10 million for Q425 compares to \$14.3 million in Q424. For the full year, we recorded underwriting income of \$10.9 million versus \$39.5 million for the full year in 2024. Now, again, going back to the foreign exchange, on an FX neutral basis that would have been \$29.2 million for '25 versus \$34.3 million for '24.

If we turn to the balance sheet, total assets were \$2.1 billion. Total investments cash were \$1.32 billion. Allocation to fixed income securities makes up a little over 80% of our investment in cash portfolio. That generated \$14.2 million in investment income in Q4, and just under \$55 million for the full year. That's a yield of about 4.2%. And we held the duration fairly steady at about 3.6 years.

During the fourth quarter, we repurchased just under 344,000 common shares. Average price per share, \$23.51. At the end of the year, we had about 4.65 million common shares remaining under the new 5 million common share repurchase authorization that we announced before last quarter's call. For us, share repurchases are a strong value generation lever for us, and we view them as highly accretive and an excellent value for our shareholders.

At the end of the year, total equity was \$710 million and that includes the share repurchases and common share dividends, including the special dividend of \$0.85 that we distributed back in April. This compares total equity of about \$655 million at the end of 2024.

Ultimately, we recorded a return average shareholder equity of 18.5% for Q4 and 18.6% for the full year.

From a total return perspective, we grew book value per share by almost 14% in 2025 and we returned a total of \$62 million to shareholders in share repurchases and just over \$46 million in common share dividends. So, all in, an excellent quarter and full year for IGI.

Now, if I turn to our view on the market briefly, there isn't a whole lot more that is new or groundbreaking that you haven't really heard from others. We've heard various iterations from across the market that things are getting more competitive, and that's entirely accurate. There's very clearly an elevated level of competitive pressure across much of the market, but it continues to be fairly disciplined. But I'll admit, a little less disciplined than anticipated at 1/1.

Most important right now is context. And the reality is that while rates are under pressure, they do remain adequate in many of the lines of business that we write. And just as an indication, we saw the clients averaging around 10% at 1/1.

Looking at specific segments of our portfolio, I'll start with the reinsurance lines and segments. Margins here are still very healthy, and because of this, this is also the area where we're seeing the greatest push for market share, particularly from the larger carriers. But for us, this is where our S&P upgrade has definitely helped us raise our profile, and as a result we're seeing more business that we may not have seen otherwise.

Short tail portfolio remains mixed. Our energy book and certain areas of our property book, which, as you're aware, are two of our largest lines, those continue to be tougher than a year ago, and I would say is the areas where we're seeing the most significant pressure. Having said that, I mean, we're continuing to see relatively healthy conditions in the more specialist lines, such as construction and engineering. In that line, there's a strong pipeline of opportunities out there, particularly with the increase in infrastructure projects and also the number of data centers being built in various geographies around the world.

Similarly, in the Marine lines, in the Marine lines that we write, such as cargo and liability, in these areas terms of conditions are still holding up reasonably well, and they continue to present new opportunities for us. As I've mentioned before, as well, contingency is also still very much a bright spot for us.

In our long tail segment, we're cautiously optimistic in our outlook as we're seeing some leveling off in the professional and financial lines after several sequential quarters of pricing deterioration. Obviously, this is a little different to what you may be hearing from some US carriers, but remember, we don't write any long tail US business.

Now in our PI, professional indemnity portfolio, which is predominantly UK based, the pace of decline appears to be leveling off. Our relationships across this business are providing us with some new opportunities and a good and healthy deal flow, especially in the more niche segments of it. Similarly, in both FI, financial institutions and D&O, we're still seeing some reductions, but the magnitude of decline is definitely narrowing and the pace is slowing.

In our geographic markets, very similar commentary to what we said before. Continued focus on the US and specialty treaty and short tail portfolios, and we're continuing to build up our profile and presence across various geographies, including Europe, MENA region and Asia Pac.

Now for IGI specifically, context is really critical here. Now for a company of our size, our global strategy and footprint are quite unique. Over the past several years, as is natural to do when market conditions are in your favor and conducive, we've invested heavily in growing our top line, and we've taken actions to strengthen and fortify our business in preparation for when conditions change and become less favorable. One of our most important achievements coming out of this has been our recent financial

strength rating upgrade by S&P, which not only underscores the quality of our results and the strength of our balance sheet, but the confidence that S&P have in our ability to continue doing this consistently into the future. Our level of diversification, our strategy of having local talent with high levels of local knowledge positioned in our core regions means we've got a much better chance of success in competing for business that isn't necessarily coming to London. As said on prior calls, the domestic markets across the globe are becoming stronger, making our local operations even more important.

Our people on the ground in these markets have specialist technical and marketing expertise, they have a strong network of relationships, and they have the ability to interact face to face and understand the dynamics of how business interest is transacted in these local markets. For us, that is a clear benefit that provides a lot of leverage.

In the context of our size footprint and our financial strength, it's a little easier for us relative to our larger competitors to move the dial. What I mean by that is that we can still find profitable opportunities to write new business across many lines and many geographies within our portfolio, whilst maintaining healthy margins. Now, while it's perhaps a little harder in today's environment, we have given ourselves a lot more levers to work with in mitigating and managing these conditions, better than even 18 months ago. Especially important is that all of our actions are aimed at protecting the book we've built while continuing to generate healthy margins and add to our value proposition. And that is, in essence, all part of the dynamic cycle management, which we're constantly banging the drums of and is the nature of our business and something we have successfully navigated numerous times in our almost now 25-year history.

Having said all that, and given where we are in the cycle, it wouldn't be unreasonable to assume that we're likely to see some contraction in top line in certain areas of the portfolio where we decide to walk away from business that, as we've said before, simply doesn't meet our embedded profitability or coverage targets. We've seen this in our general aviation book, which, over the last couple of years, we've virtually halved in size due to the tough market conditions, and we're seeing it today in some other lines. But it's this strict discipline that we always talk about that drives us to take these sorts of actions and puts us in a position of optimal strength to make the most of opportunities when they come without being encumbered by short term thinking decisions of the past.

Looking at 2026, the key focus remains the same – focus, consistency, discipline. This is exactly what underpins successful cycle management and leads to consistent, high-quality results and value creation that is sustainable through all stages of the cycle.

Just in closing, we have outstanding teams at IGI, and our track record over almost now 25 years clearly demonstrates not only that we're not just a fair weather company, but that we won't compromise our principles or values under pressure. We have the experience, and we built a level of resilience in IGI that has put us in a much stronger position than we were going into the last soft cycle, and that is what will continue to drive our success forward for the benefit of all stakeholders.

So, I'm going to pause there and we'll turn it over for questions. Operator, we're ready to take the first question, please.

QUESTION AND ANSWER

Operator

We will now begin the question-and-answer session. To ask a question, you may press star then one on your touchtone phone. If you're using a speakerphone, please pick up your handset before pressing the keys. To withdraw your question, please press star then two.

The first question comes from Michael Phillips from Oppenheimer. Please go ahead. The next question comes from Rowland Mayor from RBC Capital Markets. Please go ahead.

Rowland Mayor

Hi, good morning, or good afternoon over there. Could you maybe walk through the state of competition? I had heard all your comments on it, but I just wanted to understand, do you think the durability, maybe the pricing competition, particularly in property, are we reaching a sort of bottom here, or do you expect it to continue throughout 2026?

Waleed Jabsheh

Hi, Rowland. Thanks for the question. I think the competition is in line with what we've been really saying now for quite a few quarters. I mentioned earlier that the energy and property lines seem to be the most pressured. I guess at some point I don't anticipate that pressure easing off, although there has been talk in the market about the refining aspect of the downstream book and how poorly the results were in 2025 in that area. The hunger seems to still be out there. That being said, I think there's a lot of hunger on the reinsurance side in part of the cycle management, it's not just a discipline on the inwards business, but trading in this environment and taking advantage of the opportunities that a soft market provides and leveraging those opportunities against that inwards business makes it attractive and adequate to get involved with.

So, do I see any sort of short term let down in the competition? In all honesty, I don't. But we can deal with that. We can manage it. We've managed it on the long tail lines now for quite a few years and as I mentioned on the aviation side as well, but yes, the competition is expected to remain, at least in the near term.

Rowland Mayor

That makes sense. And I'm wondering just on the type of insurers you're running into, is it traditional capital that has always been in the market, or is it new capital coming in with maybe alternative backing that is creating all the competition right now?

Waleed Jabsheh No. It's pretty much all traditional, and a lot of it is coming from the larger carriers, both within the short tail lines, the property and energy lines that we were just talking about, as well as the reinsurance lines. I think the market is in a state where it has performed well now for several years in a row, by and large, and the market is sitting on a lot of excess capital that they're potentially pressuring themselves to feed. We don't put ourselves in a position like that. As you know, we've got the buyback program, and we're returning capital via special dividend as well. It's all about that discipline and writing the business that makes sense, and not putting yourself under pressure to move with the herd.

Rowland Mayor

That's super helpful. And then I did want to talk about the capital. So in the past few years, you've done some M&A to reach into new markets. Is there any opportunity to do that here? Or the multiple is just not making sense?

Waleed Jabsheh

At this point in time, I would say there's nothing really strong on our radar for any of that. I think you've got to be mindful at the same time of the market that we are in and what that means from a capital management and M&A perspective. We're just focused on our business. As you know, if you look at our history, we're pretty much almost entirely a story of organic growth, and that is, honestly, how we prefer to do it. We're always on the lookout for new opportunities, and I think there are growth opportunities for a company like IGI, both this year and in the years ahead, despite the market being tougher, and we're

out there fighting hard to find and capitalize on those opportunities. I'm confident we will. But the short answer to your question on the M&A side is nothing solid at the present time.

Rowland Mayor

Thank you. And then I did want to just try to squeeze one more in on the special dividend announcement this morning. Can you just walk through how you decide the size of the dividend versus buyback and your approach to capital management here?

Waleed Jabsheh

By and large, the buyback is something that we're doing throughout the year, right? And a lot of it depends on what ability we have and how much of that we are able to buy. In terms of the special dividend, when we announced our new, at the time, capital strategy a few years ago, we said it was basically a focus on the business underwriting first, capital position was a lot weaker than what it is, of course, today, but we saw the opportunities at the time in the market, and we said when we don't see those same opportunities, and we don't feel we can feed that capital or need that capital, then we would return it to shareholders, and you started seeing that a couple of years ago from a dividend perspective.

Essentially, we want to make sure we're in a comfortable place from a capital adequacy perspective. Obviously, we've got the upgrade from S&P. That's a huge asset for us that needs protection. We always will. But we've had another fantastic year generating just under \$130 million of profit, growing book value, and the business, from a top line perspective, has not grown. And as a result, the required amount of capital where we stand hasn't increased, yet you've managed to grow the balance sheet in that regard. So, we tend to wait until the end of the year to see what the results are like, see what our capital position is like, and then assess whether we are in a position to give back to shareholders. And if we are, then the amount that we are able to give back to ensure that our capital position remains strong, protecting all our interests, internal and external.

Rowland Mayor

That's perfect. Thank you, and best of luck in your 25th year.

Waleed Jabsheh

Thank you, Rowland.

Operator

The next question comes from Michael Phillips from Oppenheimer. Please go ahead.

Michael Phillips

Thanks. I apologize if any repeats, I was dropped for about 10 minutes here, so hopefully no repeats and congrats on the quarter.

I want to start with maybe just to what extent on the long tail line business in the fourth quarter did you feel you had to walk away from business that didn't meet your hurdles more so than maybe you did earlier parts of the year? I apologize, I'm asking not so much on the margins, because I think there's lots of confidence in your ability to maintain margins as the soft market maybe continues, but just maybe more if you consciously walk away, what impact that might have on top line. So, if you've already done that, should that continue? Thanks. Sorry.

Waleed Jabsheh

Thanks, Mike, for the question. The long tail business has now been in a downward trajectory for a good three years plus now, so a lot of that sort of walking away from business, I mentioned on the call that we're seeing a leveling off in a sense or indications of a leveling off in the rate reductions, and hopefully

what we'll see in 2026 is a bottoming out of that. Most of that walking away, we've pretty much done.

Now, obviously, there's always going to be business here and there that you're going to walk away from that's going to be new business debt that comes in. The impact that that will have on the overall size of the portfolio I don't think will be material in any shape or form, at least not negatively once we're done with the PI portfolio that we walked away from. So, you're going to continue to see in Q1 and Q2 of this year the impact of the reduced premiums from the runoff of that portfolio, but we are replacing that with new business. As I said on the call, we've got a good deal flow with good partners and we're working hard to make those or to get those materialized. So, I think once we're done with the run off of that PI portfolio and the lost income you'll see in Q1 and Q2 of this year, then you'll see a much more stable and potentially positive trajectory for the long tail portfolio.

Michael Phillips

Okay, thank you. I appreciate your comments on the G&A and your opening comments. I guess some of the pressure on the quarter, obviously, was from the hires that you mentioned and the system build out, so is that stuff done going forward? Will there be any more additional pressure on the dollar amount in the next couple quarters?

Waleed Jabsheh

I would say that there will be definitely more stability. Now, this is a big chunk of our expenses are incurred in pounds, right? So, if the pound does strengthen, there's nothing we can do about what that means, not a lot that we can do about what that means and translate it into dollars. So, there are certain things that we've got to keep in mind.

Now, if there's going to be growth from an HR perspective in terms of teams, etc., it's going to be more on the underwriting side. If we find new opportunities, bring in new teams to develop new portfolios, bring in new business, then we will not hesitate to spend the money on that. That being said, and I tried to address it and explain it in my own way on the call, in my commentary, but I understand how obviously the combined ratio components of the G&A ratio, the acquisition cost ratio, and then obviously the loss ratio all come together, and we look at them individually, and we do very much so ourselves, 100%. The one thing I would say, though, is depending on where you are in the market cycle, your strategy of underwriting, both underwriting the inwards business and then buying the reinsurance that you feel provides you with the optimum protection, is going to have an impact and distort some of these ratios depending on which stage you are in the cycle.

So, if you notice, as I mentioned earlier, for example, we're buying a lot more facultative reinsurance, offloading elements of risk and exposure that we're happy to offload. And ultimately what that does is impacts your net earned premium numbers. But we're doing that very much knowing that, okay, maybe that may result in a higher expense ratio, but if it keeps that loss ratio, most importantly, under control and helps to reduce and control that loss ratio, then overall your combined ratio is still going to be healthy and still going to be good. So, it's taking different actions at different times, pulling the different levers when you see you need to pull them, that may distort a couple of numbers, but then overall, when it all comes together, which is the most important thing, when it all comes together, it still looks great.

Michael Phillips

No, that's perfect. Thank you. Last one for me. You mentioned the construction business and infrastructure and data centers around the world. One of the things that we're seeing here in the US is some of that stuff has been delayed and, in fact, in some insurance companies' top line business. And I wonder if you've seen that in any parts of your construction business at all, any concerns there? Thank you.

Waleed Jabsheh

Do you mean delay in starting the projects or delays in completion of the projects?

Michael Phillips

Well, both, probably more so on starting, but kind of both.

Waleed Jabsheh

A lot of these projects, Mike, are quite chunky. The smallest projects in this area meaningfully is in the low single digit billion sort of contract values, and we've seen projects upwards of \$20 billion depending on which part of the world we're talking about. And these types of projects always tend to take, they'll come to the market and take time to be finalized and completed, and you've got all stakeholders, bankers, financing, sign off and that does take time. So that's natural in the construction portfolio.

What we haven't seen is projects being pulled, so that's the positive sign. So, it might take time for them to actually get finalized, but all in all, this is big, and you hear everybody talking about them, and you've seen other carriers go in quite heavily and facilities being set up, etc., because it's no doubt a big area for everybody going forward.

Michael Phillips

Indeed. Thank you for that. Congrats again, and all the best. Appreciate it.

Waleed Jabsheh

Thank you, Mike. Appreciate it.

CONCLUSION**Operator**

This concludes our question and answer session. I would like to turn the conference back over to management for closing remarks.

Wasef Jabsheh

I just want to say thank you to everyone for joining us today, and thanks for your continued support of IGI. As always, any additional questions, please contact Robin. She'll be happy to assist. I wish you all a great day, and we look forward to speaking with you on next quarter's call. Thank you, everybody.

Operator

The conference has now concluded. Thank you for attending today's presentation. You may now disconnect.