



The long view

Conor Finn, Property Direct & Facultative Manager, Antares

Conor, when did you board the good ship Antares? Can you give us an outline of what you're offering?

I started on 1 December and have been charged with building the property direct and facultative (D&F) book, which encompasses both open market property and binder business written on a worldwide basis. In the current market we're building the business carefully and with a long-term view. Our ultimate goal is become a lead market in this class.

We want to be relevant and responsive to our clients and are committed to those objectives. Service is central to our offering and so we aim to turn business around quickly and efficiently so our brokers don't have to wait long for an answer. We've found the way Antares is set up certainly enables us to do that. In addition, having the backing of Qatar Insurance Company enables us to plan long term, which is tremendously exciting.

Are there particular areas you won't touch, and if so why?

We have an aversion to mining business. In my past I've written quite a lot of it but feel that currently the insurance product on offer in this sector is flawed. It seems that, in many cases, we're selling business interruption (BI) cover to organisations that control markets so, as soon as a claim happens, the prices spike and the BI claim climbs accordingly.

That said, clearly there are some underwriters in the market that do manage to make money from mining business, but we are just not comfortable with the class at the moment.

OK, on the negative side is this the toughest rating environment you've ever known?

No, I don't think this is the toughest I've ever known. I'd say 1998 was a bit tougher. However, it's not so much the rating environment, which is a function of the market, but the coverage and deductibles that are being given that bothers me more than anything else.

However, nowadays we're all better at understanding risk and exposure and drilling into data so we should be able to trade through soft and hard markets alike. Additionally, the fact that reinsurance

pricing has reduced as well as enabled us to maintain margins, albeit smaller ones.

But on the positive side, I'm guessing that it's still possible to write a profitable book when one looks at recent combined ratios on full-year results?

Combined ratios are getting higher but I do think it's possible to write a profitable book as long as you stick to what you understand and trade accordingly.

How long do you think the market can sustain sub-100 percent combined ratios though? Are we near the tipping point?

I wouldn't be surprised if we're getting towards that tipping point. There are too many carriers announcing reduced profits for people not to take notice.

“Currently the insurance product on offer in the mining sector is flawed”

On the buying side of fac reinsurance, I'm guessing there will be a fair degree of optimism in 2016 after so many cedants got burnt last year – is this your assessment?

There does seem to be a bit more opportunity in the fac reinsurance and smaller wholesale space, and the smaller lines required and shorter limits typically suit Lloyd's better. I'd say there's been a modest increase in fac market writing but there's quite a lot of pressure on prices so risks have to be carefully selected.

Does the cyclical nature of attitudes towards 'fac-ing' out by some of the big players depress you? Why can't there be more consistency?

Fac is by its very nature opportunistic so much of this will always be an opportunistic play. Like everyone we always want an element of our portfolio to have a high renewal rate and we get this through coverholder business, where our renewal retention rate is extremely high. We always look for long-term

partnerships with our coverholders and are very fortunate in as much as we know many of the key players, having been active in this space for many years.

I'm guessing the big decision that markets have to make at the moment concerns broker facilities and whether to join or not – I'd be interested to hear your views!

I don't think there can be a one-size-fits-all response but it's safe to say that the facilities would need to be accretive to your bottom line.

You've been a D&F stalwart in Lloyd's and it still seems to be the market of choice for the difficult property risks, but are you surprised that more underwriting isn't done at hub level? Thinking here of Singapore and Miami...

Antares has recently opened up in Singapore operating on the Lloyd's Asia platform and we're very excited about the possibilities this presents. We feel that the local Lloyd's platform is able to generate business that wouldn't ordinarily come to London and that has to be a good thing.

Brexit is on everyone's minds at the moment... do you think an exit from the EU would harm the property D&F market or do you think it would weather the storm?

I think the D&F market would weather the storm. At the end of the day we deal in tougher risks so if there's a need we'll aim to provide a solution.



Conor Finn, Property Direct & Facultative Manager, Antares