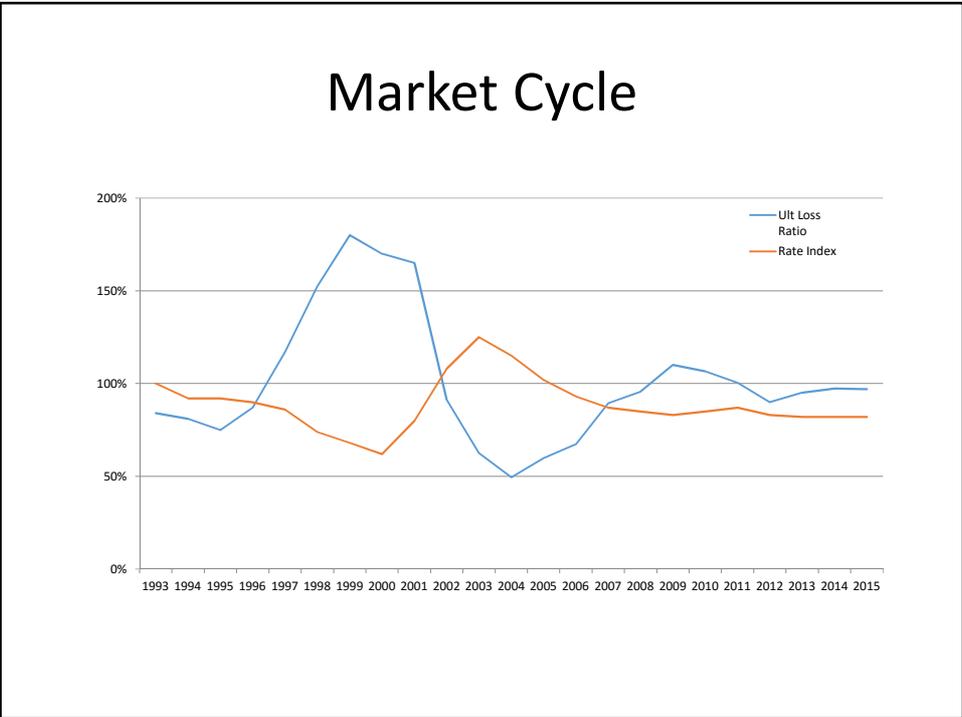
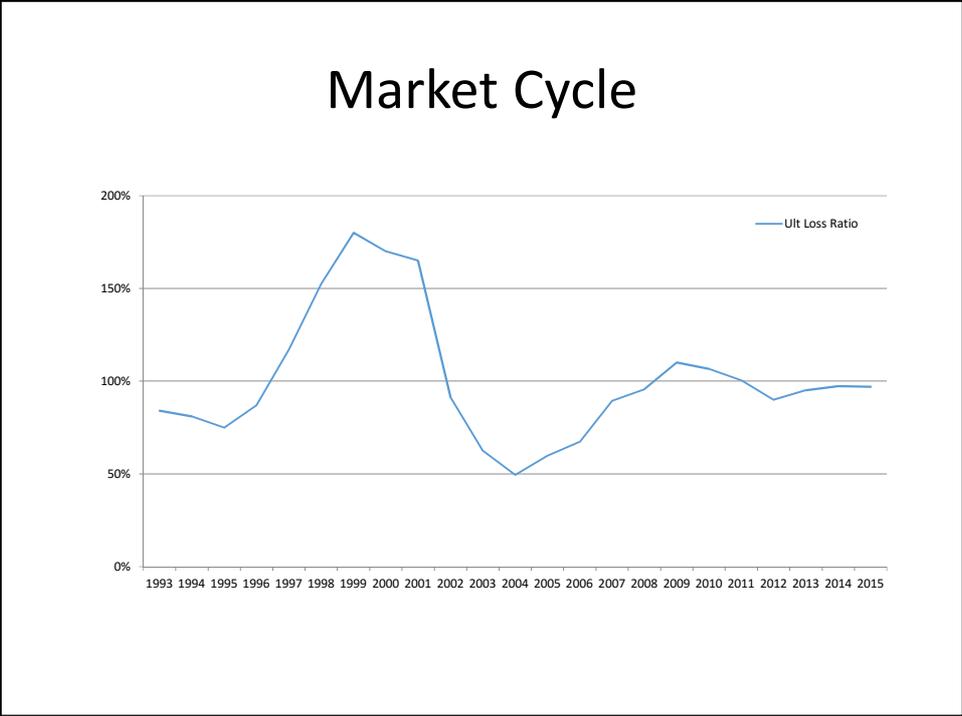


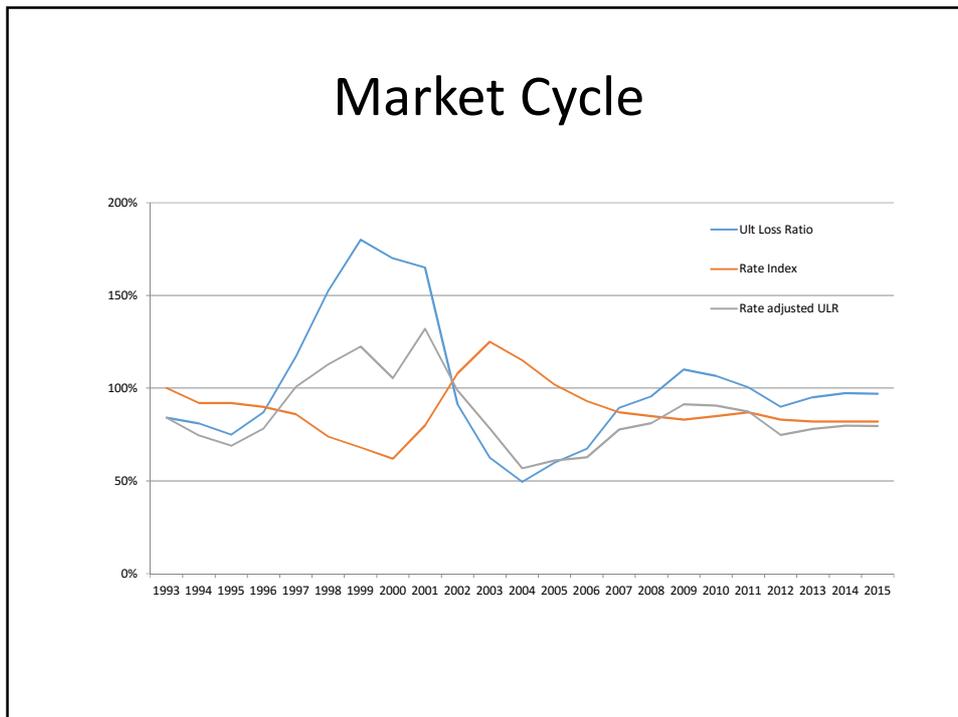
Professional Indemnity Insurance: the last 20 years, the next 20 years

Russell Newell & George Smeaton

20 Years Ago....20 Years Ahead







Actuaries

- “Big Data” - increased ability to undertake modelling
- Increased reliance on actuarial analysis
- Decline of whole market swings in favour of sector based market cycle

Culture

- Increase in Corporate Culture – “Professionalism”
- Increased use of rating models. Over-reliance?
- Reduced personal accountability?

Brokers

- Broker Consolidation
- Dominance of the big brokers
- 2 Tier Service – genuine broking vs distribution network
- Resurgence of the smaller broker?
- Growth in online distribution?

Capacity

- Decline of Co-Insurance & increased line size
- Increase in MGAs

- Growth in Single Project cover
- Losses Occurring?

Technology

- Electronic Claims Files
- E-placing over the last 20 years
- New E-Placing Platform - EBIX

BREXIT

- Reduced dominance of London?
- Lloyd's Licensing?
- End of un-rated capacity?
- ???

Pricing exercise

UK Solicitor Quote			
Limit on Policy	2,000,000		
Per Claim Deductible	25,000		
Aggregate Cap	100,000		
Partner Size	4		
Fees 2011	2,400,000		
Fees 2012	2,625,000		
Fees 2013	2,700,000		
Fees 2014	2,750,000		
Fees 2015	2,400,000		
Fees 2016	2,505,000		
Conveyancing - Commercial	5%		
Conveyancing - Residential	60%		
Employment	3%		
Landlord & Tenant	10%		
Matrimonial	22%		
	Total Incurred	Total Number	of claims
Claims 2009	0	7	
Claims 2010	40,000	3	
Claims 2011	750	2	
Claims 2012	0	5	
Claims 2013	45,000	2	
Claims 2014	0	4	
Claims 2015	0	10	
Gross Premium			
Brokerage 25%			
Broker			
Underwriter			
Lawyer			
Other			