

## Corporate insurance premiums set to increase in 2010

A LANCASHIRE corporate insurance expert is warning that premiums are set to increase in 2010.

Peter Millington, business development manager, warns that with the current turmoil in the financial markets resulting in lower investment returns, the continuing global recession and increased reinsurance prices, there is added pressure on insurers to increase premiums to protect their balance sheets and solvency position.

Peter cites a large number of underlying factors which are contributing to insurance rate increases and is warning businesses to budget for these potential increases in advance.

He said: "There is no doubt that businesses have enjoyed relatively low premiums for some time, thanks to the competition in the insurance industry.

"During 2010 this is likely to change. Recent disasters like the Cumbrian floods on top of the other storm and flood occurrences of recent years have highlighted that current rating levels cannot support the losses now being seen through weather events.

"For motor and liability covers, average settlements continue to rise by 10 per cent per year against an almost negligible RPI and this all means that insurance prices will only go up."

Peter added: "Businesses must make sure they are budgeting for increases, and keeping internal practices up to date and robust."