

CHU The Knight Understanding OC Insurance

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Solutions for modern living

The information given in this presentation is of a general nature; individual factors and state based considerations should be taken into account.

Please contact your state based CHU branch to discuss any individual policy.

The Market

Cladding & Defects

Q & A

Market Cycles – the hard market

The insurance market follows cycles:

- **Hard Market**

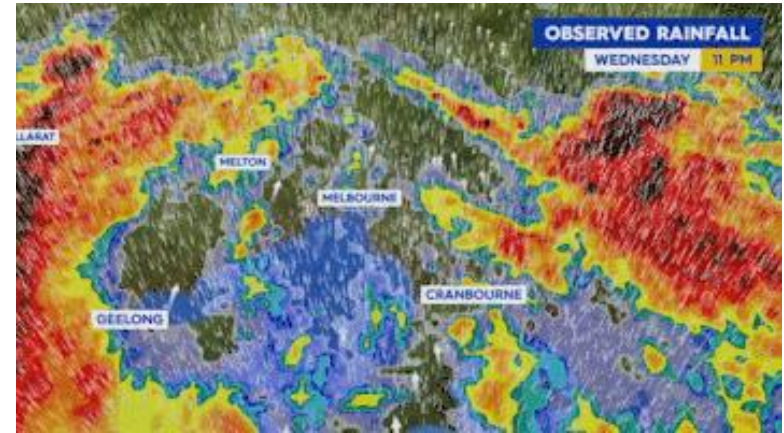
- Claims high.
- Competition & capacity decrease.
- Premiums Increase.

- **Soft Market**

- Claims decrease.
- Competition increases.
- Premiums stabilize/decrease.



Claims contributing to the hard market



What does this mean?

- ➔ Severe claims
- ➔ Low premium growth
- ➔ Poor economic outlook
- ➔ Increased reinsurance costs



Looking beyond the premium

Increasing costs in materials and labour =

- + Rising claims costs.**
- + Increased cost of full reinstatement**
- + Increases in the cost of projects or general maintenance**

Make sure to factor this in when budgeting for valuations or maintenance.

Looking beyond the premium

- +Service**
- +Claims Interpretation**
- +Continuance of cover**
- +Appetite for risk**

Are all factors to consider when considering covers.
Ensure to budget for insurance increases, your OC manager can help with this.



Looking beyond the premium

Insurance isn't all in the premium.

Although the premium is often the focus, ensure that you are obtaining cover that's both comparable to your current cover and right for your properties

Informed decision making is key.



Cladding & Defects

Cladding can have a large impact on the cost and availability of insurance.

As an insurer in order to correctly assess the risk of your property with cladding we will need to know extra information around the

- Type, &
 - Amount
- Of cladding used.



PE = 100% PE

FR = 30% PE

A2 = 7% PE



Cladding & Defects

Defects have become far more prevalent – ensure that these are disclosed to your insurer and any major defects are addressed as soon as possible.



Thank you
Questions?



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