

THE STATS

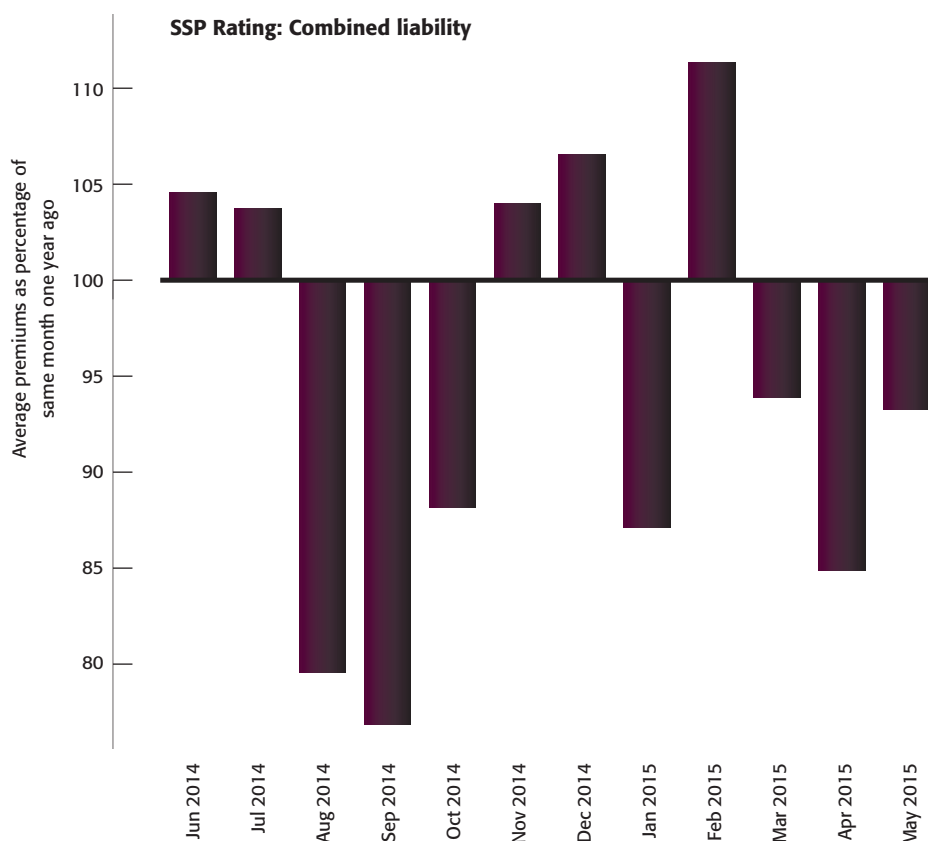
● The combined liability market has had a tough year with several steep falls and only a few peaks upwards, judging by the latest statistics from SSP. As the graph of year-on-year changes shows, average premiums for the product line, including public liability, employers' liability and product liability, have been falling for large parts of the past twelve months. Meanwhile premiums only went upwards for a few short periods and never for more than two months in a row.

Both June and July 2014 saw small positive movements compared to the year before, but premiums fell dramatically in August and September to end up well below each figure for the preceding year. In September, which is when the most extreme fall took place, premiums were only 77% of their value in the same month in 2013. There was a relatively big dip in October 2014, as there were in January and April 2015, while there were smaller falls in March and May.

The biggest rise seen in combined liability over the past twelve months was in February 2015 when premiums were 111% of their value in February 2014. Premiums reached above the baseline in November and December 2014 as well, albeit for smaller peaks.

In general, brokers in the market agreed with the movements shown in the graph for the past year.

Adrian Stewart, business development manager at Counce O'Hara Insurance Brokers, commented: "I have to agree with



the figures, because they are what they are. We'd expect to see premium increases at the end of quarters – 31 Mar, 30 June, 30 Sept and 31 Dec – but on these dates there are not 'spikes'." According to Stewart, the combined

liability market should be heading towards a more positive trend. "It is my opinion that markets should harden and as such premium movements ought to be upward over the coming year," he concluded.

A.M. Best Company: Top 10 total commercial liability insurers in the UK

Rank 2014	Rank 2013	AMB	Company name	Rating	Ultimate parent	GWP (£000s)	Underwriting Result* (£000s)	Combined Ratio (%)	Loss Ratio (%)
1	1	87416	AIG Europe	A	American International Group	2,236,616	49,214	96.4	70.4
2	3	87674	XL Insurance Company	A	XL Group	639,115	-37,805	114.8	68.7
3	2	86126	QBE Insurance (Europe)	A	QBE Insurance Group	544,499	41,656	N/A	N/A
4	4	86485	Ace European Group	A++	Ace	537,314	49,661	84.7	49.1
5	5	85012	National Farmers Union Mutual Insurance Society	NR	National Farmers Union Mutual Ins Soc	471,448	111,338	73.6	50.5
6	9	87425	Liberty Mutual Insurance Europe	A	Liberty Mutual Holding Company	438,222	35,519	N/A	N/A
7	6	86257	Royal & Sun Alliance Insurance	NR	RSA Insurance Group	423,047	-145,060	141.9	99.6
8	7	86524	Aviva Insurance	A ¹	Aviva	394,095	-108,171	140.0	92.7
9	8	86373	Allianz Insurance	NR	Allianz	392,442	8,095	96.8	59.0
10	10	85630	Chubb Insurance Company of Europe	A++	The Chubb Corporation	317,209	12,876	96.9	62.0

* Underwriting result excludes investment income. Note: Some ratio figures are not available (N/A) because more than 1% of these companies' commercial lines liability insurance business is accounted for on an underwriting year basis, for which earned premiums is not disclosed on the PRA return. Figures in above table are based on PRA returns of financial year 2014 for total commercial lines liability insurance business (reporting category 270). ¹ Rating relates to AMB 78733 Aviva Insurance.
Ratings as of June 15, 2015. Source: A.M. Best's Financial Suite - Best's Statement File - UK