SABRE SPEAK

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SABRE CELEBRATES 20 YEARS

July 2017 marks a significant milestone for Sabre which was established in 1997 and has gone from a start-up company to managing over £115m in assets and £2m of General Insurance premiums each year.

Sabre set up by Stuart Read and Dale Came, started life in a small basement office at Victoria Place, Kingsbridge before outgrowing these premises and acquiring premises at South Place where Sabre Financial continue to operate.

Sabre was originally offering purely financial advice but soon recognised that in order to provide their clients with a full range of financial planning and insurance services, the Company needed to expand into the General Insurance market. As a result of this, Sabre Insurance Services was created in 2003 following the acquisition of Roger Hind Insurance and then subsequent expansion by acquiring Devon Insurance Advisory Services in 2012. This part of the Sabre Group is located in offices in Church Street advising on and arranging all types of General Insurance.

20 years on and both Stuart and Dale remain company directors and are actively involved in the business as part of a total of 22 staff including Dale's son Rob who has been working for the company since 2016.

Dale suggests the cornerstone of Sabre's success is "quite simple really, our primary objective is to work in partnership with our clients to deliver their financial goals and cover their insurance needs."

Sabre is extremely proud to continue being a local, Independent Financial Services company and General Insurance broker in the South Hams community maintaining the existing relationships with their valued customers and looks forward to developing new relationships with their future clients.

Sabre's future aspirations include continuing to employ locally where possible, developing our systems and using the basis of 20 years in business to grow and consistently offer clear, impartial advice in all areas of insurance and financial planning. Our experience tells us that quality relationships with our clients and partners has proven to be the lifeblood of our business and we consider that 20 years' experience demonstrates stability in an often confusing marketplace.

Ogden Rate likely to impact on Insurance Premiums

With effect from 20 March 2017 the Ogden discount rate has been reduced from 2.5% to -0.75%.

What is the discount rate?

The objective is to make sure a severely injured person has the necessary financial security to provide for their care and loss of earnings. The discount rate is used to calculate the amount of compensation they receive to reflect the return they will earn when that money is invested.

Impact of the change

The reduction means that those suffering from serious injuries will receive significantly higher compensation payments than before.

The substantial increase affects claims costs for all lines of insurance which see claims for bodily injury – including Private and Commercial Motor, Motor Trade, Casualty (Employers Liability, Other Liability and Contractors Liability) and SME. As such, insurers are considering and reviewing pricing of premiums which is resulting in higher Motor and Liability premiums going forward.

Investment Markets Post UK Election

The standard assumption for any recent major election or vote should be that the result is always either the opposite of what is expected or simply a surprise. The Brexit vote followed by the election of Donald Trump established this theme. Whilst the recent UK General Election did not quite cause the same impact as the Brexit vote, it was quite close.

The prospect of a hung Parliament initially raised the potential of governmental paralysis, and many assumed that this would impact on Brexit negotiations and indeed investment markets. Somewhat surprisingly Brexit negotiations have of course continued as planned albeit with a 'soft' emphasis of late, whilst markets initially strengthened even further. Indeed, the day after the election the UK Stock Market actually opened up by around 1%.

To some extent markets had already factored in the prospect of some uncertainty, although they would not have predicted the close nature of the final result. More importantly, the result in truth has not changed a great deal. The Brexit process continues as before with a slightly different negotiating stance. Clearly the Conservatives are only able to govern in conjunction with the DUP but this is likely to lead to less 'controversial' legislation as any strong political actions such as the desire to break the 'triple lock' on pensions would face the likely result of a government defeat in Parliament.

Initially therefore markets have taken the General Election in their stride. The one immediate consequence of the election was that Sterling weakened and this again fed through to rising stock markets as many of the FTSE constituent companies derive their profits from overseas earnings. The other side of the coin is that the UK is now looking at rising inflation, albeit imported inflation.

Most importantly of all whilst all stock markets respond in one way or another to political changes, they are impacted on much more by economic fundamentals over time. Thus, the UK remains resilient and despite the increasing inflationary pressures mentioned above, interest rates remain at an all-time low, whilst consumer spending remains more robust than expected.

More internationally America continues to recover, and this is demonstrated in improved employment figures, and continued economic growth. It is also demonstrated by the move towards the normalisation of interest rates within the economy.

Elsewhere Europe has now started to deliver economic growth and the recent elections there have so far delivered candidates committed to the European cause. Indeed, the recent election of Emmanuel Macron has been met with widespread popularity. Even the difficulties faced by Banks in Italy have not proved insurmountable and so far, Europe has been an area favoured by many fund managers.

STAFF NEWS

We are pleased that all our babies have now arrived!

Steph Pope (Paraplanner) and her husband, Simon are now the proud parents of Isaac David.

Kelly McCormack (Account Handler) and her husband Kieran welcomed Jake in to their family.

TOP TAX TIPS

The Introduction of the first tranche of the new residential nil rate band (RNRB), from 06 April 2017 will add an extra £100,000 worth of IHT-free allowance per individual. The threshold will increase until 2020, where it will be a total of £175,000 of extra allowance per individual.

The rules will not apply if the estate exceeds £2,000,000 where tapering rules apply, or will be restricted in the case of properties worth less than the new allowance, or importantly where the property passes to anyone other than children and grandchildren of the deceased, or their Spouses / civil partners. Assets passed via a discretionary trust do not therefore qualify, because assets do not pass directly to direct descendants.