SABRE INSURANCE GROUP PLC

**Trading Update**

Sabre Insurance Group plc (the "Group", or "Sabre"), one of the UK's leading private motor insurance underwriters, today publishes a trading update ahead of its AGM to be held later this morning.

**Summary**

- As set out in our 2017 full year results, in common with the rest of the motor market, we experienced competitive pricing in the last few weeks of 2017 which continued into the first two months of 2018 resulting in a modest reduction in premium income relative to the same period in 2017

- Pricing action was taken in early March to reflect the improving claims trends, specifically lower whiplash claims frequency, which has resulted in gross written premium ("GWP") returning to approximately 2017 levels on a weekly run-rate basis with no deterioration in our expected underwriting margins. Given this GWP for the year to 30 April 2018 is down year on year by around 5% at £69.8m[(1)] (2017: £73.1m[(1)])

- The Group continues to deliver leading underwriting performance supported by positive claims experience in the early months of 2018, and therefore reiterates the full year guidance for the 2018 underwriting performance reflecting a combined ratio slightly better than our long-term target of mid-70%'s

- A solvency ratio of over 188%[(1)] at the end of March exceeds our 140% - 160% target corridor, with organic capital being generated on a monthly basis

**Geoff Carter, CEO, commented:**

*"Profitability of business written remains our key priority, with gross written premium and growth being an output rather than a target. Whilst we saw a reduction in premium income in the first two months of the year relative to the equivalent period last year, we took pricing action in early March which was supported by the emerging claims data. Following this action, volumes of new business on a weekly run-rate basis have returned to similar levels as the equivalent period in 2017 without any deterioration in expected underwriting margins. As such we remain confident in performing slightly better than our mid-70%'s combined ratio target for 2018, given our claims experience to date.*

*The motor market remains in a choppy state as competitors react to the early signs of changing claims patterns. Much uncertainty remains on the end state of these changes, not least around the critical Ogden discount rate which may impact overall claim costs and reinsurance pricing, making it difficult to predict the outcome for pricing and volumes for the remainder of the year and beyond. However, the market appears to have reacted rationally to reflect real-world changes in the cost of claims. Since we undertook our pricing action earlier this year we have seen no significant change in the pricing environment in our sector and, as such, currently expect our 2018 GWP position to be broadly in line with 2017. Assuming no changes to the current environment, we would expect modest GWP growth in 2019, without deterioration from our current underwriting margins.*

*In summary, we are encouraged by the start to the year. We remain absolutely committed to our core principle of underwriting discipline over GWP growth. We believe this will deliver a strong underwriting performance, and allow us to continue strengthening our capital position which will support the delivery of an attractive dividend, in line with our policy (stated at the time of the IPO) of paying out surplus capital by way of ordinary and special dividends."*

(1) Numerical information not subject to audit


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