

10 October 2019



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 provides a trading update for the nine months ending 30 September 2019.

Summary

- The Group continues to execute its strategy of focusing on underwriting profitability over premium growth in order to maximise profitability over the long term.
- The Group anticipates delivering a FY2019 combined ratio slightly better than our mid 70%'s target (FY2018: 70.6%).
- As anticipated, gross written premiums (GWP) for the first nine months of the year are lower year-on-year at £152.9m⁽¹⁾ (2018: £162.6m). The Group expects full year GWP to be approximately 7% lower than 2018 (FY2018: £210.0m), in line with previous guidance.
- Disciplined underwriting and well controlled claims management have successfully mitigated the anticipated ongoing increase in claims inflation and other cost pressures.
- Strong organic capital generation supports the potential for an attractive full year dividend with a solvency coverage ratio of 198%⁽¹⁾ as at the end of September 2019 (2018: 195%), above our 140% to 160% target range.

Geoff Carter, Chief Executive Officer, commented:

Throughout a period of significant change in the UK motor insurance sector, we have continued to apply our long-term strategy, to focus on underwriting profitability, with premium volume remaining an output rather than a target.

We continue to observe high levels of industry-wide claims inflation, and are additionally focused on other emerging cost pressures. These include increases in the MIB and FSCS levies, potential reinsurance price rises following the Ogden rate decision and possible changes in claims management company behaviour following the implementation of the forthcoming personal injury legal reforms.

Encouragingly, early signs of market premium increases or other competitor actions mean that while we have accelerated price increases to cover these emerging costs as well as ongoing inflation, our volumes are not being further negatively impacted.

We note the recent FCA report on pricing in the insurance industry. Given Sabre's approach is to price policies on a consistent basis across our new and renewal portfolios we do not anticipate that the proposed remedies will have a detrimental impact on our business.

Our performance so far in this financial year has been in line with our expectations and we remain confident that we will deliver a combined ratio slightly below our long-term target and an attractive dividend for the full year, supported by our current solvency ratio of 198%, which is well above our target 140% to 160% range.

(1) Numerical information not subject to audit

Investor enquiries

Sabre Insurance Group plc

Adam Westwood, Chief Financial Officer

adam.westwood@sabre.co.uk

01306 747 272

Media enquiries

Tulchan Communications LLP

James Macey White and Amber Ahluwalia

sabre@tulchangroup.com

020 7353 4200

LEI code: 2138006RXRQ8P8VKGV98