

Specialist Insurance Solutions



How Excess of Loss responds to increasing liability claims

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Learning Objectives

The learning objectives are as follows:

- Identify the factors to consider when choosing liability indemnity limits
- Discuss the issues leading to large liability claims getting larger
- Outline what Excess of Loss insurance is and when it is required

Choosing the right level of cover

1. Exposure to personal injury claims

- Increasing personal injury claims due to medical advances, longer life expectancies and rising care costs
- Spinal injuries and traumatic brain injuries

2. Multiple injuries occurring from a single event

- Large accumulations of employees or visitors
- Martyn's Law

3. Products exposures

- Single defect in a product can lead to multiple claims from different customers
- Aggregated limits can erode more quickly

4. USA exposures

- Higher claim settlements, including Social Inflation
- Costs inclusive

5. Contractual demands

- Requirements from local authorities, property owners, customers
- Main contractor requirements, work near rail

6. Exposure to third party property claims

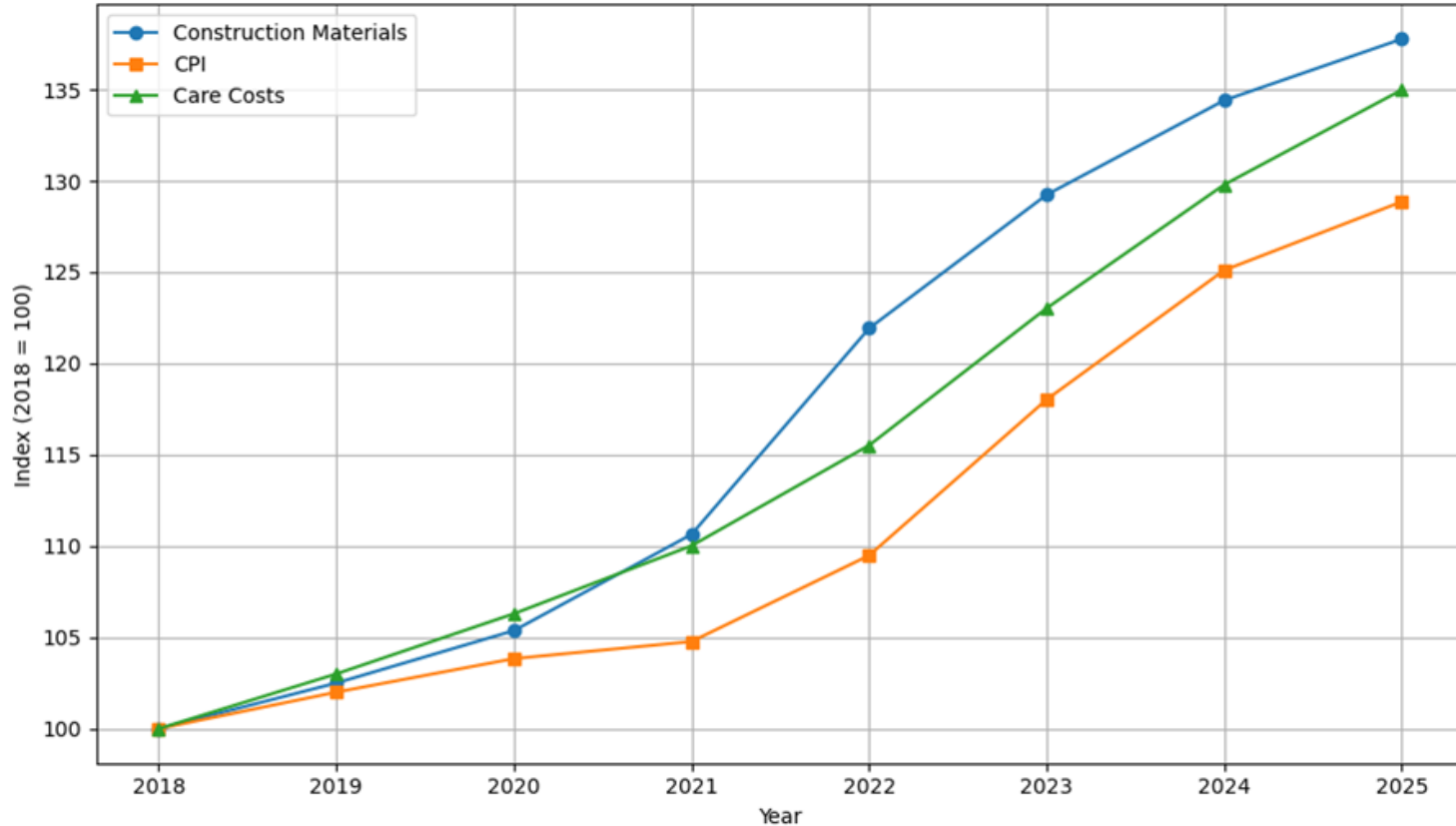
- Fire, explosion, collapse, water damage
- Use of heat at third party properties

7. Individual Customer Characteristics

- Size of business
- Perception of risk
- Appetite for risk
- Value for money

Large claims getting larger

UK Index Trends: Construction Materials, CPI, and Care Costs (2018–2025)



↓ Personal Injury Discount Rate

↑ Care costs

↑ JC Guidelines (CPI)

↑ Medical science

↑ Life expectancy

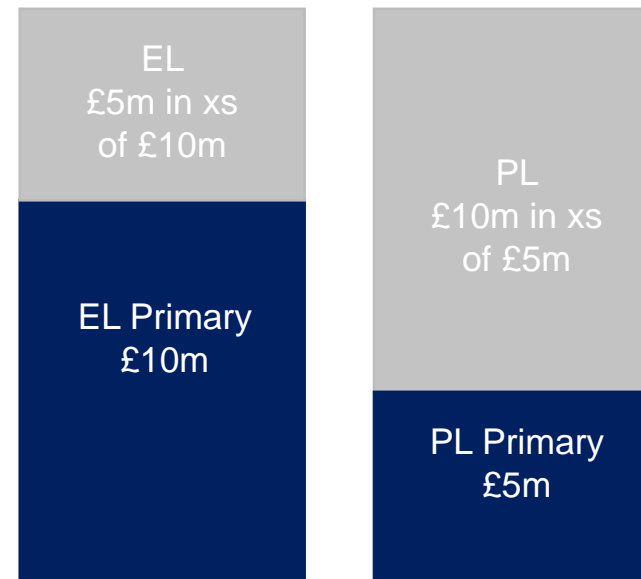
↑ Building costs

↑ Social inflation

Excess of Loss

Excess of Loss insurance provides clients with valuable **additional** cover to top up limits in order to protect them against rising claim values &/or to meet their contractual requirements

- Public Liability and Employers Liability
- Primary Insurer unable to provide the limit required
- Annual or project-specific



CNA Online – Excess of Loss platform

CNA Hardy's online solution provides access to immediate and competitive Excess of Loss

Quote & Bind in under 2 minutes

BIBA Member Benefits

1. 10% rating discount
2. Enhanced commission of 25%
3. Access for all BIBA members

Target Risks

- UK businesses with turnover up to £75m
- Over **3,600 trades** across a wide range of sectors including:
 - Construction, manufacturing, wholesale, retail, leisure and service industries.
- High risks cover for:
 - Contractors, including those using heat
 - Manufacturing and wholesale for those exporting to North America

Key Policy Features

- Excess Public Liability and/or Excess Employers Liability
- Flexible cover for annual policies or individual projects
- All major primary Insurers wordings accepted
- Wide wording including Insurance Act extension

To Register

- Visit cnahardy.com/cna-online or contact xol@cnahardy.com

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Q&A



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