

Here to speak about claims, inflation and under insurance. I'm joined by Chris Hughes, director of commercial claims at Aviva. Hi Chris.

So claims inflation is a hot topic. How is it linked with under insurance?

Claims Inflation and under insurance are intrinsically linked and the impacts are felt as a result of Brexit covid-19 the war in the Ukraine and also the cost of living crisis. This is resulting in a shortage of skilled workers, supply chain disruption and increased fuel and energy costs. All this is having an impact not just on the cost of claims, but also how long it takes to settle a claim.

Your team must see the very real reality of under insurance. Can you share any examples with us?

Sadly, we are seeing examples where businesses are coming up short due to under insurance, and this can be upsetting and difficult for all concerned. If the levels of cover aren't correct, approximately 500,000 SMEs wouldn't survive if they had to pay more than £10,000 in relation to a claim. And we're seeing instance where these are stretching into hundreds of thousands of pounds, and we've seen that the time it takes to claim to be settled

It's really important for customers now. If they are underinsured, Does this have an effect on the time it can do?

And it certainly adds in a layer of complexity. But we'd look to review and consider each claim on its individual merits. And how can brokers work with their customers to make sure they avoid under insurance? So it's really a question of brokers working with clients to review their sums insured, but not just for their buildings, but also for their business interruption, with particular reference to the claims inflationary impact that I discussed earlier on what events are most at risk of claims. Inflation. I think the two that are most at risk are fire and escape of water due to the extent of damage that can be caused as a result of those two perils.

Chris, that's we've got time for. Thank you very much for joining me today. Thank you. And thank you for watching