

# Fortis signals household intent with RICS deal

BY MAIRI MACDONALD

FORTIS Insurance UK is set to grow its household book after signing up to a new service provided by the Royal Institution of Chartered Surveyors that supports the way in which its bedroom-rated buildings policies are priced.

The Buildings Cost Information Service notional rebuilding cost matrix, launched by the RICS, provides data relating to property rebuilding costs by postcode. While it has provided information to the Association of British Insurers for years, the BCIS is now targeting insurers and brokers with bespoke solutions.

Stephen Linklater, Fortis head of household underwriting, said the BCIS matrix has enabled Fortis to increase its buildings

bedroom-rated product limit to £500 000 from £400 000, and accept five-bedroom properties, which means it can now quote for an additional two million UK properties. "These product enhancements will help us continue with the significant growth strategy we have for our household account," he told *Post*.

Mr Linklater added: "With this level of rebuilding cost data, Fortis' buildings policies will be more accurately and competitively priced, which we believe gives us a competitive edge in the market."

Although bedroom-rated policies give a standard sum insured for all policyholders, an underlying or 'notional' rebuilding cost is also needed when setting premiums.

The BCIS matrix contains 2.6 million residential rebuilding

cost values covering most houses, bungalows and flats.

Andrew Thompson, international development and data director at BCIS said: "We recognise that providing a comprehensive matrix of residential rebuilding cost values would enable insurers to competitively price policies and increase their buildings insurance business, while protecting their loss ratios by accurately assessing risk."

Meanwhile the BCIS' index of house rebuilding costs reported a 3.3% fall in the fourth quarter 2009 compared to the same period in 2008.

It noted pay freezes in the construction industry as well as reductions in set-up costs, overheads, and profit, as contractors pursue work in an extremely competitive market, as contributory factors.