THE STATS

● The Keychoice Rating statistics on motorbike premiums would make for an interesting comparison with the changes over the same period for car insurance.

In April last year the AA reported that prices had hardened in the motor market by up to 40% in the previous 12 months. However, these figures show that its transport cousin, the motorbike, did not experience such dramatic movement in premium.

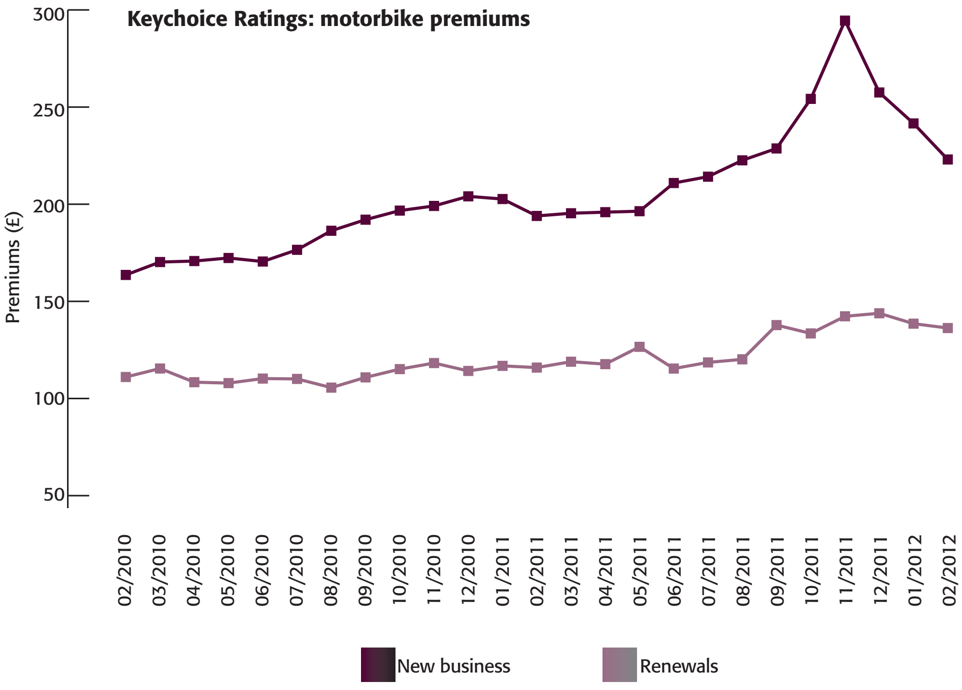
A one year measure, the comparison most likely to set equivalent risks against each other, saw the rates in motorbike move up by 15% for new business and by 9% for renewals between April 2010 and April 2011.

Clearly, there are many substantive differences between motorbike and motor car insurance with the differing impact of personal injury claims and fraud being just two notable examples.

Overall though, brokers will have been pleased that at least the general direction for motorbike premiums was positive even if it did not reach the heady heights of motor.

At the start of the recession there had been expectations that the motorbike market was about to take off, if you'll excuses the allusion, Evel Knievel-style.

The theory was that as the credit crunch bit, more people would take to motorbikes rather than cars in an effort to manage costs. Anecdotal feedback from brokers though has not found this to be the case. In fact some have complained that the number of clients has dwindled with the pound falling against the Euro leading to bikes being exported across the channel.



Motorbike insurance, despite its differences, has thus been impacted by the pincer movement of the numbers of buyers effectively falling and the insurance market generally seeing an excess of capacity. But this should not be seen as a completely negative backdrop.

Measuring insurance for bikes with engine sizes ranging from 49cc to 1800cc, the graph perhaps underplays the level of the premium rises with the gentle upward gradients being stretched over two years. Brokers and insurers alike saw 15% and 18% rises in average premiums for new business and renewals respectively between February 2011 and 2012.

In fact, with the exception of a curious spike in November of last year for new business, almost any year-on-year comparison is likely to be reasonably higher, a trend the industry will want to see maintained this year.

A.M. Best Company: Top 10 UK total property and casualty insurers

Rank 2010	Rank 2009	AMB	Company Name	Rating	Ultimate Parent	GWP (£000s)	Underwriting result* (£000s)	Combined ratio (%)	Loss ratio (%)
1	1	86257	Royal & Sun Alliance Insurance	A	RSA Insurance Group	3,859,700	-162,839	N/A	N/A
2	2	85203	Axa Insurance	NR	Axa	2,977,296	-205,007	106.2	74.9
3	3	85250	Aviva Insurance UK	A [1]	Aviva	2,551,813	-75,199	104.6	77.8
4	4	87416	Chartis Europe	A	American International Group	2,250,845	-56,379	100.6	72
5	6	86485	Ace European Group	A+	Ace	2,148,390	47,539	95.9	59.4
6	5	84804	Bupa Insurance	NR	British United Provident Association	2,130,951	51,543	97.7	76.6
7	10	86160	Great Lakes Reinsurance (UK)	A+	Munich Reinsurance Company	1,757,412	5,562	N/A	N/A
8	7	87316	Direct Line Insurance	NR	Royal Bank of Scotland Group	1,726,931	-336,985	119.6	101.8
9	8	86250	Aviva International Insurance	A [2]	Aviva	1,624,746	80,347	94.1	47.5
10	9	86373	Allianz Insurance	A+	Allianz	1,594,045	28,737	96.2	60.5

* Underwriting result excludes investment income. Note: Some ratio figures are not available (N/A) because more than 1% of these companies' total property and casualty insurance business is accounted for on an underwriting year basis, for which earned premiums is not disclosed on the FSA return. Figures in above table are based on FSA returns of financial year 2010 for total property and casualty insurance business lines (reporting category 002). [1] Rating relates to AMB 78773 Aviva Insurance UK Limited. [2] Rating relates to AMB 85047 Aviva International Insurance Ltd.
Ratings as of March 7, 2012.