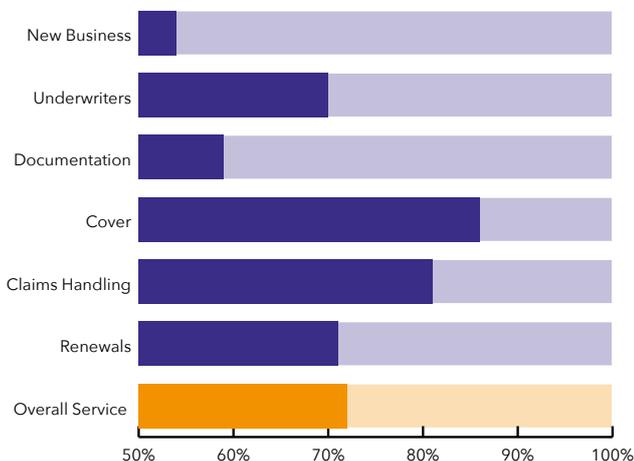


# Hiscox

**A**fter six years of service chaos, Hiscox was finally getting its act together. Clear improvement was evident in all areas, pricing included. There's a way to go yet, particularly on new business, documentation and junior underwriters' capabilities. Still, Hiscox is starting to look like a serious, competitive market once again.

On new business, Hiscox remained eighth and last with 54%: awful, but a 12-point rise. Comment split 10:29 negative and six mixed, to 2023's 2:46 negative and five mixed. Most still struggled with Hiscox: 'extremely slow to quote'; 'more than seven days'; 'generally taking over a week'; 'still around ten days'; '14 days'; 'take an age'; 'you can wait two to three weeks'; 'usually the risk has already been placed by the time you get any response'; 'Hiscox have been terrible'. The central mailbox didn't help. 'Hiscox care only for a select few brokers,' said a manager at an independent firm. 'I feel neglected by them.'

## Hiscox's overall service score showed a nine-point improvement, lifting it to sixth place



Hiscox	Rank/8	Score	Change vs last yr
New Business	8th	54%	↑ 12%
Underwriters	6th	70%	↑ 7%
Documentation	8th	59%	↑ 10%
Cover	5th	86%	↑ 6%
Claims Handling	5th	81%	↑ 6%
Renewals	5th	71%	↑ 11%
<b>Overall Service</b>	<b>6th</b>	<b>72%</b>	<b>↑ 9%</b>

Price Competitiveness: ★★☆☆☆

## Market Position



Hiscox had 'missed the boat' on a couple of large cases, said an account exec at an international firm: '£50,000-plus premiums.' Others told similar stories. 'We struggle to trade with Hiscox, who do not turn quotations around quickly enough, if at all,' said another broker, also at an international firm. 'They often don't respond to new business proposals,' said a partner at an independent. 'And when they do, it's too late.'

For a minority, though, Hiscox had been doing better: 'have upped their game'; 'very quick to provide quotes'; 'have picked up a lot'; 'the Hiscox new business team are superb'. Hiscox had worked hard on improvement, said a Welsh account executive. 'Twelve months ago we'd have struggled to get a firm quote back from them in a timely manner, but now turnaround is much quicker.'

On underwriters' capabilities, Hiscox ranked sixth with 70%: up seven points and two places. Comment split 19:24 negative and ten mixed, to 2023's 5:36 negative and four mixed. Again, some reported better standards this year: 'really helpful and knowledgeable'; 'know what they are talking about'; 'engaging well, within their risk appetite'; 'ask relevant questions, without bombarding'; 'very flexible, if they want the risk'; 'fantastic support, of late'; 'have surprised me this year'; 'producing some great quotes recently'; 'Hiscox have turned the corner'. A Yorkshire broker remarked: 'Hiscox are still not the insurer that they used to be, but we are seeing improvement.'

For a slight majority, however, Hiscox remained below par: 'it's not easy to speak directly to Hiscox underwriters'; 'impersonal'; 'we never speak to the same underwriter twice'; 'little flexibility'; 'only interested in vanilla risks'; 'struggle when works are involved'; 'no real reasoning'; 'unwilling to negotiate'; 'quick to no-quote the majority of presentations'; 'we struggle to get any terms out of Hiscox'; 'conversion rates are terrible, if any terms are offered'. One account executive said that in recent months, she'd had only a single viable quotation from Hiscox.

'It is frustrating dealing with Hiscox,' said a Scots broker. 'You can't just speak to an underwriter. You



explain to an assistant; then it gets referred; and then they come back to you. This is not a good way to work, for us.’ No one at Hiscox seemed ‘to have a clue’, said the owner of a small independent: ‘At least not the ones that pick up the phone. They are probably protecting those that do from irate calls.’ Even major firms remained ill-served. ‘We have no dedicated underwriting contacts with Hiscox,’ said a broker at an international firm, ‘so we are unable to build strong trading relationships and have to settle for inconsistent underwriting and a lack of any real interest from them in writing business with us.’ There were many small-calibre underwriters, but relatively few big guns. ‘Hiscox do have a few good underwriters, but they’re difficult to get hold of,’ said a City broker at an international firm.

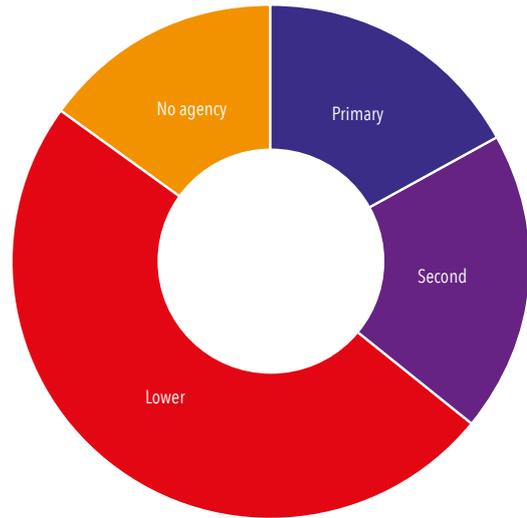
When we asked brokers which individual underwriter had most impressed them this past year, people at Hiscox earned 19 mentions, up from just nine in 2023. Of these, six went to Matthew Hodge, while Dan Symes got three and Nick Fagan and Adam Goddard, two each.

On documentation, Hiscox scored 59%: still eighth, but up ten points. Comment was 6:21 negative and five mixed, to 2023’s 3:28 negative, two mixed. A few were satisfied: ‘very quick’; ‘usually correct and well laid-out’; ‘include all the necessary information’; ‘have certainly improved the most’. For most, however, Hiscox documentation remained a liability: ‘takes an age to arrive’; ‘you can wait a week on an endorsement if you don’t chase constantly’; ‘multiple mistakes’; ‘a series of errors’; ‘can be a real challenge to get corrected’. A City account executive had a client whose Hiscox docs had required ‘three calls and three emails’ to get right: ‘This was not acceptable for a policy over £20,000.’

Nor were Hiscox documents an easy read: ‘very unclear’; ‘not client-friendly’; ‘overly complicated’; ‘schedules are too long, with too much information’. Hiscox docs were ‘quite bloated’, said an account executive at a national firm: ‘The information you actually need is often buried and difficult to find quickly.’

On cover, Hiscox scored 86% and ranked fifth, rising six points and two places. Comment split 10:2 positive, to 2023’s 9:2 positive and four mixed. Many praised the Hiscox wording: ‘excellent, broad, non-restrictive’; ‘a very-high level, up-to-date cover’; ‘the inner policy limits and add-ons are great’. On the downside, one North Western broker complained that Hiscox had withdrawn cover when a property was unoccupied pending sale. Another had noticed a ‘really unfair’ restriction in the travel section: ‘If you have more than one appointment – routine appointments included – then that illness will be excluded from cover automatically in the event of a

**Hiscox had the top or second position in 36 per cent of HNW Home books, and was represented in a further 49 per cent**



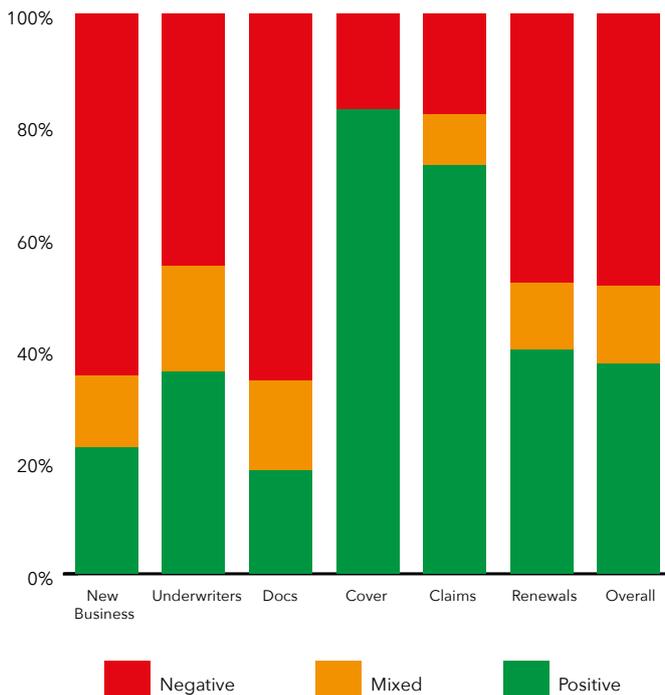
Position in Brokers' HNW Home Book	Percent
Primary Position	17%
Second Position	19%
Lower Position	49%
No Agency/ No Business over £4,000 GWP	15%
<b>Total</b>	<b>100%</b>

claim,’ she said. ‘You have more than one appointment for anything nowadays. How can it be classed as a HNW wording, when no one else has that stance?’

On claims, Hiscox took fifth place with 81%: up six points and one place. Comment matched: 16:4 positive and two mixed, to 2023’s 12:8 positive and one mixed. Most reported competent service: ‘quick turnarounds’; ‘prompt turnaround and settlement’; ‘outstanding, immediate claims resolution’. A recent flood claim had left an Eastern Counties broker singing Hiscox’s praises: ‘The loss adjuster was brilliant – and could agree £100,000 on the spot, which was very quickly paid.’ Hiscox had ‘picked up again’, said a claims handler in the South East. ‘We now have to chase very little.’

Hiscox had not impressed everyone, however. ‘We have had a client leave Hiscox due to their poor handling of a claim,’ said an East Midlands account exec. ‘Hiscox’s claims handling on small claims is very

## Save for cover and claims handling, the balance of broker comment on Hiscox remained negative



Hiscox	Positive	Mixed	Negative
New Business	22%	13%	64%
Underwriters	36%	19%	45%
Documentation	19%	16%	66%
Cover	83%	0%	17%
Claims Handling	73%	9%	18%
Renewals	40%	12%	48%
<b>Overall Service</b>	<b>38%</b>	<b>14%</b>	<b>49%</b>

good,' said a broker at an independent firm. 'But on the larger more complex claims, it is truly awful.' A City account executive complained of a 'slow claims service, delayed decision making for repudiations and errors in formal decline letters, despite the broker being heavily involved with support and client visits'. Flawless performance from Hiscox, said a claims handler at a small independent, was 'not always guaranteed'.

As for renewals, Hiscox took fifth place with 71%: up 11 points and three places. Comment divided 10:12 negative and three mixed, to 2023's 6:21 negative and four mixed. Some were still having a hard time here: 'renewal quotes at the last minute'; 'higher increases than we are seeing elsewhere'; 'crazy increases'; 'anything might happen'; 'reluctant to negotiate'; 'no flexibility'. You could find 'anyone' dealing with your case, said an account exec at a national firm, so there was little continuity: 'They struggle to retain business.'

Others had had better treatment: 'with us well in advance'; 'around six weeks before'; 'an eight per cent increase'; 'eight to ten per cent'; 'most are just under

ten per cent'; 'the lowest I am seeing of all the true HNW insurers'; 'I haven't had to challenge the terms much'; 'tend to be flexible when asked'; 'clients typically opt to remain with Hiscox'.

Asked which market had most increased its share of their HNW Home book this year, nine brokers said Hiscox. Most cited relatively competitive premiums. 'Hiscox offer quite good value for money, considering what they offer,' said an account exec at an independent. 'After a few years of being a bit lost,' said a South Eastern broker, 'Hiscox have regrouped and are providing great prices and cover.' Hiscox had gained some business from defunct MGAs: GrovesJohnWestrup Private Clients (three mentions), Horizon (two) and DUAL (one). But Aviva Private Clients, Chubb, Covéa, Ecclesiastical and Protect Underwriting also got a mention each.

Still, 21 named Hiscox their leading business-loser, citing crummy service, lack of appetite, rigid underwriting, steep pricing, unreliable claims handling and the absence of any real relationship. 'We continue



to struggle to trade with Hiscox, who display little flexibility and are rarely competitive on premium,' said a broker at an international firm. 'They are not writing any new business with us to replace natural attrition.' Who was picking up ex-Hiscox cases? Eight said Aviva; three each said Brit and ZPC; two each said Ecclesiastical and Covéa; and one said Chubb.

### The Judgment

On overall service, Hiscox ranked sixth with 72%, climbing nine points and two places. Core comment totalled 71:92 negative and 26 mixed, to 2023's 37:141 negative and 20 mixed.

Hiscox's responsiveness to proposals remained, in general, poor. Terms could take two or three weeks, if they came at all. Even Ultra HNW cases from international firms were going unquoted. Still, some were seeing a different Hiscox, with dedicated new business underwriters who could spin quotes around in short order. Hiscox's new business score was up 12 points; a further ten per cent improvement would put it roughly on a par with its main rivals.

Underwriting was also on the up. Most brokers had found themselves dealing with anonymous, half-trained drones who showed little capacity and were quick to refer or no-quote. They seldom offered terms; when they did, they were rarely competitive. Hiscox's top underwriters, by contrast, were skilled professionals and seemed to have been engaging more effectively this year. Appetite permitting, they could be quite flexible. Some of their quotes had been notably competitive.

Documentation remained an embarrassment, but had advanced from the abysmal standards of 2022 and 2023. Most brokers still spoke of long delays and serial errors. Hiscox documents were long, complex and a tough read for anyone looking for specific information, but a few brokers were now receiving generally accurate copies in good time.

Hiscox cover had strengthened. To stay competitive, it had had to. Hiscox's wording was wide and up to date, with high limits and good add-ons – though the 'one appointment' restriction in the travel section was something to watch out for. Claims handling showed improvement. 2023 brought numerous reports of inefficient service and shoddy treatment. Similar complaints arose in 2024: some major claims had been badly handled, with long waits for decisions and silly mistakes. Thankfully, this was getting less prevalent. In general, claims were resolved with fair efficiency. Hiscox could do better on claims, but it was getting closer to the standards policyholders would expect.

### [www.hiscox.com](http://www.hiscox.com)

Headquartered in Bermuda, listed on the London Stock Exchange and employing 3,000 staff across 34 offices in 14 countries, Hiscox has three divisions: International; London Market; and UK and Europe, which offers cover for businesses, professions and HNW clients. For the 2023 financial year, Hiscox reported group controlled premium of \$4,598.2m (\$4,355.4 million), with a combined operating ratio of 89.8% (91.1%), resulting in a pre-tax profit of \$625.9m (\$275.6m) and return on equity of 21.6% (10.1%).

The renewals situation had transformed. Many still complained of late terms, stiff increases and an uncompromising mentality, but almost now half spoke of early contact and rises of just eight to ten per cent. Hiscox business continued to drain off to more effective HNW competitors, thanks to service failings, high rates and long-term neglect of relationships. But Hiscox was now picking up some re-brokers: some from dead MGAs, but also some from mainstream rivals. Price competitiveness had risen from 38% to 51%.

Hiscox's Private Client operation has had a rotten few years. Aside from 2020, its core service comment count hasn't been in the green since 2017. Causes were many: first an exodus of London underwriters; then, botched implementation of the Merlin IT system, coupled with a misguided scheme to 'rationalise' – i.e. de-skill – staffing and business processes; then the effect of lockdown-related BI claims on the group's claims resources and bottom line; and all these in the context of an over-competitive, unprofitable HNW Home sector. Now, however, the market has condensed and hardened and Private Client capability looks a worthwhile investment.

Hiscox is not there yet. Relationship management needs more work. Service remains far too patchy, particularly on new business, documentation and underwriters. Hiscox had made some lateral hires, but could do with more. For a big operation, it had limited strength in depth: of its 19 citations for best individual underwriter, 13 fell on just four people; nine of them, on just two.

For all the business it has lost in recent years, Hiscox is still a big store: 17 out of every 20 Private Client brokers have HNW Home cases there; and for more than a third it is, even now, one of their two principle markets. If Hiscox can deliver a further year of solid improvement, it stands to get far more use from its broker network in 2025. ●