Ben Jones Investments
Equity Research

Analyst Ben Jones
Website https://benjonesinvestments.com/
Email ben@benjonesinvestments.com

Date 06/11/2025

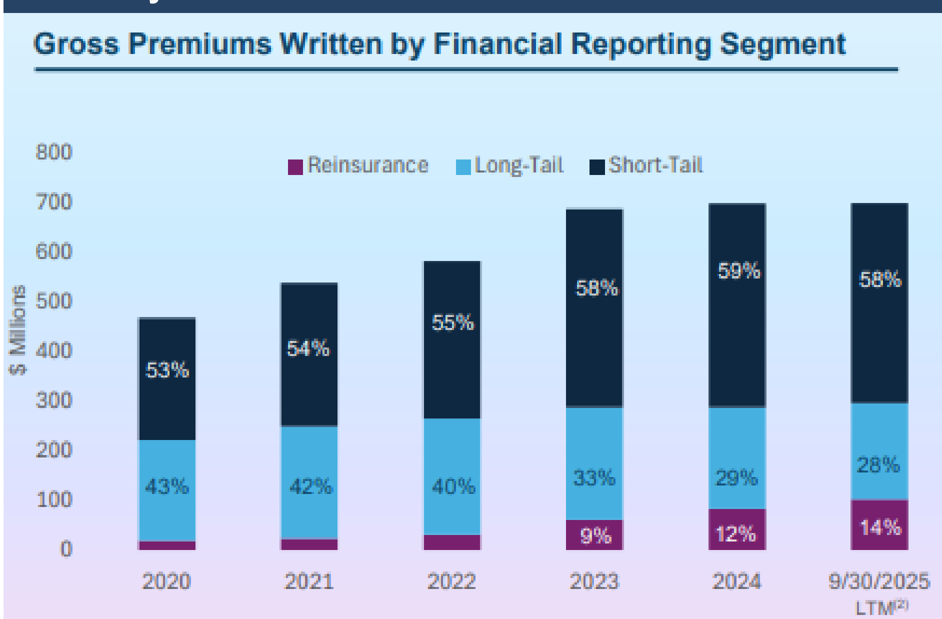
Ticker IGIC (Nasdaq)
Price USD 21.28
Sector Insurance, Financials
Website https://iginsure.com/investors

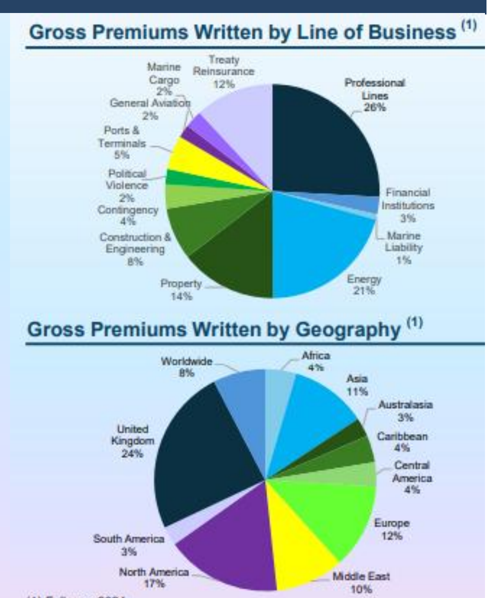
International General Insurance (IGI) is an international specialist commercial insurance and reinsurance group, writing a diverse portfolio of specialty lines in over 200 countries and markets across the globe.

Q3 2025 earnings

USD millions	Q3 2025	Q3 2024	% change
Gross written premium	**131**	**138**	**-5.1%**
Net premiums earned	**115**	**126**	**-9.0%**
Investment income	**13**	**12**	**13.9%**
Revenue	**129**	**138**	**-6.9%**
Underwriting income	**51**	**41**	**24.2%**
Net income	**34**	**35**	**-7.0%**
EPS	**0.75**	**0.75**	**0.0%**
Investments / loss expenses	**1.61x**	**1.67x**	**-0.06x**
Combined ratio	**76.5%**	**86.0%**	**-9.5%**
Operating margin	**25.7%**	**25.8%**	**-0.1%**
Equity	**687**	**652**	**5.4%**
RoE (annualised)	**19.9%**	**22.3%**	**-2.4%**

Quarterly Results Trend





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

Financial Highlights

- Underwriting income was up 24.2% to $51m on the back of a lower loss ratio, with low cat losses and FX rates both favourable in Q3.

- Net income was $34m, down 7.0% YoY, however this was largely a result of FX movements. Adjusted for FX, net income was up 52.9% on the back of strong improvement in underwriting income. IGI writes most of its business outside of the US but reports in USD, so FX moves can impact short-term results, but has little impact over the long-run.
- Combined ratio of 76.5%, down from 86.0% last year. This was driven by a particularly low loss ratio this quarter, with low cat losses and an FX benefit. That said, it continues to demonstrate underwriting discipline.
- Gross written premium (GWP) was down 5.1%, with reinsurance down 16.3% and insurance down 3.8%. The greatest impact on GWP was the non-renewal of one large $50m GWP professional indemnity account that was no longer meeting profitability requirements. Further impact from this will be seen in Q4.
- Short-tail GWP was $76.2m in Q3, up 2.0% YoY, and accounted for 57% of GWP in first 9 months of 2025.
- Long-tail GWP was $43.8m in Q3, down 12.6% YoY, and accounted for 25% of GWP in firs 9 months of 2025.
- Reinsurance GWP was $11.3m in Q3, down 16.3% YoY, and accounted for 18% of GWP in H1 2025.
- Cash and investment cover for loss expenses declined from 1.67x at Q3 2024 to 1.61x in Q3 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 $13m, up 13.9%, with cash and investments at $1,316m, up 2.0%.
- Annualized return on equity (ROE) was 19.9% vs 22.3% in Q3 2024.
- Capital returned to shareholders in Q3 was $21m, comprising share repurchases of $19m and dividends of $2m. A new 5 million share repurchase authorization was announced.

Operational Highlights

- IGI have seen reinsurance grow as a proportion of their business as rates there remain broadly more attractive than insurance.
- Financial strength rating upgraded to A by S&P Global Ratings.

Management Comments

- CEO Waleed Jabsheh: “We had another quarter of strong profitability with solid underwriting results and investment income. For the third quarter of 2025, we delivered a combined ratio of 76.5%, underwriting income of $51.4 million, and net income of $33.5 million. This resulted in an annualized return on average equity of 19.9% and an annualized core operating return on average equity of 22.9%. These results illustrate the strong cycle management culture we have at IGI.”
- He added: “Current market conditions remain generally favorable across our markets but are showing significant variation by line of business and geographical territory. Our strategy, technical expertise and disciplined execution are specifically aimed at managing the inherent cyclicality and volatility of our business.”

Ben Jones Investments Outlook

- IGI’s results were mixed with growth in written premium falling below expectations, but underwriting income coming in higher than expected on the back of a low loss ratio from disciplined underwriting. IGI’s loss ratio remains among the lowest in the industry. EPS would’ve looked closer to +53% adjusting for changes in FX rates. What we’re seeing at IGI is similar to the broader industry – rates are beginning to soften and underwriters are left to choose between premium growth and underwriting discipline. We think underwriting discipline is the right approach.
- IGI’s balance sheet remains strong with cash and investments on hand to cover 1.61x unpaid claims. This is down from 1.67x at Q3 last year following higher capital returns to shareholders.
- As a smaller insurer, IGI can more easily grow premiums earned in a softer market than larger competitors.

- 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. Despite the softening of rates after a hard market, we see premium growth broadly continuing over the years ahead.
- One concern is that general and administrative expenses are relatively high as a proportion of revenue (around 21%) and little information is offered in annual reports. The increase in 2024 was attributed to higher HR and IT expenses, but we would like to see a greater breakdown of G&A expenses with comments from management.
- We see IGI as undervalued as they continue to grow both the top and bottom lines. With a P/E of 8.4 and fwd P/E of 7.5, IGI are essentially priced as if the business will shrink going forward. For a company with 11% CAGR in premium growth since 2010, while maintaining an industry low loss ratio, the valuation makes little sense to us.
- IGI remain highly diversified across lines of business and geography.