Ben Jones Investments
Equity Research

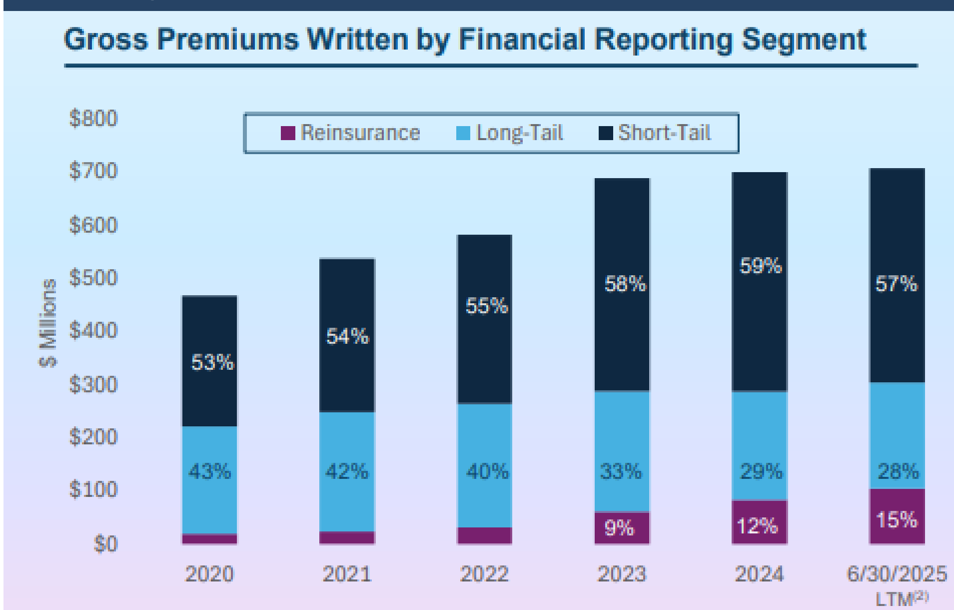
Analyst	Ben Jones	**Ticker**	IGIC (Nasdaq)
Website	https://benjonesinvestments.com/	**Price**	USD 23.47
Email	ben@benjonesinvestments.com	**Sector**	Insurance, Financials
Date	05/08/2025	**Website**	https://iginsure.com/investors

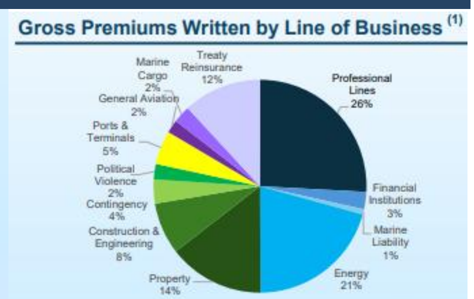
International General Insurance (IGI) is an international specialist commercial insurance and reinsurance group, writing a diverse portfolio of specialty lines in over 200 countries and markets across the globe.

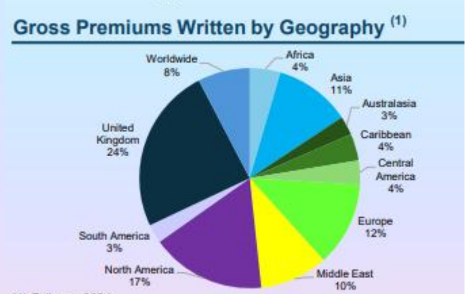
Q2 2025 earnings

USD millions	Q2 2025	Q2 2024	% change
Gross written premium	**188**	**206**	**-8.7%**
Net premiums earned	**115**	**122**	**-5.6%**
Investment income	**14**	**13**	**5.3%**
Revenue	**133**	**136**	**-2.0%**
Underwriting income	**35**	**45**	**-22.7%**
Net income	**34**	**33**	**4.0%**
EPS	**0.77**	**0.73**	**5.5%**
Investments / loss expenses	**1.58x**	**1.63x**	**-0.05x**
Combined ratio	**90.5%**	**81.2%**	**9.3%**
Operating margin	**18.9%**	**24.6%**	**-5.7%**
Equity	**662**	**655**	**1.1%**
RoE (annualised)	**20.8%**	**22.9%**	**-2.1%**

Quarterly Results Trend







(1) Full year 2024
(2) LTM: Last 12 months

Financial Highlights

- Underwriting income was down 22.7% to $35m. About half of the decline was driven by a 5.6% decrease in net premiums earned, with the other half driven by an increase in the loss ratio from 45.1% to 53.2%. Loss ratio increase was driven by a weaker USD given approximately half of premium is non-USD.

- Net income was $34m, up 4.0% YoY, mostly due to a $10m FX gain. IGI writes most of its business outside of the US but reports in USD, so a weakening USD results in higher reported USD earnings.
- Combined ratio of 90.5%, up from 81.2% last year. This was driven by a higher loss ratio and slightly higher administrative expenses.
- Gross written premium (GWP) was down 8.7%, with reinsurance down 0.6% and insurance down 9.4%
- Short-tail GWP was $126m in Q2, down 8.5% YoY, and accounted for 56% of GWP in H1 2025.
- Long-tail GWP was $46m in Q2, down 11.8% YoY, and accounted for 22% of GWP in H1 2025.
- Reinsurance GWP was $16m in Q2, down 0.6% YoY, and accounted for 22% of GWP in H1 2025.
- Cash and investment cover for loss expenses declined from 1.63x at Q2 2024 to 1.58x in Q2 2025. This was driven both by a revaluation of non-USD loss reserves through a weaker dollar, and by a reduction of cash through returns of capital to shareholders. However, the coverage remains strong.
- Net investment income was $14m, up 5.3%, with cash and investments at $1,265m, down 2.2%. The decrease in cash and investments is due to returns of capital to shareholders,
- Annualized return on equity (ROE) was 20.8% vs 22.9% in Q2 2024.
- Capital returned to shareholders in Q2 was $33m, comprising share repurchases of $31m and dividends of $2m.

Operational Highlights

- IGI have seen reinsurance grow as a proportion of their business as rates there remain broadly more attractive than insurance.

Management Comments

- CEO Waleed Jabsheh: “The second quarter of 2025 marked a continuation of strong results in our underwriting and investment portfolios, culminating in net income of $34.1 million and an annualized return on average equity of 20.8%. These outcomes clearly demonstrate the benefit of our multi-faceted diversification strategy, our specialist expertise, and the discipline embedded in our underwriting culture at a time when insurance and reinsurance markets are becoming increasingly competitive.”
- He added: “Current market conditions are generally healthy though becoming more competitive in some areas of our portfolio, both by line of business and by geography. Our strategy, expertise and footprint are specifically geared towards managing the cyclicality and volatility of our business, where lines and markets behave largely independent of each other.

Ben Jones Investments Outlook

- IGI’s results were fairly in line with our expectations. GWP and premiums earned grew below expectations, but the loss ratio and policy acquisition costs were in line. G&A expenses continue to run a little high compared to competitors. The FX translation boosted net income resulting in an EPS figure above forecasts.
- IGI’s balance sheet remains strong with cash and investments on hand to cover 1.58x unpaid claims. This is down from 1.63x at Q2 last year following higher capital returns to shareholders.
- IGI’s earnings will naturally be volatile depending on catastrophe events. We think it’s best to take a long-term view of earnings and not be swayed by inevitable short-term volatility either way. The core focus should be ability to grow earned premium without compromising loss rates.
- We see IGI as undervalued as they continue to grow both the top and bottom lines. Underwriting discipline remains strong with loss rates among the lowest in the industry.
- IGI remain highly diversified across lines of business and geography.