

## THE STATS

● The property owners market has seen average premiums shift up and down over the last twelve months, according to the latest statistics from SSP. As the graph of year-on-year changes demonstrates, premiums in March were at the same level as they were in the preceding year only to drop below the baseline in April and then swing back over the line in May.

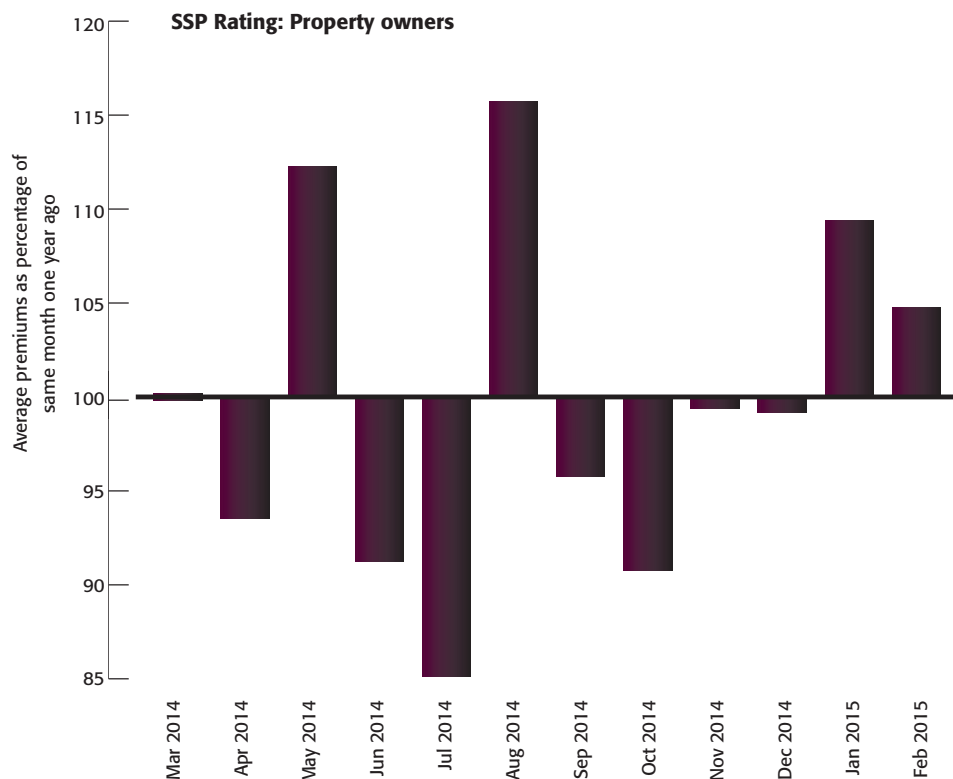
And so started a mixed bag of results. June, July and October saw relatively big dips, while average premiums in September, November and December remained slightly below the baseline. August saw the largest surge upwards, with the first two months of 2015 also on the positive side.

Brokers specialising in the property owners market seemed a little bit surprised by the constantly swinging movements, and highlighted that they had not seen much change in 2014 compared to the previous year.

Steve Daulby, director at Daulby Read Insurance Brokers, pointed out that the larger spikes in May, August and January looked strange to him and added that they may have been influenced by some very large, badly performing portfolios.

"All I tend to see is a very flat property owners market generally with insurers forever trying to obtain, in my opinion, unrealistic rating increases when they are not justified by way of claims stats," Daulby said.

Richard Blackburn, managing director of Wilby was of a similar opinion regarding flat rates. "I suppose the statistics do match what I have seen in the market," he said. "It



went down in July and then up in August, but overall there has been flat rating."

He added: "According to this, there have been many month-by-month swings, but if you look at it, rates have been relatively flat over the twelve-month period and that is where we see the rates being as well."

The brokers *Insurance Age* spoke to believed there is a high level of insurer

competition over new and existing business. The sentiment is that the property owners market is likely to stay relatively flat in the coming twelve months as well.

Daulby concluded: "I believe it will be much the same in 2015. It's a market all insurers want to be in and therefore premiums should remain flat."

### A.M. Best Company: Top 10 household and domestic all risks insurers in the UK

Rank 2013	Rank 2012	AMB	Company Name	Rating	Ultimate Parent	GWP (£000s)	Underwriting Result* (£000s)	Combined Ratio (%)	Loss Ratio (%)
1	1	87648	UK Insurance	NR	Direct Line Insurance Group	902,350	-1553	99.6	54.3
2	2	86257	Royal & Sun Alliance Insurance	NR	RSA Insurance Group	750,363	73,317	89.4	44.6
3	3	86524	Aviva Insurance	A <sup>1</sup>	Aviva	648,721	59,067	89.5	44.2
4	5	87642	Lloyds Bank General Insurance	NR	Lloyds Banking Group	480,133	64,236	86.3	40.5
5	4	92588	Axa Insurance UK	NR	Axa	407,204	14,292	100.3	53.5
6	7	87423	Legal & General Insurance	NR	Legal & General Group	352,621	45,337	85.2	43.9
7	6	87601	St Andrews Insurance	NR	Lloyds Banking Group	347,306	111,860	67.2	37.8
8	8	87233	Ageas Insurance	NR	Ageas SA/NV	328,670	17,780	93.2	54.1
9	10	86485	Ace European Group	A++	Ace	249,021	11,742	94.1	42.5
10	9	87371	Gresham Insurance Company	NR	Aviva	219,770	1,110	38.2	-1.7

\* Underwriting result excludes investment income. Figures in above table are based on PRA returns of financial year 2013 for household and domestic all risks insurance business lines (reporting category 160).

<sup>1</sup>Rating relates to AMB 78773 Aviva Insurance. Ratings as of April 14, 2015

Source: A.M. Best's Financial Suite - Best's Statement File - UK