Trends and Perspectives on PI Insurance in Selected International Markets

Professional Indemnity Forum Conference

9th July 2015
Trends and Perspectives on PI Insurance in Selected Global Markets

Agenda

• PI insurance in selected global markets: Austria, Belgium, Canada, France, Germany, Italy, Netherlands, Poland, South Africa, Spain, Switzerland, UK;

• focus on affinity schemes for PI insurance in the UK.
Number of insurable professional enterprises in selected global markets, 2015

- Austria, 150.2
- Belgium, 259.4
- Canada, 722.1
- France, 991.8
- Germany, 1,184.5
- Italy, 981.4
- Netherlands, 333.0
- Poland, 911.7
- South Africa, 191.6
- Switzerland, 183.1
- UK, 808.0

Note – data in 000s… total is c. 7.43 million

Source: Finaccord reports about PI insurance in Europe, Canada and South Africa
Compound annual growth rate of insurable professional enterprises in selected global markets, 2011 to 2015

Source: Finaccord reports about PI insurance in Europe, Canada and South Africa
PI insurance gross written premiums in selected global markets segmented by country, 2015

Note – data in GBP million… 12-country total is c. GBP 6.01 billion
Source: Finaccord reports about PI insurance in Europe, Canada and South Africa
Compound annual growth rate (nominal) of PI insurance gross written premiums in selected global markets, 2011 to 2015

Source: Finaccord reports about PI insurance in Europe, Canada and South Africa
PI insurance gross written premiums in selected global markets segmented by professional category, 2015

- Accountancy and finance, 349.6 million
- Architecture and engineering, 1,142.3 million
- Legal services, 811.8 million
- Other professional sectors, 1,290.4 million
- Medicine and dentistry, 2,417 million

Note – data in GBP million… 12-country total is c. GBP 6.01 billion

Source: Finaccord reports about PI insurance in Europe, Canada and South Africa
PI insurance gross written premiums in selected global markets segmented by professional category and country, 2015

Source: Finaccord reports about PI insurance in Europe, Canada and South Africa
PI insurance gross written premiums in selected global markets segmented by size of professional enterprise, 2015

Definitions: micro = up to c. GBP 200K in annual revenues; small = between c. GBP 200K and c. GBP 1.5 million in annual revenues; medium = between c. GBP 1.5 million and c. GBP 15 million in annual revenues; large = between c. GBP 15 million and c. GBP 70 million in annual revenues; corporate = over c. GBP 70 million in annual revenues.

Note – data in GBP million… 12-country total is c. GBP 6.01 billion
Source: Finaccord reports about PI insurance in Europe, Canada and South Africa
Approximate % of professional enterprises with PI in selected global markets, 2013

Source: Finaccord reports about PI insurance in Europe, Canada and South Africa
% of professional associations with schemes for PI insurance in selected global markets, 2013

Source: Finaccord reports about PI insurance in Europe, Canada and South Africa
% split of operating models used for schemes for PI insurance set up with professional associations in selected global markets, 2013

Source: Finaccord reports about PI insurance in Europe, Canada and South Africa
Leading brokers and underwriters involved in schemes for PI insurance set up with professional associations in selected global markets, 2013

<table>
<thead>
<tr>
<th>Country</th>
<th>Broker with most schemes</th>
<th>Underwriter (where identified) with most schemes</th>
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<tbody>
<tr>
<td>Austria</td>
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<td>Belgium</td>
<td>Marsh</td>
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<td>France</td>
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<td>AXA</td>
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<td>Germany</td>
<td>UNITA (Aon)</td>
<td>HDI</td>
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<td>Italy</td>
<td>AEC Master Broker</td>
<td>Lloyd's of London</td>
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<td>Netherlands</td>
<td>Aon</td>
<td>VvAA</td>
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<td>Poland</td>
<td>no clear leader</td>
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<td>South Africa</td>
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<td>Switzerland</td>
<td>VCW Versicherungs-Treuhand</td>
<td>no clear leader</td>
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<tr>
<td>UK</td>
<td>Trafalgar Risk Management</td>
<td>Hiscox</td>
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Source: Finaccord reports about PI insurance in Europe, Canada and South Africa
% of affinity partners in the UK with schemes for PI insurance segmented by category, 2015

- Banks and building societies: 6.9%
- Lifestyle organisations: 5.3%
- Online aggregators / brokers: 45.0%
- Other: 1.9%
- Professional associations: 58.2%
- Sports organisations: 39.3%
- Trade associations: 21.4%
- Trade unions: 14.9%
- Average: 23.2%

Note – 297 PI insurance schemes identified in total
Source: Finaccord Affinity and Partnership Marketing in UK Commercial Non-Life Insurance report
PI insurance affinity schemes in the UK segmented by operating model, 2015

- **External broker (no known, specific underwriter), 62.3%**
- **External underwriter, 7.7%**
- **External underwriter via external broker, 12.5%**
- **Multiple external brokers (no known, specific underwriter), 4.4%**
- **Internal broker, 3.7%**
- **Captive, 2.4%**
- **Other, 4.4%**
- **Undisclosed, 4.0%**

**Note** – use of brokers includes aggregators in a small number of cases

**Source**: Finaccord Affinity and Partnership Marketing in UK Commercial Non-Life Insurance report
PI insurance affinity schemes in the UK segmented by broker, 2015

Source: Finaccord Affinity and Partnership Marketing in UK Commercial Non-Life Insurance report
PI insurance affinity schemes in the UK segmented by underwriter (where known), 2015

- Hiscox, 38.2%
- RSA, 11.8%
- AXA, 9.2%
- Zurich, 3.9%
- Sportscover Europe, 5.3%
- ECIC, 3.9%
- Markel, 2.6%
- UK Insurance, 2.6%
- others, 22.4%

Source: Finaccord Affinity and Partnership Marketing in UK Commercial Non-Life Insurance report
Any questions?
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