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24 June 2019

The Manager  
Market Announcements Office  
ASX Limited  
Level 4  
Exchange Centre  
20 Bridge Street  
SYDNEY NSW 2000

Dear Sir/Madam

**QBE Simplifies Segment Reporting**

Please find attached an announcement for release to the market.

Yours faithfully,

A handwritten signature in blue ink that reads 'Peter Smiles'.

Peter Smiles  
**Deputy Company Secretary**

Encl.



## MARKET RELEASE

24 June 2019

### QBE SIMPLIFIES SEGMENT REPORTING

Commencing with the upcoming HY19 result due to be released to the ASX on 15 August 2019, and as previously communicated, QBE will simplify its reporting and disclose three divisional segments rather than five as has historically been the case.

This simplification will result in the following reporting segments:

- Asia and European Operations together comprise “International”;
- Pacific and Australian & New Zealand Operations together form “Australia Pacific”; and
- North America will continue as is.

QBE will no longer separately identify Equator Re as a standalone segment; the captive’s results will instead be eliminated into the relevant divisional results to provide a more holistic view of performance in each of the go-forward operating segments – North America, International and Australia Pacific.

These segment reporting changes do not impact the Group’s overall results.

The Board and management of QBE believe that this basis of disclosure is more appropriate as it will provide investors with a simpler and more meaningful picture of the scale and underlying performance of the Group’s segments that is also more comparable with peers.

To assist investors in transitioning to the new segment reporting approach, attached are the Group’s HY and FY 2017 and 2018 segment results restated on the above basis.

- ENDS -

For further information, please contact:

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QBE Insurance Group Limited is listed on the Australian Securities Exchange, is one of the top 20 global insurance and reinsurance companies as measured by net earned premium and has operations in 31 countries.

#### IMPORTANT DISCLAIMER

Any forward-looking statements assume large individual risk and catastrophe claims do not exceed the significant allowance in our business plans; no overall reduction in premium rates in excess of business plans; no significant fall in equity markets and interest rates; no major movement in budgeted foreign exchange rates; no material change to key inflation and economic growth forecasts; recoveries from our strong reinsurance panel; no significant asset sales and no substantial change in regulation. Should one or more of these assumptions prove incorrect, actual results may differ materially from the expectations described in this market release.

## Half year restatements

### North America underwriting result

FOR THE HALF YEAR ENDED 30 JUNE		2018	2017
Gross written premium	US\$M	2,896	2,803
Gross earned premium	US\$M	2,162	2,187
Net earned premium	US\$M	1,753	1,832
Net incurred claims	US\$M	1,150	1,253
Net commission	US\$M	277	295
Expenses	US\$M	268	277
Underwriting profit (loss)	US\$M	58	7
Net claims ratio	%	65.6	68.4
Net commission ratio	%	15.8	16.1
Expense ratio	%	15.3	15.1
Combined operating ratio	%	96.7	99.6
Adjusted combined operating ratio <sup>1</sup>	%	99.0	99.4

1 Excludes the impact of changes in risk-free rates used to discount net outstanding claims.

### International underwriting result

FOR THE HALF YEAR ENDED 30 JUNE		2018	2018 Adjusted <sup>1</sup>	2017	2017 Adjusted <sup>2</sup>
Gross written premium	US\$M	2,896	2,896	2,738	2,738
Gross earned premium	US\$M	2,435	2,435	2,229	2,229
Net earned premium	US\$M	1,908	2,098	1,920	1,922
Net incurred claims	US\$M	1,152	1,318	1,162	1,008
Net commission	US\$M	381	380	359	359
Expenses	US\$M	331	329	311	311
Underwriting profit (loss)	US\$M	44	71	88	244
Net claims ratio	%	60.4	62.8	60.5	52.4
Net commission ratio	%	20.0	18.1	18.7	18.7
Expense ratio	%	17.3	15.7	16.2	16.2
Combined operating ratio	%	97.7	96.6	95.4	87.3
Adjusted combined operating ratio <sup>3</sup>	%	98.0	96.8	97.4	89.3

1 Excludes transaction to reinsure Hong Kong construction workers' compensation liabilities.

2 Excludes one-off adverse impact on the underwriting result due to the Ogden decision in the UK.

3 Excludes the impact of changes in risk-free rates used to discount net outstanding claims.

### Australia Pacific underwriting result

FOR THE HALF YEAR ENDED 30 JUNE		2018	2017
Gross written premium	US\$M	2,106	2,070
Gross earned premium	US\$M	2,095	2,081
Net earned premium	US\$M	1,926	1,906
Net incurred claims	US\$M	1,175	1,287
Net commission	US\$M	283	271
Expenses	US\$M	262	249
Underwriting profit (loss)	US\$M	206	99
Net claims ratio	%	61.0	67.5
Net commission ratio	%	14.7	14.2
Expense ratio	%	13.6	13.1
Combined operating ratio	%	89.3	94.8
Adjusted combined operating ratio <sup>1</sup>	%	89.0	94.5

1 Excludes the impact of changes in risk free rates used to discount net outstanding claims.

### Corporate underwriting result

FOR THE HALF YEAR ENDED 30 JUNE		2018	2017	2017 Adjusted <sup>1</sup>
Gross written premium	US\$M	(11)	(21)	(15)
Gross earned premium	US\$M	5	50	(15)
Net earned premium	US\$M	60	38	38
Net incurred claims	US\$M	87	25	25
Net commission	US\$M	6	11	11
Expenses	US\$M	15	11	11
Underwriting profit (loss)	US\$M	(48)	(9)	(9)

1 M&LS was sold in 2015. Excludes impact of business written as part of the transition services agreement (which expired in 2017) which is fully reinsured to the purchaser with no net impact on premium or profit.

## Full year restatements

### North America underwriting result

FOR THE YEAR ENDED 31 DECEMBER		2018	2017	2017 Adjusted <sup>1</sup>
Gross written premium	US\$M	4,711	4,556	4,556
Gross earned premium	US\$M	4,612	4,622	4,622
Net earned premium	US\$M	3,796	3,411	3,826
Net incurred claims	US\$M	2,575	2,671	3,107
Net commission	US\$M	592	623	623
Expenses	US\$M	547	555	553
Underwriting profit (loss)	US\$M	82	(438)	(457)
Net claims ratio	%	67.8	78.3	81.2
Net commission ratio	%	15.6	18.2	16.2
Expense ratio	%	14.4	16.3	14.5
Combined operating ratio	%	97.8	112.8	111.9
Adjusted combined operating ratio <sup>2</sup>	%	98.7	113.1	112.2

1 Excludes transactions to reinsure liabilities.

2 Excludes the impact of changes in risk-free rates used to discount net outstanding claims.

### International underwriting result

FOR THE YEAR ENDED 31 DECEMBER		2018	2018 Adjusted <sup>1</sup>	2017	2017 Adjusted <sup>2</sup>
Gross written premium	US\$M	4,876	4,876	4,671	4,671
Gross earned premium	US\$M	4,889	4,889	4,658	4,658
Net earned premium	US\$M	4,034	4,224	3,966	3,968
Net incurred claims	US\$M	2,467	2,633	2,696	2,557
Net commission	US\$M	789	783	737	737
Expenses	US\$M	643	638	650	650
Underwriting profit (loss)	US\$M	135	170	(117)	24
Net claims ratio	%	61.2	62.3	68.0	64.4
Net commission ratio	%	19.6	18.6	18.6	18.6
Expense ratio	%	15.9	15.1	16.4	16.4
Combined operating ratio	%	96.7	96.0	103.0	99.4
Adjusted combined operating ratio <sup>3</sup>	%	96.6	95.9	104.4	100.8

1 Excludes transaction to reinsure Hong Kong construction workers' compensation liabilities.

2 Excludes one off adverse impact on the underwriting result due to the Ogden decision in the UK.

3 Excludes the impact of changes in risk free rates used to discount net outstanding claims.

### Australia Pacific underwriting result

FOR THE YEAR ENDED 31 DECEMBER		2018	2017
Gross written premium	US\$M	4,104	4,139
Gross earned premium	US\$M	4,103	4,252
Net earned premium	US\$M	3,758	3,895
Net incurred claims	US\$M	2,310	2,444
Net commission	US\$M	561	548
Expenses	US\$M	542	532
Underwriting profit (loss)	US\$M	345	371
Net claims ratio	%	61.5	62.7
Net commission ratio	%	14.9	14.1
Expense ratio	%	14.4	13.7
Combined operating ratio	%	90.8	90.5
Adjusted combined operating ratio <sup>1</sup>	%	90.3	90.5

1 Excludes the impact of changes in risk free rates used to discount net outstanding claims.

### Corporate underwriting result

FOR THE YEAR ENDED 31 DECEMBER		2018	2017
Gross written premium	US\$M	(34)	(38)
Gross earned premium	US\$M	(3)	79
Net earned premium	US\$M	52	79
Net incurred claims	US\$M	53	303
Net commission	US\$M	15	30
Expenses	US\$M	66	69
Underwriting profit (loss)	US\$M	(82)	(323)

For the half year ended 30 June 2018

North America		Reported	Equator Re Allocation	Restated
Gross written premium	US\$M	2,896	-	2,896
Gross earned premium	US\$M	2,162	-	2,162
Net earned premium	US\$M	1,678	75	1,753
Net incurred claims	US\$M	1,066	84	1,150
Net commission	US\$M	268	9	277
Expenses	US\$M	266	2	268
Underwriting profit (loss)	US\$M	78	(20)	58
Net claims ratio	%	63.5		65.6
Net commission ratio	%	16.0		15.8
Expense ratio	%	15.9		15.3
Combined operating ratio	%	95.4		96.7
Adjusted combined operating ratio <sup>1</sup>	%	97.8		99.0

1 Excludes the impact of changes in risk-free rates used to discount net outstanding claims.

International		European Operations Reported	Equator Re Allocation - European Operations	European Operations Restated	Proforma Asia <sup>1</sup>	Equator Re Allocation - Asia	Other Consolidation Adjustments	International
Gross written premium	US\$M	2,614	-	2,614	284	-	(2)	2,896
Gross earned premium	US\$M	2,134	-	2,134	305	-	(4)	2,435
Net earned premium	US\$M	1,731	102	1,833	239	26	-	2,098
Net incurred claims	US\$M	1,049	81	1,130	158	30	-	1,318
Net commission	US\$M	313	5	318	55	7	-	380
Expenses	US\$M	270	3	273	56	-	-	329
Underwriting profit (loss)	US\$M	99	13	112	(30)	(11)	-	71
Net claims ratio	%	60.6		61.6	66.1			62.8
Net commission ratio	%	18.1		17.4	23.1			18.1
Expense ratio	%	15.6		14.9	23.4			15.7
Combined operating ratio	%	94.3		93.9	112.6			96.6
Adjusted combined operating ratio <sup>2</sup>	%	94.5		94.1	113.4			96.8

1 Excludes transaction to reinsure Hong Kong construction workers' compensation liabilities

2 Excludes the impact of changes in risk-free rates used to discount net outstanding claims.

Australia Pacific		Australian & New Zealand Operations Reported	Equator Re Allocation - Australian & New Zealand Operations	Australian & New Zealand Operations Restated	Proforma Pacific	Equator Re Allocation - Pacific	Australia Pacific
Gross written premium	US\$M	2,040	-	2,040	66	-	2,106
Gross earned premium	US\$M	2,035	-	2,035	60	-	2,095
Net earned premium	US\$M	1,802	73	1,875	43	8	1,926
Net incurred claims	US\$M	1,136	12	1,148	22	5	1,175
Net commission	US\$M	280	(5)	275	5	3	283
Expenses	US\$M	252	2	254	8	-	262
Underwriting profit (loss)	US\$M	134	64	198	8	-	206
Net claims ratio	%	63.0		61.2	51.2		61.0
Net commission ratio	%	15.6		14.7	11.6		14.7
Expense ratio	%	14.0		13.5	18.6		13.6
Combined operating ratio	%	92.6		89.4	81.4		89.3
Adjusted combined operating ratio <sup>1</sup>	%	92.3		89.1	81.4		89.0

1 Excludes the impact of changes in risk-free rates used to discount net outstanding claims.

Corporate		Reported	Equator Re Allocation	Other Consolidation Adjustments	Restated
Gross written premium	US\$M	(21)	8	2	(11)
Gross earned premium	US\$M	(5)	6	4	5
Net earned premium	US\$M	30	30	-	60
Net incurred claims	US\$M	45	42	-	87
Net commission	US\$M	(3)	9	-	6
Expenses	US\$M	15	-	-	15
Underwriting profit (loss)	US\$M	(27)	(21)	-	(48)

For the half year ended 30 June 2017

North America		Reported	Equator Re Allocation	Restated
Gross written premium	US\$M	2,803	-	2,803
Gross earned premium	US\$M	2,187	-	2,187
Net earned premium	US\$M	1,712	120	1,832
Net incurred claims	US\$M	1,144	109	1,253
Net commission	US\$M	266	29	295
Expenses	US\$M	274	3	277
Underwriting profit (loss)	US\$M	28	(21)	7
Net claims ratio	%	66.8		68.4
Net commission ratio	%	15.5		16.1
Expense ratio	%	16.0		15.1
Combined operating ratio	%	98.3		99.6
Adjusted combined operating ratio <sup>1</sup>	%	98.2		99.4

1 Excludes the impact of changes in risk-free rates used to discount net outstanding claims.

International		European Operations Adjusted <sup>1</sup>	Equator Re Allocation - European Operations	European Operations Restated	Proforma Asia	Equator Re Allocation - Asia	Other Consolidation Adjustments	International
Gross written premium	US\$M	2,393	-	2,393	346	-	(1)	2,738
Gross earned premium	US\$M	1,915	-	1,915	321	-	(7)	2,229
Net earned premium	US\$M	1,532	93	1,625	273	24	-	1,922
Net incurred claims	US\$M	817	25	842	181	(15)	-	1,008
Net commission	US\$M	296	2	298	62	(1)	-	359
Expenses	US\$M	247	3	250	61	-	-	311
Underwriting profit (loss)	US\$M	172	63	235	(31)	40	-	244
Net claims ratio	%	53.3		51.8	66.3			52.4
Net commission ratio	%	19.3		18.3	22.8			18.7
Expense ratio	%	16.1		15.4	22.3			16.2
Combined operating ratio	%	88.7		85.5	111.4			87.3
Adjusted combined operating ratio <sup>2</sup>	%	91.3		87.9	111.4			89.3

1 Excludes one-off adverse impact on the underwriting result due to the Ogden decision in the UK.

2 Excludes the impact of changes in risk-free rates used to discount net outstanding claims.

Australia Pacific		Australian & New Zealand Operations Reported	Equator Re Allocation - Australian & New Zealand Operations	Australian & New Zealand Operations Restated	Proforma Pacific	Equator Re Allocation - Pacific	Australia Pacific
Gross written premium	US\$M	2,007	-	2,007	63	-	2,070
Gross earned premium	US\$M	2,024	-	2,024	57	-	2,081
Net earned premium	US\$M	1,705	151	1,856	44	6	1,906
Net incurred claims	US\$M	1,084	180	1,264	26	(3)	1,287
Net commission	US\$M	255	9	264	7	-	271
Expenses	US\$M	237	3	240	9	-	249
Underwriting profit (loss)	US\$M	129	(41)	88	2	9	99
Net claims ratio	%	63.6		68.1	59.1		67.5
Net commission ratio	%	15.0		14.3	15.9		14.2
Expense ratio	%	13.9		12.9	20.5		13.1
Combined operating ratio	%	92.5		95.3	95.5		94.8
Adjusted combined operating ratio <sup>1</sup>	%	92.2		95.0	95.5		94.5

1 Excludes the impact of changes in risk-free rates used to discount net outstanding claims.

Corporate		Adjusted <sup>1</sup>	Equator Re Allocation	Other Consolidation Adjustments	Restated
Gross written premium	US\$M	(16)	-	1	(15)
Gross earned premium	US\$M	(22)	-	7	(15)
Net earned premium	US\$M	13	25	-	38
Net incurred claims	US\$M	33	(8)	-	25
Net commission	US\$M	9	2	-	11
Expenses	US\$M	11	-	-	11
Underwriting profit (loss)	US\$M	(40)	31	-	(9)

1 M&LS was sold in 2015. Excludes impact of business written as part of the transition services agreement (which expired in 2017) which is fully reinsured to the purchaser with no net impact on premium or profit.



For the year ended 31 December 2018

North America		Reported	Equator Re Allocation	Restated
Gross written premium	US\$M	4,711	-	4,711
Gross earned premium	US\$M	4,612	-	4,612
Net earned premium	US\$M	3,569	227	3,796
Net incurred claims	US\$M	2,356	219	2,575
Net commission	US\$M	559	33	592
Expenses	US\$M	543	4	547
Underwriting profit (loss)	US\$M	111	(29)	82
Net claims ratio	%	66.0		67.8
Net commission ratio	%	15.7		15.6
Expense ratio	%	15.2		14.4
Combined operating ratio	%	96.9		97.8
Adjusted combined operating ratio <sup>1</sup>	%	97.9		98.7

1 Excludes the impact of changes in risk-free rates used to discount net outstanding claims.

International		European Operations Reported	Equator Re Allocation - European Operations	European Operations Restated	Proforma Asia <sup>1</sup>	Equator Re Allocation - Asia	Other Consolidation Adjustments	International
Gross written premium	US\$M	4,355	-	4,355	521	-	-	4,876
Gross earned premium	US\$M	4,302	-	4,302	590	-	(3)	4,889
Net earned premium	US\$M	3,505	207	3,712	456	55	1	4,224
Net incurred claims	US\$M	2,162	155	2,317	269	46	1	2,633
Net commission	US\$M	641	20	661	111	12	(1)	783
Expenses	US\$M	527	5	532	105	1	-	638
Underwriting profit (loss)	US\$M	175	27	202	(29)	(4)	1	170
Net claims ratio	%	61.7		62.4	59.0			62.3
Net commission ratio	%	18.3		17.9	24.4			18.6
Expense ratio	%	15.0		14.3	23.0			15.1
Combined operating ratio	%	95.0		94.6	106.4			96.0
Adjusted combined operating ratio <sup>2</sup>	%	94.8		94.4	107.0			95.9

1 Excludes transaction to reinsure Hong Kong construction workers' compensation liabilities

2 Excludes the impact of changes in risk-free rates used to discount net outstanding claims.

Australia Pacific		Australian & New Zealand Operations Reported	Equator Re Allocation - Australian & New Zealand Operations	Australian & New Zealand Operations Restated	Proforma Pacific	Equator Re Allocation - Pacific	Australia Pacific
Gross written premium	US\$M	3,992	-	3,992	112	-	4,104
Gross earned premium	US\$M	3,985	-	3,985	118	-	4,103
Net earned premium	US\$M	3,519	142	3,661	82	15	3,758
Net incurred claims	US\$M	2,186	68	2,254	43	13	2,310
Net commission	US\$M	548	(2)	546	10	5	561
Expenses	US\$M	518	4	522	20	-	542
Underwriting profit (loss)	US\$M	267	72	339	9	(3)	345
Net claims ratio	%	62.1		61.6	52.4		61.5
Net commission ratio	%	15.6		14.8	12.2		14.9
Expense ratio	%	14.7		14.3	24.4		14.4
Combined operating ratio	%	92.4		90.7	89.0		90.8
Adjusted combined operating ratio <sup>1</sup>	%	91.9		90.2	89.0		90.3

1 Excludes the impact of changes in risk-free rates used to discount net outstanding claims.

Corporate		Reported	Equator Re Allocation	Other Consolidation Adjustments	Restated
Gross written premium	US\$M	(35)	1	-	(34)
Gross earned premium	US\$M	(9)	3	3	(3)
Net earned premium	US\$M	35	18	(1)	52
Net incurred claims	US\$M	38	16	(1)	53
Net commission	US\$M	8	6	1	15
Expenses	US\$M	65	1	-	66
Underwriting profit (loss)	US\$M	(76)	(5)	(1)	(82)

For the year ended 31 December 2017

North America		Adjusted <sup>1</sup>	Equator Re Allocation	Restated
Gross written premium	US\$M	4,556	-	4,556
Gross earned premium	US\$M	4,622	-	4,622
Net earned premium	US\$M	3,541	285	3,826
Net incurred claims	US\$M	2,750	357	3,107
Net commission	US\$M	556	67	623
Expenses	US\$M	548	5	553
Underwriting profit (loss)	US\$M	(313)	(144)	(457)
Net claims ratio	%	77.7		81.2
Net commission ratio	%	15.6		16.2
Expense ratio	%	15.5		14.5
Combined operating ratio	%	108.8		111.9
Adjusted combined operating ratio <sup>2</sup>	%	109.1		112.2

1 Excludes transactions to reinsure liabilities.  
2 Excludes the impact of changes in risk-free rates used to discount net outstanding claims.

International		European Operations Adjusted <sup>1</sup>	Equator Re Allocation - European Operations	European Operations Restated	Proforma Asia	Equator Re Allocation - Asia	Other Consolidation Adjustments	International
Gross written premium	US\$M	4,049	-	4,049	625	-	(3)	4,671
Gross earned premium	US\$M	4,010	-	4,010	662	-	(14)	4,658
Net earned premium	US\$M	3,212	153	3,365	564	39	-	3,968
Net incurred claims	US\$M	1,885	242	2,127	397	33	-	2,557
Net commission	US\$M	615	(7)	608	131	(2)	-	737
Expenses	US\$M	499	5	504	146	-	-	650
Underwriting profit (loss)	US\$M	213	(87)	126	(110)	8	-	24
Net claims ratio	%	58.7		63.2	70.4			64.4
Net commission ratio	%	19.2		18.1	23.2			18.6
Expense ratio	%	15.5		15.0	25.9			16.4
Combined operating ratio	%	93.4		96.3	119.5			99.4
Adjusted combined operating ratio <sup>c</sup>	%	95.2		98.0	119.7			100.8

1 Excludes one off adverse impact on the underwriting result due to the Ogden decision in the UK.  
2 Excludes the impact of changes in risk-free rates used to discount net outstanding claims.

Australia Pacific		Australian & New Zealand Operations Reported	Equator Re Allocation - Australian & New Zealand Operations	Australian & New Zealand Operations Restated	Proforma Pacific	Equator Re Allocation - Pacific	Australia Pacific
Gross written premium	US\$M	4,024	-	4,024	115	-	4,139
Gross earned premium	US\$M	4,135	-	4,135	117	-	4,252
Net earned premium	US\$M	3,480	320	3,800	89	6	3,895
Net incurred claims	US\$M	2,168	235	2,403	42	(1)	2,444
Net commission	US\$M	525	10	535	14	(1)	548
Expenses	US\$M	504	5	509	23	-	532
Underwriting profit (loss)	US\$M	283	70	353	10	8	371
Net claims ratio	%	62.3		63.2	47.2		62.7
Net commission ratio	%	15.1		14.1	15.8		14.1
Expense ratio	%	14.5		13.4	25.8		13.7
Combined operating ratio	%	91.9		90.7	88.8		90.5
Adjusted combined operating ratio <sup>1</sup>	%	92.0		90.7	88.8		90.5

1 Excludes the impact of changes in risk-free rates used to discount net outstanding claims.

Corporate		Reported	Equator Re Allocation	Other Consolidation Adjustments	Restated
Gross written premium	US\$M	(54)	13	3	(38)
Gross earned premium	US\$M	52	13	14	79
Net earned premium	US\$M	35	44	-	79
Net incurred claims	US\$M	62	241	-	303
Net commission	US\$M	23	7	-	30
Expenses	US\$M	68	1	-	69
Underwriting profit (loss)	US\$M	(118)	(205)	-	(323)