THE STATS

● According to the latest statistics from SSP, it has been a tough year for average motorcycle premiums. As the graph of year-on-year changes demonstrates, the figures have been below the baseline for all of the past twelve months, with only December 2014 and February 2015 getting close to parity.

Brokers *Insurance Age* spoke to agreed that the downward trend reflected their general view of the movements in the market, but there were mixed opinions about what would happen in 2015.

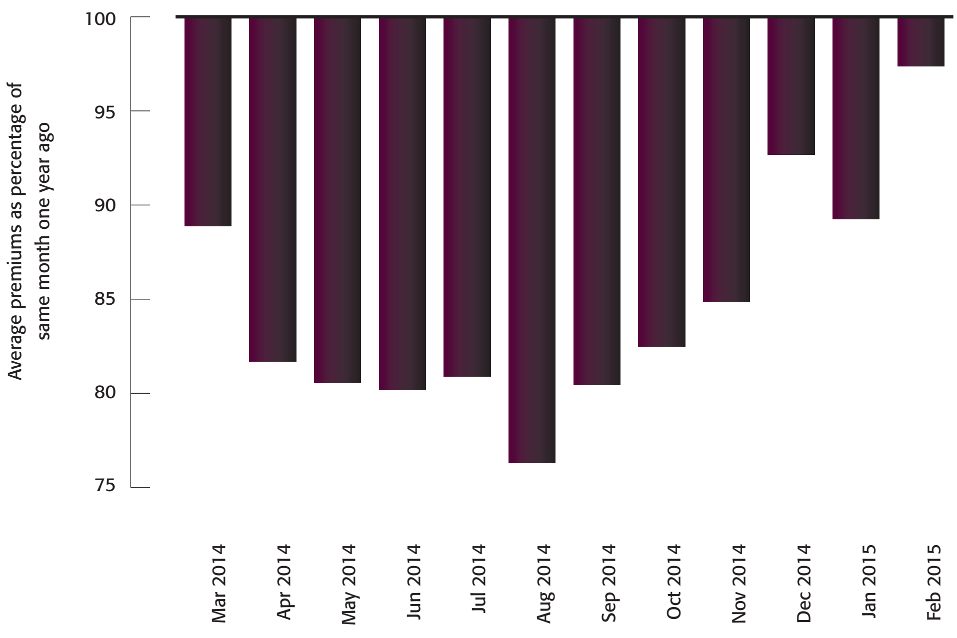
David Newman, chief executive of Carole Nash, was not surprised by the figures and stated that 2014 had been both interesting and challenging.

According to Newman, the motorcycle insurance market had previously been resilient when it came to big market hardening and softening cycles, but he explained that things had changed last year when a couple of players decided they wanted to go for volume in the beginning of the season.

"This started driving the prices down and led to premiums softening," he noted. "A few months later this caused panic across the market when people started losing market share which is why we saw a race to the bottom in August. The rates are starting to come back up now, but last year was an unusual year."

Mark Bower-Dyke, chairman and chief executive officer of Bewiser, agreed that it had been a challenging year, adding that the market was competitive and policies too cheap.

SSP Rating: Motorcyle insurance



However, he did not fully agree with the statistics from SSP. "We are seeing decreases, but these figures indicate a hardening of the market in February that we haven't seen," he said. "We've seen flattening and that premiums are sort of bouncing along, but no hardening."

The general opinion among brokers was that the low rates of 2014 were unsustainable, because there would not be enough money in the market to cover claims.

Newman predicted a modest hardening in the market in 2015 but Bower-Dyke expected it to stay soft.

He concluded: "There is a lot of overcapacity and too many players. Insurers try to write for volume but they can't make it happen because it's such a small marketplace."

A.M. Best Company: Top 10 personal motor insurers in the UK

Rank 2013	Rank 2012	AMB	Company Name	Rating	Ultimate parent	GWP (£000s)	Underwriting result* (£000s)	Combined ratio (%)	Loss ratio (%)
1	1	87648	UK Insurance	NR	Direct Line Insurance Group	1,355,002	94,117	94.3	62.2
2	2	86524	Aviva Insurance	A [1]	Aviva	1,273,573	-2,718	100.9	81.0
3	3	87864	Liverpool Victoria Insurance Company	NR	Liverpool Victoria Friendly Society	787,932	7,731	102.5	80.2
4	4	86160	Great Lakes Reinsurance (UK)	A+	Munich Reinsurance Company	672,625	-707	N/A	N/A
5	5	87233	Ageas Insurance	NR	Ageas	646,639	16,639	97.1	74.9
6	8	92588	Axa Insurance UK	NR	Axa	479,813	-41,374	112.3	86.4
7	7	86257	Royal & Sun Alliance Insurance	NR	RSA Insurance Group	479,134	-45,992	111.3	80.8
8	9	84803	Esure Insurance	NR	Esure Group	421,345	26,272	96.5	73.9
9	6	49268	Tesco Underwriting	NR	Tesco	372,022	-6,588	103.1	83.6
10	10	78186	CIS General Insurance	NR	Co-Operative Group	262,193	-51,199	122.8	90.1

* Underwriting result excludes investment income. Note: Some ratio figures are not available (N/A) because more than 1% of these companies' personal lines motor insurance business is accounted for on an underwriting year basis, for which earned premiums is not disclosed on the PRA return. Figures in above table are based on PRA returns of financial year 2013 for personal lines motor insurance business (reporting category 120). 1 Rating relates to AMB 78773 Aviva Insurance.
Ratings as of March 19, 2015. Source: A.M. Best's Financial Suite - Best's Statement File - UK