

Pathway Report

Navigating Growth in the Non-Standard Market

PRESTIGE
UNDERWRITING

Key Takeaways for Brokers

The non-standard market is thriving, characterized by the dynamism of agile and industrious brokers. The Prestige Underwriting 'Pathway' Report was compiled by Finaccord, an Aon company that specialises in research and analysis for the insurance sector. Finaccord projects indicate robust growth in this sector by 2030, underscoring its vitality in offering insurance choice tailored for policyholders with higher risk profiles.



Non-Standard Home

- **Modular Homes:** Expected to be a significant growth driver, with a compound rate of 1.6% each year from 2023 to 2030.
- **Unoccupied Homes:** Significant growth forecasted at a compound rate of 1.2% per year between 2023 and 2030.
- **Thatched Properties:** Anticipate a compound annual growth rate of 0.1% each year from 2023 to 2030.
- **Second Homes in the UK:** Modest growth at 0.5% compound annual rate up to 2030.
- **Privately-rented homes:** The contraction in this market is expected to continue.
- **Holiday Homes Abroad:** Declining trend continues.
- **Conversion of Pre-1900 Residential Properties:** Steady increase, contributing to a 0.2% compound annual growth in non-standard homes from 2023 to 2030.

Climate Change, Geohazard and Fire Risks

Long-term climate factors will intensify subsidence, flooding, and other geohazard risks. The number of properties affected by subsidence is projected to grow at a compound rate of 2.3% each year between 2023 and 2030.

The average cost and total value of domestic fire claims paid has risen, mostly caused by a huge increase in lithium battery-powered devices. The number of powerful lithium batteries is set to rise fast and the number of damaging fires will increase along with this.



Non- Standard Motor

- **High-Performance Cars:** Continued rise, built on growth of up to 3.8 million cars by end 2023. The trend is expected to persist, with high-performance cars (in this case defined as cars in groups 34 to 50) forecasted to grow at a compound annual rate of 7% per year between 2022 and 2030, albeit at a slowing rate from 2025.
- **Electric Cars Availability:** While the growth in Electric Vehicles (EVs) is anticipated to be high, potential bottlenecks may make (grey) imports of cars attractive.
- **Grey Imports:** Expected to increase by 2030, with a compound annual growth rate of 3.3% between 2022 and 2023.

Conclusion

Insurance brokers, armed with these insights, are well-positioned to navigate the evolving landscape of the non-standard market. Understanding the growth trajectories and emerging trends in both the home and motor segments enables brokers to offer informed counsel, tailor solutions, and maximize opportunities in this growing sector. As the non-standard market continues to shape the future of insurance, brokers play a crucial role in ensuring their clients receive tailored, forward-thinking coverage.

Further Information

If you would like further information about the Pathway Report or Prestige Underwriting's products and services, schemes and delegated underwriting, you can reach the GB, NI and ROI teams as per the details below:

Business Enquiries GB:

Tim Baxter, Head of Broker Development
0800 0113 777
brokerdevelopment@prestigeunderwriting.co.uk

Business Enquiries NI and ROI:

Gillian Cunningham, Sales Director Ireland
0800 0324 252
Gillian.Cunningham@prestigeholdings.co.uk

