

Fenchurch London Risk Appetite

June 2023



Open market property qualification / characteristics



Characteristics	Examples
Minimums	TIV USD/CAD 100m Premium USD/CAD 500,000
Local market retreating, lack of market both in the admitted and E&S market.	We have seen a lot of Travellers and Amrisc business due to various factors as below
Unusual claims or sizeable one	Large claims or a series of attritional ones due to low deductibles
Heavy cat	Schedules with Florida and Gulf Coast, Louisiana / Nat cat.
Unloved industries by USA domestic insurers	Agri, Food, Manufacturing, Hab, real estate, Hotels, Casinos. Hab has become very difficult due to the volume of business sent to London.
Large Fire PML	Risks with one location / plants over USD/CAD 150m seem to fall out of the local market on tougher fire classes
Couple of locations with sub standard fire protections	Risks with say 2 locations HPR and the third still ok but slightly sub-standard and not to an admitted market liking / appetite
Capacity	Up to Primary 50m, preferred 25m layers
Aggregate Deals	We don't need LOC's to collateralise the Aggregate portion, we rely on a dedicated loss adjuster to keep account of the losses including adjusters fees.
Deductibles	Market likes to give credits for larger deductibles and aggregates, underwriters feel alignment when the client is also playing along.

Property appetite – Open market

Line	Desirable	Possible	Difficult
Property	Primary Nat Cat Shared and layered Large schedules – Nat Cat Captive/SIR Retentions Wind & Flood Buy Backs DIC Carve outs	Hab schedules Agri risks Wildfire risks	Blanket limits / large limits Vacant risk Small TIV risks less than 50m Excess Limits Transmission and distribution lines Recycling
Stock	Cargo Stock Throughput Excess Stock	Deterioration cover - food	Fishing boats / boats as cargo
Builders Risk	Civil Projects Real Estate –concrete Cat exposure	Wet Civils	Frame – Very Limited market.
Mobile assets / Equipment	Commercial Auto Physical damage. Motor truck cargo	Logging equipment Dealers open lot	Large mobile cranes



Current deal sizes being successful on

Exposures	Min premium	Current Bound Premium range
Property – TIV 100m to 10bn	USD/CAD 500,000	USD/CAD 625k to USD 6m
Parametric	USD/CAD 125,000	USD/CAD 125k to USD 1m
Stock/ cargo	USD/CAD 100,000	USD/CAD 100,000 to USD 500,000
APD / MTC	USD/CAD 125,000	USD/CAD 500,000

Example 1	Example 2	Example 3
Plastic extruder/ printer of food bags TIV 500m 2 x 10m losses in succession Primary 25m Previous carrier Travellers	Food manufacturer TIV 2.3bn 5m Deductible Primary 50m / 25m Previous carrier Travellers	Warehouse Excess Stock only Limit 200m xs 100m Previous carrier none, new purchase to fulfil a contract requirement

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