

DEVELOPMENTS IN HOUSEHOLD INSURANCE

The purpose of the workshop is to share information and ideas on developments in Household Insurance, principally in the UK , and the EEA, but relevant experiences from other countries would be welcome. Apart from personal education and interest, an expected output from the workshop is a list of ideas about what the profession should be doing in the area of Household Insurance. This is likely to give rise to one or more GISG working parties for 1997.

It is somewhat surprising that so few people expressed interest in Household Insurance at last year's General Insurance Convention. The Household market is almost as large as the private car market in the UK, at around £5 billion. It is clearly susceptible to statistical analyses and is getting increasingly complex and price sensitive. Although it presents relatively few reserving problems, pricing seems far from straightforward, with competing rating bases and great diversity of area rating plans. It is also sensitive to catastrophe risks and volatile claims experience.

The market is in a state of some flux, with new companies entering the market, and the development of telemarketing. Increasing selectivity, and other factors, are giving rise to concerns of "red lining" and lack of availability of cover. "Black Box" systems are emerging that purport to give the cost of risk for particular areas or even specific houses.

It seems that the Household Insurance market is too big, too active and too challenging to generate the high levels of apathy that appear to rule in general insurance actuarial circles. We surely cannot believe we have solved all the problems of the Household Market.

Come along and help us find out:

- What is happening in the Household Market
- Why has GISG lost interest in it, and
- What should we be doing, as a profession, to enhance our role and to help our members who work in that area.