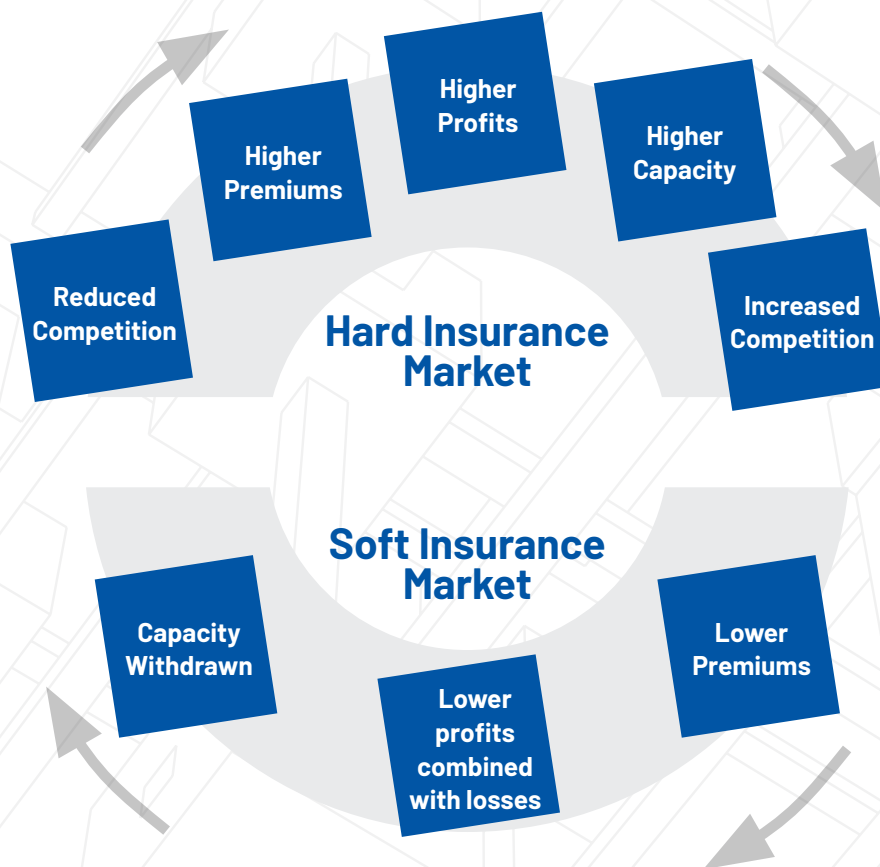


## A Hard Market

Brokers and Insurers are increasingly referring to a 'hard market' in relation to insurance premiums and cover. Not specific to property insurance, it's simply defined as a reduction in choice and the resultant price increase.

Viewing the market as cyclical, as defined in the graphic below, we are at the top of the circle, with reduced offerings from insurers (capacity) and higher premiums. With price increases, in time, this leads to greater insurer appetite, resulting in a competitive market and associated price reductions.



In the property insurance market, we have witnessed this hardening effect since the summer of 2019 and so, therefore, unrelated to Covid-19. We had been in a 'soft market' for nearly 10 years and with the suppression of premiums and the cost of claims increasing, insurers are attempting to correct their losses. Other contributory factors to this hardening include an increase in frequency and severity of claims (for example flooding in the North East) and falling insurer investment returns.

## We Are Here to Help

At St Giles we do our best to suppress these increases by approaching insurance renewals as early as possible. We also approach our broad panel of insurers to fully test the market and so any premium increase is fully tested and questioned.

**If you would like to discuss this further please do not hesitate to get in touch.**

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