

GLEMHAM UPDATE DECEMBER 2019



As 2019 draws to a close I would like to thank you and your team for your support to everyone here at Glemham in what has been one of the most interesting years since we started the business in 2006.

Here at Glemham, we have had a good year. Business has grown by around 10% with some rates rising (mainly in property and liability, but also in the small amount of construction sector PI that we underwrite). We see a similar progression in 2020 as we continue to prioritise service, properly understanding everything that we underwrite and clear risk selection as the core fundamentals of the business.

Our Property and Liability account has had another good year and we have been delighted to bring MS Amlin on board to share the underwriting with Aviva.

The impact of the tragedy at Grenfell Tower continues to affect the UK PI market with rates for anything vaguely related to cladding and large construction projects steeping upwards. Rumours abound of some immense reserves being put against the market's rectification losses and these are contributing both to insurers either ceasing trading or exiting UK PI and the double whammy of cover restrictions and further price rises. We expect all of these trends to continue into 2020 and beyond.

The Technology and Miscellaneous side of the PI market is much more stable, albeit with businesses involved in the traditional 'high risk' sectors being harder to place at expiring prices, if at all. We also see this trend continuing next year with one-man-bands working in sectors such as nuclear and military being prone to arbitrary minimum premiums (not from us, of course).

Our foray into medical malpractice is starting to mature nicely and we end the year with two options for Cyber as this cover starts to show signs of settling down into a fairly standardised offering. Our D&O and Management Liability product continues to offer very good value for money alongside a commercial combined or PI and Liability policy or as a stand-alone product.

Next year will throw up more challenges which, after fourteen years, we feel well prepared to deal with. Brexit has cost us our small, but perfectly-formed, Irish PI account as well as a handful of PI risks where we had been covering European-domiciled subsidiaries. This has been a great shame and the new rules have diminished what we, as a Lloyd's Coverholder, have been able to offer in scope. We are monitoring this but, sadly, do not foresee any significant changes next year.

We regularly monitor our markets and all continue to offer UK-domiciled A grade security from each of the ratings agencies, giving all of us confidence in the paper behind the Glemham policies. Although MS Amlin is new to us this year, the key personnel have a 15 year plus relationship here and we have, of course, had an Argo binder since establishment with Aviva now an eight year relationship and Arch five. Greatly assisted by having made money for our partners, we are better placed to weather whatever storms lie ahead than many of our competitors and we still enjoy a very significant degree of autonomy (an increasingly scarce commodity these days).

We are launching a new back-office in 2020, in stages, starting with PI, Office and Liability. There will be a broker portal too for those of you who like the immediacy of quote and buy systems. Building this out to handle full-blown commercial combined will be my major priority once we return after Christmas so I will continue my recent low profile outside the business.

Talking of Christmas, we will continue our practice of closing the office after lunch on Christmas Eve, opening again on Thursday 2nd January. All staff will be available by email throughout the festive period with the underwriters' landlines diverted to mobiles to ensure you get through promptly. The generic mailboxes (quotes@glemham.com, claims@glemham.com and info@glemham.com) will all be swept at least once every hour so you can continue to trade in the same way we do the remaining weeks of the year.

Finally, we wish you and your team an excellent Christmas and prosperous New Year. We shan't be sending cards again, but are making a donation to MIND so they can continue their sterling work, helping those with mental health issues get the care and support they need.

Merry Christmas

John