
R&Q Commercial Risk Services Ltd
BIBA Commercial Facility Including Flood. BIBA Webinar.



PRIVATE & CONFIDENTIAL

STRATEGY | INNOVATION | EXPERTISE



DISCUSSION POINTS FOR TODAY



STRATEGY | INNOVATION | EXPERTISE

Introduction to the R&Q group.

What we do in the UK

Overview of the BIBA Scheme

Review of the products available and the added value benefits that apply

Flood ...

What's happening in the market

How we are trying to help

How we model and charge for the flood risk.

One month in, how is the scheme doing

Getting going with us, contact points, TOBA and housekeeping etc

R&Q is an AIM listed company specialising in a wide variety of insurance products and services. The Group was founded by Ken Randall and Alan Quilter in 1991.

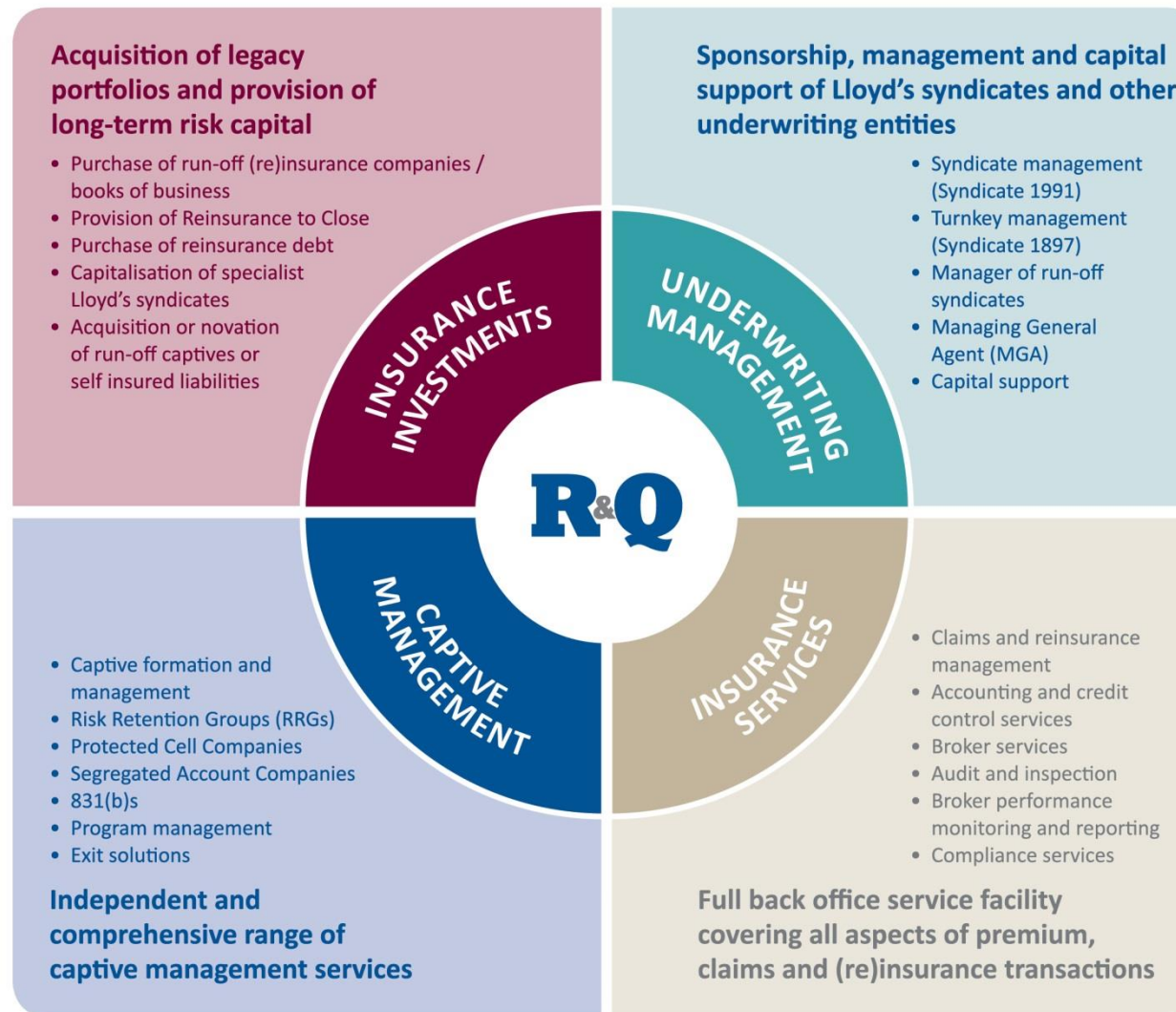
The Randall & Quilter Group:

- Has a team of over 400 insurance professionals based in the UK, US, Bermuda and Europe, with wide service capability in both the 'live' and 'run-off' markets
- Owns and manages a portfolio of insurance companies, both active and in run-off, in the UK, US and Europe with net assets of £116m as at 31 December 2013
- Owns a Bermuda Class 3A insurance company which currently supports the Group's syndicate participations
- Launched Syndicate 1991, which commenced underwriting on 1 January 2013 and has a capacity of £150m for 2014, manages one RITC ("run-off") syndicate, 3330, and owns and operates 1 MGA business unit.
- Acquires and manages a portfolio of insurance receivables, with a carrying cost of £16m as at 31 December 2013.

ABOUT US – PART OF THE R&Q GROUP OF COMPANIES



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R&Q CRS Ltd is a subsidiary of the R&Q group of companies. We are an established and fast growing MGA that caters for UK Commercial Business via Independent Insurance Brokers throughout the country.

We differentiate ourselves through exclusive quotations, superior policy wordings and experienced and knowledgeable staff in our three offices, London, Manchester and Birmingham.

2016 was an excellent year for us where we made the following exciting announcements:

Launched BIBA Commercial products that cater for difficult flood exposures.

Cyber Liability embedded as standard on Commercial Combined and optional on Package

Enhanced capacity from Lloyd's of London on a long term arrangement

Medical malpractice product launched.

Continued development and success of the www.mi-binder.com platform

We will continue to invest in new technology and most importantly good people to grow our businesses together.

- Opened for Business in September 2010
- Team of 13 Insurance Professionals
- Offices in the City, Manchester & Birmingham
- LLOYD'S Coverholder and Member of the MGAA
- Subsidiary of RQIH Plc.
- Appointed Representative of R&Q MGA Ltd
- 3 year organic growth plan to £25m Gross Written Premiums
- Underlying strategy that aligns Niche A rated capacity with our fiercely independent broker base

- Support the Independent Intermediary
- We are not a broker and don't own any brokers
- Exclusive Quotations
- Experienced Underwriting Team that makes decisions
- Niche 'A' Rated Composite or Lloyd's Capacity
- Best of Breed Policy wordings with extensions in cover that offer genuine value.
- Fair and consistent commission structure

- Appointed the as the MGA for the BIBA Commercial proposition including the underwriting of difficult commercial flood business in December 2016.
- BIBA asked us to put together a suite of products for their membership to cater for their SME and property investor clients but also to cater for risks that are classed as difficult flood exposures. This could range from risks that have previously flooded or risks that are located in high or perceived high risk flood areas, where obtaining cover from the market has not been possible.
- The scheme has three specific contracts:
 1. Commercial Combined for manufacturing and distribution trades.
 2. Package for Retail, Offices & Surgery
 3. Property Owners cover for real estate investors
- Summary of Cover and Policy Wordings can be downloaded from:
- <http://www.rqih.com/our-services/underwriting-management/managing-general-agency/commercial-risk-services/>

- Approximately 300,000 business across the country are at risk of flooding.
 - Now thought that flood is to most likely cause of damage to property
 - Still recovering from the December 2015 incidents which had the most rainfall in 100 years with total with record number of claims by business.
 - Claims are still o/s from the 2015 incidents
 - Lots of reports of underinsurance
-
- ABI withdrew from the statement of principles to maintain flood cover in 2013.
 - The market is starting to pull back from offering cover at all or with very high deductibles
 - Huge investment in flood modelling systems by the market
 - Reinsurance treaties are being bought on the proviso that flood is not underwritten in high risk areas.
 - Ultimate result is more and more people are going without cover and nobody is prepared to underwrite the exposure.

- All business is underwritten by one of teams in either our London, Manchester & Birmingham offices.
- The scheme is not “flood re” and not based on a levy.
- Quotations will be offered on all covers not just flood.
- Policyholders benefit from our superior policy wordings that include Cyber (including Crime) as standard, D&O, Embedded breakdown and many other cover extensions that offer genuine value.
- For trades that fall outside of our underwriting remit we will consider offering “flood only terms”
- Using a propriety flood model supplied by Landmark it enables us to locate and model the exact location of a risk rather than a usual 200m radius.
- The following two slides provide you with a brief review of how the flood exposure is modelled and charged for

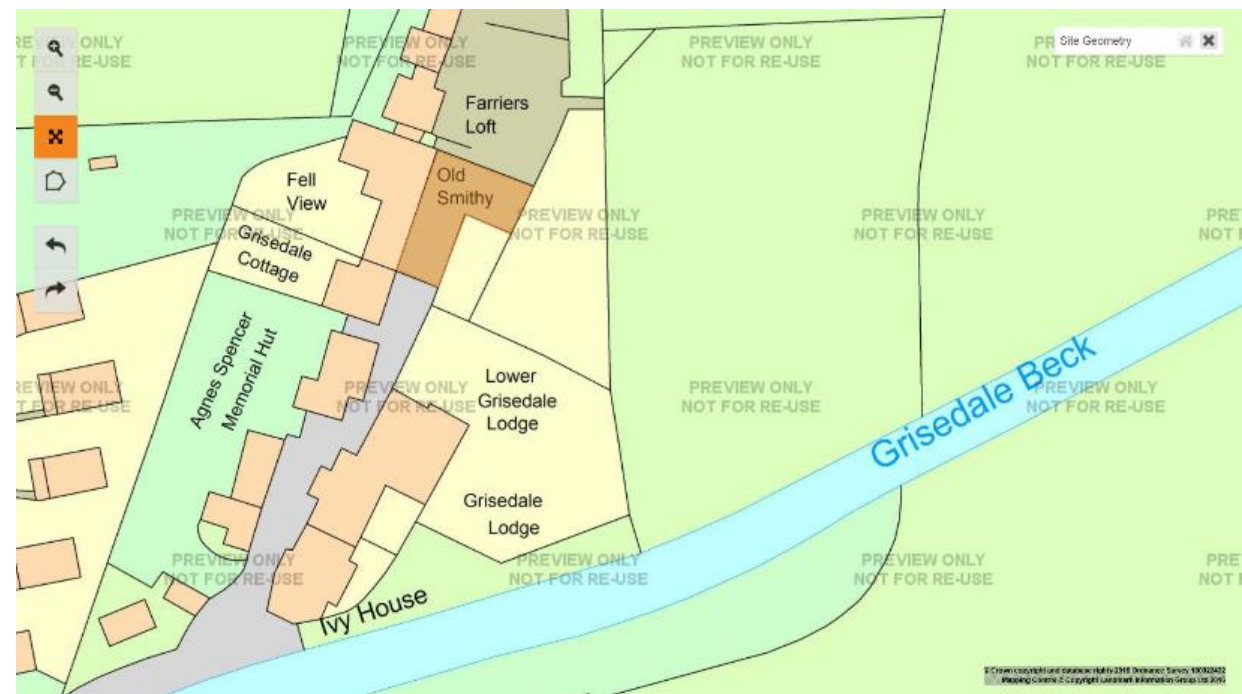
IDENTIFY SITE

CA11 0PJ

Search

Cleveland Mountaineering Club, Agnes Spencer Memorial Hut, Grisedale Bric
Cumbria Fire and Rescue, Patterdale Fire Station, Grisedale Bridge on the A5
Deepdale, First Floor Flat, Grisedale Bridge House, Grisedale Bridge on the A
Dovedale, Grisedale Bridge on the A592, Glenridding, CA11 0PJ
Fell View Holidays, First Floor Flat, Farriers Loft, Grisedale Bridge on the A59
Fell View Holidays, Keepers Cottage, Grisedale Bridge on the A592, Glenriddi
Fell View, Grisedale Bridge on the A592, Glenridding, CA11 0PJ
Grisedale Bridge House, Grisedale Bridge on the A592, Glenridding, CA11 0P
Grisedale Cottage, Grisedale Bridge on the A592, Glenridding, CA11 0PJ
Grisedale Lodge, Grisedale Bridge on the A592, Glenridding, CA11 0PJ
Ground Floor Flat, Old Smithy, Grisedale Bridge on the A592, Glenridding, CA
Ivy House, Grisedale Bridge on the A592, Glenridding, CA11 0PJ
Lishman House, Grisedale Bridge on the A592, Glenridding, CA11 0PJ
Lower Grisedale Lodge, Grisedale Bridge on the A592, Glenridding, CA11 0PJ
Managers Accommodation, Patterdale Hall, Glenridding on the A592 From G
Old Police House, Grisedale Bridge on the A592, Glenridding, CA11 0PJ
Patterdale Hall Estate, Lishman House Chalet Site, Access Road to Grisedale
Patterdale Hall Estate, Patterdale Hall, Glenridding on the A592 From Grised
Patterdale Hall Estate, Self Catering Units, Patterdale Hall, Glenridding on the
Patterdale Hall Estate, The Sawmill, Patterdale Hall, Glenridding on the A592
The Old Cop Shop, Grisedale Bridge on the A592, Glenridding, CA11 0PJ
Upper Flat, Grisedale Lodge, Grisedale Bridge on the A592, Glenridding, CA1

The Old Smithy, Glenridding



LOSS VALUE

The Old Smithy, Glenridding

Usage:	Holiday let
Buildings SI:	£200,000
Contents SI:	£60,000
Bus. Int. SI:	£50,000
Min Floor:	Ground
Flood Claim	1

Site-Based Assessment

Assessment Complete ✓

Buildings EGL *(Sum Insured = £200,000)*

£107.05

Contents EGL *(Sum Insured = £60,000)*

£527.89

Business Interruption EGL *(Sum Insured = £50,000)*

£263.18

Metric	Value
JBA Damage Ratio	Medium
RMS Damage Ratio	Very High
EA Return Period	1:100
JBA Return Period (Pluvial)	1:75
JBA Return Period (River - Undefined)	1:75
JBA Return Period (Coastal - Undefined)	No
RMS Return Period (Pluvial)	1:75
RMS Return Period (River - Undefined)	No
RMS Return Period (River - Defended)	No
ESI Groundwater	Moderate
EA Flood Alert Year Count	10
EA Flood Severe Warning Last Date	12/29/2015
JBA Canal Breach	No
JBA Dam Burst	No
SEPA Rivers 100y Depth	No
EA RofRS Risk	Medium

- Rather than the usual one set of flood metric's our model provides us with many to fully analyse the potential flood exposure of a property:
- Surface water flooding
- Coastal & river flooding
- Groundwater Flooding
- Sewer Flooding
- Return Periods calculated alongside Estimated annual gross loss.
- The R&Q Underwriter is also provided with details with historic events.
- Utilising all of the above it provides us with the basis of being able to provide terms.

- The scheme benefits from security supplied by Lloyd's of London (A Rated).
- Our underwriters will attempt to find a viable solution for you and your client and will take into account any flood resistance and resilience measures that the insured has put in place.
- Our risk management team can also advise and assist with flood risk improvements.
- Whilst every effort will be made, we are not obliged to offer terms, as a new scheme to market we will appreciate every BIBA members feedback to shape the scheme so it is profitable and sustainable for everyone.

Opened for business in Mid-December

Secured 35 risks from over 200 shown

Most of the risks shown to us we have produced terms.

Although a relatively successful start, the scheme is still work in progress

Several areas including Cockermouth, Hebdon Bridge and Keswick are proving to be difficult to the severity and frequency of recent losses.

Smaller business in these particular areas is proving difficult to offer economic terms to the client.

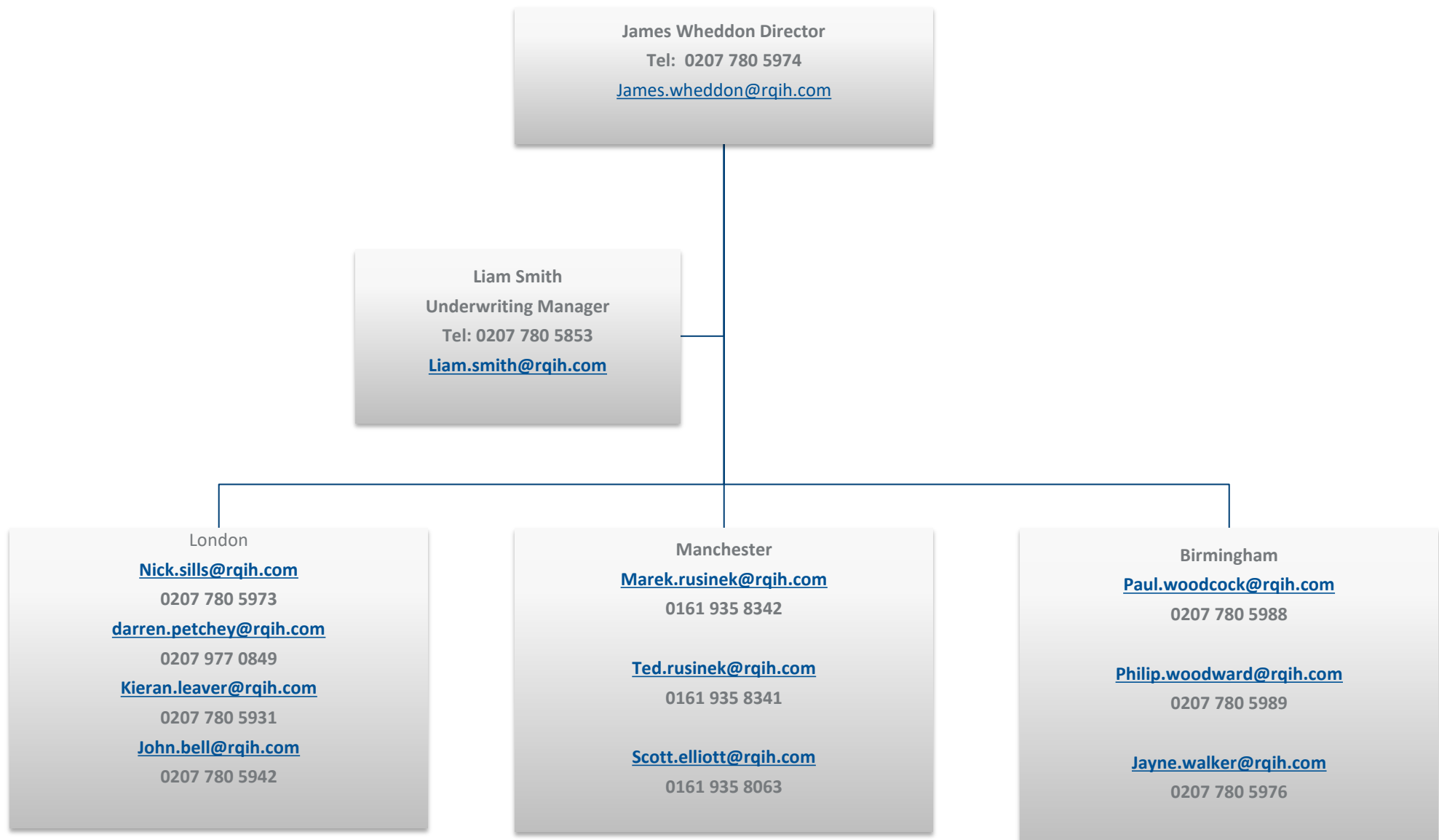
We have commissioned specialist reports for these areas to try and assist further.

Every week we are looking at ways to improve the efficiency of the scheme.

BIBA COMMERCIAL PROPOSITION – CONTACT DETAILS



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Please direct all TOBA requests to :

James.wheddon@rqih.com

We aim to progress all Terms of business agreements within 7 workings days of receipt.

Questions ?