



KINGSBRIDGE

Issue 3

Insurance Market Update

What may happen to your future insurance costs?

The UK General Insurance Market has seen a sustained period of stable premium costs over the last four years, but the speculation is that this is about to change. Many insurers have been talking up rates on the back of increasing domestic claims, lower investment returns and increasing costs associated with natural catastrophes worldwide.

You may ask how this should affect the UK water industry, but the fact is the UK insurance market is influenced by global events. The 2006 year was remarkably quiet for natural catastrophes; however, during 2007 we have already seen major flooding in certain parts of the United Kingdom with costs for the June and July floods estimated to reach £3 billion. The winter months are yet to come.

Globally, the hurricane season has just started and Hurricane Dean alone will result in estimated damage of between US\$750 million to US\$2 billion.

There was an earthquake in Peru on the 15th August 2007 registering 7.9 on the Richter scale and damage estimates are in the region of US\$1 billion.

Catastrophic fires in Greece are estimated to have caused damage of over €3 billion.

On the economic front, whilst there has been an increase in interest rates the stock market is extremely volatile as a result of the U.S. Sub-prime Market Crisis and this will have an effect on insurer investment returns.

All these factors may put pressure on insurers to increase premium rates.

How can Kingsbridge Risk Solutions help?

Kingsbridge Risk Solutions specialise in providing insurance and risk management advice to companies and organisations involved with water, waste water and environmental risks.

Kingsbridge constantly monitors insurance market conditions and uses its excellent relationship and buying power with major insurers to help achieve the most cost effective insurance solutions for water industry companies. If you need assistance in managing your future insurance costs you should talk to Kingsbridge.

Please contact **Kingsbridge Risk Solutions** for further information

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