



14 May 2021

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 an update on trading for the period to 30 April 2021 ahead of its AGM later this morning.

- Continued focus on prioritising underwriting profitability over volume, with price increases materially ahead of the market
- Overall, volumes for the first quarter of the year are in line with our expectations
- Gross written premium for the four months to 30 April 2021 was £46.0m (four months to 30 April 2020: £54.6m)
- Continued strong organic capital generation with a solvency coverage ratio of 171% post-dividend as at 31 March 2021 (31 December 2020: 155%)
- Too early to identify meaningful market quote volume increases as lockdown eases, however:
 - throughout April, volumes were ahead of the comparative period in 2020
 - clear visibility on premium outturn for the full year remains limited at this point due to numerous intertwined regulatory, market and COVID impacts
 - combined ratio for the financial year is expected to be within the target range of 70% to 80%

Geoff Carter, Chief Executive Officer of Sabre, commented:

"Volumes through Q1 were in line with our expectations, during which we continued to execute our strategy of focusing on profitability over volume. Alongside that, we continue to investigate and implement new rating factors and potential new, complementary product offerings which will help drive disciplined and profitable volume growth in future periods.

While we are still in the very early stages of an easing in the lockdown restrictions, through April we have started to see some increase in our premium levels, and the policy count has enjoyed modest growth. Premiums in April were 14.6% higher than the same period last year, with the weekly run-rate increasing relative to 2020 towards the end of the month and into the first week of May. This is despite us being consistent with regard to our pricing discipline and against a backdrop of low quote volumes across the market.

Looking forward, we remain confident that volumes will increase as the number of drivers and car sales increase. We also expect that – in due course – the FCA pricing review, changes to small bodily injury claims ("whiplash reforms") and ongoing claims inflation will drive some competitors to increase prices materially.

Our claims performance and organic capital generation was strong, and we remain confident of providing an attractive dividend for the year, possibly through the utilisation of our robust capital range. While short term visibility remains limited, we remain confident that our agility and tried-and-tested strategy will deliver a strong result for the year.

Finally, we are delighted to have appointed Matthew Wright as our new Chief Actuary after a near 12-month transition period and seven years with Sabre. We are confident Matt will be able to further enhance our market leading pricing capabilities."

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