

# QBE Insurance Group

## 2018 Annual General Meeting

Thursday 3 May 2018

All figures in US\$ unless otherwise stated



# Marty Becker

Chairman of the Board



# Pat Regan

Group Chief Executive Officer



# Our Focus

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**1 Simplify QBE**

**2 Brilliant Basics**

**3 Drive Performance Improvement**

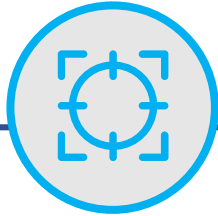
**4 Further Reposition North America**

**5 Remediate Asia**

**6 Talent and Culture**

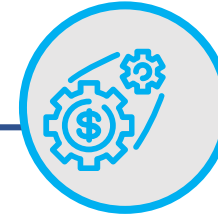
**7 Build for the Future**

# 1 Simplify QBE



## Our Focus

- Markets and products where we have a competitive advantage
- Narrow the focus and simplify back to core
- Improve quality and consistency of results



## Simplification Initiatives

- Latin America ✓
- HK workers' comp – construction ✓
- Thailand ✓
- North American Personal Lines

## 2 Brilliant Basics

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**Underwriting**



**Pricing**

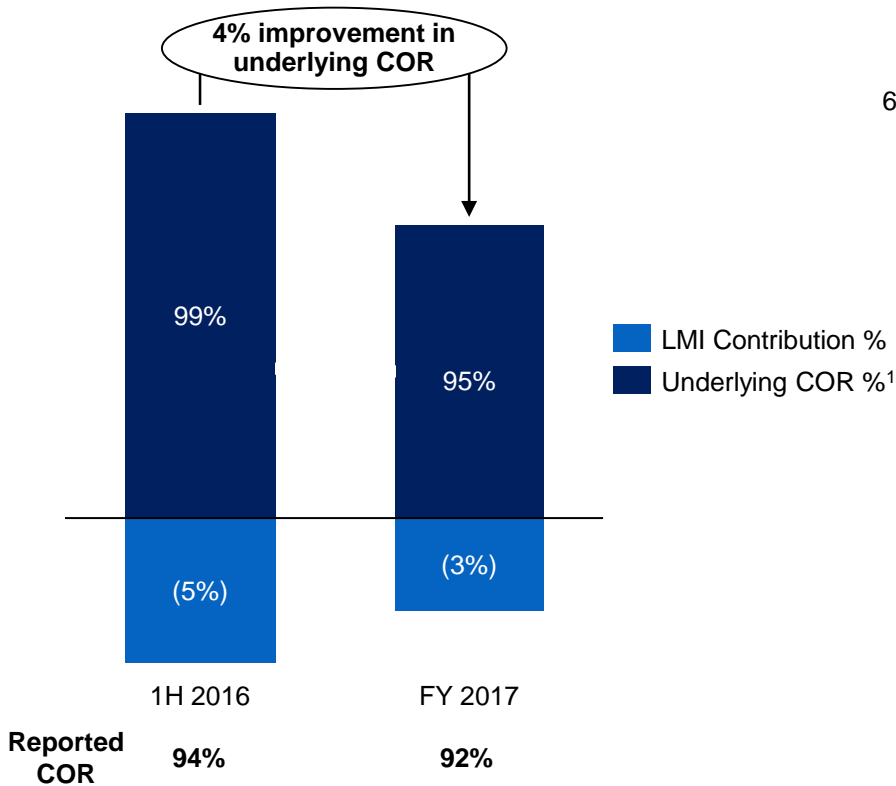


**Claims**

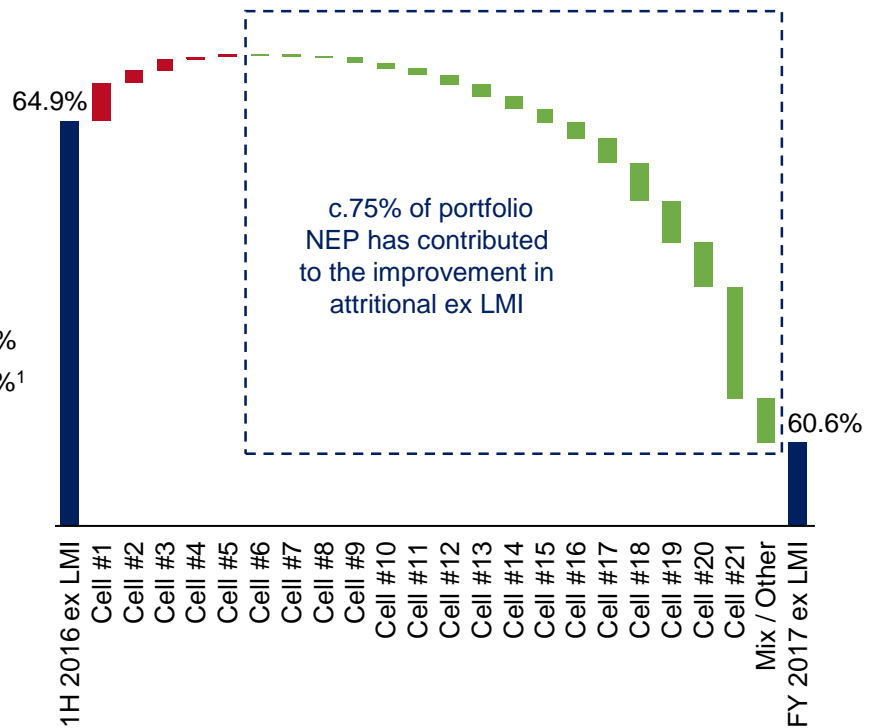
- Establish **consistent QBE standards and practices** in all of our markets
- Strive for **global best practice** in underwriting, pricing and claims
- Strengthen **governance and oversight**

# 2 Brilliant Basics – Impact on Australia & New Zealand

## 1 Stronger Earnings Quality



## 2 Improving Attritional Performance



ANZO performs c.50 cell reviews on a quarterly basis while the exhibit above reflects a subset

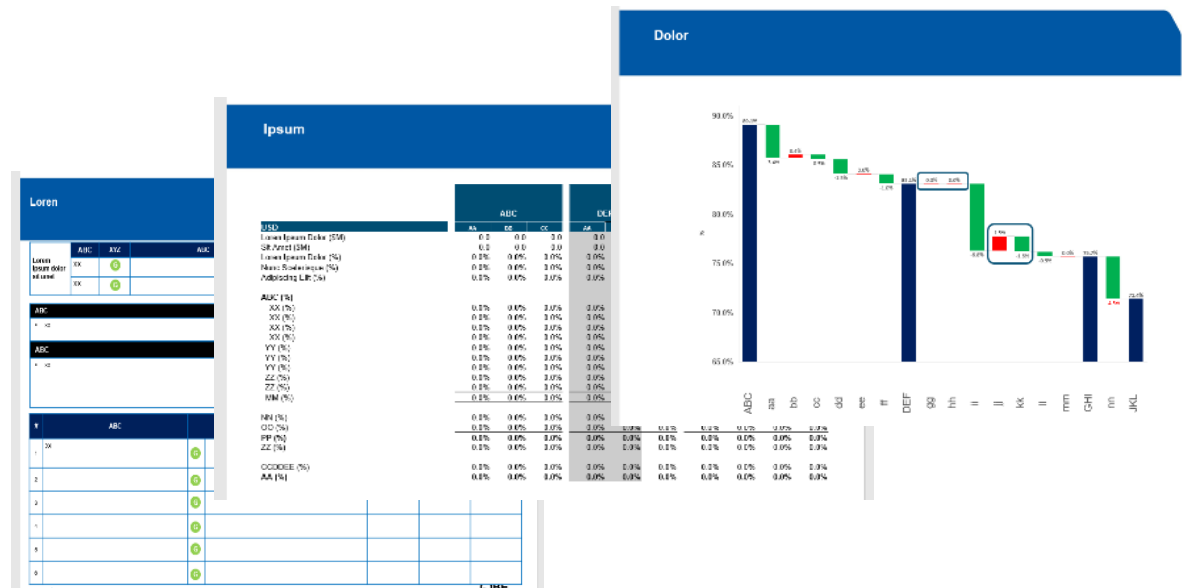
1 Excludes discount impact due to changes in risk-free rates

# 3 Drive Performance Improvement: Cell Review Process

Driving a culture of accountability

Fact based reviews

Results oriented outcomes

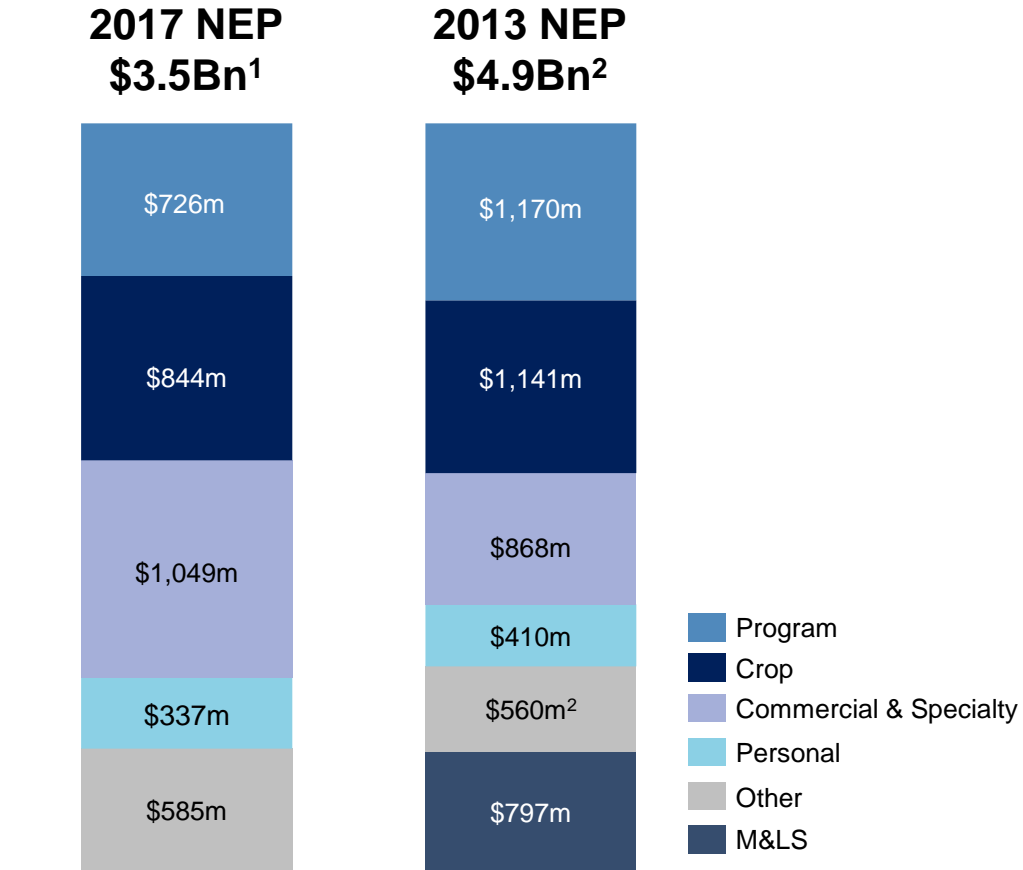




# 4 Further Reposition North America

## Key Priorities

- 1 Deliver 2018 plan
- 2 Establish Brilliant Basics fundamentals
- 3 Refocus portfolio: middle market commercial and Specialty
- 4 Reduce costs



<sup>1</sup> Excludes transactions to reinsure US liabilities

<sup>2</sup> Adjusted to exclude non-North America premium related to global reinsurance portfolio

# 5 Remediate Asia: Execute Profit Improvement Program

## Remediation activities

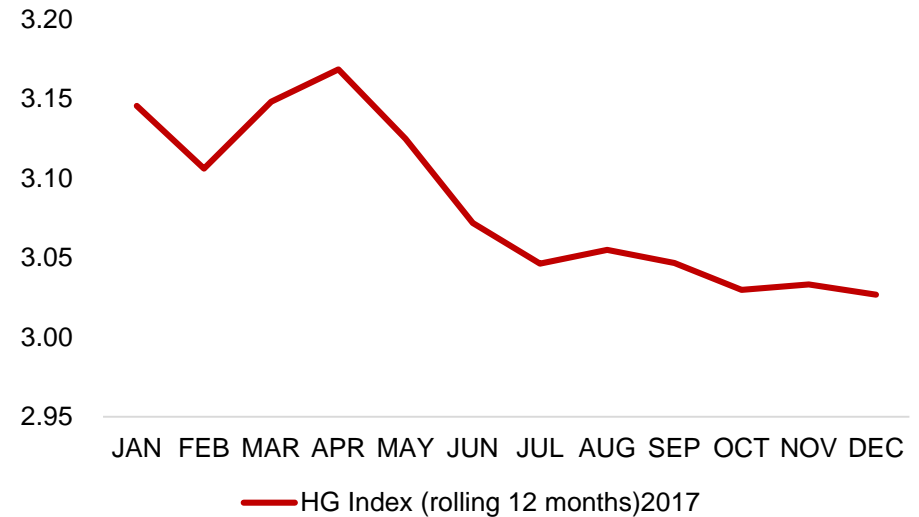
1 Targeted performance improvement plans

2 Implement Brilliant Basics: Underwriting, pricing and claims

3 Rationalise regional costs and simplify operating model

## Property hazard grade improving

Hazard Index 2017



# 6 Talent and Culture



## Talent & culture

- Fast-paced
- Accountable
- Technically excellent
- Courageous
- Diverse
- Customer-centred
- Team oriented

# 7 Build For The Future



## Innovation & Technology

- Building internal data science capability
- Investment in Insurtech companies
- Digital



## Customer Focus

- Ensure products deliver value to customers
- Enhance retention
- Sales excellence



## Operational Excellence

- Efficiency plan later in the year
- Process excellence, digital and automation

# Sustainability

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**Diversity &  
Inclusion**



**QBE  
Foundation**



**Impact  
Investing**



**Climate Change**



# 2018 Outlook



# Our Focus

- 1 Simplify QBE
- 2 Brilliant Basics
- 3 Drive Performance Improvement
- 4 Further Reposition North America
- 5 Remediate Asia
- 6 Talent and Culture
- 7 Build For The Future

## 2018 Targets

**COMBINED  
OPERATING  
RATIO**

**95.0% -  
97.5%<sup>1,2</sup>**

**INVESTMENT  
RETURN**

**2.5% - 3.0%<sup>2</sup>**

1 Assumes risk-free rates as at 31 December 2017

2 Includes the results of operations in Latin America which will be presented as discontinued operations in the 2018 statement of comprehensive income

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