Markel Syndicate 3000

Annual Report and Financial Statements for the year ended 31 December 2025

MARKEL

Syndicate 3000
Annual Report and Financial Statements
for the year ended 31 December 2025

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Directors and Administration

Managing Agent

Markel Syndicate Management Limited

Board of Directors

John W J Spencer (Chair)
Wai-Fong Au
Andrew J Davies
Alexander W Finn
Henry G L Gardener
Thomas J Hillier
Andrew N McMellin
Kalpana Shah

Company Secretary

Lara Teesdale

Managing Agent's registered office

20 Fenchurch Street
London
EC3M 3AZ

Managing Agent's registered number

3114590

Syndicate

3000

Active Underwriter

Thomas J Hillier

Bankers

Bank of New York
Barclays Bank PLC
Citibank N.A.
Royal Bank of Canada
Royal Trust

Investment Managers

Markel Gayner Asset Management LLC

Registered Auditor

KPMG LLP, London

Lawyers

Norton Rose Fulbright LLP, London

Directors' Interest

The Syndicate is supported 100% by Markel Capital Limited ("MCAP") and therefore no Director has any participation.

Report of the Directors of the Managing Agent

The Directors of the Managing Agent, Markel Syndicate Management Ltd ("MSM"), present the financial statements of Syndicate 3000 for the year ended 31 December 2025.

This annual report is prepared using the annual basis of accounting as required by Statutory Instrument No 1950 of 2008, the Insurance Accounts Directive (Lloyd’s Syndicate and Aggregate Accounts) Regulations 2008 and applicable United Kingdom Accounting Standards, including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (‘FRS102’) and Financial Reporting Standard 103: Insurance Contracts (‘FRS103’).

Review of the business

Markel Syndicate 3000 (the “Syndicate”) is the Lloyd’s platform for Markel International which is the international insurance operations for Markel Group Inc. ("Markel" or “Markel Group”). Markel International also writes business through Markel International Insurance Company Limited (“MIICL”) and Markel Insurance SE ("MISE").

The principal activity of the Syndicate is the underwriting of general insurance and reinsurance business from its offices in London and its overseas operations in Canada, Singapore, Labuan, Hong Kong, Dubai, China, India and Australia.

Business profile and units

The Syndicate operates three underwriting units within the London Market, namely marine and energy, professional and financial risks, and cyber ("PFR and cyber") and specialty.

In Canada, Markel Canada Limited ("Markel Canada"), a wholly owned subsidiary of the Markel Group, underwrites a diverse portfolio of property and casualty coverages for Canadian domiciled insureds, which is placed through the Syndicate.

Markel Canada provides casualty, environmental liability, professional and financial risks, Markel Connect, property package, life sciences liability, security and protection industry liability, Markel Care and Markel Play.

Our teams working in Singapore, Hong Kong, Kuala Lumpur, Mumbai, Shanghai, Sydney, Melbourne, Brisbane and Dubai provides cover for marine and energy, PFR and cyber, casualty, and trade credit risks throughout the Asia Pacific region.

In Asia, the Syndicate's Singapore office operates as a regional hub, supporting the Labuan and Hong Kong offices. The Syndicate is also a member of Lloyd's platforms in Dubai, China, Japan, India and Australia.

The Syndicate provides non-life reinsurance to Lloyd's Insurance Company S.A ("Lloyd's Brussels"), supporting European Economic Area ("EEA") clients. Lloyd’s Brussels is authorised and regulated by the National Bank of Belgium.

The three underwriting units in the London Market are:

Marine and Energy

The marine and energy liability account offers a range of traditional marine liability cover as well as ports and terminals, marine trades, and energy offshore and onshore coverages. Marine coverage includes primary and excess coverage for cargo, hull and war, specie, and terrorism risks. Energy offers coverage on a worldwide basis for all aspects of upstream, downstream, midstream oil and gas activities. Coverage includes business interruption or loss of production income, construction of energy related structures, control of wells and physical damage to installations. The team also offers coverage for renewable energy sources including coverage for the full life-cycle of onshore and offshore wind farms and solar photovoltaic installations, from procurement to construction of the completed operations.

The cargo account comprises a broad portfolio of transit and storage risk across many industries on a worldwide basis (excluding sanctioned territories). The hull and war account offers a full range of products on a worldwide basis including marine war, specialist tonnage, builders risks, mortgages interest and port risks. The terrorism account provides protection on a worldwide basis (excluding sanctioned territories) against physical damage, business interruption and contingency losses directly caused by acts of war, terrorism, and political violence. The specie account includes a range of cover for jewellers' block and cash in transit, on a worldwide basis. The transport and logistics account covers a wide range of UK marine professionals, from boat manufacturers, boat dealers and commercial crafts, to marinas, ports, yacht clubs, and sailing schools.

In November 2025, Markel International announced its new Construction & Engineering practice, offering global Construction All Risks ("CAR") and Erection All Risks ("EAR") products. CAR provides cover for a wide range of construction projects, while EAR offers specialist cover for energy and industrial installations.

Markel completed the acquisition of the Michael Else & Company group of companies ("MECO") in May 2025, to strengthen our marine capabilities with a highly complementary portfolio of specialist products, deep sector expertise and established distribution with products including Aurora, Charterers Protection & Indemnity, and transmarine brands.

PFR and Cyber

The Professional and Financial Risks team provides cover on a worldwide basis. This team underwrites professional indemnity, entertainment, financial institutions insurance, commercial directors' and officers' liability ("D&O"), financial technology ("Fintech") cover, technology and media cover and warranty and indemnity. The Markel Cyber 360 policy is a standalone primary cyber insurance product. Key coverages include, privacy breach notification, extortion costs cover, regulatory investigations and fines, cyber and privacy liability, E-media, and professional and technology services liability.

The professional indemnity account services most core, regulated and miscellaneous professions which include architects and engineers, insurance brokers, recruitment agents and more.

The entertainment team writes a broad book of film and media insurance. Advertising agents' insurance, commercial producers' insurance and film production insurance are the mainstays of the book and we are also able to offer both employers' and public liability for companies involved in film shoots.

Financial institutions insurance can provide cover on a stand-alone basis or as a blended package to include bankers blanket bond, professional indemnity and D&O, depending on the client's requirements. The cover is provided on a worldwide basis (excluding sanctioned territories).

Commercial D&O offer market leading products which provide a wide range of coverage to ensure protection for directors and officers of companies of all types and sizes. It covers companies in the FTSE 100 and the financial services sector along with non-financial industries as well.

Fintech provides cover for a range of fintech companies, including those offering neo banking, payments, investech, wealthtech, insurtech and lendtech services. The modular 'FintechRisk+' policy gives clients the flexibility to choose the covers that suit them, including professional liability, D&O liability, theft and cyber liability and loss.

Technology and media provides modular cover for clients in the technology and telecommunications field, specialising in media, film, television, patent/intellectual property insurance, as well as information technology, telecommunications and cyber/privacy risks.

Warranty and indemnity provides cover to clients in mergers and acquisitions, including both funds and corporations. It covers transactions across most sectors and specialise in professional services, financial institutions, technology, media, consumer and energy.

International Specialty

Trade Credit and Political Risk
Our trade credit and political risk teams have extensive experience and knowledge of commercial counterparty and country risks across a wide variety of trade sectors and markets. The key benefits we provide for our clients include: security of non-cancellable credit and country limits; balance sheet and cash flow protection; improved terms for bank financing facilities; and bonds and guarantees to assist with working capital management.

The trade credit team specialises in insurance solutions with a focus on risk management, providing insurance coverage to help protect businesses. Coverage includes prepayment cover, insolvency and default, trade finance solutions, captive reinsurance, syndicated co-insurance solutions and financial institutions.

The political risk team works with clients to manage their cross-border portfolios and overseas investments with tailored, specialist policies. The key clients include financial institutions, corporates, exporters, and traders. The account has a broad range of coverage including insolvency or default by either a public or privately owned entity, licence cancellation, aircraft and vessel repossession, mortgage rights insurance and currency inconvertibility and exchange transfer.

Equine and Livestock
The equine account offers a wide portfolio of products including bloodstock and equine liability to suit a broad range of risks, from large stud farms to individual horses.

The livestock account provides a wide range of cover including farm combined, mortality, disease and business interruption across farm, zoo and other animal interests. Risks are also underwritten through the Lloyd's livestock consortium led by the Syndicate.

International Casualty
The International Casualty team operates across London, Australia, Dubai and Asia. Markel offers products to support the needs of insureds offering bespoke wordings on a primary and excess basis, covering public, products, premises and pollution liability, environmental liability, clinical trials, and life sciences.

Clinical trials policies are offered to a number of organisations, including research organisations, universities, clinical trial sponsors and sites, as well as providing cover for investigator-led studies and charities' clinical trial exposures.

Markel offers life science insurance for a number of different markets, including but not limited to pharmaceuticals, medical devices, research and development companies, biotechnology companies, as well as laboratory exposures and cosmetics.

Structure Portfolio Solutions ("SPS")
Our SPS portfolio was established in January 2025 to allow us to participate intelligently in the growing smart-follow, multi-line facility market. It provides Markel with an efficient mechanism to 'index' the market, diversify intently, and access richer data to enhance underwriting decisions. This capability strengthens our relevance with major trading partners, provides accretive capacity at a low expense base, and supports more resilient, cycle aware portfolio management.

Results and performance

The results for the year, as set out on page 21, show a profit for the financial year of £153.6m (2024, £145.7m profit).

As set out on page 7, the underwriting result is a profit of £100.6m or 84.9% combined ratio (2024, £113.4m profit or 80.6% combined ratio). Contributing to the strong underwriting result was the claims loss ratio which benefited from favorable development on prior year claims reserves.

The investment return was a profit of £59.8m (2024, £38.1m profit) generating a yield of 5.3% on the investment portfolio, compared to a yield of 4.0% in 2024. The favourable return for the year was driven by strong investment income generated from fixed and short-term investments, as well as equities, money market instruments and short-term treasury bills.

The profit for the financial year of £153.6m (2024, £145.7m profit) reflects the underwriting profit described above and the favourable investment return.

Key Performance Indicators

We set out below our financial key performance indicators. We do not use non-financial key performance indictors to manage the performance of the Syndicate.

	2021 £'m	2022 £'m	2023 £'m	2024 £'m	2025 £'m
Gross written premiums	482.6	623.6	701.5	785.5	927.5
Net written premiums	406.1	498.2	479.6	619.2	730.7
Retention rate	84.1%	79.9%	68.4%	78.8%	78.8%
Net earned premiums	**409.0**	**465.3**	**452.6**	**580.5**	**665.1**
Net underwriting profit/(loss)	**20.0**	**(1.6)**	**52.5**	**113.4**	**100.6**
Claims loss ratio	54.5%	61.6%	40.0%	34.9%	38.7%
Expense ratio	40.6%	38.7%	48.4%	45.7%	46.2%
Combined ratio	**95.1%**	**100.3%**	**88.4%**	**80.6%**	**84.9%**
Investment return	(9.6)	(50.1)	43.3	38.1	59.8
Investment yield	(0.8)%	(4.2)%	4.1%	4.0%	5.3%
Profit/(loss)	**10.5**	**(38.9)**	**89.5**	**145.7**	**153.6**

Statement of Financial Position	2021 £'m	2022 £'m	2023 £'m	2024 £'m	2025 £'m
Financial investments and cash	968.1	1,030.9	1,031.9	1,038.9	1,105.8
Gross claims outstanding	1,146.5	1,310.5	1,223.1	1,231.7	1,243.0
Reinsurers' share of claims outstanding	184.4	256.2	303.5	360.7	353.8
Net claims outstanding	962.1	1,054.4	919.6	871.0	889.2

Three Year Accounting Data	2021 £'m	2022 £'m	2023 £'m	2024 £'m	2025 £'m
Syndicate Capacity	**486.0**	**500.0**	**645.5**	**736.0**	**934.3**
Underwriting result	29.8	105.0	71.0		
Investment result	12.2	21.7	50.9		
Result on closure	**42.0**	**126.7**	**121.9**		
Forecast return at 12 months	6.3%	6.8%	12.0%	11.2%	11.0%
Forecast return at 24 months	9.7%	15.9%	15.3%	20.5%	
Return on capacity at closure	**8.6%**	**25.3%**	**18.9%**		

Underwriting profit of £284.9m over the five year period of 2021 – 2025, generated an average combined ratio of 88.9%:

- The 2021 year was impacted by £8.2m of natural catastrophe losses, a £7.6m deterioration on the COVID-19 loss estimates and £4.6m of loss estimates for the South Africa Riots large loss.

- The 2022 year was impacted by losses on the Russia Ukraine conflict of £3.8m and a £15.7m deterioration on the COVID-19 loss estimates. In response to the high inflation environment experienced there was also an additional £14.8m of reserve loadings included in the losses reported. Partially offsetting the adverse experience are releases from prior year reserves of £13.6m.

- The 2023 year was impacted by prior year reserve releases of £42.6m as a result of favourable claims development. This is partially offset by £9.4m of net catastrophe losses.

- The 2024 year was impacted by prior year reserve releases of £70.2m as a result of more favourable claims development, this was partially offset by £11.4m of net catastrophe losses.

- The 2025 year was impacted by prior year reserve releases of £68.3m, reflecting more favourable claims development, and significantly lower net catastrophe losses than originally anticipated.

Excluding COVID-19, the Russia Ukraine conflict, and natural catastrophe losses there was an underwriting profit over the five year period of 2021 – 2025 of £348.8m, generating an average combined ratio of 86.4%. The underwriting performance includes results of business lines that were exited in 2018 and 2020 (Open Market Property, Contingency) or heavily restructured (Marine). The COVID-19 losses were predominantly driven by event cancellation impacting our Contingency book. During 2020 the decision was taken to exit this class of business as part of our underwriting assessment.

Profit of £360.4m over the period 2021 to 2025 is a result of favourable claims development and high investment returns. An average return on capacity of 8.0% for the 2002 to 2023 closed years of account.

Events since the reporting date

There have been no material events since the reporting date.

Going concern and future outlook

The Directors of the Managing Agent ("Directors") have conducted their going concern assessment and have concluded that there are no material uncertainties that could cast significant doubt over the Syndicate's ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

As part of their assessment, the Directors have evaluated the relevant solvency and liquidity risks to the Syndicate which includes examining the capital position which is subject to stress and scenario-based testing. The Syndicate continues to monitor its capital position and takes necessary underwriting actions on its future business. There is no intention to liquidate the Syndicate or to cease its operations. The 2026 year of account has been established, and the Directors expect to establish a 2027 year of account, and are not aware of any reason why this will not be possible. Where there are any short-term liquidity requirements, Markel Group has made available a loan facility to Syndicate 3000. The Syndicate's capacity for the 2026 year of account is £904.2m (2025, £934.3m).

With disciplined underwriting and a strong asset base, inclusive of the Funds at Lloyd's supporting the Syndicate's underwriting, the Syndicate is in an excellent position to capitalise on opportunities as they arise. The Syndicate will continue to apply Markel's underwriting discipline of underwriting for profit rather than volume and, accordingly, will decline business where the rates are not acceptable.

As part of the Directors' going concern assessment, cybersecurity risks have been considered given their potential to impact operational resilience and financial reporting. Cyber-attacks represent a systemic and evolving risk to the insurance market and the wider financial services sector. Threats include ransomware, data breaches, and disruption to critical systems, which could impact underwriting operations, claims processing, and financial reporting. The Syndicate implemented an enterprise-wide cyber risk framework, detailed in the 'Principal risks and uncertainties' section on page 11.

Based on the above assessment, including stress testing and mitigation strategies, the Board considers that the Syndicate has adequate resources and controls to manage the impact of potential cyber incidents.

The Syndicate will continue to look to develop new lines of business and markets, within the parameters of the overall underwriting strategy. The Syndicate invests in high-quality corporate, government and municipal bonds as well as a diverse equity portfolio and plans to continue this investment strategy in 2026.

Accordingly, the financial statements have been prepared on a going concern basis.

Principal risks and uncertainties

The Syndicate has a risk register detailing the risks to which it is exposed, which includes all business underwritten by the Syndicate. Risks are grouped under the following categories:

- Underwriting Risk
- Reserving Risk
- Asset Risk
- Credit Risk
- Liquidity Risk
- Solvency Capital Risk
- Operational Risk

The risk and capital management note (note 4) provides a detailed explanation of the above risk categories.

The risks arising from climate change, and Lloyd's of London’s response to it, are multifaceted, occur over an extended time horizon and are dependent on the severity of the changes in the climate. These risks continue to develop and the relative impact will be dependent on a number of aspects such as industry changes, Government policy changes and the speed with which those changes are implemented.

The Board has ultimate responsibility for the Syndicate's approach to responsible business which includes consideration of climate risks. The Board approved the establishment of a special purpose ‘Responsible Business Committee’, during the 2024 calendar year. The Responsible Business Committee considers environmental matters, including the impact of these on the Syndicate’s business, and the impact of the Syndicate’s business on the environment.

Climate risk can be broadly divided into three categories: physical, transition and liability. Physical risk relates to the change in climate and weather events which have the potential to directly affect the economy. This includes the risk of higher claims as a result of more frequent and more intense natural catastrophes. Scenario analysis of differing levels of claims are included within our standard underwriting risk assessment. Transition risk can occur when moving towards a lower carbon economy and how the speed of the transition may affect certain sectors and affect financial stability. Liability risk refers to potential increased litigation against policyholders from individuals or businesses who have experienced losses because of physical or transition risk.

Potential risks are regularly reviewed by the Risk, Capital and Compliance Committee ("RCCC") and risks are addressed within the underwriting, risk and audit functions, although Responsible Business activity is not segregated from the other work of these functions, but rather embedded in their operations.

The risks arising from inflation, the impact it has on the economy and the insurance industry’s response to it form a key consideration going forward. Inflation risks in the current environment are influenced by both short-to-mid term trends (e.g. the state of the economy, geopolitical events and cybercriminal activity), as well as by long-term trends (e.g. social/excess inflation, other frequency events such as the impact of new technology, safety improvements and other severity effects such as repair cost changes out of line with Retail Price Index/Consumer Price Index). We have considered recent trends in inflation throughout our strategic planning and business management activities. The impacts of inflation on open years of account as well as on subsequent years are regularly assessed and considered, with actions and measures presented to the RCCC but equally to key committees regarding Claims, Reserving and Finance.

The current global landscape is marked by heightened geopolitical tensions and uncertainties. Factors such as international conflicts, trade disputes, and political instability in key regions can disrupt markets, interrupt supply chains, affecting the syndicate’s investment returns, and also leading to increased insurance claims. Additionally, regulatory changes and sanctions can impact our ability to operate in certain jurisdictions. We monitor developments in these areas and adjust our risk management and business strategies to mitigate against the potential adverse effects that such events may have on the Syndicate. The potential impacts of changes in the geopolitical environment are regularly assessed and considered, with actions and measures presented to the RCCC but equally to the Underwriting and Finance Committees.

There are currently 32 risks in the Risk Register. Each risk has an allocated Risk Owner and Risk Manager. The Risk Owner is responsible for identifying the risks associated with their objectives, assessing the impact of those risks on their objectives, acting where necessary to mitigate those risks, including (but not limited to) reporting on appropriate metrics to measure the success and risks related to the achievement of their objectives. The Risk Manager is responsible for supporting the Risk Owner and assess the performance of their risk and ensure that there is an adequate level of control in place by making recommendations to the Control Owners. A quarterly confirmation is sought from the Control Owners of these controls to confirm the effectiveness of the design and operation of their controls.

The RCCC meets quarterly to consider compliance with the Board’s risk appetite and Key Risk Indicators and any risk issues that have arisen. These are summarised in the Chief Risk Officer's quarterly report to the Board.

An Own Risk and Solvency Assessment report is produced at least annually which is a forward-looking assessment of the risk profile and adequacy of the Syndicate's capital to meet solvency needs over the business planning time horizon. The Syndicate is in compliance with Solvency UK regulation.

Cyber-attacks represent a systemic and evolving risk to the insurance market and wider financial services sector. Threats include ransomware, data breaches, and disruption to critical systems, which could impact underwriting operations, claims processing, and financial reporting. The Syndicate has an established enterprise-wide cyber risk framework which includes:

- Governance framework and oversight: Implementation of the globally recognised National Institute of Standards and Technology ("NIST") Cybersecurity Framework which utilises the NIST Special Publication 800-53 control catalogue. Regular reporting to the Risk, Capital and Compliance Committee and Board on cyber risk, with support provided by the Chief Information Security Officer.
- System and Organisation Controls for cybersecurity: Completion of an external assessment of the Cybersecurity Risk Management Program has been conducted by independent, qualified auditors.
- Proactive Threat Intelligence Gathering: Utilisation of technology to stay ahead of potential cyber threats and vulnerabilities.
- Continuous monitoring: Real-time threat and vulnerability detection across infrastructure, applications, and third-party dependencies, supported by external intelligence feeds and internal security operations.
- Incident response: Tested cyber incident response and business continuity plans, including recovery time objectives.
- Third-party risk management: Enhanced due diligence and monitoring of outsourced service providers and supply chain partners.

The Board continues to monitor and evaluate its risks associated with cybersecurity on a regular basis, taking mitigating actions when needed.

Directors

The Directors of the Managing Agent who served during 2025 and up to the date of this report were as follows:

John W J Spencer	(Chair)
Wai-Fong Au	
Andrew J Davies	
Alexander W Finn	
Henry G L Gardener	
Thomas J Hillier	(Appointed 12/12/2025)
Nicholas J S Line	(Resigned 31/10/2025)
Andrew N McMellin	(Appointed 02/09/2025)
Kalpana Shah	
Simon Wilson	(Resigned 02/09/2025)

Markel maintains liability insurance cover on behalf of the Directors and named officers of the Managing Agent.

The Syndicate is supported 100% by MCAP and therefore no Director has any participation.

Corporate governance

Markel Syndicate Management Limited, the Lloyd's Managing Agent of the Syndicate, is authorised by the Prudential Regulation Authority ("PRA") and regulated by the Financial Conduct Authority ("FCA"). The Board includes four non-executive Directors and meets at least quarterly. Sub-committees of the Board include the Executive Committee, Audit Committee, Risk, Capital and Compliance Committee, Reserving Committee, Finance Committee, Remuneration Committee and Nominations Committee. A number of Management Committees, including Committees with a divisional focus, report to the Executive Committee.

Financial instruments and risk management

Information on the use of financial instruments by the Syndicate and its management of financial risk is disclosed in note 4 of the financial statements. In particular, the Syndicate's exposures to price risk, credit risk and liquidity risk are separately disclosed in that note. The Syndicate's exposure to cash flow risk is addressed under the headings of 'Asset risk', 'Credit risk' and 'Liquidity risk'.

Carbon policy

As set out in the "Markel Style", the Syndicate has a commitment to its communities, which we recognise includes environmental responsibilities. Our goal is to minimise our environmental impact whilst still adhering to our other principles as expressed in the "Markel Style" and our company profile. The "Markel Style" is a statement of Markel's core values which underpin how we do business, influence our behaviour, and govern our actions.

Through the development of best practices in our business, the Syndicate aims to use no more consumables than are necessary and recycle the maximum of those we do use. The Directors also believe that embedding environmental awareness throughout the organisation will be best achieved through a continuous programme of employee education.

Disclosure of information to the Auditor

The Directors of the Managing Agent who held office at the date of approval of this Report of the Managing Agent confirm that, so far as they are each aware, there is no relevant audit information of which the Syndicate's Auditor is unaware; and each Director has taken all the steps that they ought to have taken as a Director to make themselves aware of any relevant audit information and to establish that the Syndicate's Auditor is aware of that information.

Auditor

Pursuant to Section 14(2) of Schedule 1 of the Insurance Accounts Directive (Lloyd's Syndicate and Aggregate Accounts) Regulations 2008, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

Annual general meeting

As permitted under the Syndicate Meetings (Amendment No 1) Byelaw (No 18 of 2000) the sole corporate member has agreed that no annual general meeting will be held for the Syndicate.

By order of the Board,

Andrew Davies
Director
London

26 February 2026

Statement of Managing Agent's Responsibilities

The Directors of the Managing Agent are responsible for preparing the Syndicate financial statements in accordance with applicable law and regulations.

The Insurance Accounts Directive (Lloyd’s Syndicate and Aggregate Accounts) Regulations 2008 require the Directors of the Managing Agent to prepare Syndicate financial statements at 31 December for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 the Financial Reporting Standard applicable in the UK and Republic of Ireland.

Under Insurance Accounts Directive (Lloyd's Syndicate and Aggregate Accounts) Regulations 2008 the Directors of the Managing Agent must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Syndicate and of the profit or loss of the Syndicate for that period. In preparing these financial statements, the Directors of the Managing Agent are required to:

- select suitable accounting policies which are applied consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Syndicate's ability to continue as a going concern, disclosing, as applicable, matters related to going concern;
- use the going concern basis of accounting unless they either intend to cease trading, or have no realistic alternative but to do so; and
- oversee the preparation and review of the iXBRL tagging that has been applied to the Syndicate Accounts in accordance with the instructions issued by Lloyd’s, including designing, implementing and maintaining systems, processes and internal controls to result in tagging that is free from material non-compliance with the instructions issued by Lloyd’s, whether due to fraud or error.

The Directors of the Managing Agent are responsible for keeping adequate accounting records that are sufficient to show and explain the Syndicate’s transactions and disclose with reasonable accuracy at any time the financial position of the Syndicate and enable them to ensure that the Syndicate financial statements comply with the Insurance Accounts Directive (Lloyds’s Syndicate and Aggregate Accounts) Regulations 2008. They are responsible for such internal control as they determine is necessary to enable the preparation of Syndicate financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities. The Directors of the Managing Agent are responsible for the maintenance and integrity of the Syndicate and financial information included on the Syndicate’s website. Legislation in the UK governing the preparation and dissemination of Syndicate financial statements may differ from legislation in other jurisdictions.

We confirm that to the best of our knowledge the syndicate accounts, including the iXBRL tagging applied to these accounts, comply with the requirements of the Lloyd’s Syndicate Accounts Instructions version 3.1 as modified by the Frequently Asked Questions version 1.1 issued by Lloyd's.

By order of the Board,

Andrew Davies
Director
London

26 February 2026

Independent Auditor's Report to the Member of Syndicate 3000

Opinion

We have audited the Syndicate financial statements of Syndicate 3000 ("the Syndicate") for the year ended 31 December 2025 which comprise the Statement of Profit or Loss and Other Comprehensive Income, Statement of Financial Position, Statement of Changes in Members' Balances, Statement of Cash Flows, and related notes, including the accounting policies in note 2.

In our opinion the Syndicate financial statements:
- give a true and fair view of the state of the Syndicate's affairs as at 31 December 2025 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland; and
- have been prepared in accordance with the requirements of the Insurance Accounts Directive (Lloyd's Syndicate and Aggregate Accounts) Regulations 2008, and Sections 1 and 5 of the Syndicate Accounts Instructions Version 3.1 issued by the Council of Lloyd's, as modified by the Syndicate Accounts Frequently Asked Questions Version 1.1 dated 13 February 2026 issued by the Council of Lloyd's (together "the Syndicate Accounts Instructions").

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)"), applicable law, and, under the terms of our engagement letter dated 5 August 2025, the Syndicate Accounts Instructions. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Syndicate in accordance with, UK ethical requirements including the FRC Ethical Standard as applied to other entities of public interest. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The directors of the Managing Agent ("the Directors") have prepared the Syndicate financial statements on the going concern basis as they do not intend to cease underwriting or to cease its operations, and as they have concluded that the Syndicate's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the Syndicate financial statements ("the going concern period").

In our evaluation of the Directors' conclusions, we considered the inherent risks to the Syndicate's business model and analysed how those risks might affect the Syndicate's financial resources or ability to continue operations over the going concern period, including inspecting correspondence with the Council of Lloyd's to assess whether there were any known impediments to establishing a further year of account.

Our conclusions based on this work:
- we consider that the Directors' use of the going concern basis of accounting in the preparation of the Syndicate financial statements is appropriate; and
- we have not identified, and concur with the Directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Syndicate's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Syndicate will continue in operation.

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of directors, the audit committee, internal audit, legal, risk and compliance, and management, and inspection of policy documentation as to the Syndicate and Managing Agent's high-level policies and procedures to prevent and detect fraud including the internal audit function, and the Syndicate and Managing Agent's channel for "whistleblowing", as well as whether they have knowledge of any actual, suspected or alleged fraud;
- Reading board, audit committee, and other relevant meeting minutes;
- Considering remuneration incentive schemes and performance targets; and
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries and the risk of bias in accounting estimates and judgements such as incurred but not reported ("IBNR") reserves. On this audit we do not believe there is a fraud risk related to revenue recognition because of the limited estimation involved in accruing premium income.

We did not identify any additional fraud risks.

We performed procedures including:

- Identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included entries posted with key words, entries posted by unauthorised users, entries posted to unusual accounts with a corresponding entry to cash, entries posted by seldom users to accounts related to significant estimates, entries posted by senior management, and entries posted and approved by the same user; and
- Assessing whether the judgements made in making accounting estimates are indicative of a potential bias, including assessing the appropriateness and consistency of the methods and assumptions used for reserving. For a selection of classes of business we considered to be high risk, we performed alternative reprojections to the actuarial best estimate using our own gross loss ratios and compared these to the Syndicate's results, assessing the results for evidence of bias.

Identifying and responding to risks of material misstatement related to compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the directors and other management (as required by auditing standards), and from inspection of the Syndicate and Managing Agent's regulatory correspondence, and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

As the Syndicate is regulated, our assessment of risks involved gaining an understanding of the control environment including the entity's procedures for complying with regulatory requirements. We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Syndicate is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (such as the Insurance Accounts Directive (Lloyd's Syndicate and Aggregate Accounts) Regulations 2008 and the Lloyd's Syndicate Accounts Instructions) and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Syndicate is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation or the loss of the Syndicate's license to operate. We identified the following areas as those most likely to have such an effect regulatory capital requirements, corruption and bribery, recognising the regulated nature of the Syndicate's activities and its legal form. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation
Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Other information - Report of the Directors of the Managing Agent

The Directors are responsible for the Report of the Directors of the Managing Agent. Our opinion on the Syndicate financial statements does not cover that report and, accordingly, in this audit report we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the Report of the Directors of the Managing Agent and, in doing so, consider whether, based on our Syndicate financial statements audit work, the information therein is materially misstated or inconsistent with the Syndicate financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the Report of the Directors of the Managing Agent;
- in our opinion the information given in the Report of the Directors of the Managing Agent is consistent with the Syndicate financial statements; and
- in our opinion the Report of the Directors of the Managing Agent has been prepared in accordance with the requirements of the Insurance Accounts Directive (Lloyd's Syndicate and Aggregate Accounts) Regulations 2008.

Matters on which we are required to report by exception

Under the Insurance Accounts Directive (Lloyd's Syndicate and Aggregate Accounts) Regulations 2008, we are required to report to you if, in our opinion:

- adequate accounting records have not been kept on behalf of the Syndicate; or
- the Syndicate financial statements are not in agreement with the accounting records; or
- certain disclosures of Managing Agent's emoluments specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

Responsibilities of the Directors of the Managing Agent

As explained more fully in their statement set out on page 14, the Directors of the Managing Agent are responsible for: the preparation of the Syndicate financial statements in accordance with the requirements of the Insurance Accounts Directive (Lloyd's Syndicate and Aggregate Accounts) Regulations 2008 and the Syndicate Accounts Instructions, and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of Syndicate financial statements that are free from material misstatement, whether due to fraud or error; assessing the Syndicate's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the Syndicate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Syndicate financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The Directors of the Managing Agent are required, under the Syndicate Accounts Instructions, to include these financial statements within a document to which XBRL tagging has been applied. This auditor's report provides no assurance over whether the XBRL tagged document has been prepared in accordance with those requirements.

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the Syndicate's members, as a body, in accordance with the Insurance Accounts Directive (Lloyd's Syndicate and Aggregate Accounts) Regulations 2008 and the terms of our engagement letter with the Managing Agent. Our audit work has been undertaken so that we might state to the Syndicate's members those matters we are required to state to them in an auditor's report, and the further matters we are required to state to them in accordance with the terms agreed with the Managing Agent, and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Syndicate and the Syndicate's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Timothy Butchart (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London
E14 5GL

26 February 2026

Statement of profit or loss and other comprehensive income

Technical account - General business

For the year ended 31 December 2025

	Notes	2025 £'000	2024 £'000
Gross premiums written	5	927,483	785,467
Outward reinsurance premiums		(196,816)	(166,224)
Premiums written, net of reinsurance		**730,667**	**619,243**
Changes in unearned premium	17		
Change in the gross provision for unearned premium		(72,244)	(51,864)
Change in the provision for unearned premiums reinsurers' share		6,627	13,115
Net change in provisions for unearned premiums		**(65,617)**	**(38,749)**
Earned premiums, net of reinsurance		**665,050**	**580,494**
Allocated investment return transferred from the non-technical account	9	59,837	38,063
Claims paid	17		
Gross amount		(265,012)	(279,824)
Reinsurers' share		57,253	49,168
Net paid claims		**(207,759)**	**(230,656)**
Change in the provision for claims	17		
Gross amount		(55,705)	(25,019)
Reinsurers' share		6,094	53,661
Net change in provision for claims		**(49,611)**	**28,642**
Claims incurred, net of reinsurance		**(257,370)**	**(202,014)**
Net operating expenses	6	**(307,115)**	**(265,128)**
Balance on the technical account - general business		**160,402**	**151,415**

The notes on pages 26 to 60 form part of these financial statements.

Statement of profit or loss and other comprehensive income (cont'd)

Non-Technical Account

for the year ended 31 December 2025

	Notes	2025 £'000	2024 £'000
Balance on the technical account - general business		**160,402**	**151,415**
Investment income	9	33,336	31,408
Realised gains on investments	9	3,635	2,286
Unrealised gains on investments	9	25,660	6,706
Investment expenses and charges	9	(2,794)	(2,337)
Total investment return		**59,837**	**38,063**
Allocated investment return transferred to the general business technical account		(59,837)	(38,063)
Loss on foreign exchange		(6,846)	(5,732)
Profit for the financial year		**153,556**	**145,683**
Other comprehensive income			
Currency translation (loss)/gain		(3,782)	4,428
Total comprehensive income for the year		**149,774**	**150,111**

The notes on pages 26 to 60 form part of these financial statements.

Statement of financial position

as at 31 December 2025

	Notes	2025 £'000	2024 £'000
Financial investments	11	1,046,070	915,960
Deposits with ceding undertakings		897	1,580
Investments		**1,046,967**	**917,540**
Provisions for unearned premiums	17	48,322	43,694
Claims outstanding	17	353,783	360,691
Reinsurers' share of technical provisions		**402,105**	**404,385**
Debtors arising out of direct insurance operations	12	330,834	287,777
Debtors arising out of reinsurance operations	13	12,232	13,046
Other debtors	14	54,774	12,243
Debtors		**397,840**	**313,066**
Cash at bank and in hand	22	59,657	122,898
Other assets		**59,657**	**122,898**
Accrued interest and rent		19,146	7,165
Deferred acquisition costs	15	74,692	62,222
Other prepayments & accrued income		426	4,953
Prepayments and accrued income		**94,264**	**74,340**
Total Assets		**2,000,833**	**1,832,229**

The notes on pages 26 to 60 form part of these financial statements.

Statement of financial position (cont'd)
as at 31 December 2025

	Notes	2025 £'000	2024 £'000
Members' balance		177,399	154,307
Total Capital and reserves		**177,399**	**154,307**
Provisions for unearned premiums	17	364,489	306,438
Claims outstanding	17	1,242,987	1,231,652
Technical provisions	17	**1,607,476**	**1,538,090**
Creditors arising out of direct insurance operations	19	16,799	20,143
Creditors arising out of reinsurance operations	20	123,897	81,160
Other creditors including taxation and social security	21	67,093	37,941
Creditors		**207,789**	**139,244**
Accruals and deferred income		8,169	588
Total Liabilities		1,823,434	1,677,922
Total liabilities, capital and reserves		**2,000,833**	**1,832,229**

The notes on pages 26 to 60 form part of these financial statements.

The Syndicate financial statements on pages 20 to 60 were approved by the Board of Directors on 25 February 2026 and were signed on behalf of MSM by Andrew Davies, Company Director.

Andrew Davies
Director
London

26 February 2026

Statement of changes in member's balances

for the year ended 31 December 2025

	2025 £'000	2024 £'000
Members' balances brought forward at 1 January	154,307	46,221
Total comprehensive income for the year	149,774	150,111
Payments of profit to members' personal reserve funds	(126,682)	(42,025)
Members' balance carried forward at 31 December	**177,399**	**154,307**

The notes on pages 26 to 60 form part of these financial statements.

Statement of cash flows

for the year ended 31 December 2025

	Note	2025 £'000	2024 £'000
Cash flows from operating activities			
Profit for the financial year		**153,556**	**145,683**
Adjustments			
Increase/(decrease) in gross technical provisions		112,338	68,470
(Increase)/decrease in reinsurers' share of gross technical provisions		(12,725)	(66,776)
(Increase)/decrease in debtors		(92,227)	(39,451)
Increase/(decrease) in creditors		76,123	(39,823)
Investment return		(59,837)	(38,063)
Foreign exchange		(11,445)	5,957
Net cash flows from operating activities		**165,783**	**35,997**
Net cash flows from investing activities			
Purchases of equity and debt instruments		(253,982)	(1,476,697)
Sale of equity and debt instruments		192,897	1,663,598
Investment income received		36,970	34,065
Other		(26,295)	12,705
Net cash flow from investing activities		**(50,410)**	**233,671**
Cashflow from financing activities			
Distribution of profit		(126,682)	(42,025)
Net cash flows from financing activities		**(126,682)**	**(42,025)**
Net increase/(decrease) in cash and cash equivalents		(11,309)	227,643
Cash and cash equivalents at the beginning of the year		333,453	108,344
Foreign exchange on cash and cash equivalents		(11,530)	(2,534)
Cash and cash equivalents at the end of the year	22	**310,614**	**333,453**

The notes on pages 26 to 60 form part of these financial statements.

Notes to the Financial Statements

1 Statement of compliance and basis of preparation

The financial statements have been prepared in accordance with the Insurance Accounts Directive (Lloyd's Syndicate and Aggregate Accounts) Regulations 2008, applicable Accounting Standards in the United Kingdom and the Republic of Ireland, including Financial Reporting Standard 102 (FRS 102), Financial Reporting Standard 103 (FRS 103) in relation to insurance contracts, and the Lloyd's Syndicate Accounts Instructions Version 3.1 as modified by the Frequently Asked Questions version 1.1 issued by Lloyd's.

The financial statements have been prepared on the historical cost basis, except for financial assets at fair value through profit or loss that are measured at fair value.

All amounts have been rounded to the nearest thousand, unless otherwise indicated.

The Syndicate presents its financial statements in sterling (the 'reporting currency') since they are subject to regulation in the United Kingdom. Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates (the 'functional currency'). The functional currency of the Syndicate is US dollars.

Going concern

The Directors of the Managing Agent have conducted their going concern assessment and have concluded that there are no material uncertainties that could cast significant doubt over the Syndicate's ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

As part of their assessment, the Directors have evaluated the relevant solvency and liquidity risks to the Syndicate which includes examining the capital position which is subject to stress and scenario-based testing. The Syndicate continues to monitor its capital position and takes necessary underwriting actions on its future business. There is no intention to liquidate the Syndicate or to cease its operations. The 2026 year of account has been established, and the Directors expect to establish a 2027 year of account, and are not aware of any reason why this will not be possible. Where there are any short-term liquidity requirements, Markel Group has made available a loan facility to Syndicate 3000. The Syndicate's capacity for the 2026 year of account is £904.2m (2025, £934.3m).

With disciplined underwriting and a strong asset base, inclusive of the Funds at Lloyd's supporting the Syndicate's underwriting, the Syndicate is in an excellent position to capitalise on opportunities as they arise. The Syndicate will continue to apply Markel's underwriting discipline of underwriting for profit rather than volume and, accordingly, will decline business where the rates are not acceptable.

As part of the Directors' going concern assessment, cybersecurity risks have been considered given their potential to impact operational resilience and financial reporting. Cyber-attacks represent a systemic and evolving risk to the insurance market and wider the financial services sector. Threats include ransomware, data breaches, and disruption to critical systems, which could impact underwriting operations, claims processing, and financial reporting. The Syndicate implemented an enterprise-wide cyber risk framework, detailed in the 'Principal risks and uncertainties' section on page 11.

Based on the above assessment, including stress testing and mitigation strategies, the Board considers that the Syndicate has adequate resources and controls to manage the impact of potential cyber incidents.

The Syndicate will continue to look to develop new lines of business and markets, within the parameters of the overall underwriting strategy. The Syndicate invests in high-quality corporate, government and municipal bonds as well as a diverse equity portfolio and plans to continue this investment strategy in 2026.

Accordingly, the financial statements have been prepared on a going concern basis.

2 Significant accounting policies

The following significant accounting policies have been applied in the preparation of these financial statements and are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Insurance contracts

Insurance contracts are those contracts that transfer significant insurance risk. The significance of insurance risk is dependent on both the probability of an insured event and the magnitude of its potential effect to the policyholder. Once a contract has been classified as an insurance contract, it remains an insurance contract for the remainder of its lifetime, even if the insurance risk reduces significantly during this period.

2.1.1 Underwriting results

The underwriting result is determined using an annual basis of accounting, whereby the incurred cost of claims, commission and expenses are charged against the earned proportion of premiums, net of reinsurance.

2.1.2 Premiums

Premiums written relate to direct and inwards reinsurance business incepted during the year, together with any difference between booked premiums for prior years and those previously accrued, and include estimates of premiums not yet due or notified. Premiums are shown gross of brokerage payable and exclude taxes and duties levied on them. Reinstatement premiums on inwards business are accreted to the technical account on a pro-rata basis over the term of the original policy to which they relate.

2.1.3 Provision for unearned premiums

Unearned premiums represent the proportion of premiums written in the year that relates to unexpired terms of policies in force at the reporting date, calculated on the basis of established earnings patterns or time apportionment as appropriate. The movement in the provision is taken to the technical account in order that revenue is recognised over the period of the risk. In the opinion of the Directors, the resulting provision is not materially different from one based on the pattern of incidence of risk.

2.1.4 Acquisition costs

Acquisition costs, which represent commission and underwriters' staff costs related to the production of business, are deferred and amortised over the period in which the related premiums are earned. Deferred acquisition costs relate to subsequent financial periods and are deferred to the extent that they are recoverable out of future revenue.

2.1.5 Provision for unexpired risks

A provision for unexpired risks is made where claims, related expenses and deferred acquisition costs likely to arise after the end of the financial year in respect of contracts concluded before that date were expected to exceed the unearned premiums receivable under these contracts. Provision for unexpired risks is calculated separately by class and includes an allowance for investment income. Unexpired risk surplus and deficits are offset where, in the opinion of the Directors, the business classes concerned are managed together. In such cases, a provision for unexpired risks is made only where there is an aggregate deficit.

2.1.6 Claims

Claims incurred comprise claims and claims handling expenses paid in the year and the change in provisions for outstanding claims, including provisions for claims incurred but not reported ("IBNR") and related expenses, together with any adjustments to claims from prior years.

Outstanding claims represent the estimated ultimate cost of settling all claims arising from events which have occurred up to the date of the statement of financial position, including IBNR, less any amounts paid in respect of those claims. The Syndicate does not discount its liabilities for unpaid claims, with the exception of period payments orders (“PPOs”). The discount rate used is based upon an investment return expected to be earned by financial assets which are appropriate in value and duration to match the provisions for insurance contract liabilities being discounted during the period expected before the final settlement of such claims.

Claims provisions are established on an individual class of business basis. Management conducts a quarterly review of each class of business. Claims are projected to the ultimate position and provision is made for known claims and claims IBNR. Adjustments to the amounts of the claims provisions established in prior years are reflected in the technical account for the period in which the adjustments are made.

2.1.7 Reinsurance

Reinsurance premiums ceded and reinsurance recoveries on claims incurred are included in the respective expense and income accounts. Reinsurance outwards premiums are earned according to the nature of the cover. ‘Losses occurring during’ policies are earned evenly over the policy period. ‘Risks attaching’ policies are expensed on the same basis as the inwards business being protected.

Reinsurance assets include amounts recoverable from reinsurance companies for paid and unpaid claims and loss adjustment expenses, and ceded unearned premiums. Amounts recoverable from reinsurers are calculated with reference to the claims liability associated with the reinsured risks. Revenues and expenses arising from reinsurance agreements are therefore recognised in accordance with the underlying risk of the business reinsured.

If a reinsurance asset is impaired the Syndicate reduces its carrying amount accordingly, and will immediately recognise the impairment loss in the technical account. A reinsurance asset will be deemed to be impaired if there is objective evidence, as a result of an event that occurred after initial recognition of that asset, that the Syndicate may not receive all amounts due to it under the terms of the contract, and that the event has a reliably measurable impact on the amounts that the Syndicate will receive from the reinsurer.

Reinstatement premiums on outwards business are accreted to the technical account on a pro-rata basis over the term of the original policy to which they relate.

Reinsurers' commissions, which include overriding commissions, are treated as a contribution to expenses. Overriding commissions are recognised on an accrual basis, in accordance with FRS 102, and is earned under the terms of the treaty, regardless of when the cash is received.

2.1.8 Net operating expenses

Underwriting acquisition costs, general overheads and other expenses are charged as incurred to the technical account, net of the change in deferred acquisition costs.

2.2 Financial assets and liabilities

In applying FRS 102, the Syndicate has chosen to apply the recognition and measurement provisions of International Accounting Standard ("IAS 39") Financial Instruments: Recognition and Measurement (as adopted for use in the UK).

2.2.1 Classification

The accounting classification of financial assets and liabilities determines the way in which they are measured and changes in those values are presented in the Statement of Profit or Loss. Financial assets and liabilities are classified upon initial recognition. Subsequent reclassifications are permitted only in restricted circumstances.

Financial assets and financial liabilities are classified fair value through profit and loss comprise financial assets and financial liabilities held for trading and those designated as such on initial recognition. Investments in shares and other variable yield securities, and debt and other fixed income securities are designated as at fair value through profit or loss on initial recognition, as they are managed on a fair value basis in accordance with the Syndicate’s investment strategy. Investments are valued at market value, based on bid price, and deposits with credit institutions are stated at cost.

2.2.2 Recognition and derecognition

Financial instruments are recognised when the Syndicate becomes a party to the contractual provisions of the contract. A financial asset is derecognised if the Syndicate‘s contractual rights to the cash flows from the financial assets expire or if the Syndicate transfers the financial asset to another party without retaining control of substantially all risks and rewards of the asset. A financial liability is de-recognised when its contractual obligations are discharged, cancelled, or expired.

Regular way purchases and sales of financial assets are recognised and derecognised, as applicable, on the trade date, i.e. the date that the Syndicate commits itself to purchase or sell the asset.

2.2.3 Measurement

A financial asset or financial liability is measured initially at fair value plus, for a financial asset or financial liability not at fair value through profit and loss, transaction costs that are directly attributable to its acquisition or issue.

Financial assets at fair value through profit or loss are measured at fair value with changes recognised immediately in profit or loss. Net gains or net losses on financial assets measured at fair value through profit and loss includes foreign exchange gains/losses arising on their translation to the functional currency, but excludes interest and dividend income. Loans and receivables and non-derivative financial liabilities are also measured at fair value through profit and loss, including the Syndicate Loans to the Central Fund.

2.2.4 Offsetting

Financial assets and financial liabilities are offset, and the net amount presented in the statement of financial position when, and only when, the Syndicate currently has a legal right to set off the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.3 Investment Return

Investment income comprises interest and dividends receivable for the year before investment expenses. Dividends receivable are stated after adding back any withholding taxation deducted at source. Investment expenses are charged to the Statement of profit or loss and other comprehensive income: Non-Technical Account on an incurred basis.

Realised gains or losses represent the difference between net sales proceeds and purchase price. Unrealised gains and losses on investments represent the difference between the current value of investments at the reporting date and their purchase price. The movement in unrealised investment gains/losses includes an adjustment for previously recognised unrealised gains/losses on investments disposed of in the accounting period.

Dividends receivable are accounted for by reference to the date on which the price of the investment is quoted ex-dividend.

The investment return is initially recorded in the Income Statement: Non-Technical Account. A transfer is made from the Income Statement: Non-Technical account to the Income Statement: Technical Account to reflect the investment return on funds supporting underwriting business.

The investment return is initially recorded in the Statement of profit or loss and other comprehensive income: Non Technical Account. A transfer is made from the Non Technical account to the Technical Account to reflect the investment return on funds supporting underwriting business.

2.4 Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits with maturities of three months or less from the acquisition date that are subject to an insignificant risk of changes in fair value, and are used by the Syndicate in the management of its short term commitments. Cash and cash equivalents are carried at amortised cost in the Statement of Financial Position.

2.5 Foreign currency translation

Transactions in foreign currencies are translated at the average rates of exchange for the month of the transactions.

Monetary assets and liabilities are translated at the rate of exchange at the reporting date or if appropriate at the forward contract rate. Non monetary assets and liabilities are translated at the rate of exchange prevailing on recognition.

All exchange differences arising on the translation of the results and financial position in US dollars (the functional currency) into sterling (the reporting currency) are recognised in the Statement of Comprehensive Income. Exchange differences on all other currencies are recognised in the Statement of profit or loss and other comprehensive income: Non Technical Account.

2.6 Taxation

Under Schedule 19 of the Finance Act 1993, Managing Agents are not required to deduct basic rate income tax from trading income. In addition, all UK basic rate income tax deducted from Syndicate investment income is recoverable by Managing Agents and consequently the distribution made to Members or their Members' Agents is gross of tax. Capital appreciation falls within trading income and is also distributed gross of tax.

No provision has been made for any United States or Canadian Federal Income Tax payable on underwriting results or investment earnings. Any payments on account made by the Syndicate during the year are included in the Statement of Financial Position under the heading 'other debtors', as the Syndicate is reimbursed by MCAP for any of the Income Taxes paid.

No provision has been made for any overseas tax payable by the Member on underwriting results.

3 Critical accounting estimates and judgements in applying accounting policies

In preparing these financial statements, the Directors of the Managing Agent have made judgements, estimates and assumptions that affect the application of the Syndicate's accounting policies and the reported amounts of assets, liabilities, income and expenses.

Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

Estimation and judgement in relation to the valuation of claims recognised under insurance contracts

The estimation of the ultimate liability arising from claims made under insurance contracts is the Syndicate's most critical accounting estimate. There are key sources of uncertainty that need to be considered in the estimate of the amounts that the Syndicate will ultimately pay to settle such claims. Significant areas requiring estimation and judgement include:

- Estimates of the amount of any liability in respect of claims notified but not settled, and claims IBNR to be included within the claims provisions for inwards insurance and reinsurance contracts.
- The corresponding estimate of the amount of outwards reinsurance recoveries which will become due as a result of the estimated claims on inwards business.

The adequacy of the outstanding claims provisions is assessed by reference to projections of the ultimate development of claims in respect of each underwriting year. Management continually attempts to improve its claims estimation process by refining its ability to analyse claims development patterns, claims payments and other information, but many reasons remain for potential adverse development of estimated ultimate liabilities. The process of estimating claims reserves is a difficult and complex exercise involving many variables and subjective judgements. As part of the reserving process, historical data is reviewed and the impact of various factors such as trends in claim frequency and severity, changes in operations, emerging economic and social trends, inflation and changes in regulatory and litigation environments is considered. Significant delays occur in notifying certain claims and a large measure of experience and judgement is involved in assessing outstanding liabilities, the ultimate cost of which cannot be known with certainty at the reporting date. The reserve for claims outstanding is determined on the basis of information currently available. However, it is inherent in the nature of the business written that the ultimate liabilities may vary as a result of subsequent development.

The two most critical assumptions regarding claims provisions are that the past is a reasonable predictor of the likely level of claims development and that the models used for current business are fair reflections of the likely level of ultimate claims to be incurred. However, the Directors believe the process of evaluating past experience, adjusted for the effects of current developments and anticipated trends, is an appropriate basis for predicting loss development. The estimation process has required reviewing risks and events which are expected to trigger future reported claims and assessing the potential financial loss of insureds. This has required underwriter, claims and actuarial experience and management's professional judgement. Furthermore, there is inherent uncertainty in relation to the ultimate liability which will vary as a result of subsequent information and events.

There is no precise method, however, for evaluating the impact of any significant factor on the adequacy of reserves, actual results are likely to differ from original estimates. Management believes the Syndicate's provision for gross and reinsurers' share of claims outstanding is adequate and represents a reasonable estimate.

4 Risk and capital management

Financial risk management objectives
The Syndicate is exposed to financial risks primarily through its financial assets, reinsurance assets and policyholder liabilities. The Syndicate's risks are recorded on a risk register and managed through the risk management framework. Solvency UK principles are used to manage the Syndicate's capital requirements and to ensure that it has the financial strength to support the growth of the business and meet the requirements of policyholders, regulators and rating agencies.

The key financial risks assessed are underwriting risk, reserving risk, asset risk, credit risk, liquidity risk, capital risk and operational risk.

Underwriting risk
Underwriting Risk is the risk of losses arising from the inherent uncertainties as to the occurrence, amount and timing of insurance liabilities, focusing on risks that arise from the acceptance of business.

All underwriting by the Syndicate is governed by high level "underwriting principles" that set out imperatives for underwriting. The first of these is related to underwriting profitable business and is "price business at a level which would enable the Syndicate to achieve the agreed target combined ratios". The Syndicate's fundamental objective is to underwrite profitably on a gross basis and to achieve target combined ratios. For this purpose, a combined ratio is the ultimate loss ratio plus expense ratio. This measure of underwriting performance excludes any benefit from investment return and focuses attention on premium charged, coverage granted, commissions and other deductions and all direct and indirect expenses. The underwriters and underwriting units are assigned combined ratio targets.

Underwriting risk is primarily mitigated through the Syndicate's underwriting of a diversified portfolio of risks (for example, by geography, industry, class of business, size of client). Reinsurance is also purchased on both a proportional and non proportional basis by the Syndicate to mitigate exposures to catastrophe events and large losses.

The Underwriting Risk Policy governs all underwriting by the Syndicate, it sets out the principles and governance processes for underwriting. Underwriting risk appetites are agreed annually by the MSM Board and adherence to these is monitored at the Underwriting Committee. Any exceptions to these risk appetites are reported to the RCCC, and the Board.

The amount of insurance risk the Syndicate takes on in relation to any policy is controlled by the use of prudent maximum line sizes. All underwriters have signed underwriting authorities and there are peer reviews/review processes in place to ensure that business underwritten does not exceed authority or is outside the business plan. Risks exceeding 18 months are not permitted to be written without prior, written approval, although certain general exceptions are made. Compliance with line size and policy duration is monitored by the Syndicate's Underwriting Operations team.

Technical pricing has been developed for many classes, and rate movements and rate adequacy are both monitored on a regular basis. An independent reviewer performs a qualitative review of underwriting.

The key method of monitoring the Syndicate's aggregate exposures is the production of a quarterly "Aggregations pack" which sets out its exposures to various elemental and non elemental perils. For example, for natural catastrophe risk we monitor and report the Syndicate's exposure, both gross and net, to each material region/peril. Underwriting divisions are given aggregate limits for catastrophe business in each zone and adherence to these is monitored within the pack.

The Syndicate's aggregate underwriting exposures are reported quarterly to the Underwriting Committee, the RCCC and to the Board.

Reserving risk

Reserving risk is the risk of losses arising from the inherent uncertainties as to the occurrence, amount and timing of insurance liabilities, focusing on risks that arise from the quantification of those liabilities.

Markel adopts a cautious approach to claims reserving, such that reserves are expected to be more likely to prove redundant than deficient. The reserving policy at Markel International is to hold a margin above the Chief Actuary's best estimate in order to absorb unforeseen reserve development and to give additional comfort to rating agencies, regulatory and policyholders.

Risk appetites in respect of reserving risk are agreed annually by the Board and adherence to these is monitored at the Reserving Committee. Any exceptions to the risk appetites are reported to the RCCC and the Board.

The Claims Reserving Philosophy document and the Claims handling Manual set out the Syndicate's approach to claims. Various controls are in place including:

- Claims diaries – A diary system is operated driving timely, regular and full reviews of claims promptly, effectively and proactively progressing claims towards resolution and driving the best outcome for the customer. Team performance against the KPIs for financial value and the volumes of static claims is reviewed and discussed at the Monthly Claims Leadership Meetings.
- Claim authorities – Claim handlers have a documented and signed claims authority that confirms financial, and where relevant the non financial, claims thresholds. These authorities are regularly reviewed and updated to reflect changes in staff training, experience, and risk appetite.
- Claims peer review – The peer review assesses the accuracy of the claim assessment including the case reserve, adherence to the claims handling manual, and the appropriateness of the claim resolution.

An Actuarial reserving exercise occurs quarterly for the reserving basis and best estimate basis for the Syndicate. This involves internal review within the Actuarial department and discussions with relevant underwriters and claims staff, including consideration of the impact of factors such as trends in claims frequency and severity as well as inflation. The reserving basis reflects Markel's reserving philosophy of holding reserves that are more likely to be redundant than deficient.

Combined Ratio packs are produced which contain gross and net projections for all classes of business written across Markel International. The packs are discussed in detail at the quarterly "Markel International ExCo Pack Review" meetings, which are attended by the Executive Management, the Divisional Managing Director/Managing Director from each Division/Branch and the relevant actuaries.

An independent actuary also performs an annual review of the Syndicate's reserves in order to produce a statement of actuarial opinion for the Board.

The Reserving Committee has oversight of Reserving Risk.

The following table presents the profit and loss impact of the sensitivity of the value of insurance liabilities disclosed in the financial statements to potential movements in the assumptions applied within the technical provisions. Given the nature of the business underwritten by the Syndicate, the approach to calculating the technical provisions for each class can vary and as a result the sensitivity performed is to apply a beneficial and adverse risk margin to the total insurance liability. The amount disclosed in the table represents the profit or loss impact of an increase or decrease in the insurance liability as a result of applying the sensitivity. The amount disclosed for the impact on claims outstanding – net of reinsurance represents the impact on both the profit and loss for the year and member balance.

General insurance business sensitivities as at 31 December 2025	**Sensitivity**	
	+5% **£'000**	**-5%** **£'000**
Claims outstanding - gross of reinsurance	(42,762)	42,762
Claims outstanding - net of reinsurance	(33,253)	33,253

General insurance business sensitivities as at 31 December 2024	**Sensitivity**	
	+5% **£'000**	**-5%** **£'000**
Claims outstanding - gross of reinsurance	(29,025)	29,025
Claims outstanding - net of reinsurance	(29,025)	29,025

Credit risk

Credit risk is the risk of losses arising from a counterparty being unable or unwilling to fulfil its payment obligations. The Credit Risk Policy defines our approach to managing this risk.

Key areas where the Syndicate is exposed to credit risk are:

- Amounts recoverable from reinsurers.
- Amounts due from insurance intermediaries and insurance contract holders.
- Amounts due from corporate bond issuers.

On an annual basis the Board agrees risk appetites for the amount of exposure it is prepared for the Syndicate to accept in respect of reinsurers and brokers and investment counterparties. These are monitored through reports to the Finance Committee and any exceptions are reported to the RCCC and Board.

The Syndicate maintains a robust level of bad debt provision against the possibility of non payment from a reinsurer and takes a proactive approach to the collection of reinsurance recoveries, including the pursuit of commutations. Reinsurers may be requested to post collateral depending on their size, rating, policy holder surplus and potential debt to the Syndicate. If a reinsurer is not willing to post collateral then their line sizes will be reduced to an appropriate level dependent on the reinsurer’s credit rating and capital levels.

The Syndicate's securities portfolio is monitored at the Finance Committee to ensure that credit risk does not exceed the risk appetite. The Syndicate's investment risk appetite places limits on exposures to a single counterparty or concentrations of exposures to a specific counterparty and their credit quality. At 31 December 2025, 100% (2024, 98%) of the Syndicate's fixed maturity portfolio is rated 'A' or better.

The Syndicate does not hold any financial investments that are past due or impaired as at 31 December 2025 (2024, none).

Assets not contained in the credit rating by assets class table include deferred acquisition costs. These assets have been excluded from the table as credit ratings are not relevant or readily ascertainable, in addition to the reinsurers' share of provisions for unearned premiums.

The Finance Committee has oversight of Credit Risk.

The following table analyses the credit rating by investment grade of financial assets that are neither past due nor impaired:

2025	**AAA £'000**	**AA £'000**	**A £'000**	**BBB £'000**	**Other £'000**	**Not rated £'000**	**Total £'000**
Shares and other variable yield securities and units in unit trusts	-	-	-	-	-	82,250	82,250
Debt securities and other fixed income securities	248,451	200,345	122,605	-	-	-	571,401
Participation in investment pools	-	171,209	78,568	-	-	1,180	250,957
Loans and deposits with credit institutions	62,832	10,077	17,633	8,707	4,330	37,883	141,462
Syndicate loan to central fund	-	-	-	-	-	-	-
Deposits with ceding undertakings	-	-	897	-	-	-	897
Reinsurers' share of claims outstanding	2,545	129,813	214,406	1,004	-	6,015	353,783
Debtors arising out of direct insurance operations	-	-	276,549	-	-	-	276,549
Debtors arising out of reinsurance operations	-	-	265	-	-	-	265
Cash at bank and in hand	-	2,541	57,116	-	-	-	59,657
Other debtors and accrued interest	-	-	-	-	-	426	426
Total	**313,828**	**513,985**	**768,039**	**9,711**	**4,330**	**127,754**	**1,737,647**

2024	AAA £'000	AA £'000	A £'000	BBB £'000	Other £'000	Not rated £'000	Total £'000
Shares and other variable yield securities and units in unit trusts	-	-	-	-	-	36,862	36,862
Debt securities and other fixed income securities	194,262	294,344	51,615	-	-	9,628	549,849
Participation in investment pools	111,504	-	97,849	-	-	1,202	210,555
Loans and deposits with credit institutions	48,589	5,907	11,713	9,444	6,587	31,357	113,597
Syndicate loan to central fund	-	-	-	-	-	5,097	5,097
Deposits with ceding undertakings	-	-	1,580	-	-	-	1,580
Reinsurers' share of claims outstanding	2,777	142,435	207,076	1,517	-	6,886	360,691
Debtors arising out of direct insurance operations	-	-	266,591	-	-	-	266,591
Debtors arising out of reinsurance operations	-	-	3,080	-	-	-	3,080
Cash at bank and in hand	-	109,557	13,341	-	-	-	122,898
Other debtors and accrued interest	-	-	-	-	-	4,953	4,953
Total	**357,132**	**552,243**	**652,845**	**10,961**	**6,587**	**95,985**	**1,675,753**

The prior year's disclosure included £21.2m of debtors arising out of direct insurance operations and £10.0m of debtors arising out of reinsurance operations that were past due but not impaired. As this was a voluntary additional disclosure not required by UK GAAP, the note has been re-presented to show only the amounts that are neither past due nor impaired.

Financial assets that are past due

The Syndicate has debtors arising from direct insurance and reinsurance operations that are past due but not impaired at the reporting date.

2025	Neither past due nor impaired assets £'000	Past due but not impaired assets £'000	Gross value of impaired assets £'000	Total £'000
Shares and other variable yield securities and units in unit trusts	82,250	-	-	82,250
Debt securities and other fixed income securities	571,401	-	-	571,401
Participation in investment pools	250,957	-	-	250,957
Loans and deposits with credit institutions	141,462	-	-	141,462
Syndicate loan to central fund	-	-	-	-
Deposits with ceding undertakings	897	-	-	897
Reinsurers' share of claims outstanding	353,783	-	-	353,783
Debtors arising out of direct insurance operations	276,549	54,285	-	330,834
Debtors arising out of reinsurance operations	265	11,967	-	12,232
Other debtors and accrued interest	426	-	-	426
Cash at bank and in hand	59,657	-	-	59,657
Total	**1,737,647**	**66,252**	**-**	**1,803,899**

2024	Neither past due nor impaired assets £'000	Past due but not impaired assets £'000	Gross value of impaired assets £'000	Total £'000
Shares and other variable yield securities and units in unit trusts	36,862	-	-	36,862
Debt securities and other fixed income securities	549,849	-	-	549,849
Participation in investment pools	210,555	-	-	210,555
Loans and deposits with credit institutions	113,597	-	-	113,597
Syndicate loan to central fund	5,097	-	-	5,097
Deposits with ceding undertakings	1,580	-	-	1,580
Reinsurers' share of claims outstanding	360,691	-	-	360,691
Debtors arising out of direct insurance operations	266,591	21,186	-	287,777
Debtors arising out of reinsurance operations	3,080	9,966	-	13,046
Other debtors and accrued interest	4,953	-	-	4,953
Cash at bank and in hand	122,898	-	-	122,898
Total	**1,675,753**	**31,152**	**-**	**1,706,905**

The table below sets out the age analysis of financial assets that are past due but not impaired at the balance sheet date:

	Past due but not impaired				
2025	**0-3 months past due £'000**	**3-6 months past due £'000**	**6-12 months past due £'000**	**Greater than 1 year past due £'000**	**Total £'000**
Debtors arising out of direct insurance operations	24,575	14,766	7,095	7,849	54,285
Debtors arising out of reinsurance operations	10,579	793	476	119	11,967
Total	**35,154**	**15,559**	**7,571**	**7,968**	**66,252**

	Past due but not impaired				
2024	**0-3 months past due £'000**	**3-6 months past due £'000**	**6-12 months past due £'000**	**Greater than 1 year past due £'000**	**Total £'000**
Debtors arising out of direct insurance operations	136	2,004	1,470	17,576	21,186
Debtors arising out of reinsurance operations	4,727	2,037	2,825	377	9,966
Total	**4,863**	**4,041**	**4,295**	**17,953**	**31,152**

Liquidity risk

Liquidity risk is the risk that sufficient liquid financial resources are not maintained to meet liabilities as they fall due. The Liquidity and Concentration risk policy sets out the Board’s approach to identifying, monitoring and managing this area of risk.

MSM monitors the Syndicate's projected settlement of liabilities and, in conjunction with Markel Gayner Asset Management LLC ("MGAM"), sets guidelines on the composition of the asset portfolio in order to manage this risk for the Syndicate.

Liquidity risk appetites are agreed annually by the Board and adherence to these is monitored at the Finance Committee. Any exceptions to risk appetite are reported to the RCCC and the Board.

The liquidity risk appetite is monitored on a quarterly basis through a series of stress tests. These stress tests are based on potential liquidity related events that could materialise over different time horizons such as a 1 in 200 year natural or non natural catastrophe event; or a 25% increase in the expected gross operating outflows.

The average duration of net liabilities is 3.6 years (2024, 3.5 years). The duration of the Syndicate's investment portfolio is managed to match the expected cash outflows on liabilities.

The Finance Committee has oversight of Liquidity Risk.

The maturity analysis presented in the table below shows the remaining contractual maturities for the Syndicate’s insurance contracts and financial instruments. For insurance and reinsurance contracts, the contractual maturity is the estimated date when the gross undiscounted contractually required cash flows will occur. For financial liabilities, it is the earliest date on which the gross undiscounted cash flows (including contractual interest payments) could be paid assuming conditions are consistent with those at the reporting date.

	Undiscounted net cash flows					
2025	**No maturity stated £'000**	**0-1 yrs £'000**	**1-3 yrs £'000**	**3-5yrs £'000**	**>5 yrs £'000**	**Total £'000**
Claims outstanding	-	(412,449)	(377,827)	(208,229)	(244,482)	(1,242,987)
Creditors	-	(140,696)	-	-	-	(140,696)
Other credit balances	-	(67,093)	-	-	-	(67,093)
Total	**-**	**(620,238)**	**(377,827)**	**(208,229)**	**(244,482)**	**(1,450,776)**

	Undiscounted net cash flows					
2024	**No maturity stated £'000**	**0-1 yrs £'000**	**1-3 yrs £'000**	**3-5yrs £'000**	**>5 yrs £'000**	**Total £'000**
Claims outstanding	-	(427,345)	(379,470)	(199,596)	(225,241)	(1,231,652)
Creditors	-	(101,303)	-	-	-	(101,303)
Other credit balances	-	(38,529)	-	-	-	(38,529)
Total	**-**	**(567,177)**	**(379,470)**	**(199,596)**	**(225,241)**	**(1,371,484)**

Currency risk

The Syndicate writes business primarily in Sterling, US dollar, Euro, Canadian dollar, Australian dollar and Japanese Yen and is therefore exposed to currency risk arising from fluctuations in these exchange rates.

Foreign exchange risk: Foreign exchange risk is managed primarily by matching assets and liabilities in each foreign currency as closely as possible. To assist in the matching of assets and liabilities in foreign currencies the Syndicate may purchase foreign exchange forward contracts or buy and sell currencies in the open market purchases or sales of foreign currencies made. No foreign exchange forward contracts have been entered into during the year (2024, none).

The table below summarises the carrying value of the Syndicate's assets and liabilities, at the reporting date:

2025 Currency Code	GBP'000	USD'000	EUR'000	CAD'000	AUD'000	JPY'000	Other'000	Total'000
Investments	103,360	393,548	55,896	363,552	88,239	2	42,370	1,046,967
Reinsurers' share of technical provisions	108,366	193,901	14,907	51,455	21,360	1,206	10,910	402,105
Debtors	25,330	227,003	7,219	39,923	22,427	2,060	73,878	397,840
Other assets	3,084	13,737	2,113	155	12,211	11,195	17,162	59,657
Prepayment and accrued income	8,019	54,065	4,165	16,995	7,056	89	3,875	94,264
Total assets	**248,159**	**882,254**	**84,300**	**472,080**	**151,293**	**14,552**	**148,195**	**2,000,833**
Technical provisions	(221,798)	(751,077)	(106,314)	(335,229)	(113,162)	(5,478)	(74,418)	(1,607,476)
Creditors	(19,363)	(110,293)	(8,835)	(25,308)	(18,098)	(121)	(25,771)	(207,789)
Accruals and deferred income	(466)	(5,656)	-	(2,047)	-	-	-	(8,169)
Total liabilities	**(241,627)**	**(867,026)**	**(115,149)**	**(362,584)**	**(131,260)**	**(5,599)**	**(100,189)**	**(1,823,434)**
Total Capital and reserves	**(6,532)**	**(15,228)**	**30,849**	**(109,496)**	**(20,033)**	**(8,953)**	**(48,006)**	**(177,399)**

2024 Currency Code	GBP'000	USD'000	EUR'000	CAD'000	AUD'000	JPY'000	Other'000	Total'000
Investments	99,784	332,132	52,941	333,082	62,316	2	37,283	917,540
Reinsurers' share of technical provisions	121,404	196,333	15,644	40,917	23,286	1,675	5,126	404,385
Debtors	13,160	188,695	6,420	28,773	21,581	1,053	53,384	313,066
Other assets	3,623	67,857	2,915	-	21,498	2,309	24,696	122,898
Prepayment and accrued income	11,076	38,704	3,365	12,075	6,015	22	3,083	74,340
Total assets	**249,047**	**823,721**	**81,285**	**414,847**	**134,696**	**5,061**	**123,572**	**1,832,229**
Technical provisions	(265,360)	(730,975)	(91,919)	(271,899)	(101,788)	(7,634)	(68,515)	(1,538,090)
Creditors	(17,143)	(69,650)	(5,830)	(14,721)	(20,266)	(17)	(11,617)	(139,244)
Accruals and deferred income	-	(583)	-	(5)	-	-	-	(588)
Total liabilities	**(282,503)**	**(801,208)**	**(97,749)**	**(286,625)**	**(122,054)**	**(7,651)**	**(80,132)**	**(1,677,922)**
Total Capital and reserves	**33,456**	**(22,513)**	**16,464**	**(128,222)**	**(12,642)**	**2,590**	**(43,440)**	**(154,307)**

Asset Risk

Asset risk is the risk of loss resulting from adverse financial market movements including interest rates, equity prices or exchange rates.

The Markel International Investment Plan and Strategy detail the policy with regard to different asset types and concentration limits.

An Investment Policy is in place that sets out the governance requirements regarding the Syndicate's investment portfolio and also includes a number of key principles including a requirement that the Syndicate adheres to the "prudent person principle".

Risk appetites are agreed annually by the Board to limit investment concentration and currency risk. Adherence to these are monitored at the Finance Committee. Any exceptions to the risk appetite are reported to the RCCC and the Board.

Compliance against the annual Investment Plan is monitored by our investment manager, MGAM, against the annual Investment Plan through quarterly reporting and participation in a quarterly Markel Group Investment Committee meeting at which the Quarterly Investment report is considered which includes investments held directly by the Syndicate. Any items outside of appetite are investigated and where appropriate an action plan is put in place to bring the investments back into compliance with the Investment Plan.

The principal asset risks and how exposure to these risks is managed are as follows:

- Interest rate risk: The Syndicate works to manage the impact of interest rate fluctuations on the fixed maturity interest portfolio. The effective duration of the Syndicate's fixed maturity profile is managed with consideration given to the estimated duration of the Syndicate's policyholder liabilities. The Investment risk appetite sets limits regarding the Syndicate's average portfolio duration in relation to the average liability duration.

- Equity price risk: The Board sets risk appetite limits on the amount of equities that can be held overall and with any one issuer within the Syndicate. The overall equity portfolio is also monitored to ensure that equity risk does not exceed the Syndicate's risk appetite.

The Finance Committee has oversight of Asset Risk.

	2025 £'000 Impact on results	**2025 £'000** Impact on member's balances	**2024 £'000** Impact on results	**2024 £'000** Impact on member's balances
Interest rate risk				
+ 50 basis point shift in yield curves	(9,155)	(9,155)	(8,619)	(8,619)
- 50 basis point shift in yield curve	9,365	9,365	8,621	8,621
Equity price risk				
5 percent increase in equity prices	4,112	4,112	1,843	1,843
5 percent decrease in equity prices	(4,112)	(4,112)	(1,843)	(1,843)

Operational risk

Operational Risk is the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events.

The Operational risk policy sets out the Board's approach to identifying, monitoring and managing this risk for the Syndicate.

Operational risk appetites are agreed annually by the Board and adherence to these is monitored at the RCCC. Any exceptions to risk appetite are reported to the Board.

The Board maintains a Risk Register which includes the key Operational Risks faced by the Syndicate. For each Operational Risk, there is a designated Risk Owner as well as details of the key controls that are in place to mitigate the risk. There is a quarterly attestation undertaken by Control Owners in order to confirm that the key controls that they are responsible for are in place and are operating effectively. A summary of the key findings from the quarterly attestation process is issued to members of MSM's senior management.

The Risk Management team logs and records operational incidents arising from the failure of people, processes, systems and external events and coordinates with the identified Event Owner (i.e. the person who is considered to be the key contact within the business in respect of the incident) in order to develop an appropriate action plan to strengthen the control environment to mitigate the likelihood and/or impact of a reoccurrence of the incident. The Chief Risk Officer and Chief Operating Officer report on a number of areas of Operational Risk at the quarterly RCCC, with material issues escalated to the Board.

The RCCC and Operations Group has oversight of Operational Risk.

Capital risk
Capital risk is the risk of failing to hold sufficient capital to meet regulatory or rating agency requirements for the Syndicate, inefficient allocation of capital, or a failure to obtain an adequate return on capital.

There are various policies and procedures in place which governs MSM's approach to managing Capital Risk. A Solvency Capital Risk appetite is agreed annually by the MSM Board and adherence to this is monitored at the RCCC. Any exceptions to risk appetite are reported to the Board. This risk appetite monitors the sufficiency of the level of eligible funds held to meet the board defined economic capital requirement.

The RCCC has oversight of Capital Risk.

Capital management
The Society of Lloyd's is a regulated undertaking and subject to supervision by the Prudential Regulatory Authority ("PRA") under the Financial Services and Markets Act 2000, and in accordance with Solvency UK Framework.

Within this supervisory framework, Lloyd’s applies capital requirements at corporate member level and centrally to ensure that Lloyd’s would comply with the Solvency UK requirements, and beyond that to meet its own financial strength, licence and ratings objectives.

Every corporate member is required to hold capital at Lloyd’s, which is held in trust and known as Funds at Lloyd's ("FAL"). These funds are intended primarily to cover circumstances where syndicate assets prove insufficient to meet participating members’ underwriting liabilities.

In order to meet Lloyd’s requirements, each syndicate is required to calculate its Solvency Capital Requirement (“SCR”) for the prospective underwriting year. This amount must be sufficent to cover a 1 in 200 year loss, reflecting uncertainty in the ultimate run off of underwriting liabilities. The SCRs of each syndicate are subject to review by Lloyd’s and approved by the Lloyd’s Capital and Planning Group.

Each corporate member is liable for its own share of underwriting liabilities on a syndicate on which it participates, but not other members' shares. As a result, the capital requirement that Lloyd's sets for each corporate member operates on a similar basis. Each corporate member's SCR shall thus be determined by the sum of the member's share of the syndicate SCR. Lloyd's applies a capital uplift to the corporate member's capital requirement, known as the Economic Capital Assessment ("ECA"). The purpose of the ECA, which is a Lloyd's not a Solvency UK requirement, is to meet Lloyd's financial strength, license and rating objectives. The capital uplift for 2025 was 35% (2024, 35%).

The level of FAL that Lloyd's requires a member to maintain is determined by Lloyd's based on PRA requirements and resource criteria, including the Lloyd's ECA. FAL has regard to a number of factors including the nature and amount of risk to be underwritten by the member and the assessment of the reserving risk in respect of business that has been underwritten. The Managing Agent is able to make a call on the members' FAL to meet liquidity requirements or to settle losses. The FAL provided by a member takes into account of any estimate surpluses or expected losses in respect of open years. Any consequential deficit must be funded as part of the Lloyd's 'quarterly corridor test' and annual 'coming into line' exercise. Consequently, the actual FAL provided may be higher or lower than the ECA.

5 Analysis of underwriting result

An analysis of the underwriting result before investment return is presented in the table below:

2025 Calendar Year	Gross premiums written £'000	Gross premiums earned £'000	Gross claims incurred £'000	Gross operating expenses £'000	Reinsurance balance £'000	Underwriting result £'000
Direct insurance						
Accident & health	-	-	-	-	-	-
Motor (third party liability)	-	-	-	-	-	-
Motor (other classes)	-	-	(1,298)	-	1,298	-
Marine, aviation and transport	141,327	133,515	(58,102)	(44,976)	(19,003)	11,434
Fire and other damage to property	123,055	114,335	(58,227)	(40,205)	(12,686)	3,217
Third party liability	403,180	365,108	(108,342)	(125,660)	(80,771)	50,335
Credit and suretyship	17,848	18,940	(10,472)	(4,947)	(1,869)	1,652
Total direct insurance	**685,410**	**631,898**	**(236,441)**	**(215,788)**	**(113,031)**	**66,638**
Reinsurance acceptances	242,073	223,341	(84,276)	(91,327)	(13,811)	33,927
Total	**927,483**	**855,239**	**(320,717)**	**(307,115)**	**(126,842)**	**100,565**

The below is an additional disclosure for Lloyd's reporting purposes and is included to facilitate the classification of the above segments into the Lloyd's aggregate classes of business:

2025 Calendar Year	Gross premiums written £'000	Gross premiums earned £'000	Gross claims incurred £'000	Gross operating expenses £'000	Reinsurance balance £'000	Underwriting result £'000
Additional analysis						
Fire and damage to property of which is:						
Specialities	1,013	945	(18)	(318)	(256)	353
Energy	46,065	41,883	(13,730)	(14,109)	(6,727)	7,317
Third party liability of which is:						
Energy	11,430	10,791	(7,308)	(3,635)	(472)	(624)

2024 Calendar Year	Gross premiums written £'000	Gross premiums earned £'000	Gross claims incurred £'000	Gross operating expenses £'000	Reinsurance balance £'000	Underwriting result £'000
Direct insurance						
Accident & health	1,072	1,056	(317)	(489)	251	501
Motor (third party liability)	-	-	-	-	-	-
Motor (other classes)	-	-	4,212	-	-	4,212
Marine, aviation and transport	151,478	144,825	(54,207)	(52,546)	(19,556)	18,516
Fire and other damage to property	90,620	83,216	(43,399)	(30,939)	(3,019)	5,859
Third party liability	316,592	300,787	(117,149)	(109,589)	(9,567)	64,482
Credit and suretyship	19,484	14,165	(3,035)	(3,743)	(4,937)	2,450
Total direct insurance	**579,246**	**544,049**	**(213,895)**	**(197,306)**	**(36,828)**	**96,020**
Reinsurance acceptances	206,221	189,554	(90,948)	(67,822)	(13,453)	**17,331**
Total	**785,467**	**733,603**	**(304,843)**	**(265,128)**	**(50,281)**	**113,351**

The below is an additional disclosure for Lloyd’s reporting purposes and is included to facilitate the classification of the above segments into the Lloyd’s aggregate classes of business:

2024 Calendar Year	Gross premiums written £'000	Gross premiums earned £'000	Gross claims incurred £'000	Gross operating expenses £'000	Reinsurance balance £'000	Underwriting result £'000
Additional analysis						
Fire and damage to property of which is:						
Specialities	446	359	(131)	(131)	(13)	84
Energy	29,142	22,713	(9,412)	(8,220)	(3,538)	1,543
Third party liability of which is:						
Energy	9,398	11,713	(5,636)	(4,239)	(1,726)	112

No gains or losses were recognised in profit or loss during the year on buying reinsurance (2024: £Nil).

Gross written premiums underwritten for direct insurance by destination of risk is presented in the table below. The prior year's disclosure included this information about total gross written premiums underwritten by the Syndicate. As this was a voluntary additional disclosure not required by UK GAAP, the note has been re-presented to show only the gross written premiums for direct insurance.

	2025 £'000	2024 £'000
United Kingdom	208,143	149,415
European Union Member States	6,606	8,427
US	97,111	82,819
Rest of the world	373,550	338,585
Total gross written premium	**685,410**	**579,246**

6 Net operating expenses

	2025 £'000	2024 £'000
Acquisition costs	198,739	162,409
Change in deferred acquisition costs	(15,613)	(8,414)
Administrative expenses	140,687	119,298
Members' standard personal expenses	9,026	4,821
Reinsurance commissions and profit participations	(25,724)	(12,986)
Net operating expenses	**307,115**	**265,128**

Total commissions for direct insurance business for the year amounted to:

	2025 £'000	2024 £'000
Total commission for direct insurance business	171,099	138,738

Administrative expenses include:

	2025 £'000	2024 £'000
Auditors' remuneration:		
fees payable to the Syndicate's auditor for the audit of these financial statements	696	634
fees payable to the Syndicate's auditor and its associates in respect of other services pursuant to legislation	200	194

7 Key management personnel compensation

The directors of the managing agent, MSM, received the following aggregate remuneration charged to the Syndicate. On an annual basis, management conduct an assessment to evaluate the reasonableness of the assumptions used to appropriately estimate the directors' and active underwriters' apportionment of time in performing their qualifying services which is included within net operating expenses.

	2025 £'000	2024 £'000
Directors' emoluments	**1,797**	**1,480**

The active underwriters received the following aggregate remuneration charged to the Syndicate.

	2025 £'000	2024 £'000
Active underwriters' emoluments	**589**	**369**

Further information in respect of the directors of MSM is provided in that company's financial statements.

8 Staff numbers and costs

The Syndicate and Managing Agent have no employees. Staff are employed by Markel International Services Limited ("MISL"), Markel Australia PTY Limited, Markel Canada Limited, Markel Corporation China, Markel International Dubai Limited, Markel International Labuan Limited, Markel International Singapore Pte Limited and Markel Services India Private Limited The average number of persons employed by the service companies above but working for the Syndicate during the year, analysed by category, was as follows:

	Number of employees	
	2025	**2024**
Administration and finance	245	249
Underwriting	328	212
Claims	75	61
Total	648	522

The following amounts were recharged by MISL to the Syndicate in respect of payroll costs:

	2025	**2024**
Wages and Salaries	64,308	50,044
Social security costs	2,620	1,927
Other pension costs	1,560	1,279
Total	**68,488**	**53,250**

9 Investment return

	2025 £'000	2024 £'000
Interest and similar income		
From financial assets designated at fair value through profit or loss		
Interest and similar income	17,330	17,044
From financial assets classified as Available for Sale		
Interest and similar income	13,043	12,608
Dividend income	1,774	840
Interest and similar income	-	(2)
Interest on cash at bank	1,071	907
Other income from investments		
From financial assets designated at fair value through profit or loss		
Gains on the realisation of investments	5,941	6,986
Losses on the realisation of investments	(2,306)	(4,700)
Unrealised gains on investments	28,442	19,558
Unrealised losses on the investments	(2,782)	(12,852)
Other relevant gains	118	11
Investment management expenses	(2,794)	(2,337)
Total investment return	**59,837**	**38,063**
Transferred to the technical account from the non-technical account	59,837	38,063

10 Distribution and open years of account

A distribution payment of £121.9m to the corporate member, to be collected in 2026, has been proposed in relation to the 2023 year of account (2024, distribution payment of £126.7m in relation to the 2022 year of account).

The table below shows the current underwriting year result of the years of account remaining open after the three year period.

Year of Account	2025 £'000	2024 £'000
2022	-	126,682
2023	121,916	65,234
2024	105,871	(37,609)
2025	(50,388)	-
Calendar Year Result	**177,399**	**154,307**

11 Financial Investments

	Carrying value		Cost	
	2025 £'000	**2024 £'000**	**2025 £'000**	**2024 £'000**
Shares and other variable yield securities and units in unit trusts	82,250	36,862	54,582	24,949
Debt securities and other fixed income securities	571,401	549,849	591,484	580,179
Participation in investment pools	250,957	210,555	250,957	210,555
Loans and deposits with credit institutions	141,462	113,597	141,462	113,597
Syndicate loans to central fund	-	5,097	-	5,097
Total financial investments	**1,046,070**	**915,960**	**1,038,485**	**934,377**

Included in the carrying values above are listed investments as follows:

	2025 £'000	2024 £'000
Listed investments	1,046,070	910,863

Listed investments represent financial investments that are traded on a recognised exchange and are supported by market observable prices.

The table below presents an analysis of financial investments by their measurement classification.

	2025 £'000	2024 £'000
Financial assets measured at fair value through profit or loss	712,863	668,543
Financial assets measured at fair value as available for sale	333,207	247,417
Total financial investments	**1,046,070**	**915,960**

The Syndicate classifies its financial instruments held at fair value in its balance sheet using a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1 – financial assets that are measured by reference to published quotes in an active market. A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency and those prices represent actual and regularly occurring market transactions on an arm's length basis.

- Level 2 – financial assets measured using a valuation technique based on assumptions that are supported by prices from observable current market transactions. For example, assets for which pricing is obtained via pricing services but where prices have not been determined in an active market, financial assets with fair values based on broker quotes, investments in private equity funds with fair values obtained via fund managers and assets that are valued using the Syndicate's own models whereby the significant inputs into the assumptions are market observable.

- Level 3 – financial assets measured using a valuation technique (model) based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data. Therefore, unobservable inputs reflect the Syndicate's own assumptions about the assumptions that market participants would use in pricing the asset or liability (including assumptions about risk). These inputs are developed based on the best information available, which might include the Syndicate's own data.

The table below analyses financial instruments that are held at fair value in the Syndicate's balance sheet at the reporting date by its level in the fair value hierarchy.

2025	**Level 1 £'000**	**Level 2 £'000**	**Level 3 £'000**	**Total £'000**
Shares and other fixed income securities and units in unit trusts	82,250	-	-	82,250
Debt securities and other fixed income securities	32,942	538,459	-	571,401
Participation in investment pools	250,957	-	-	250,957
Loan and deposits with other credit institutions	-	141,462	-	141,462
Syndicate loan to central fund	-	-	-	-
Total assets	**366,149**	**679,921**	**-**	**1,046,070**
Total	**366,149**	**679,921**	**-**	**1,046,070**

2024	**Level 1 £'000**	**Level 2 £'000**	**Level 3 £'000**	**Total £'000**
Shares and other fixed income securities and units in unit trusts	36,862	-	-	36,862
Debt securities and other fixed income securities	38,074	511,775	-	549,849
Participation in investment pools	210,555	-	-	210,555
Loans and deposits with other credit institutions	28,171	85,426	-	113,597
Syndicate loan to central fund	-	-	5,097	5,097
Total assets	**313,662**	**597,201**	**5,097**	**915,960**
Total	**313,662**	**597,201**	**5,097**	**915,960**

12 Debtors arising out of direct insurance operations

	Direct insurance operations	
	2025 **£'000**	**2024** **£'000**
Due within one year	330,830	287,777
Due after one year	4	-
Total	**330,834**	**287,777**

13 Debtors arising out of reinsurance operations

	Reinsurance operations	
	2025 **£'000**	**2024** **£'000**
Due within one year	12,194	13,015
Due after one year	38	31
Total	**12,232**	**13,046**

14 Other debtors

	2025 **£'000**	**2024** **£'000**
Other related party balances (non-syndicate)	27,586	4,928
Other	27,188	7,315
Total	**54,774**	**12,243**

Other related party balances (non-Syndicates) wholly relates to balances owed to the Syndicate from other entities within the Markel Group.

15 Deferred acquisition costs

The table below shows changes in deferred acquisition costs assets from the beginning of the period to the end of the period.

	2025 **£'000**	**2024** **£'000**
Balance at 1 January	62,222	54,845
Incurred deferred acquisition costs	57,249	50,816
Amortised deferred acquisition costs	(41,636)	(42,402)
Foreign exchange movements	(3,143)	(1,037)
Balance at 31 December	**74,692**	**62,222**

16 Claims Development

The following tables illustrate the development of the estimates of earned ultimate cumulative claims incurred, including claims notified and IBNR, for each successive underwriting year, illustrating how amounts estimated have changed from the first estimates made.

As these tables are on an underwriting year basis, there is an apparent large increase from amounts reported for the end of the underwriting year to one year later as a large proportion of premiums are earned in the year of account's second year of development.

Balances have been translated at exchange rates prevailing at 31 December 2025 in all cases.

Gross outstanding claims provision as at 31 December 2025

Pure underwriting year	2016 £'000	2017 £'000	2018 £'000	2019 £'000	2020 £'000	2021 £'000	2022 £'000	2023 £'000	2024 £'000	2025 £'000	Total £'000
Estimate of gross claims											
At end of underwriting year	127,609	331,123	195,558	125,336	137,543	120,656	166,232	136,820	165,735	174,458	1,681,070
One year later	283,845	492,679	360,417	418,643	325,385	291,813	297,378	286,936	329,577		3,086,673
Two years later	305,702	514,912	400,038	459,503	339,746	253,406	238,005	281,837			2,793,149
Three years later	304,105	510,808	405,575	478,363	277,259	254,836	203,804				2,434,750
Four years later	296,682	486,041	429,893	485,073	261,181	216,289					2,175,159
Five years later	321,144	511,893	466,729	488,174	267,549						2,055,489
Six years later	339,865	521,568	472,212	470,759							1,804,404
Seven years later	353,784	525,926	452,382								1,332,092
Eight years later	346,704	536,202									882,906
Nine years later	339,678										339,678
Estimate of gross claims reserve	339,678	536,202	452,382	470,759	267,549	216,289	203,804	281,837	329,577	174,458	3,272,535
Provision in respect of prior years											198,640
Less gross claims paid	307,098	497,784	382,701	416,260	200,428	142,940	91,924	101,726	72,554	14,773	2,228,188
Gross claims reserve	**32,580**	**38,418**	**69,681**	**54,499**	**67,121**	**73,349**	**111,880**	**180,111**	**257,023**	**159,685**	**1,242,987**

Net outstanding claims provision as at 31 December 2025

Pure underwriting year	2016 £'000	2017 £'000	2018 £'000	2019 £'000	2020 £'000	2021 £'000	2022 £'000	2023 £'000	2024 £'000	2025 £'000	Total £'000
Estimate of net claims											
At end of underwriting year	119,618	202,687	151,335	115,631	120,110	84,611	87,776	92,540	88,054	111,300	1,173,662
One year later	257,067	368,000	310,119	314,555	374,311	270,213	214,052	227,324	250,577		2,586,218
Two years later	279,936	386,985	342,894	403,823	282,637	195,964	183,789	224,806			2,300,834
Three years later	279,912	372,989	347,468	397,191	226,744	195,550	160,763				1,980,617
Four years later	286,856	348,377	369,429	390,791	202,842	159,386					1,757,681
Five years later	316,608	379,619	405,452	395,242	211,400						1,708,321
Six years later	324,636	384,882	410,164	379,286							1,498,968
Seven years later	334,056	390,714	386,980								1,111,750
Eight years later	330,234	401,023									731,257
Nine years later	324,528										324,528
Estimate of gross claims reserve	324,528	401,023	386,980	379,286	211,400	159,386	160,763	224,806	250,577	111,300	2,610,049
Provision in respect of prior years											91,486
Less net claims paid	293,898	366,790	325,718	331,425	157,292	104,581	73,120	91,520	55,571	12,416	1,812,331
Net claims reserve	**30,630**	**34,233**	**61,262**	**47,861**	**54,108**	**54,805**	**87,643**	**133,286**	**195,006**	**98,884**	**889,204**

17 Technical provisions

The table below shows changes in the insurance contract liabilities and assets from the beginning of the period to the end of the period.

	2025			2024		
Provision for claims outstanding	**Gross £'000**	**Reinsurance £'000**	**Net £'000**	**Gross £'000**	**Reinsurance £'000**	**Net £'000**
Balance at 1 January	1,231,652	(360,691)	870,961	1,223,110	(303,536)	919,574
Claims paid during the year	(265,012)	57,253	(207,759)	(279,824)	49,168	(230,656)
Expected cost of current year claims	175,544	(63,934)	111,610	165,505	(75,945)	89,560
Change in estimates of prior year provisions	143,875	1,885	145,760	136,644	(24,190)	112,454
Discount unwind	1,298	(1,298)	-	2,694	(2,694)	-
Effects of movement in exchange rates	(44,370)	13,002	(31,368)	(16,477)	(3,494)	(19,971)
Balance at 31 December	**1,242,987**	**(353,783)**	**889,204**	**1,231,652**	**(360,691)**	**870,961**

The unwind of discount has been included within the statement of profit or loss – technical account – within claims incurred.

	2025			2024		
Provision for unearned premiums	**Gross £'000**	**Reinsurance £'000**	**Net £'000**	**Gross £'000**	**Reinsurance £'000**	**Net £'000**
Balance at 1 January	306,438	(43,694)	262,744	260,594	(31,284)	229,310
Premium written during the year	927,483	(196,816)	730,667	785,467	(166,224)	619,243
Premiums earned during the year	(855,239)	190,189	(665,050)	(733,603)	153,109	(580,494)
Foreign exchange movements	(14,193)	1,999	(12,194)	(6,020)	705	(5,315)
Balance at 31 December	**364,489**	**(48,322)**	**316,167**	**306,438**	**(43,694)**	**262,744**

18 Discounted claims

Discounting may be applied to claims provisions where there are individual claims with structured settlements that have annuity like characteristics, or for books of business with mean term payment greater than four years from the accounting date.

The claims have been discounted as follow:

	Average discounted rates		Average mean term of liabilities	
Class of business	**2025**	**2024**	**2025**	**2024**
Motor (third party liability)	3.00	3.00	19.9	19.9

In the year-ended 31 December 2023, the Syndicate entered into a deal with Marco Capital Ltd for the LPT in relation to its UK Motor PPO portfolio. As a result the UK Motor PPO portfolio is now fully reinsured, resulting in no remaining net liability for the syndicate.

The period that will elapse before claims are settled is determined using adjusted mortality tables. The claims provisions before discounting are as follows:

	Undiscounted claims		Effect of discounting		After discounting	
	2025 £'000	**2024 £'000**	**2025 £'000**	**2024 £'000**	**2025 £'000**	**2024 £'000**
Gross claims provision	79,406	83,200	38,746	39,930	40,660	43,270
Reinsurer share of total claims	(79,406)	(83,200)	(38,746)	(39,930)	(40,660)	(43,270)
Net claims provisions	-	-	-	-	-	-

19 Creditors arising out of direct insurance operations

	2025 £'000	2024 £'000
Due within one year	16,799	20,143
Total	**16,799**	**20,143**

20 Creditors arising out of reinsurance operations

	2025 £'000	2024 £'000
Due within one year	123,897	81,160
Total	**123,897**	**81,160**

21 Other creditors

	2025 £'000	2024 £'000
Other related party balances (non-Syndicates)	51,659	26,065
Other liabilities	15,434	11,876
Total	**67,093**	**37,941**

Other related party balances (non-Syndicates) wholly relates to balances owed from the Syndicate to other entities within Markel Group.

22 Cash and cash equivalents

	2025 £'000	2024 £'000
Cash at bank and in hand	59,657	122,898
Short term debt instruments presented within other financial investments	250,957	210,555
Total cash and cash equivalents	**310,614**	**333,453**

Included within cash and cash equivalents are the following amounts which are not available for use by the Syndicate because the amounts were held in regulated bank accounts in overseas jurisdictions:

	2025 £'000	2024 £'000
Cash at bank and in hand	-	266
Short term debt instruments presented within other financial investments	79,412	100,588
Total cash and cash equivalents not available for use by the syndicate	**79,412**	**100,854**

This note discloses all cash, and cash equivalent balances that the Syndicate holds including any balances that may also classify as financial investments which are reported in Note 11 (Financial Investments). It has been presented in line with the Lloyd’s requirements and FRS 102 as set out in Note 1 (Statement of compliance and basis of preparation).

23 Analysis of net debt

	At 1 January 2025	Cash flows	Acquired	Fair value and exchange movement	Non-cash changes	At 31 December 2025
Cash and cash equivalents	333,453	(17,675)	-	(5,164)	-	**310,614**
Total	333,453	(17,675)	-	(5,164)	-	**310,614**

24 Related parties

MISL and Markel Services Incorporated ("MSI") provides services to the Syndicate. The amounts charged to and balances due from the Syndicate at the year end are:

	2025 £'000	2024 £'000
Expenses recharged	(131,192)	(111,788)
Year end balance due from the Syndicate	(8,185)	(7,321)

The Syndicate pays income tax for various territories, the most notable being Canadian and United States Income Tax, which is reimbursed by MCAP. The Syndicate has paid the following amounts and balances due from the Syndicate at the year end are:

	2025 £'000	2024 £'000
United States and Canadian Income Tax paid by/(reimbursed to) the Syndicate in the year	359	2,929
United States and Canadian Income Tax settled by/(reimbursed to) MCAP in the year	16	(3,668)
Other Income Taxes reimbursed by/(to) the Syndicate in the year	2	(518)
year end balance to/(from) the Syndicate	146	(231)

The following companies provide services to the Syndicate. The amounts charged to and balances due from the Syndicate at the year end are:

	Management Fees Charged 2025 £'000	YE balance due from the Syndicate 2025 £'000	Management Fees Charged 2024 £'000	YE balance due (from)/to the Syndicate 2024 £'000
Markel International Singapore PTE Limited	(9,641)	(4,080)	(8,292)	(2,057)
Markel International Hong Kong Limited	(2,822)	(562)	(1,924)	(556)
Markel International Labuan Limited	(329)	(30)	(163)	-
Markel International Dubai Limited	(3,816)	(313)	(2,728)	(212)
Markel Canada Limited	(2,000)	(3,036)	(1,716)	(1,565)
Markel Services India Private Limted	(1,964)	(322)	(2,224)	33
Markel Australia PTY Limited	(6,048)	(380)	(4,614)	205

The Group have made available a $200m credit revolving facility. As at December 31, 2025 the Syndicate has not drawn down on this facility (2024, $nil).

The Syndicate has a reinsurance arrangement with MIICL in relation to its US Wind and Quake, Japanese Wind and Quake and European Wind exposure, which was in place for the 2014 to the 2021 years of account.

The Syndicate has recognised the following amounts in the year and the balances due from MIICL at the end of the year relating to these arrangements are:

	2025 £'000	2024 £'000
Incurred claims movement	(40)	7
Year end balance due to the Syndicate	551	591

The Syndicate had an internal reinsurance in place on the 2021 year of account, which transfers liability from the Syndicate to MIICL. In December 2025, the Syndicate completed the commutation of this agreement, resulting in the full and final settlement of all related liabilities and recoverables.

The Syndicate has an internal reinsurance in place on the 2022 year of account, which transfers liability from the Syndicate to MIICL. It has limits of $7.5m xs $2.5m and covers all Marine and Energy classes, as well as 80% of Trade Credit, Political Risk, and Surety classes.

The Syndicate has an internal reinsurance in place on the 2023 year of account, which transfers liability from the Syndicate to MIICL. It has limits of $15m xs $5m covering Marine and Energy classes, limits of $20m xs $5m covering Terrorism classes, as well as 75% of Trade Credit, Political Risk, and Surety classes.

The Syndicate has an internal reinsurance in place on the 2024 year of account, which transfers liability from the Syndicate to MIICL. It has limits of $15m xs $5m covering Marine and Energy classes, limits of $20m xs $5m covering Terrorism classes, limits of $7.5m xs $2.5m and limits of $10m xs $10m covering Trade Credit, Political Risk, and Surety classes, and limits of £5m xs £5m covering 75% of Polictal Financial Risks.

The Syndicate has an internal reinsurance in place on the 2025 year of account, which transfers liability from the Syndicate to MIICL. It has limits of $20m xs $5m covering 100% of Marine and Energy classes and covering 75% of Terrorism classes, limits of $7.5m xs $2.5m and limits of $10m xs $10m covering Trade Credit and limits of £5m xs £5m covering Polictal Financial Risks.

The following reinsurance amounts in the year and balances due to the Syndicate at the end of the year relating to these are:

	2025 £'000	2024 £'000
Premiums ceded to MIICL	(32,122)	(26,701)
Incurred claims movement	6,794	12,188
Year end balance due to the Syndicate	55,816	55,316

The Syndicate has an internal reinsurance in place on the 2023 year of account, which transfers liability from the Syndicate to Markel Bermuda Limited ("MBL"). It has limits of $15m xs $5m and covers the Hull, Cargo and Specie classes.

The Syndicate has an internal reinsurance in place on the 2024 year of account, which transfers liability from the Syndicate to MBL. It has limits of $15m xs $5m covering the Hull, Cargo and Specie classes, limits of CAD$7m xs CAD$3m covering the Canada General Liabilty classes, and limits of £5m xs £5m covering the Offshore FI and Investment Managers FI classes.

The Syndicate has an internal reinsurance in place on the 2025 year of account, which transfers liability from the Syndicate to MBL. It has limits of $17.5m xs $7.5m covering the Hull, Cargo and Specie classes, limits of $15m xs $10m covering Transport and Logistics, limits of CAD$5m xs CAD$5m covering the Canada General Liabilty classes and limits of £5m xs £5m covering the Offshore FI and Investment Managers FI classes.

The following reinsurance amounts in the year and balances due to the Syndicate at the end of the year relating to these are:

	2025 £'000	**2024 £'000**
Premiums ceded to MBL	(13,517)	(12,766)
Incurred claims movement	-	29
Year end balance due to the Syndicate	20,621	8,053

Markel Gayner Asset Management LLC "MGAM LLC" is the Syndicate investment manager. The following amounts have been charged to the Syndicate:

	2025 £'000	**2024 £'000**
Fees paid	2,794	2,337
Year end balance due from the Syndicate	-	-

Key management personnel

K. Shah resigned as a Director of Just Group plc. on 1 March 2025. For the year-ended 31 December 2025, there were no transactions or balances held with Just Group Plc (2024, gross written premium of £116.00, no outstanding balances held).

A. Davies is a Director of Certa Insurance Partners Limited which is a Syndicate 3000 coverholder. During the year, Syndicate 3000 has underwritten £7,234k (2024, £2,495k) in gross written premiums and £494k (2024, £396k) is receivable at year-end.

25 Foreign exchange rates

	2025			2024		
	Start of period rate	Year-end rate	Average rate	Start of period rate	Year-end rate	Average rate
Sterling	1.00	1.00	1.00	1.00	1.00	1.00
Euro	1.21	1.15	1.17	1.15	1.21	1.18
US dollar	1.25	1.35	1.32	1.27	1.25	1.27
Canadian dollar	1.80	1.84	1.84	1.69	1.80	1.73
Australian dollar	2.02	2.01	2.05	1.87	2.02	1.93
Japanese Yen	197.02	210.64	197.71	180.41	197.02	190.59

26 Funds at Lloyd's

Every member is required to hold capital at Lloyd’s which is held in trust and known as Funds at Lloyd’s (‘FAL’). These funds are intended primarily to cover circumstances where Syndicate assets prove insufficient to meet participating members’ underwriting liabilities. The level of FAL that Lloyd’s requires a member to maintain is determined by Lloyd’s based on Prudential Regulatory Authority requirements and resource criteria. The determination of FAL has regard to a number of factors including the nature and amount of risk to be underwritten by the member and the assessment of the reserving risk in respect of business that has been underwritten. Since FAL is not under the management of the Managing Agent, no amount has been shown in these Financial Statements by way of such capital resources. However, the Managing Agent is able to make a call on the Member’s FAL to meet liquidity requirements or to settle losses.