

Motor

Operating profit/
(loss)

£107m

2023: £(320)m

Gross written
premium

£2,700m

2023: £2,048m

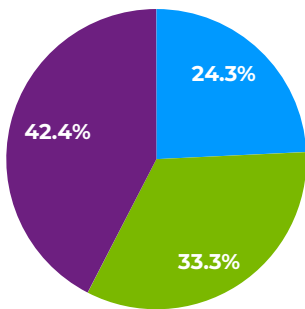
In-force policies
(thousands)

3,831

2023: 4,181



Gross written premium by channel



- Direct
- Price comparison websites
- Partnerships

Performance summary

Operating profit of £107 million, an increase of £427 million as the result started to benefit from pricing and underwriting actions taken during 2023.

Gross written premium grew by 31.8%.

In-force policies reduced by 8.4% as we continued to focus on disciplined underwriting. Direct own brand policy count reduced by 13.2%.

During 2024, Motor's return to profitability was delivered by two key factors. Firstly, the pricing and underwriting actions taken during 2023 continued to earn through and secondly, a return to favourable prior year reserve development. Alongside a higher investment result, this delivered a £427 million increase in operating profit to £107 million.

2024 was a transitional year for Motor earnings given the net insurance margin was a positive 4.9% in the second half of the year, compared with negative 3.0% in the first half which was impacted by the below target margin business written during the first half of 2023.

Financial summary

	2024	2023
	£m	£m
In-force policies ¹ (thousands)	3,831	4,181
Of which:		
Direct own brands ²	2,927	3,373
Partnerships	904	808
Gross written premium ¹	2,700.0	2,047.8
Of which:		
Direct own brands ²	1,554.9	1,601.3
Partnerships	1,145.1	446.5
Operating profit/(loss)¹	107.0	(319.6)
Profit/(loss) before other finance costs	207.0	(274.4)
Net insurance margin¹	1.0%	(21.1%)
Net insurance claims ratio ¹	74.9%	95.5%
Current-year attritional net insurance claims ratio ¹	76.0%	86.7%
Prior-year reserves development ratio ¹	(1.1%)	8.8%
Net acquisition costs ratio ¹	4.6%	5.7%
Net expense ratio ¹	19.5%	19.9%

In-force policies and gross written premium and associated fees

Motor premiums grew by 31.8% compared to 2023 driven by the Group's partnership with Motability, where we had a full year of premium in 2024 compared to only seven months during 2023. Our partnership with Motability accounts for around 41% of Motor gross written premiums, is developing well and delivered 14% growth in policy count during 2024.

Motor average premiums^{2,3}

£	FY 2024	FY 2023
New business	583	551
Renewal	508	441
Own brands	530	470

Overall the motor market remained challenging in the second half of 2024 and we continued to trade with discipline. This resulted in a further reduction in our own brand policy count, which for 2024 was down 13.2%. The reduction in policy count was partly offset by an increase in average premiums, which were in line with market, leading to a 2.9% reduction in our own brand¹ gross written premiums and associated fees. Retention across own brands improved during the year while we also delivered 3% policy count growth in the PCW channel.

Underwriting

The current-year attritional net insurance claims ratio improved by 10.7pts to 76.0% reflecting the benefit from the pricing actions taken during 2023 and 2024 and claims inflation tracking in line with expectations of high single digits. Prior-year reserves saw a release of £21 million compared with a reserve strengthening of £138 million in 2023.

Net insurance margin and operating profit/(loss)

The combination of an improved current-year attritional net insurance claims ratio, and prior year development ratio, delivered a 22.1pt improvement in the net insurance margin to 1.0%, (2023: minus 21.1%). The insurance service result was a profit of £19 million and operating profit was £107 million due to higher investment income.

Profit before other finance costs

Profit before other finance costs improved to a profit of £207 million from a loss of £274 million in 2023 due to the factors described above together with positive movements from changes in the yield curve.

Notes:

- See glossary on pages 238 to 241 for definitions and Appendix B – Management view statements of profit and loss, expenses, average premiums, gross written premium and associated fees and in-force policies on pages 246 to 253.
- Direct own brands include in-force policies under the Direct Line, Churchill, Darwin, Privilege and By Miles brands.
- Average premium figures quoted relate to Motor own brands excluding the By Miles brand.

Non-Motor

Operating profit

£98m

2023: £130m

Gross written premium and associated fees

£1,032m

2023: £930m

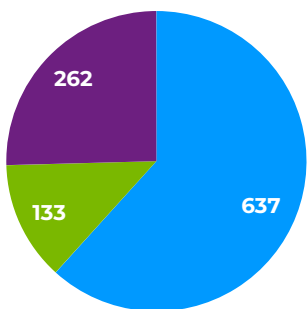
In-force policies (own brands) (thousands)

3,469

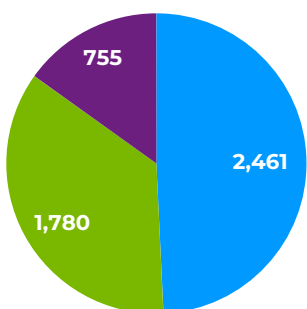
2023: 3,503



Gross written premium by product (£m)



In-force policies by product (thousands)



- Home
- Rescue
- Commercial Direct

Performance summary

Operating profit reduced to £98 million, primarily due to higher weather-related claims and prior-year strengthening.

Total gross written premium grew 11.0% to £1,032 million. Direct own brand gross written premium grew 13.1% to £831 million.

Total in-force policies 3.1% lower at 5.0 million. Direct own brand policies were 1.0% lower at 3.5 million.

Non-Motor delivered a solid result, with double-digit gross written premium growth, a net insurance margin of 8.9% (7.0% when normalised for event weather) and operating profit of £98 million.

In-force policies and gross written premium and associated fees

Non-Motor delivered gross written premium growth of 11.0% during 2024, which is ahead of our target of 7% to 10% CAGR announced at the Capital Markets Day in July 2024. Growth was supported by a double digit increase of 15.5% in Home and 8.8% in Commercial Direct while Rescue premiums were 3.3% lower.

Home own brands returned to policy count growth in 2024 as competitiveness improved due to significant premium inflation in the market, particularly in the first half. Strong retention and a 13% increase in average premiums delivered own brand gross premium growth of 17.5% year-on-year. Home partnerships premium increased by 9.7% during the year.

Financial summary

	2024	2023
In-force policies ¹ (thousands)	4,996	5,158
Home	2,461	2,444
Rescue	1,780	1,965
Commercial Direct	755	749
Of which: Own brands ²	3,469.0	3,503.0
Gross written premium and associated fees ¹	1,031.9	929.8
Home	636.8	551.5
Rescue	132.8	137.3
Commercial Direct	262.3	241.0
Of which: Own brands ²	831.3	734.9
Operating profit¹	98.0	129.7
Profit before other finance costs	110.4	156.9
Net insurance margin¹	8.9%	14.0%
Net insurance claims ratio ¹	59.8%	57.5%
Current-year attritional net insurance claims ratio ¹	52.8%	53.7%
Prior-year reserves development ratio ¹	2.5%	0.7%
Event weather ratio ¹	4.5%	3.1%
Net acquisition costs ratio ¹	9.7%	8.9%
Net expense ratio ¹	21.6%	19.6%
Normalised net insurance margin ¹	7.0%	10.2%

Home average premiums

£	FY 2024	FY 2023
New business	259	206
Renewal	278	249
Own brands	274	242

In Commercial Direct, gross written premium grew 8.8% compared to the prior year driven by growth in Landlord and small-to-medium enterprises ("SME") while Van was broadly stable. Policy count was 0.8% higher as we continued to target growth in the attractive Landlord and SME markets, more than offsetting a reduction in Van policies, where we increased average premiums to take into account elevated levels of inflation. Overall, retention was stable across the Commercial Direct book.

In Rescue, policy count was 9.4% lower largely due to partnerships while gross written premium and associated fees was 3.3% lower than prior year, largely due to lower linked premiums, where we sell a Rescue policy alongside a Motor policy.

Underwriting

The insurance service result was £85 million (2023: £120 million).

The net insurance claims ratio was 59.8%, 2.3pts higher than prior year, with the increase largely driven by higher weather-related claims and prior year strengthening. Weather event-related claims in Home and Commercial were £43 million, £16 million higher than prior year. The 2025 event weather claims assumption is £70 million (2024: £62 million.)

The current-year net insurance attritional claims ratio was 52.8%, 0.9pts lower than prior year. The prior-year claims development ratio was 2.5%, mainly reflecting strengthening in assumptions for subsidence and escape of water claims from older years.

Net insurance margin and operating profit

The net insurance margin was 8.9% or 7.0% when normalised for event weather, 3.2pts lower than prior year. However, underlying margins were strong adjusting for the attritional weather and prior year movements.

Operating profit was £98 million or £79 million normalised for event weather.

Profit before other finance costs

Profit before other finance costs reduced to £110 million from a profit of £157 million at 2023 due to the factors described above alongside a small reduction in benefits received from changes in the yield curve.

Notes:

1. Appendix B – Management view statements of profit and loss, expenses, average premiums, gross written premium and associated fees and in-force policies on pages 246 to 253.
2. Direct own brands include in-force policies under the Direct Line, Churchill and Privilege brands.