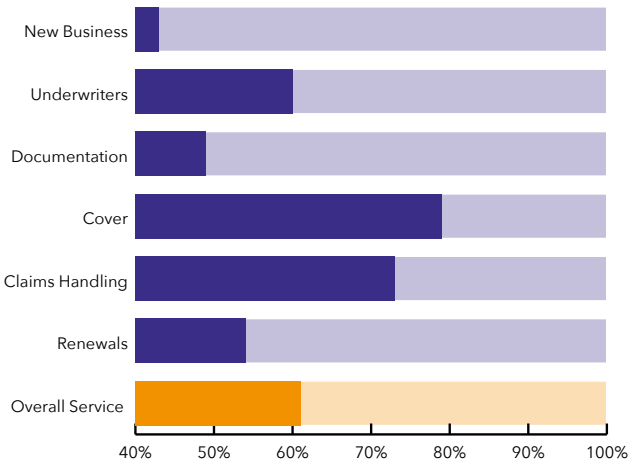


Hiscox

In serious decline for half a decade now, Hiscox plumbed strange, abyssal depths in our latest study. Ninth for cover and claims, last for everything else, Hiscox beat even the far cheaper Artsure to the bottom of our overall service chart.

On new business, Hiscox footed the table for a second successive year with 43%, down nine points even on 2021's dismal score. Comment divided 1:54 negative and two mixed. One broker – at a small Republic of Ireland firm – was happy with service. The rest were unimpressed: 'very bad at answering calls'; 'unacceptable waits on the telephone'; 'impossible to get hold of anyone'; 'constant delays'; 'can take weeks'; 'they ask for information already provided in our submission'; 'always the last'; 'terrible'; 'horrendous'; 'simply awful'; 'a complete disaster'; 'I would not put my worst enemy with them at the moment'; 'extremely poor and getting worse'.

Hiscox's 2022 performance was so bad, we had to change our standard bar chart scale to accommodate it



Hiscox	Rank/11	Score	Change vs last yr
New Business	11th	43%	↓ 9%
Underwriters	11th	60%	↓ 7%
Documentation	11th	49%	↓ 4%
Cover	9th	79%	↓ 6%
Claims Handling	9th	73%	↓ 4%
Renewals	11th	54%	↓ 5%
Overall Service	11th	61%	↓ 6%

Price Competitiveness: ★☆☆☆☆

Market Position



Service had been centralised. Hiscox now had a single email address for all new quote requests. In practice, said the owner of a London firm, this was 'just a black hole'. Direct underwriter contacts had gone too, in favour of a central phone number. 'When you phone Hiscox, you don't get through to an underwriter,' said a City account exec. 'It all seems a lot less personal,' said an East Midlands broker. What you got was auxiliary staff – none of them able to do anything useful. The quote process had become 'painfully slow', said an account executive at a national firm: 'They have too many barriers in the way.'

On underwriting, Hiscox again retained last place with 60%: down seven points. Comment was 8:43 negative and four mixed, to 2021's 8:18 negative and 13 mixed. Hiscox still had some capable people: 'professional and effective'; 'understand a policyholder's needs'; 'still good when it comes to more complex risks'. At least one direct contact had survived. 'Hiscox have a superb underwriter leading their team in the North,' said a manager at a Yorkshire firm. 'We have a great relationship.'

But expert underwriters were a fat lot of good if brokers couldn't talk to them: 'you can never speak to any underwriter on the phone'; 'we are never able to have a conversation'; 'you always get an assistant who takes info, then passes it on'. In their stead, Hiscox offered low-budget script jockeys: 'inexperienced'; 'very risk-averse'; 'inflexible and unrealistic'; 'particularly unhelpful'; 'ask multiple unnecessary questions'; 'fixated on issues that other insurers usually find trivial'; 'little desire for a discussion'; 'the answer is no, before they even know the question'; 'can't make an immediate decision on sometimes basic things'; 'lack sufficient authority to deal with what we would consider small sums'; 'nearly nine times out of ten they cannot compete'; 'never give a reason why'; 'a bunch of office juniors who are underwriting from a manual'.

When we asked brokers which individual underwriter had most impressed them this past year, people at Hiscox earned six mentions, down from seven in 2021 and 20 the year before. Of these, three – all from Yorkshire brokers – went to Jill Evans at Hiscox York. Andy



Goodard, Matthew Hodge and Tim Lewis earned one mention each.

On documentation, Hiscox scored 49%, down four points: last place retained again. Comment was a ringing 0:43 negative and two mixed. Hiscox docs were slow to arrive: ‘can take days’; ‘over a week’; ‘take an age’; ‘we never get documents when promised’; ‘severe delays – up to six months’; ‘often doesn’t materialize’. MTAs were torture: ‘taking weeks at times’; ‘you have no idea who is working on a case’; ‘a nightmare.’

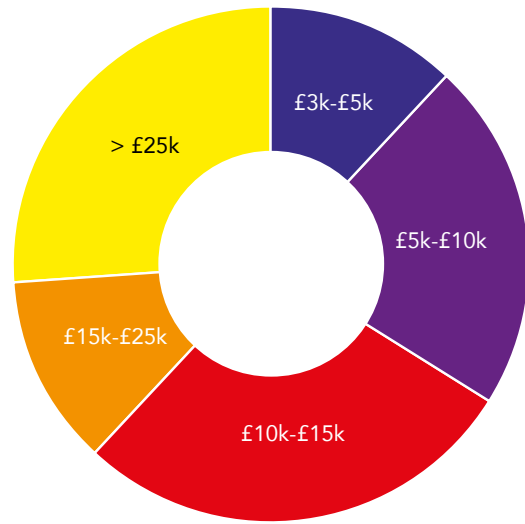
The structure was bad, too: ‘not a well set-out policy schedule’; ‘far too long’; ‘far too cumbersome’; ‘difficult to follow’; ‘a sea of conditions, exclusions and endorsements’. Accuracy was atrocious: ‘full of errors or omissions’; ‘often riddled with errors’; ‘often littered with mistakes’; ‘abysmal’; ‘awful’; ‘rarely correct first time’; ‘their SOF are usually incorrect’; ‘errors in the excesses’; ‘endorsements need careful checking’; ‘missing items or properties from presentations’; ‘Hiscox has missed zeros of sums insured on more than a few occasions’; ‘inaccuracies in their documentation are very worrying’. Getting documentation that ‘accurately reflects what has been requested’ could take ‘four or five attempts’, said a broker at one international firm. There was no sense of ownership. An account exec at another had had to go back to Hiscox time and again to get issues resolved: ‘Requests and comments are not passed on.’

On cover, Hiscox ranked ninth with 79%: down six points and four places. Comment was 13:4 positive and two mixed, to 2021’s 11:1 positive and one mixed. For many, Hiscox 606 remained market-leading: ‘a high-quality product’; ‘policy coverage is excellent’; ‘up-to-date with clients’ needs and lifestyle’. A 2020 update had provided ‘some great enhancements’, said a London broker. For an account manager at an international firm, 606 had ‘good inner limits that can help sell a policy or secure renewal instruction, even when up against a cheaper market’.

But to others, Hiscox 606 hadn’t kept pace with developments. ‘Their cover needs updating: higher SALs; include cyber as standard; increase the building works standard limit,’ said a South Western broker. Other made similar remarks: ‘inner limits need reviewed’; ‘need a serious update’; ‘being outshone on coverage’; ‘falling behind’.

On claims handling, Hiscox scored 73% and ranked ninth: down four points and one place. Comment split 15:3 positive and four mixed, to 2021’s 13:4 positive and one mixed. Most claims still went well: ‘usually very responsive’; ‘fair and professional’; ‘recently had a very quick travel claims settlement’; ‘a complex claim involving

The proportion of brokers placing any >£25,000 GWP cases with Hiscox had diminished markedly since 2021



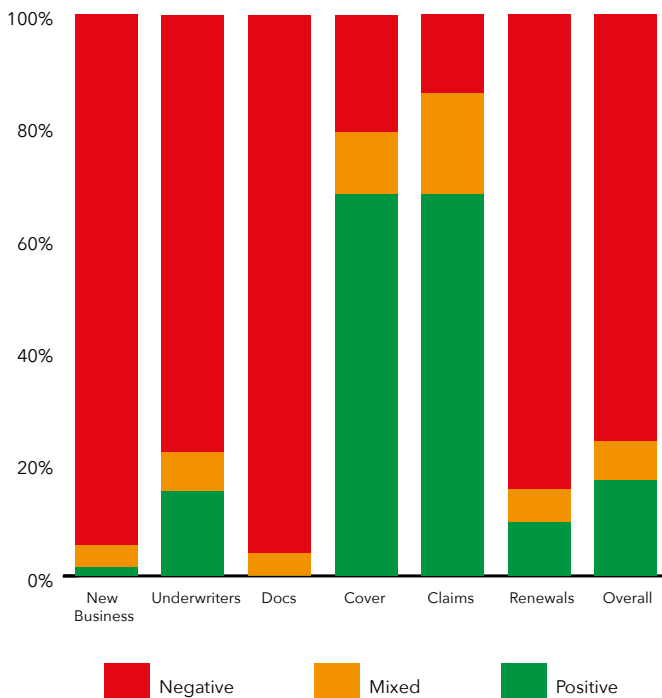
Largest single risk placed, GWP	% of brokers
£3,000-£5,000	12%
£5,000-£10,000	22%
£10,000-£15,000	28%
£15,000-£25,000	12%
> £25,000	26%
Total	100%

a boundary wall was settled very quickly, with support for the client throughout’; ‘still market-leading’; ‘you can sleep at night knowing a major loss will be taken care of’. An account executive at a national firm had a client who hadn’t taken the cyber cover option... but then had a cyber claim: ‘And because they were a longstanding client, Hiscox paid it.’

Yet even on claims, inadequate staff and dysfunctional processes had impacted on service: ‘slow to respond to emails, or indeed to action calls which advise a matter as urgent’; ‘handlers are not empowered to make decisions’; ‘make clients jump through unnecessary hoops’; ‘breached data protection by sending claim details to the wrong client’.

Several brokers had seen both sides. ‘Hiscox were quick on a claim payment – after they were chased up and located the claim documents in their black

More than three-quarters of broker comments on Hiscox's service were wholly negative



Hiscox	Positive	Mixed	Negative
New Business	2%	4%	95%
Underwriters	15%	7%	78%
Documentation	0%	4%	96%
Cover	68%	11%	21%
Claims Handling	68%	18%	14%
Renewals	9%	6%	84%
Overall Service	17%	7%	76%

hole computer system,' said the owner of a London firm. 'I have had to intervene on three claims with Hiscox, due to how loss adjusters were dealing with them,' said an account manager. 'One was then handled by a senior claims handler at Hiscox – and she provided a brilliant service.'

As for renewals, Hiscox scored 54%, fell five points and, yet again, retained last place. Comment was 3:27 negative and two mixed, against a previous 2:28 negative and three mixed. A few brokers felt fairly treated. 'Hiscox will maintain terms year-on-year,' said an account exec at a small independent firm, 'as long as the risk has not changed.'

For the rest, Hiscox meant disorganisation and carelessness: 'many delays in issuance'; 'you now need to chase'; 'the worst market to deal with'; 'churned out without being looked at'; 'sent with historic endorsements on'; 'you have to request several times for these to be removed or amended'; 'pre-generated papers which aren't checked, on significant-sized portfolios'; 'making any changes causes issues, due to the slow response'.

Pricing and terms had worsened too: 'Hiscox's rate increases are crazy'; 'overly punchy'; '15 per cent and upwards'; 'restrictive conditions'; 'high increases, harsh terms and no flexibility'; 'the 'full value' clause has been causing us to move clients'; 'no room for negotiation'; 'they have lost some big renewal cases, as they have been unable to be flexible on their pricing'. There was seldom any pre-renewal contact, said an account exec at a large independent firm: 'It is not uncommon for new clauses to be added without warning.' In many cases, said an East Midlands broker, Hiscox had simply refused renewal – often without explanation: 'We've even had some where they've simply not told us. We've had to call and find out the hard way.'

Well, if Hiscox no longer wanted brokers, brokers no longer wanted Hiscox. 'I actively remarket their renewals, even if competitive,' said a team leader at an international firm, 'as the service from the underwriting team is so poor.'

Asked which market had made the biggest advance in their HNW Home book this year, three brokers – all at



small or mid-sized independents – named Hiscox. One was the Yorkshire broker who had retained a strong local underwriter relationship. Hiscox’s willingness to write footballers had helped another, the owner of a South Western firm.

But for 35, Hiscox had suffered the worst decline. The causes were legion: long battles to get quotes; unobtainable underwriters; the lack of appetite; uncompetitive premiums; lamentable documentation; stale cover; mean renewal terms; general incompetence; above all, the death of any personal service. ‘Hiscox service standards have reduced tremendously since they centralised everything,’ said a Yorkshire broker. ‘Hiscox retain clients who have an historic tie to them, based on reputation for settling claims,’ said an account exec at a large independent firm. ‘But their terrible service, pedantic stance and excessive premiums are repeatedly pushing cases away.’

Broker business was clearing out of Hiscox – principally to Covéa, Brit Private Client, Chubb, GrovesJohnWestrup Private Clients and ZPC. ‘Following their recent behaviours,’ said an East Midlands account exec, ‘we just don’t trust them to be able to look after our clients anymore.’

The Judgment

On overall service, Hiscox ranked 11th and last with 61%: down six points and one place. Core comment totalled 40:174 negative and 16 mixed, to 2021’s 41:109 negative and 21 mixed.

Hiscox’s score on new business was so low, we had to change the scale of our charts. There were still some skilled, experienced underwriters, often in the North. But few brokers were ever able to speak with one. Instead, they had to battle a central system that in practice, simply didn’t work. Phones rang and rang; emailed requests got no answer. Broker-facing staff were anonymous, ill-trained jobsworths with nothing like the knowledge or authority required for real-world HNW risks. Anything but the most elementary case had to be passed upstairs. Brokers waited, chased, waited, chased again. It was seldom worth the bother. In two or three weeks a quote might arrive, but it was seldom competitive. Renewals were a similar story: delays, incompetence, tightened terms, uncompetitive rates, churlish behaviour, a total indifference to relationships and no scope for discussion.

Hiscox 606 remained a high-quality HNW cover, but it hadn’t been evolving fast enough: aggressive competitors had raised the bar. Claims handling was often exemplary. But even here, service was starting to suffer the effects of

www.hiscox.com

Hiscox has three divisions: International; London Market; and UK and Europe, which offers cover for businesses, professions and HNW clients. For 2021, the group reported totalled controlled premium of \$4,795m (\$4,532m), of which \$479m (\$456m) was art and private client. Group GWP was up 5.9% to \$4,269m (\$4,033m), net premium was \$2,920m (\$2,752m) and COR was 93.2% (114.5%) resulting in a pre-tax profit of \$190.8m (against a loss of \$268.5m for 2020). Underwriting profit was \$215.6m, against a 2020 loss of \$370.6m.

Following a January 2021 Supreme Court judgement, Hiscox estimated that ‘approximately one third’ of its 34,000 UK BI policies ‘may respond to claims’. Worldwide, Hiscox reserved \$475m for Covid-19 claims across all lines. Hiscox’s annual report notes a steady decline in ‘employee engagement’ since 2017: 77%, 74%, 71%, 68%, to 64% in 2021.

low-quality, process-oriented staff: inertia; delays; box-ticking; daft mistakes.

Hiscox documentation was a horror: long and clumsily structured, it could take weeks or even months to appear. Scandalous errors were commonplace: missing zeroes, even whole houses. Getting corrected versions was like pulling teeth. You never knew who to speak to: neither did anyone at Hiscox. No one seemed individually responsible for anything. No wonder standards had collapsed.

Hiscox is a famous name in HNW insurance. It pioneered the market. It led the field. As recently as our 2014, 2015 and 2016 studies, it recorded overall service scores in the 80s. But 2018 brought a sharp decline, caused by conscious de-skilling, a botched IT implementation and an exodus of experienced staff, particularly in London. A shortlived rally in 2020 was then stamped out by a misbegotten centralisation that has resulted in levels of responsiveness, staff motivation and quality control reminiscent of a Soviet car factory of the 1970s. Hiscox – of all markets! – has neglected the human element. HNW insurance is a subtle, relationship-oriented business: if you don’t want to deal with brokers and their clients on an individual level, it’s the wrong one to be in.

Brokers have had enough. ‘Hiscox used to be my ‘go to’ insurer, but now I have lost all faith in them,’ said a South Eastern account executive. ‘Despite trying to work with the team and their new model,’ said a London broker, ‘the slow service and pricing has made it almost impossible to retain customers with them.’