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AUSTRALIAN PROPERTY - INSURANCE MARKET UPDATE

As the COVID-19 virus continues to affect all parts of the World its impact will also be felt across many classes of business within the insurance and reinsurance markets. We will continue to monitor this impact and provide updates over the coming months.

With regard to the Australian Property market we are continuing to see:

- The property market in Australia continues to be unable to provide capacity for high-risk industries.
- The Lloyd's market still has limited capacity and are charging minimum premiums for their line size.
- With COVID-19 we are seeing insured's coming to us for reduced Business Interruption sums insured and looking to reduce premiums.
- The market generally is sympathetic and will try to reduce premiums if the sum insured is reduced but minimum premiums for the line size sometimes makes this difficult.
- Where possible we are keen, as are underwriters, to help reduce costs in these difficult times.
- There is a lot of concern with the Government closure of businesses, particularly in the leisure sector, as to whether there is cover under Business Interruption for denial of access. Generally most wordings exclude pandemics, but it is an area we are keeping under review and are seeking advice from specialist insurance lawyers on some of the policy wordings.

- Some good news is that whilst the new business flow is slow into Lloyd's, we are seeing Underwriters increase their capacity on renewal business.
- We have also found capacity now for Waste & Recycling industries, and hope to be able to provide Lloyd's capacity for this sector. This has been difficult sector in Australia with local insurers not being able to offer renewal terms.

As the situation develops we will keep you updated on any change within the market

Stay safe and well.

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