



The Actuarial Profession

making financial sense of the future

GIRO Convention

23-26 September 2008

Hilton Sorrento Palace

Irish Issues 2008

Irish Issues – The Past

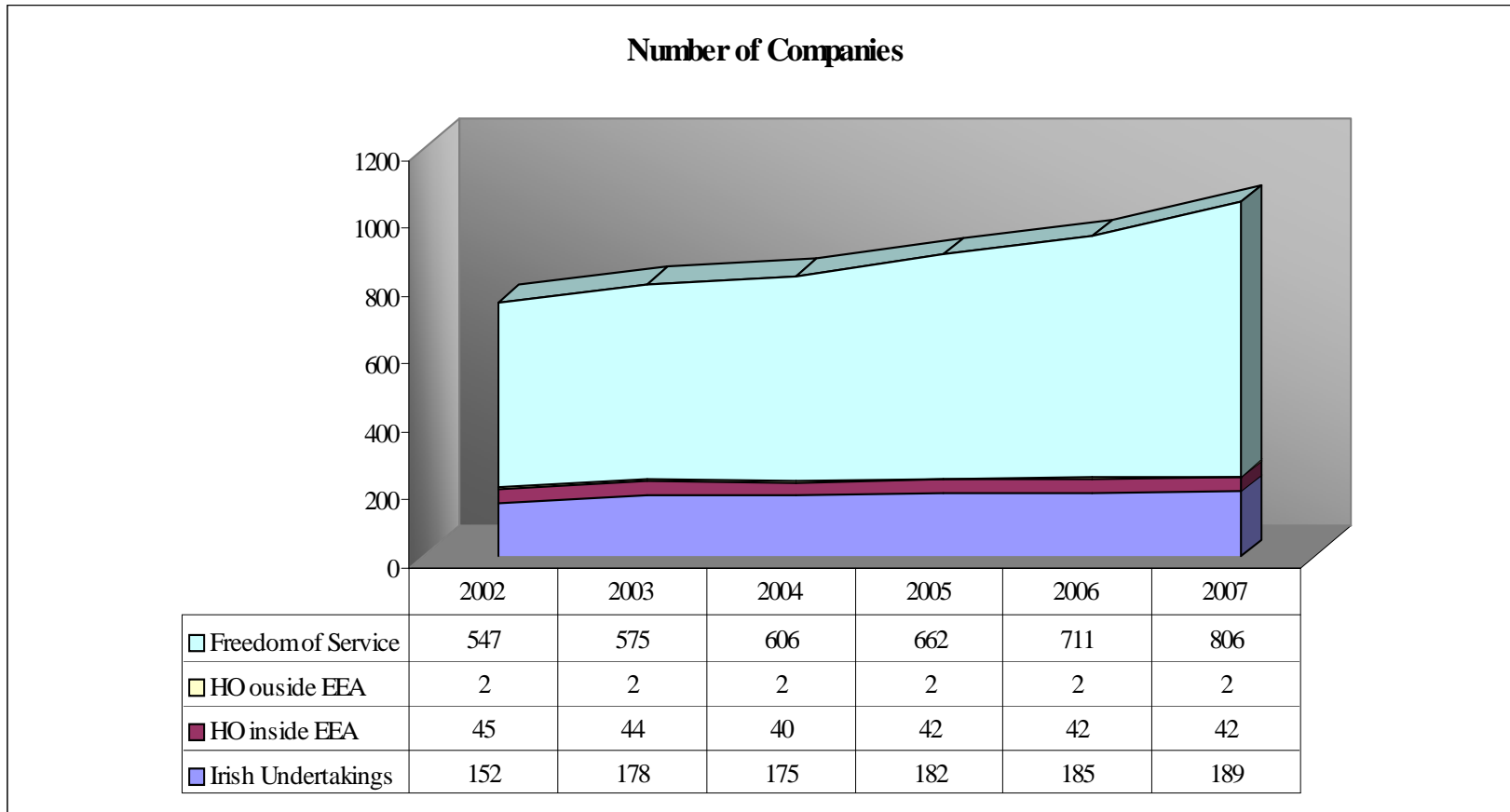
- Review of the “Blue Book” data

Market Results – Headline figures

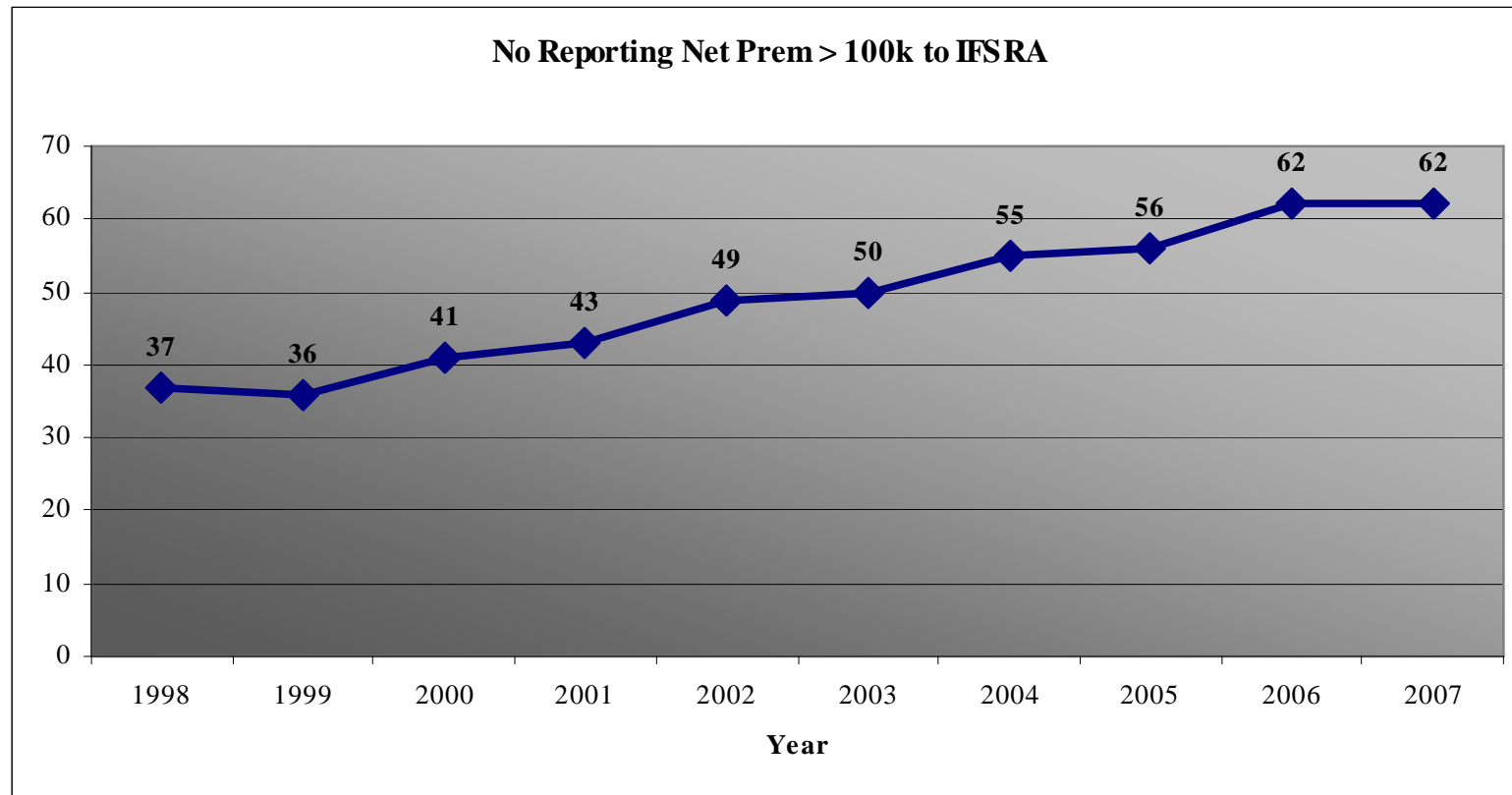
Net Insurance Profit: €1.073bn

- Motor Vehicle: €551m (51%)
- Fire and Property Damage: € 96m (9%)
- Liability: €342m (32%)

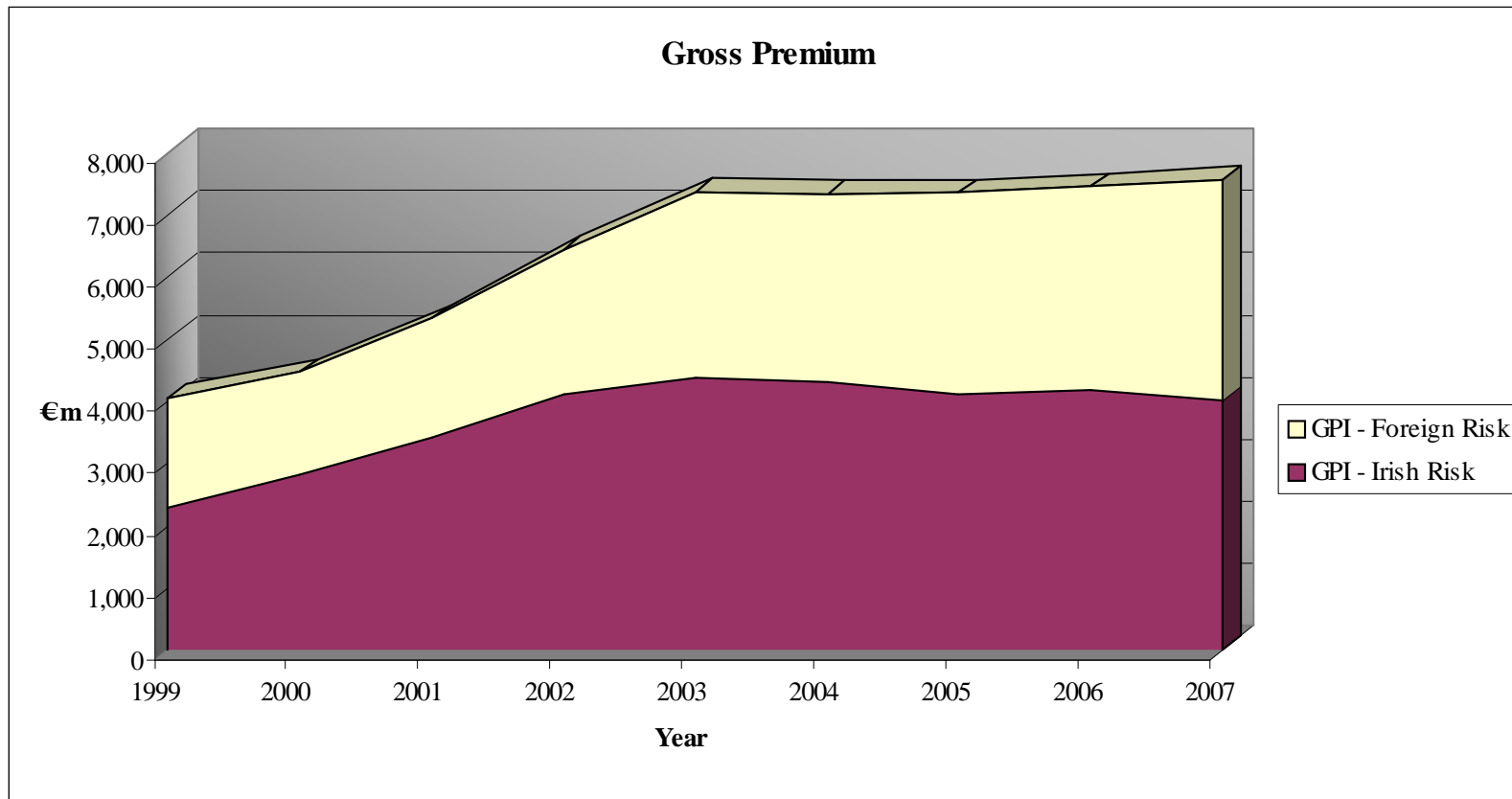
Market analysis – Number of companies



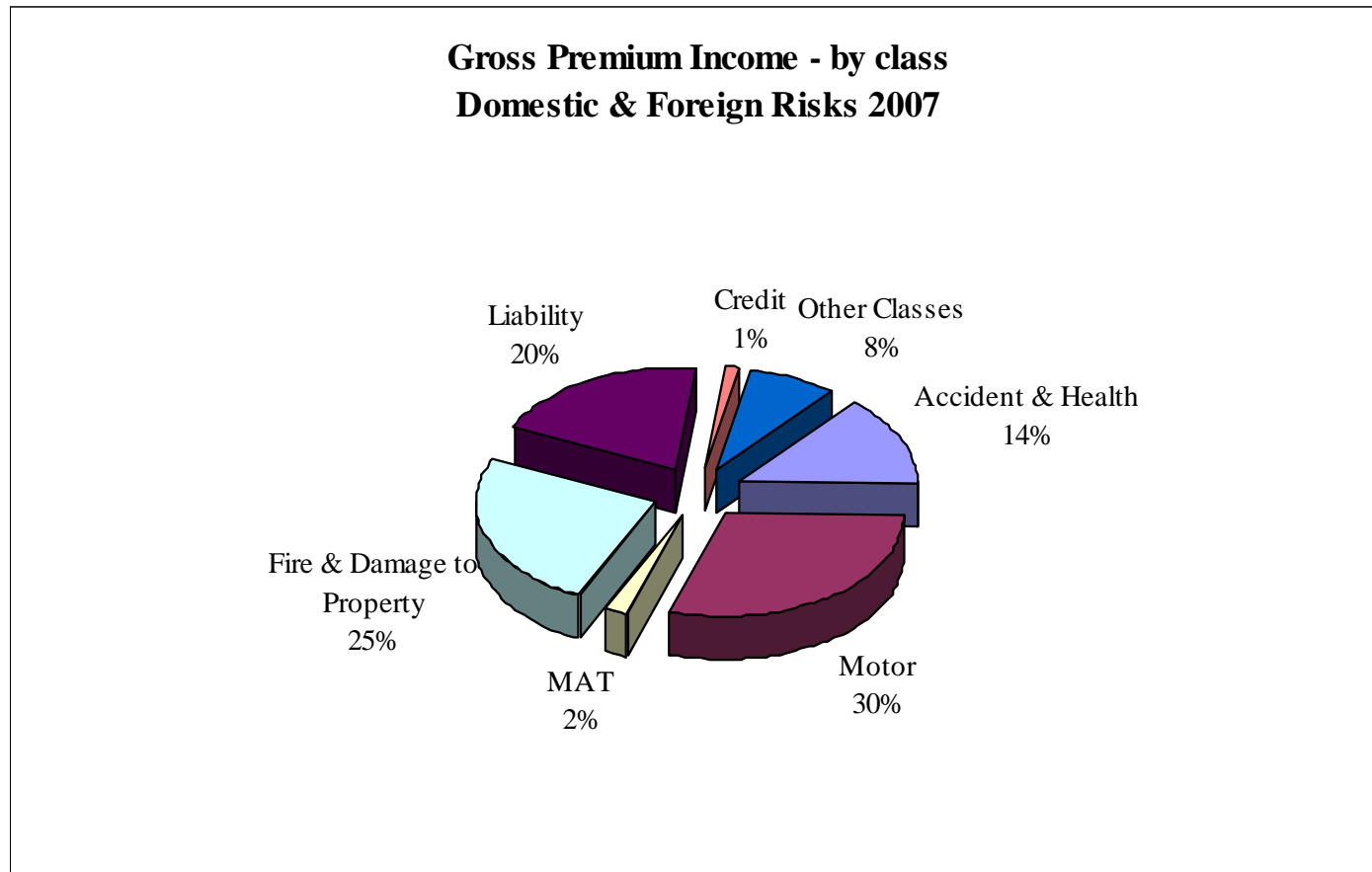
Market analysis – Number of companies



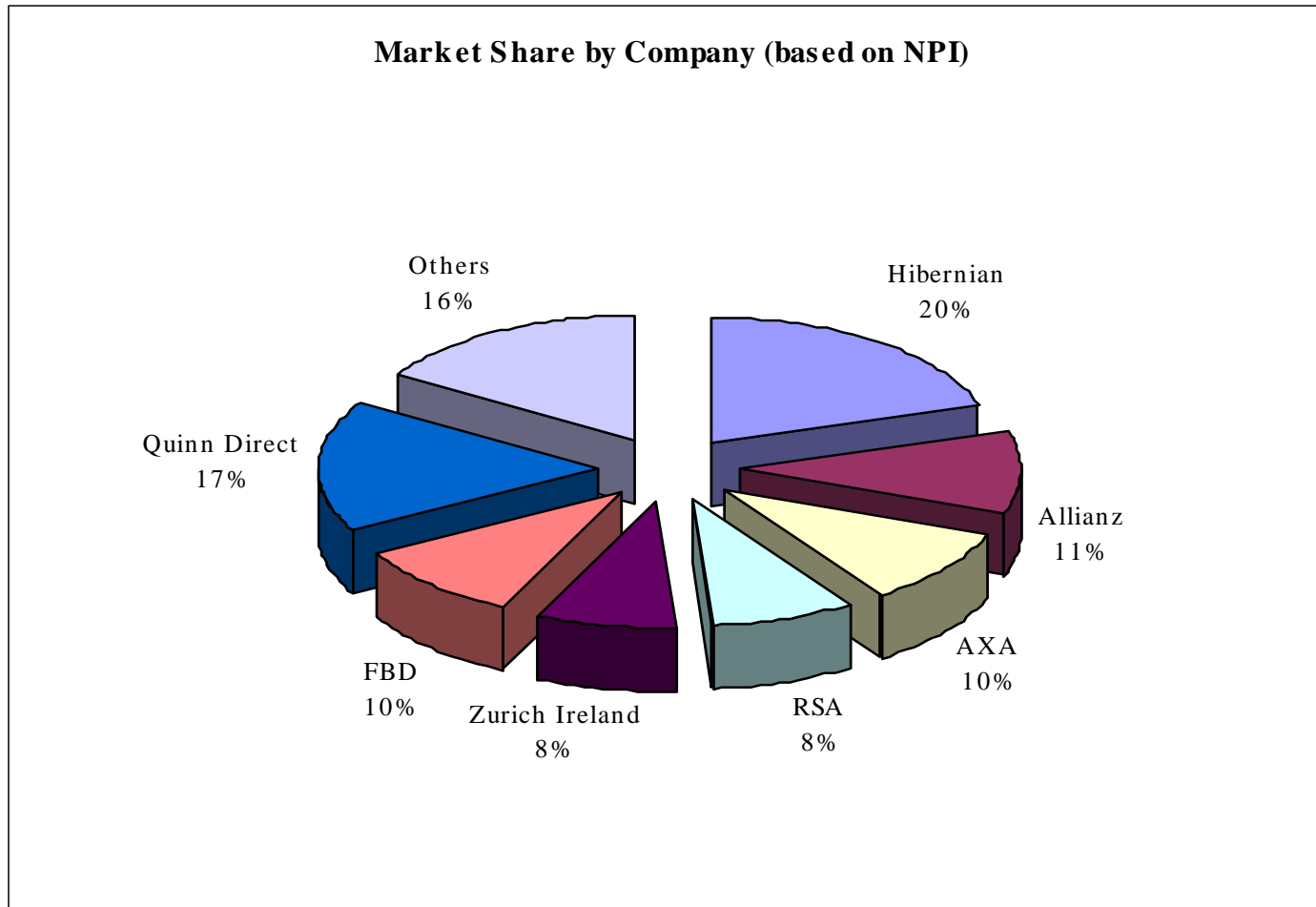
Gross Premium Income



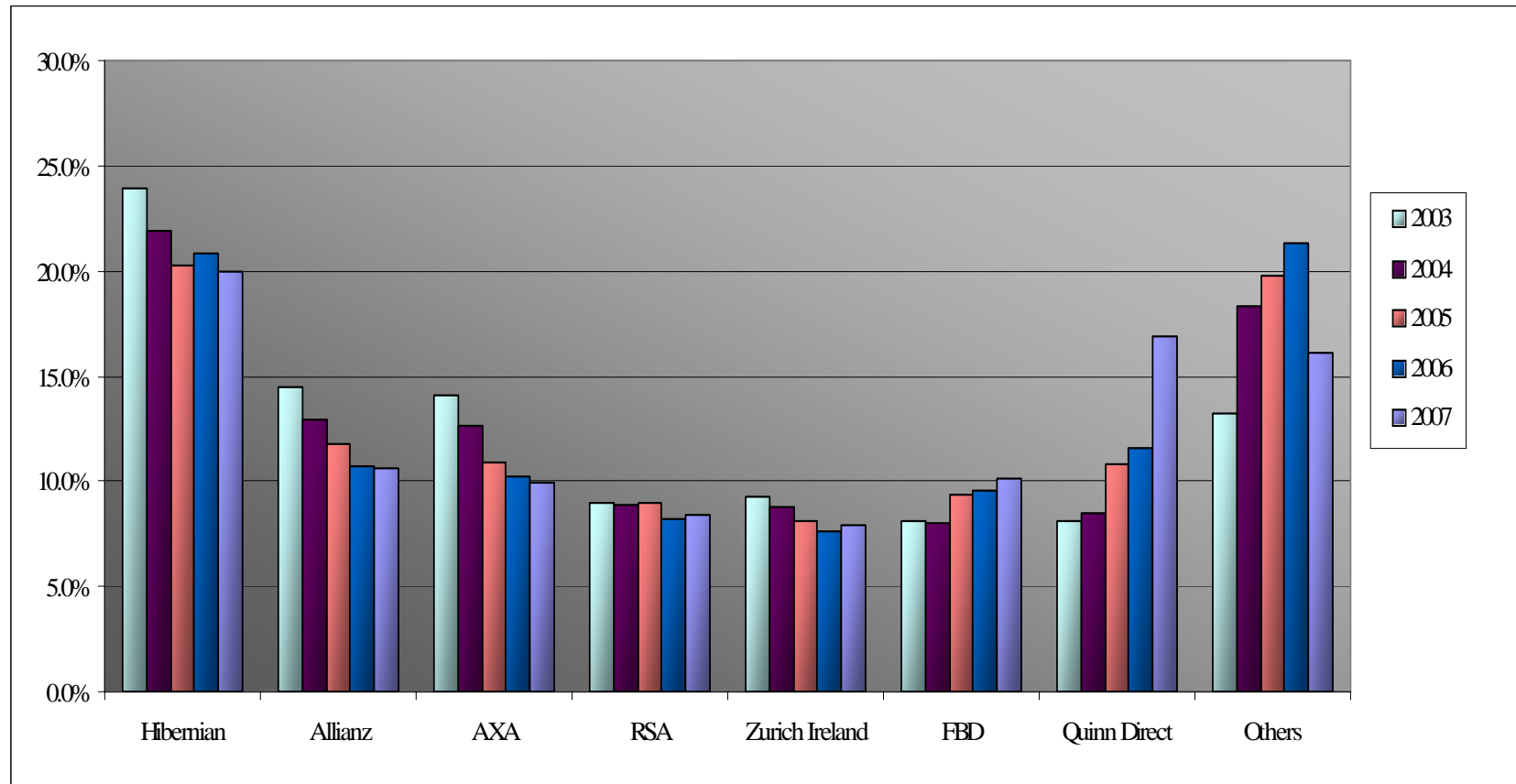
Gross Premium Income – by class



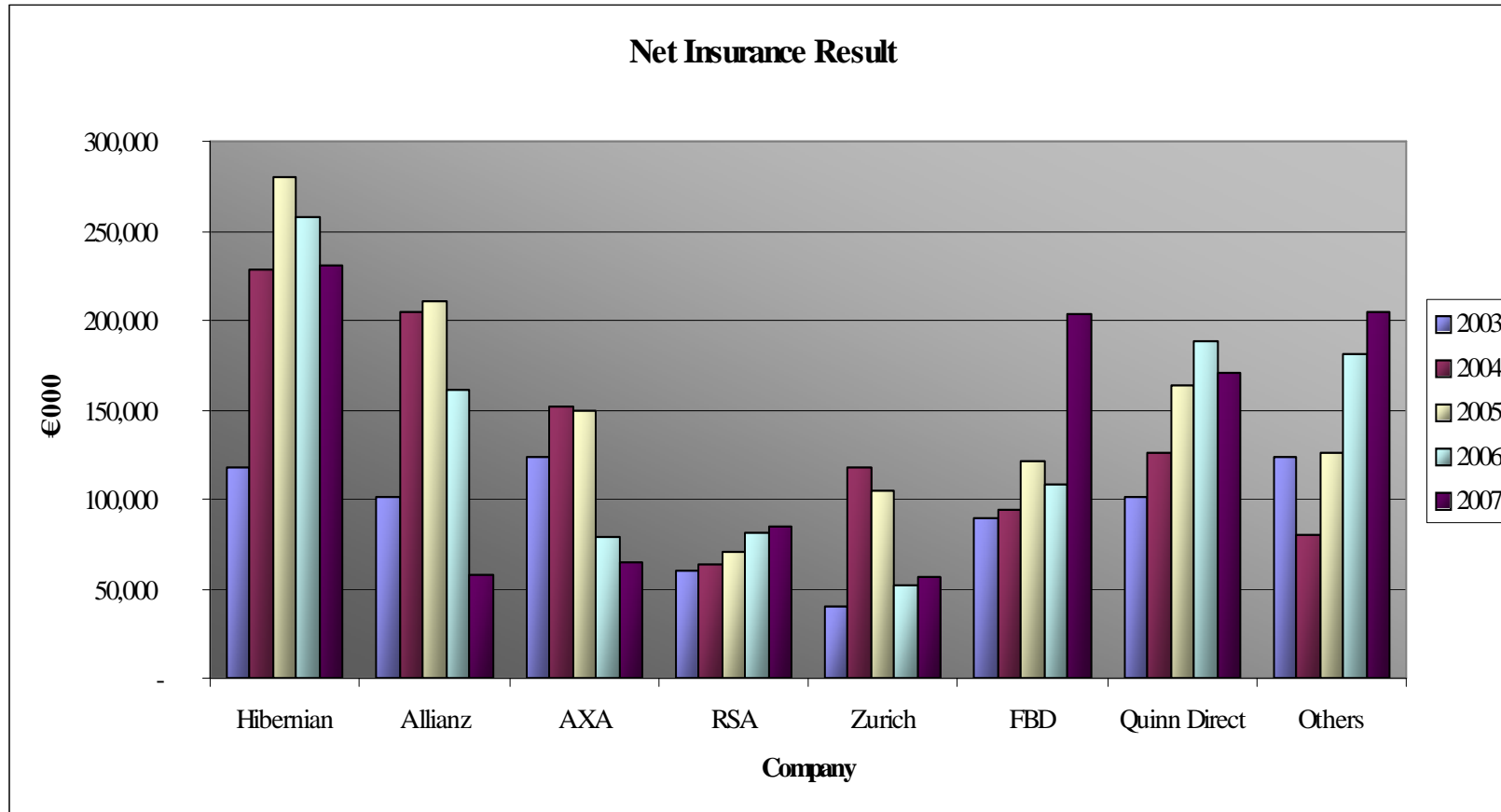
Market Share – by company



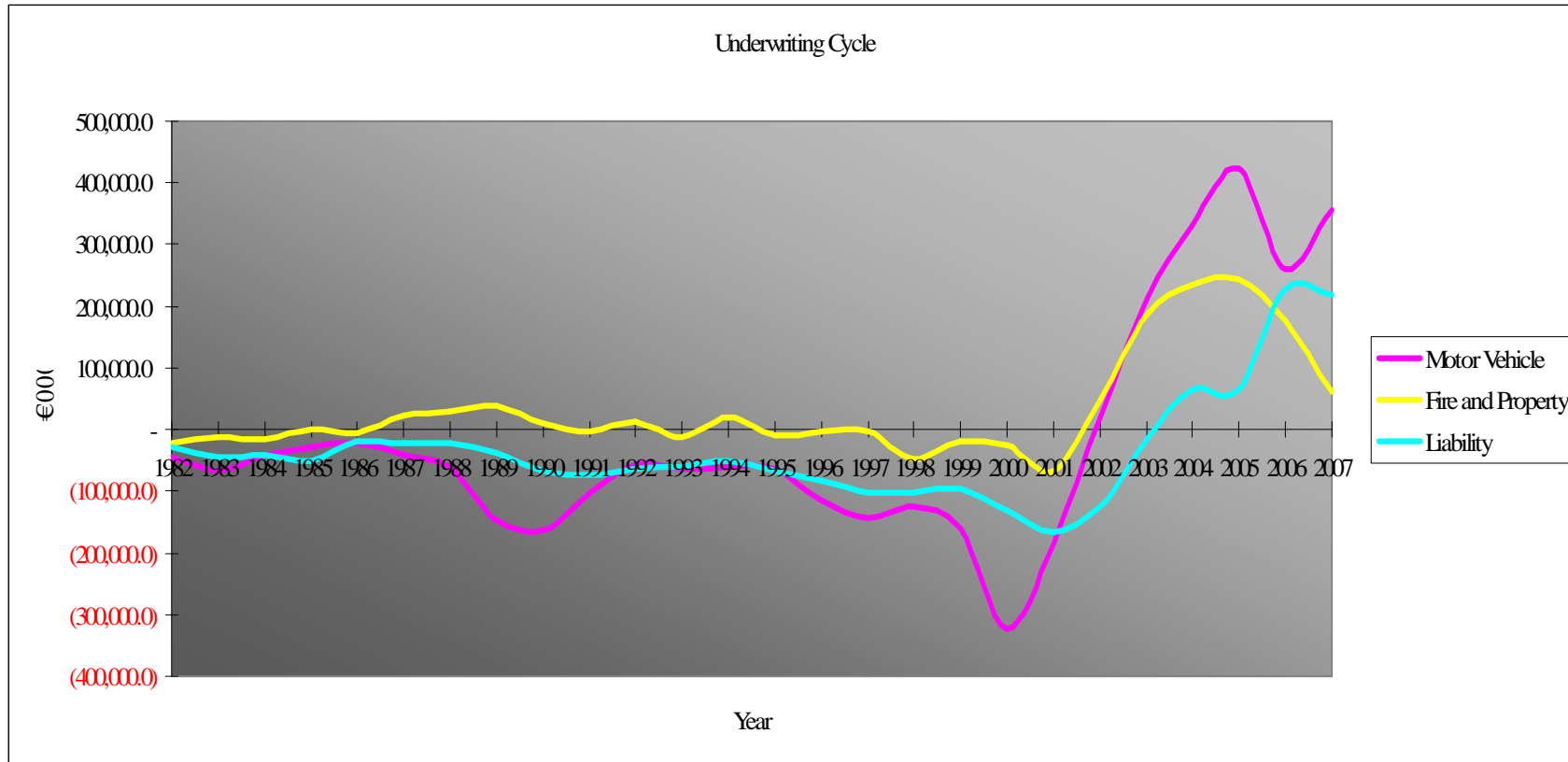
Market Share – by company over time



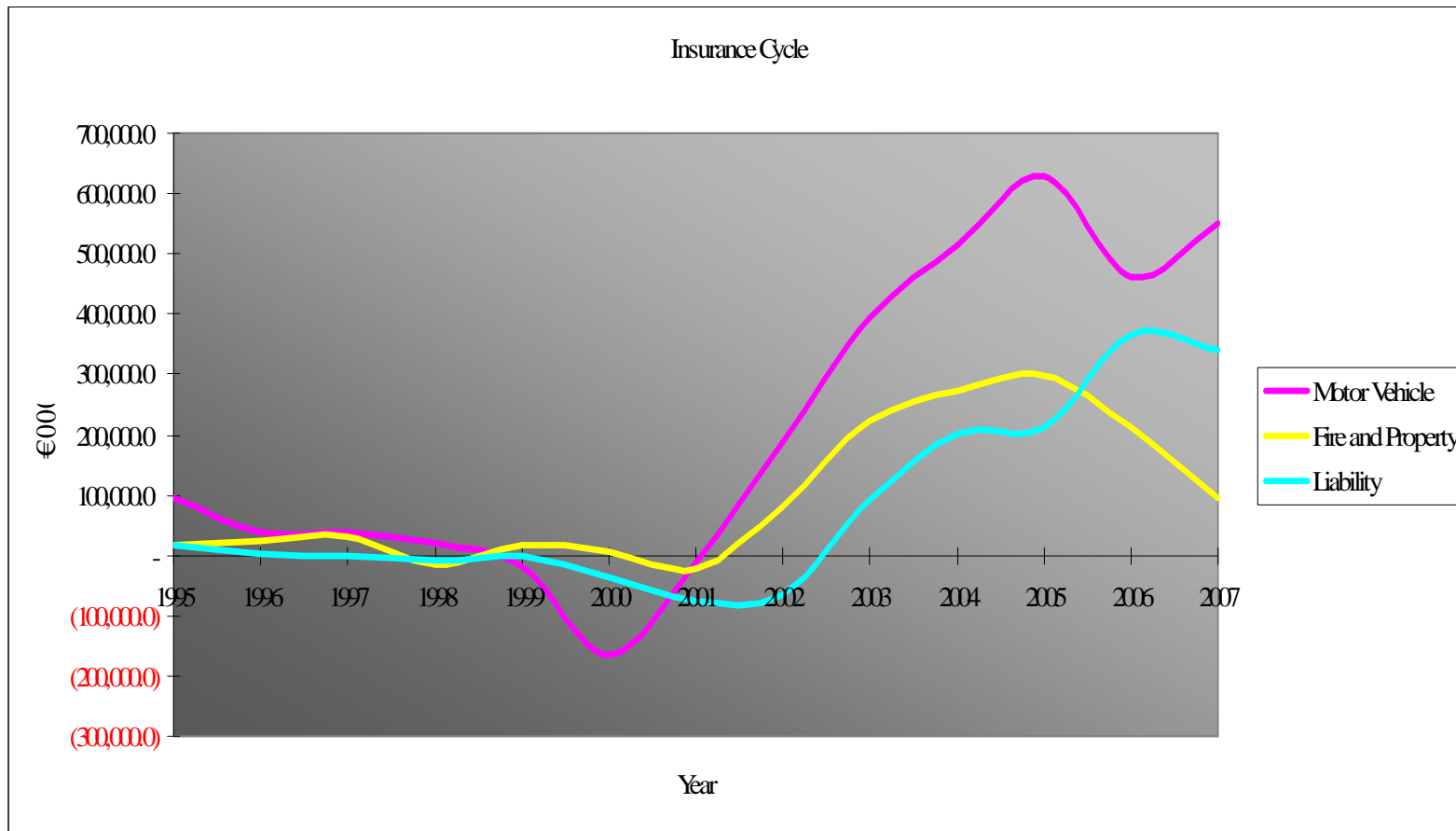
Net Insurance Result – by company over time



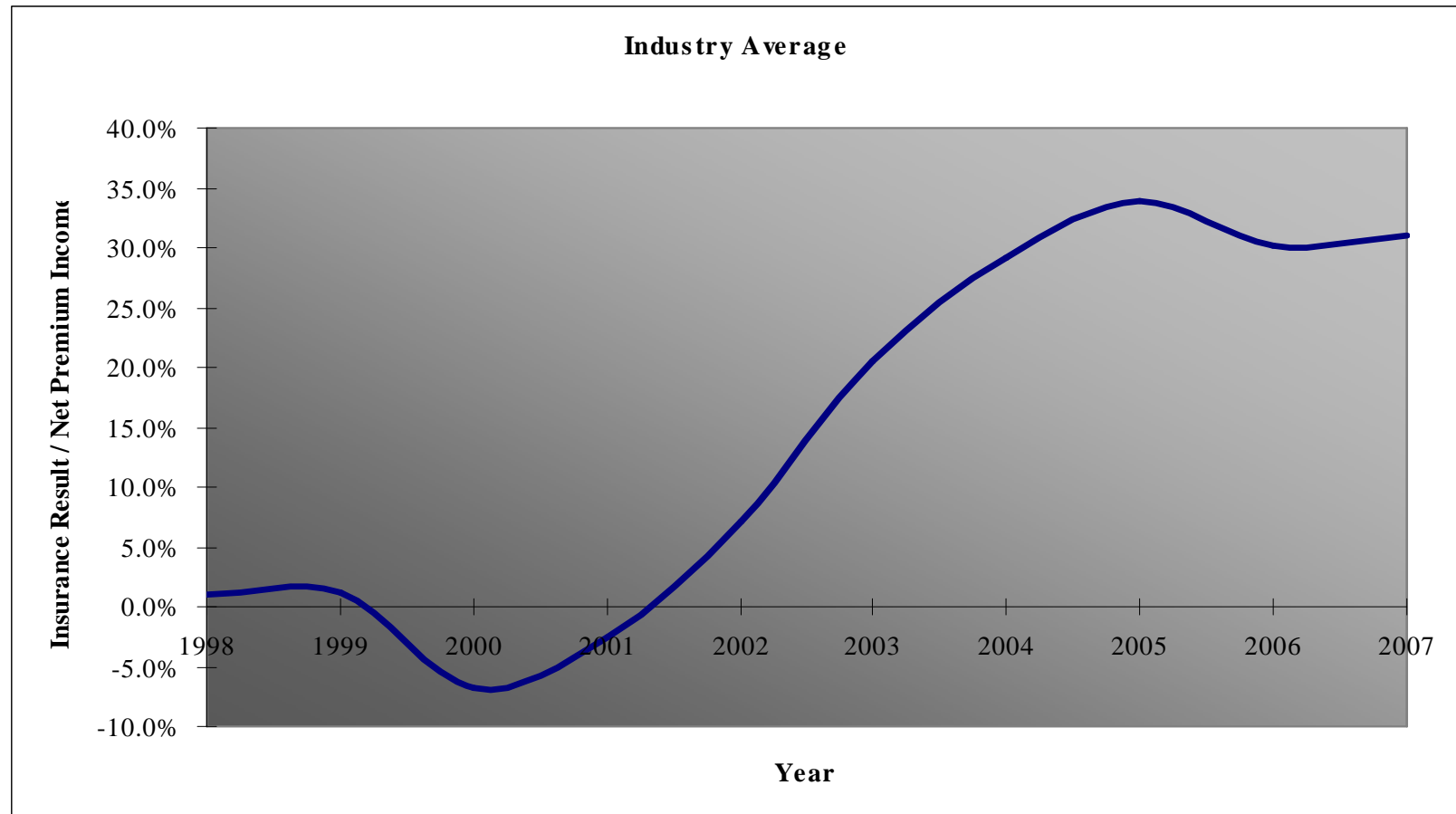
Underwriting Cycle – by risk



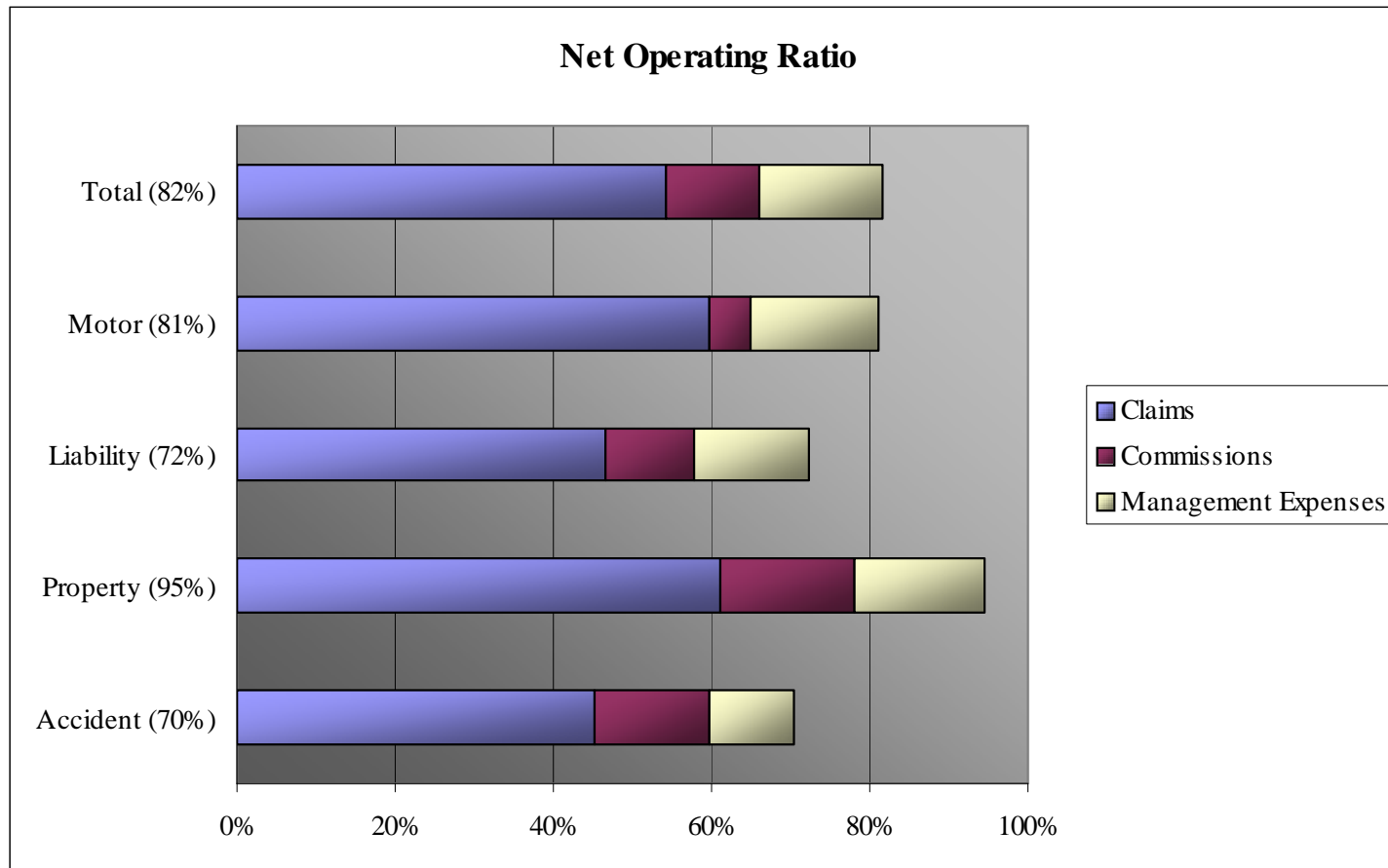
Insurance Cycle – by risk



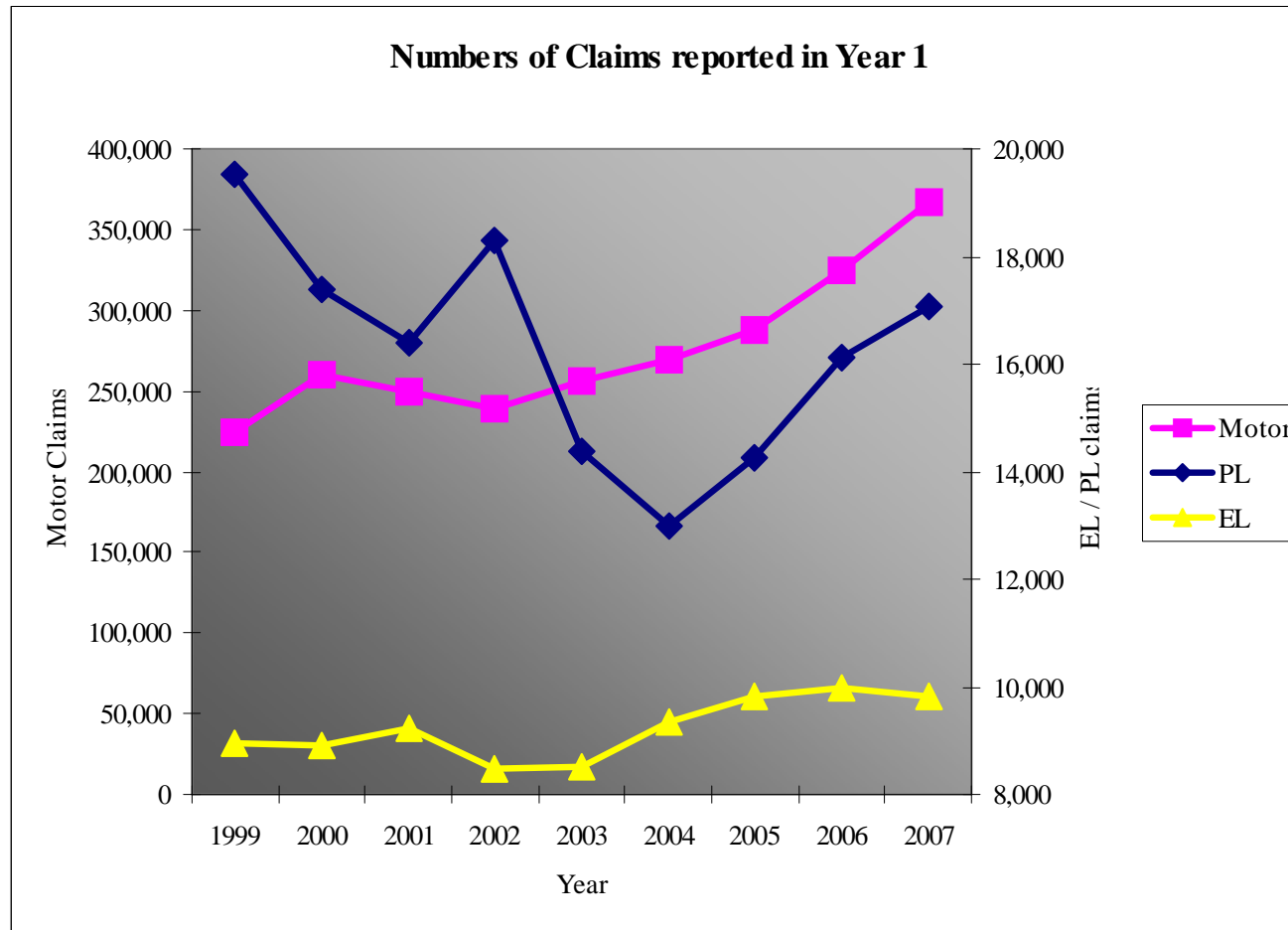
Profit per Net Premium Income



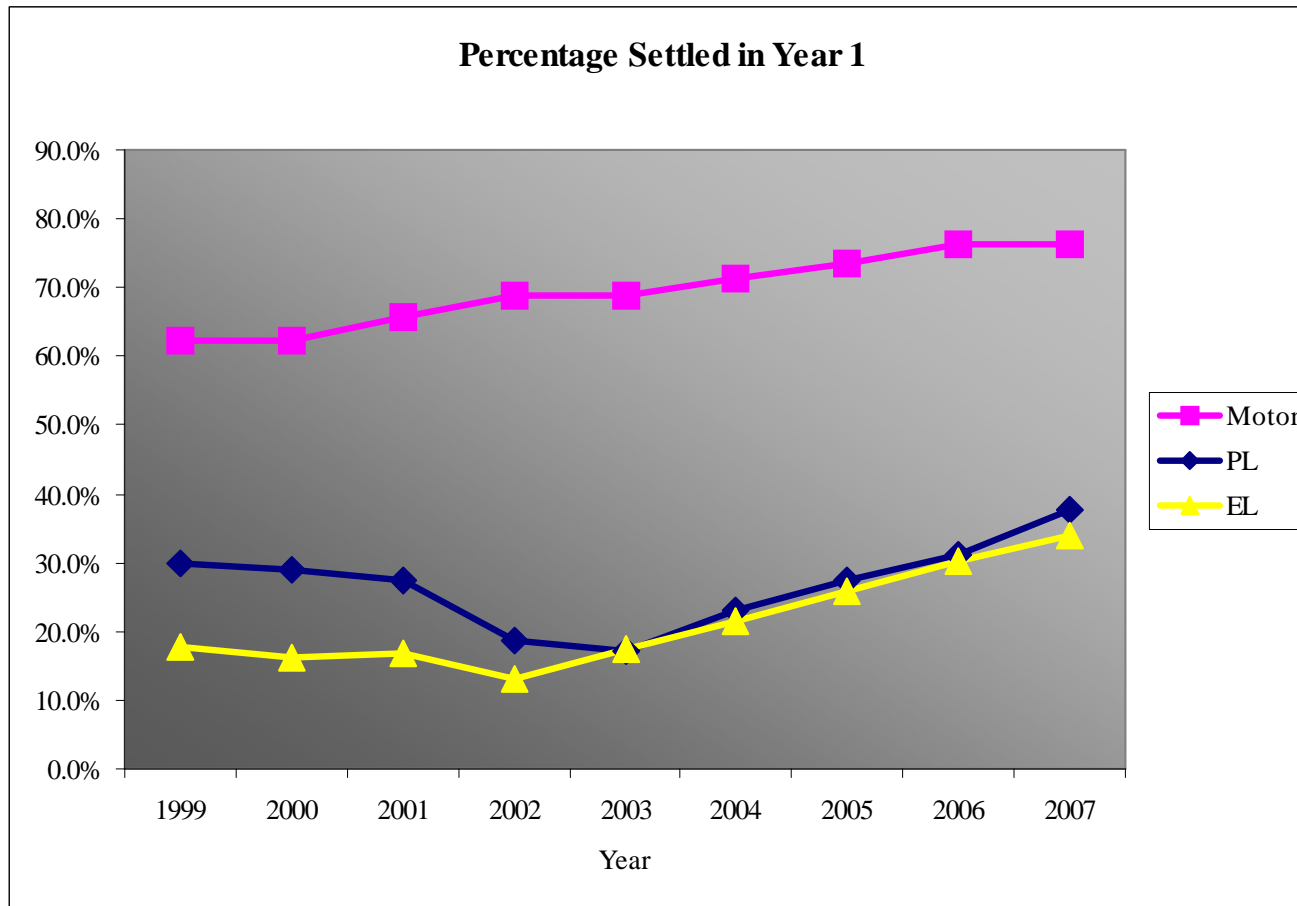
Net Operating Ratio - breakdown



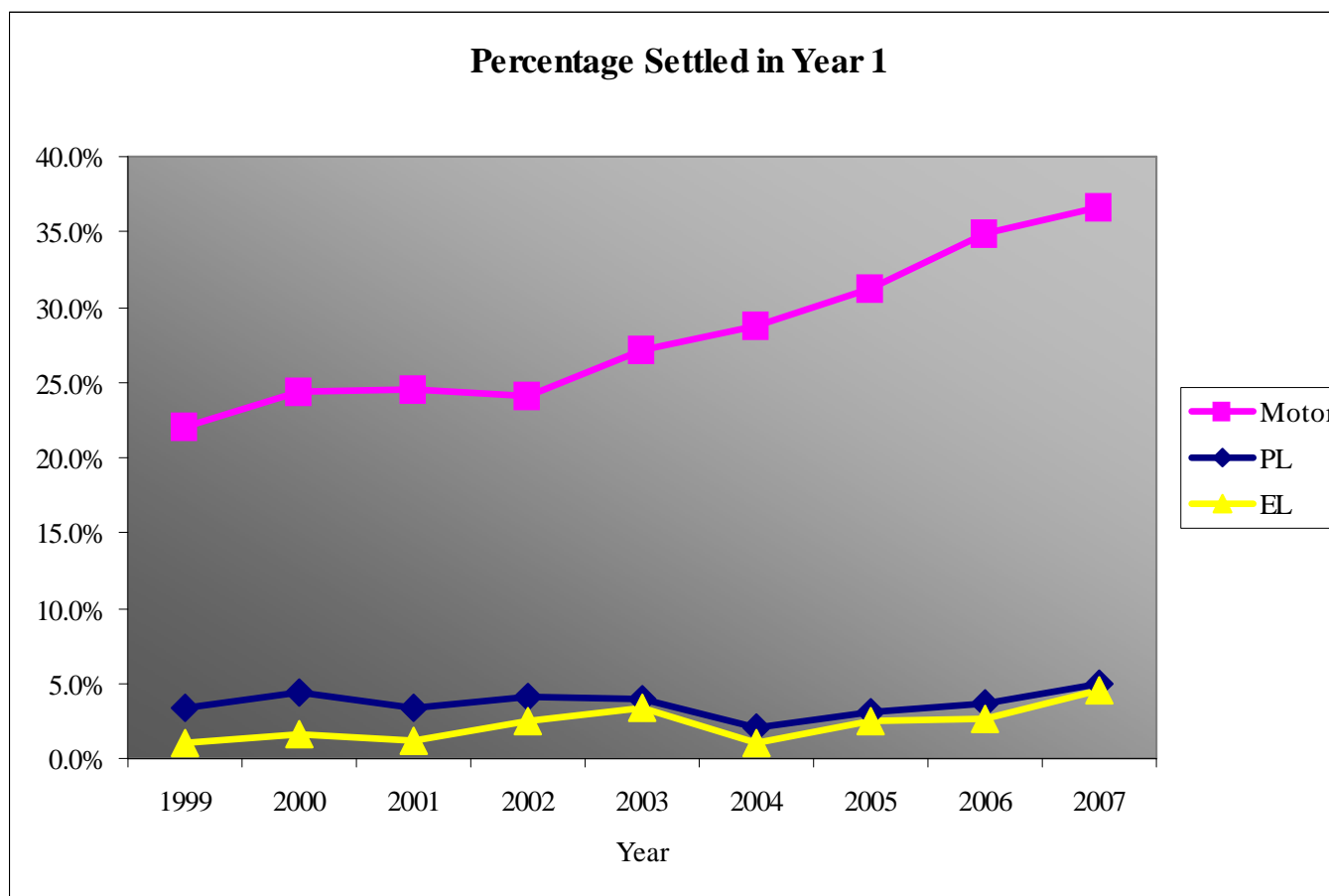
Numbers of Claims Reported



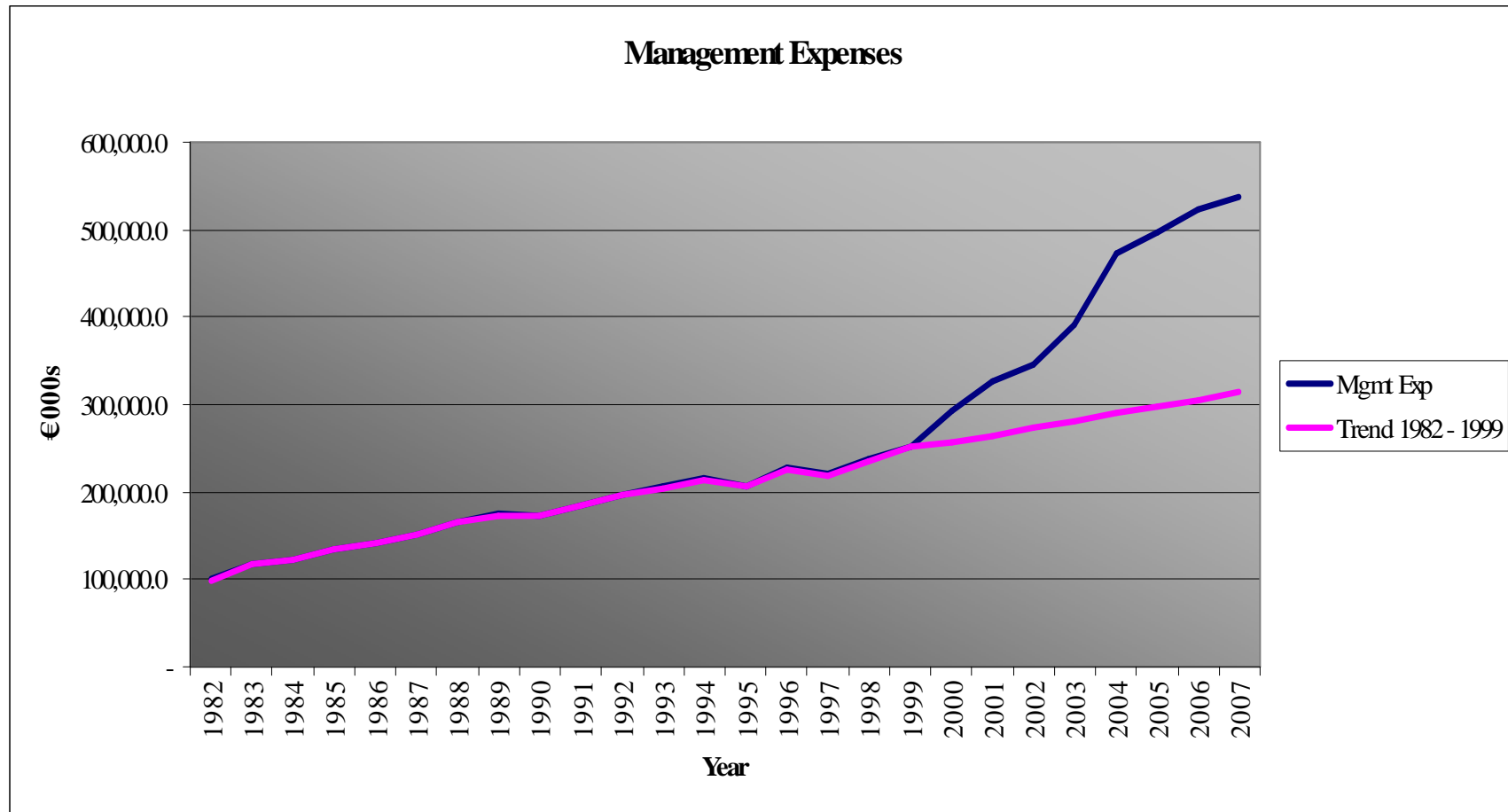
Percentage of Claims Settled - Numbers



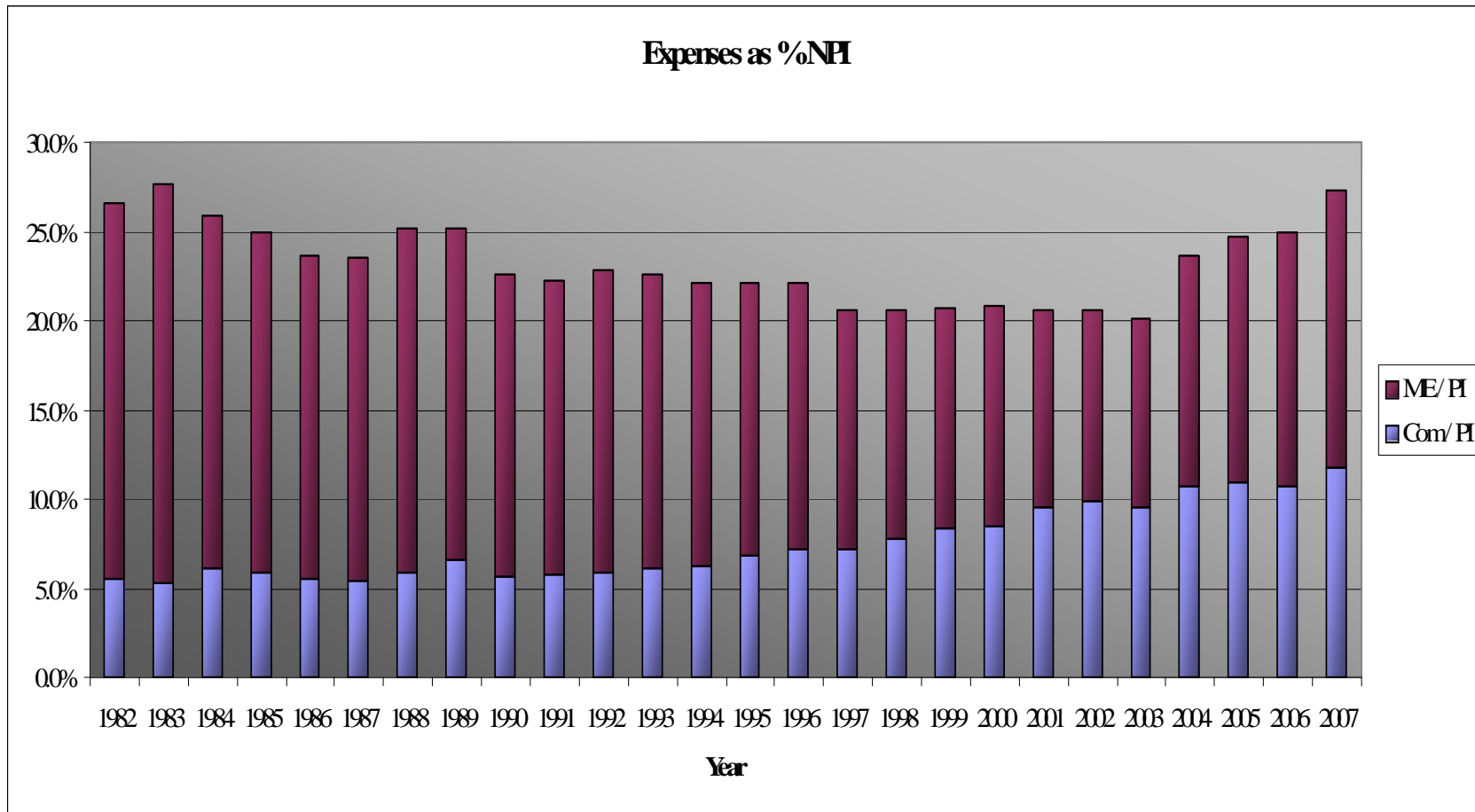
Percentage of Claims Settled - Amounts



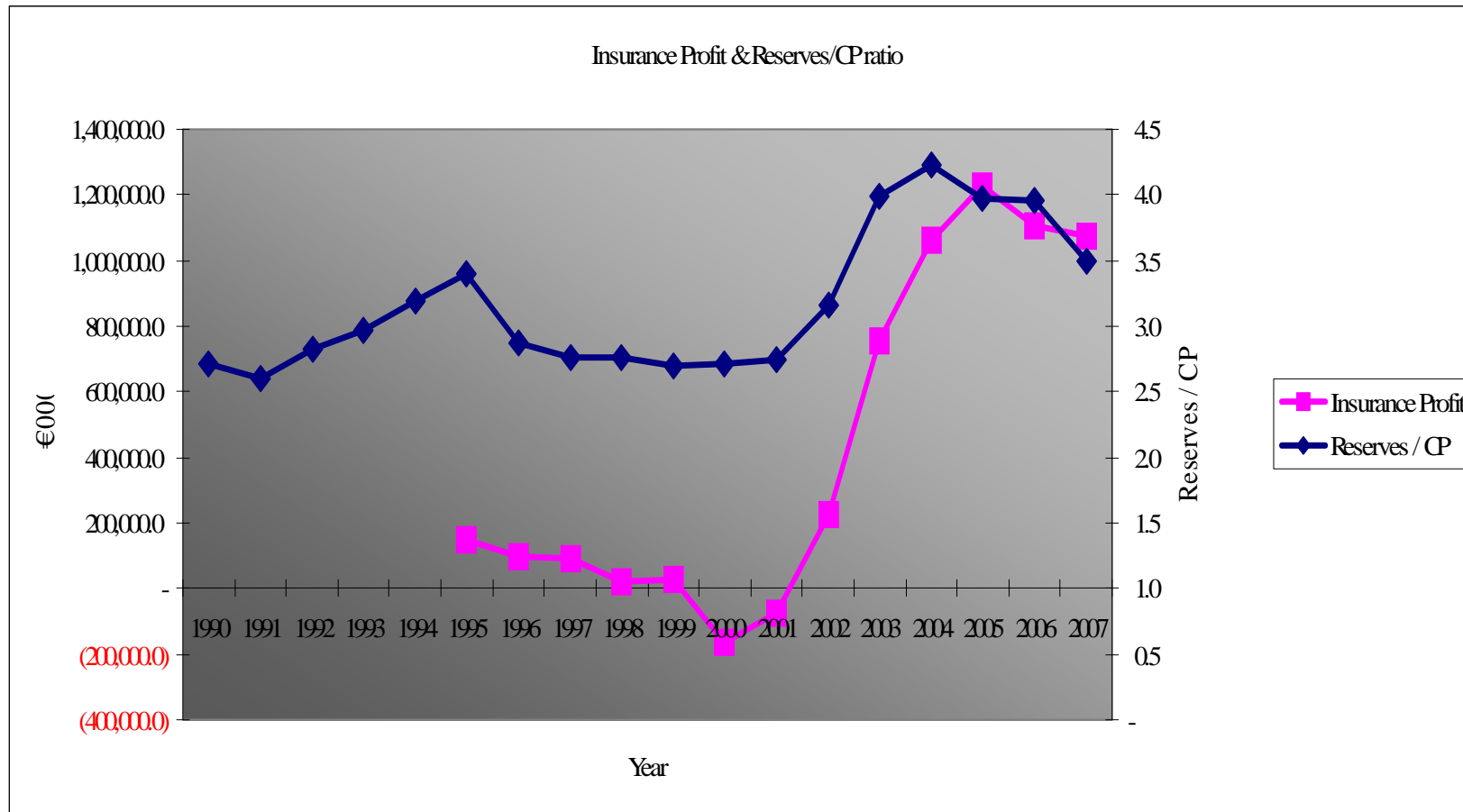
Expenses



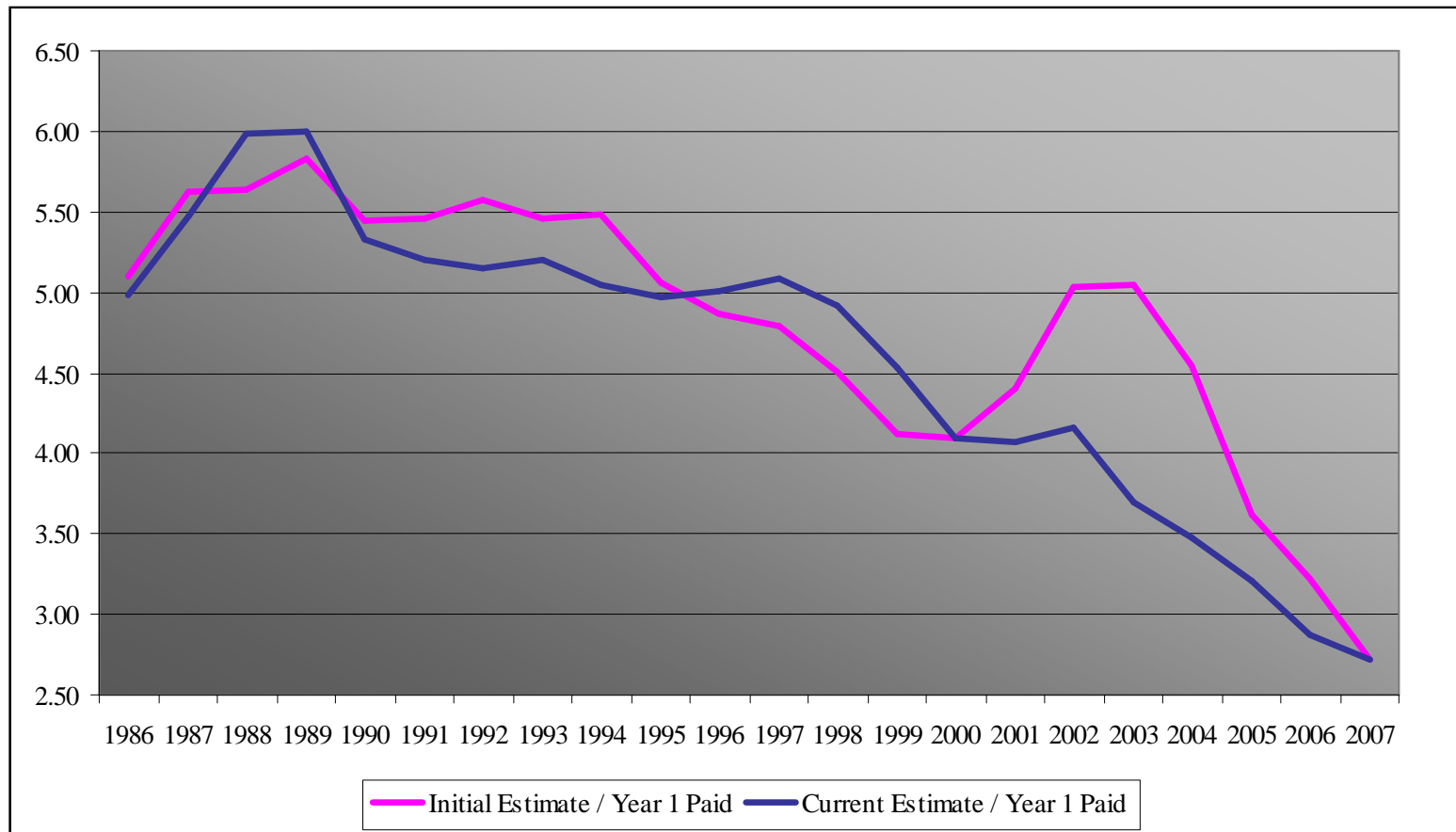
Expenses



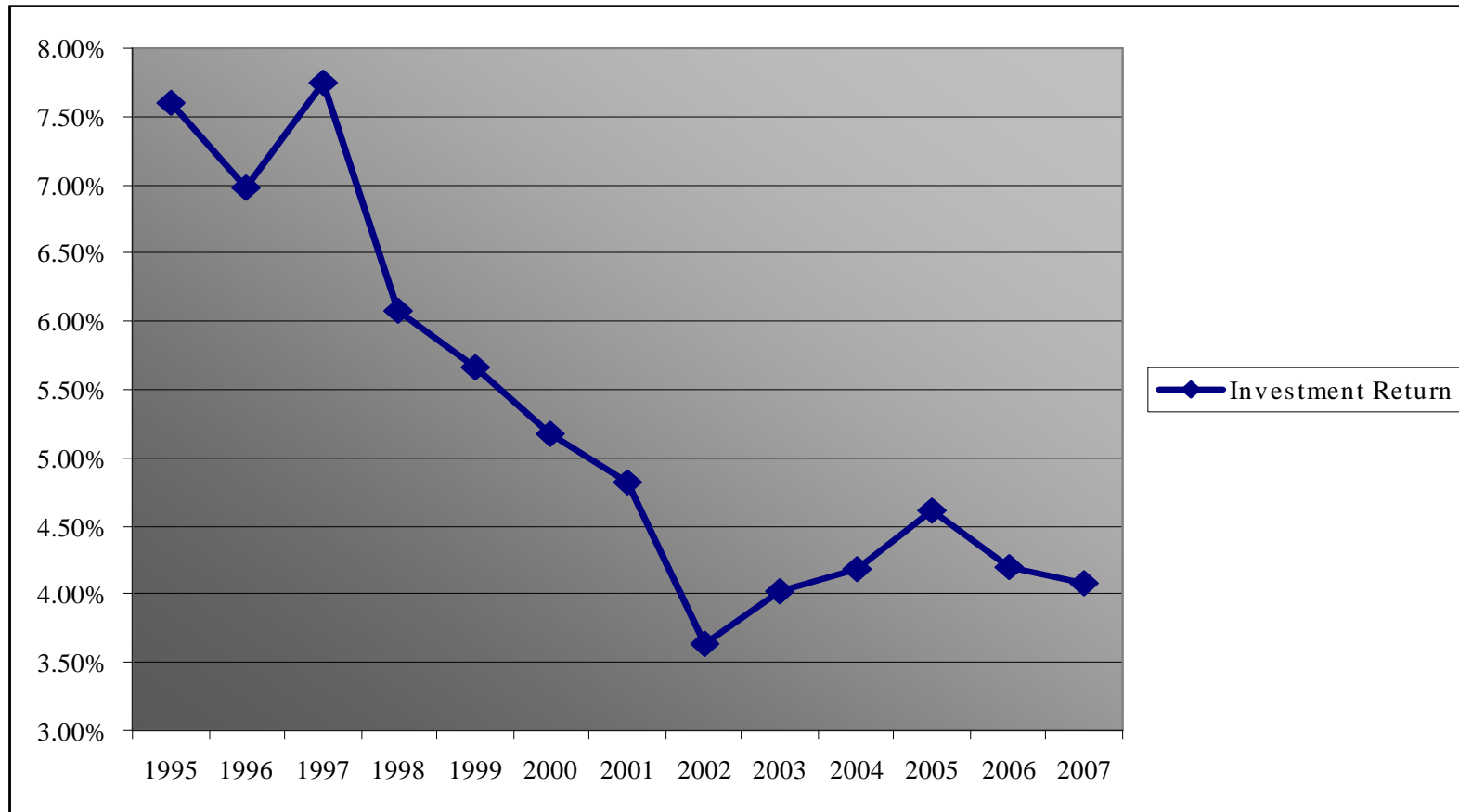
Reserving Philosophy



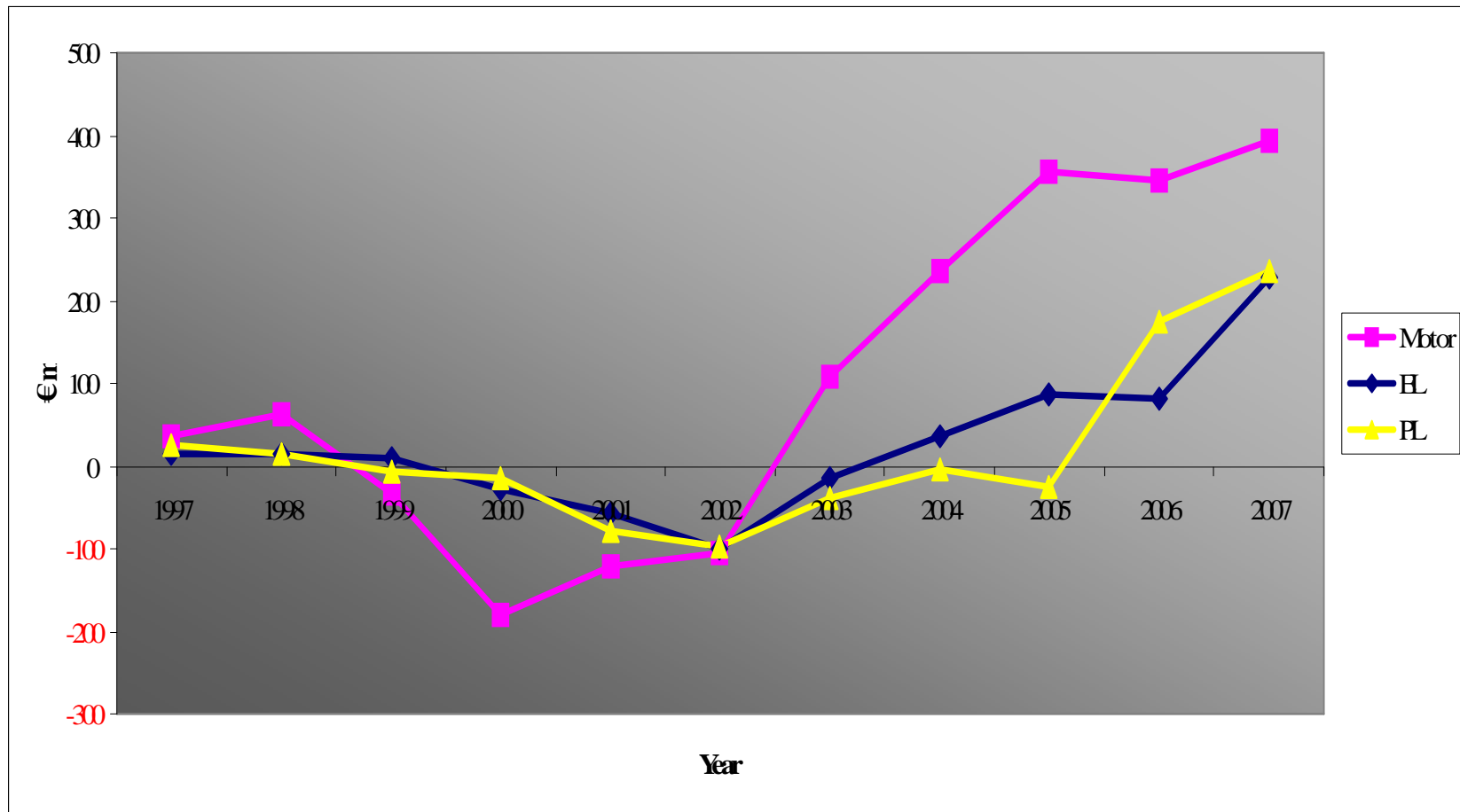
Motor Reserving Philosophy



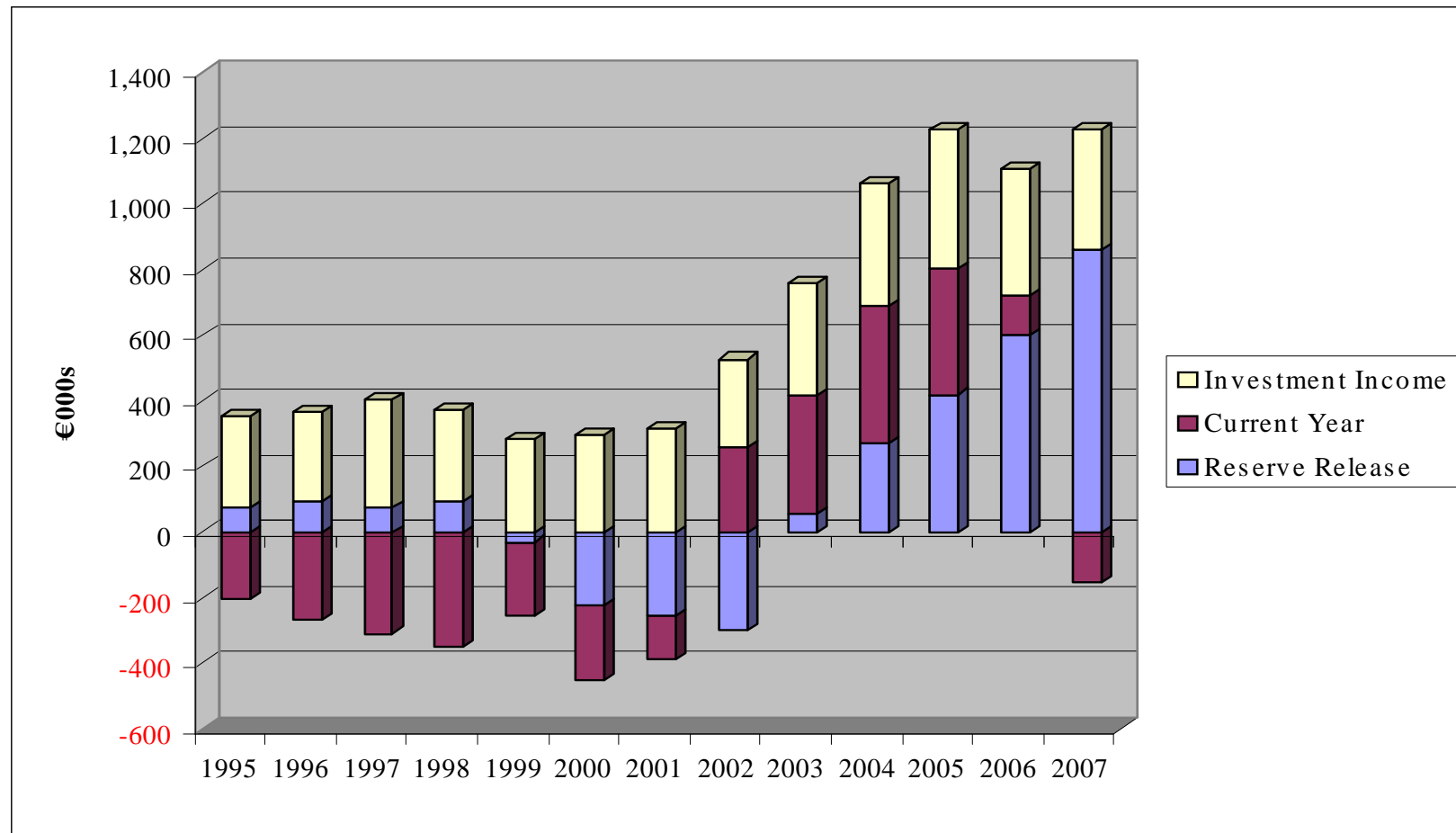
Profitability – Investment Return



Profitability – Gross Reserve Release



Profitability - Breakdown



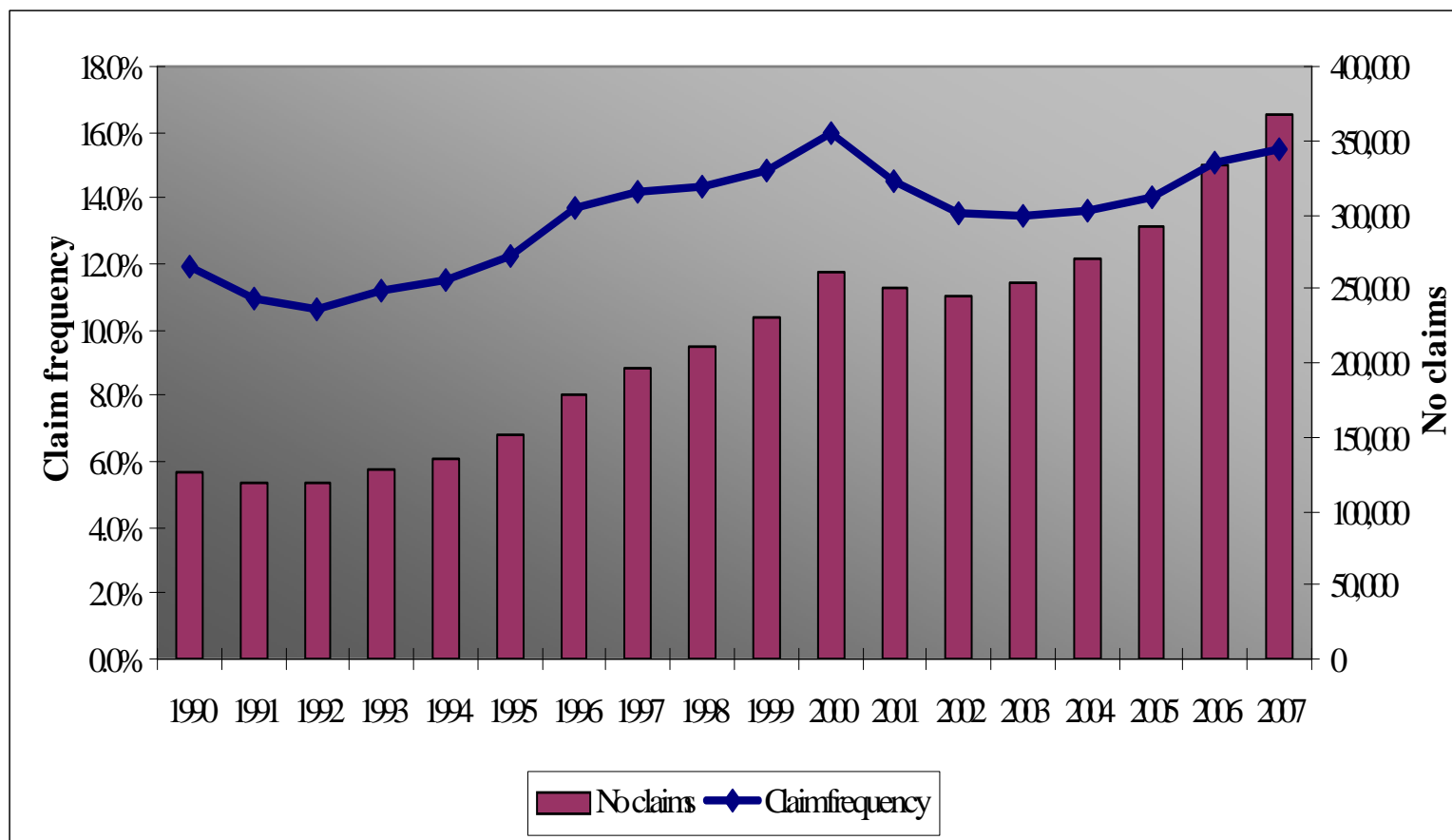
Reserve Release – Additional Analysis

- RSA & Quinn had a significant increase in releases since 2006
- FBD & Zurich had notable increases in releases, FBD's motor release almost doubled
- Allianz & AXA had a notable decrease in releases since 2006

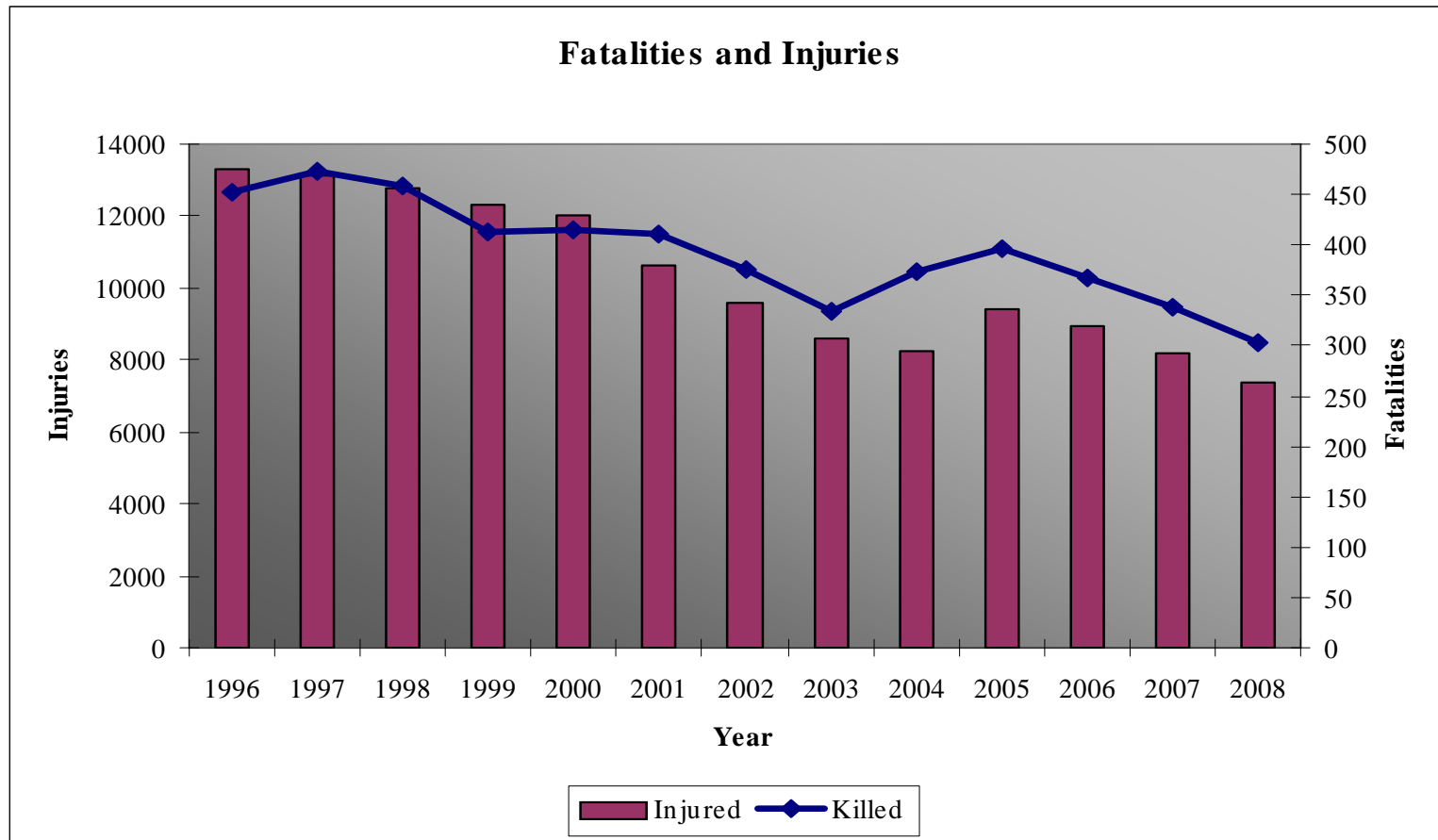
Irish Issues – The Present

- Road traffic statistics
- PIAB / Injuries Board
- Premium Levels
- August Flood Cost

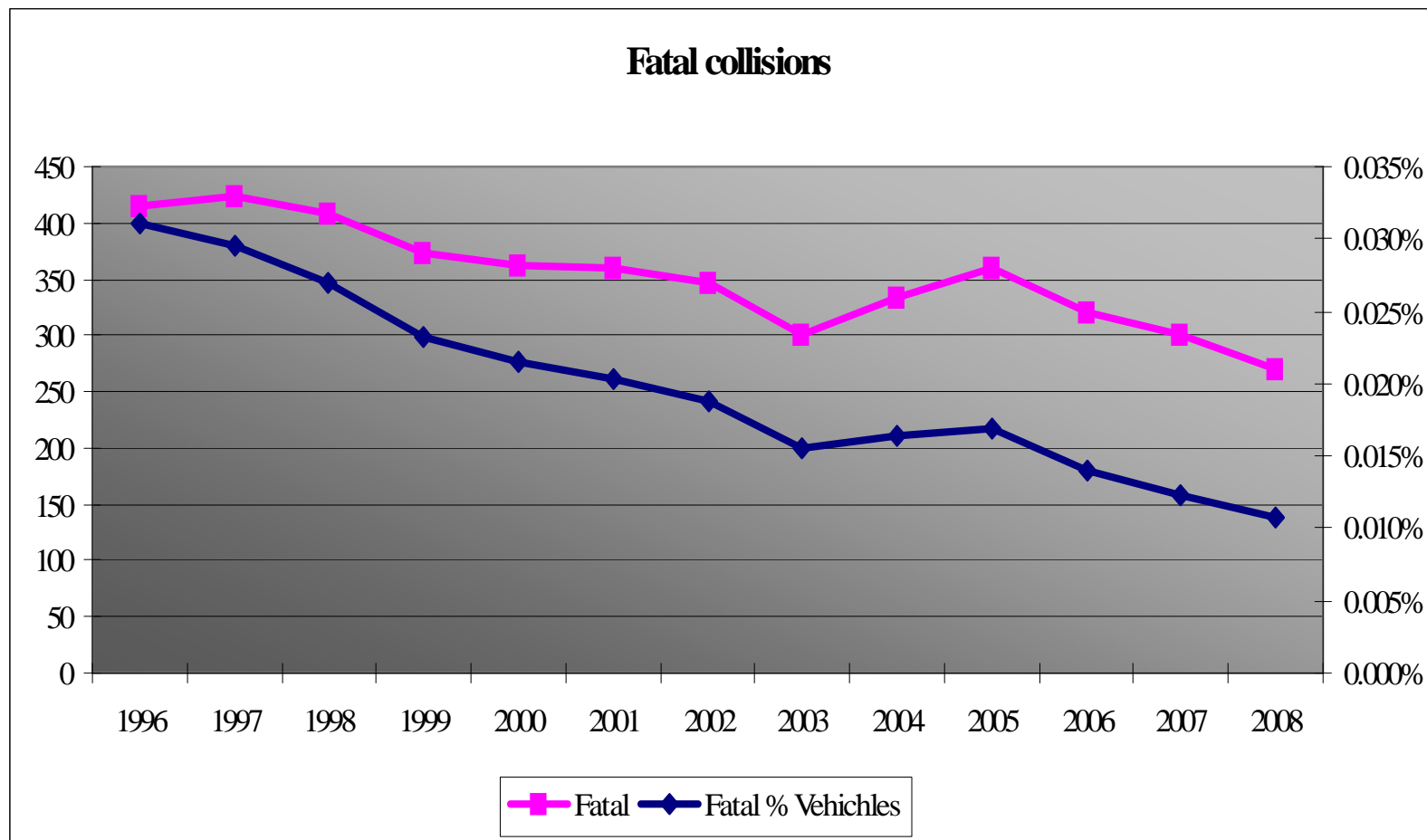
Road Traffic Statistics – Claim Frequency



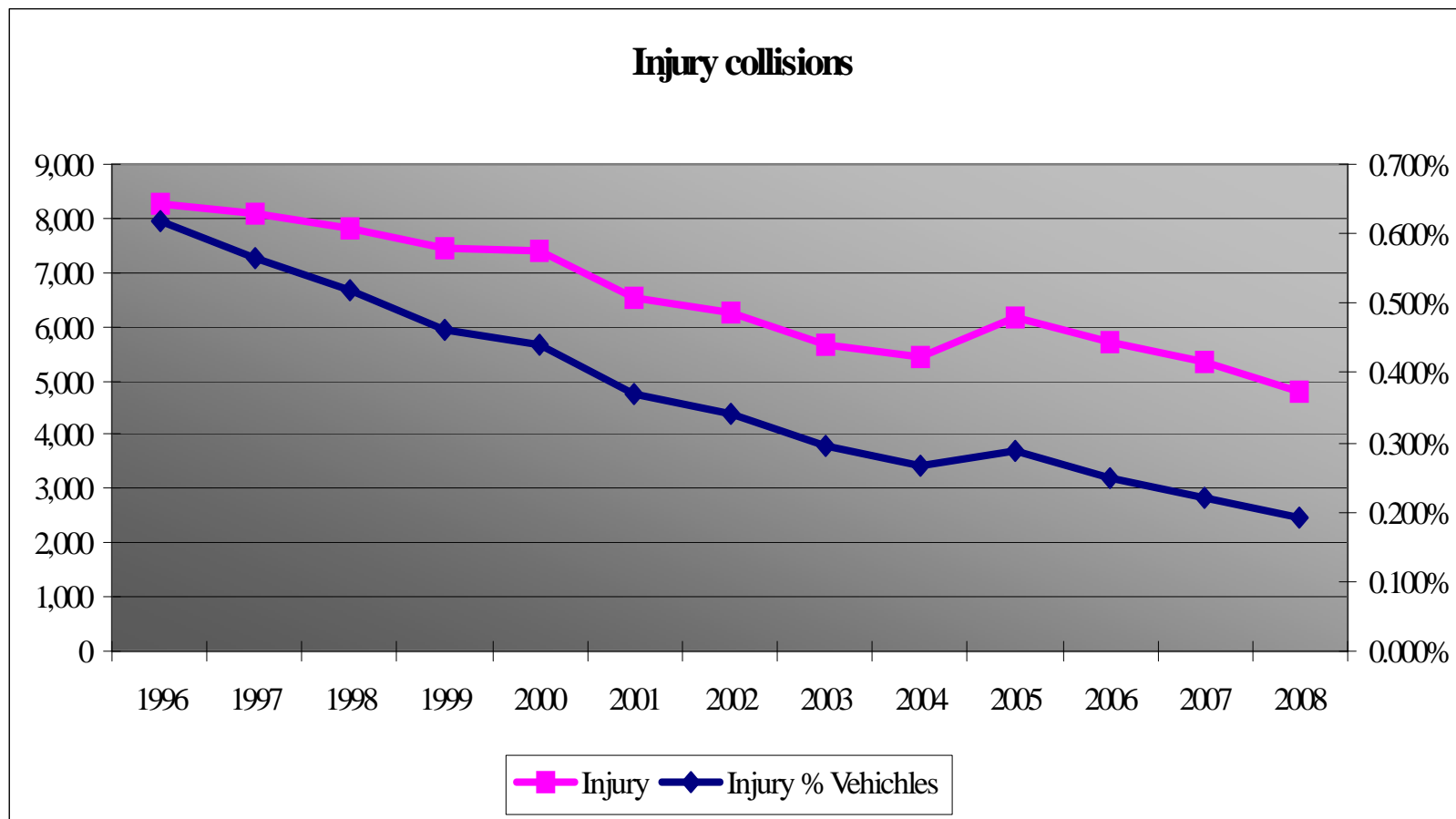
Road Traffic Statistics - Fatalities



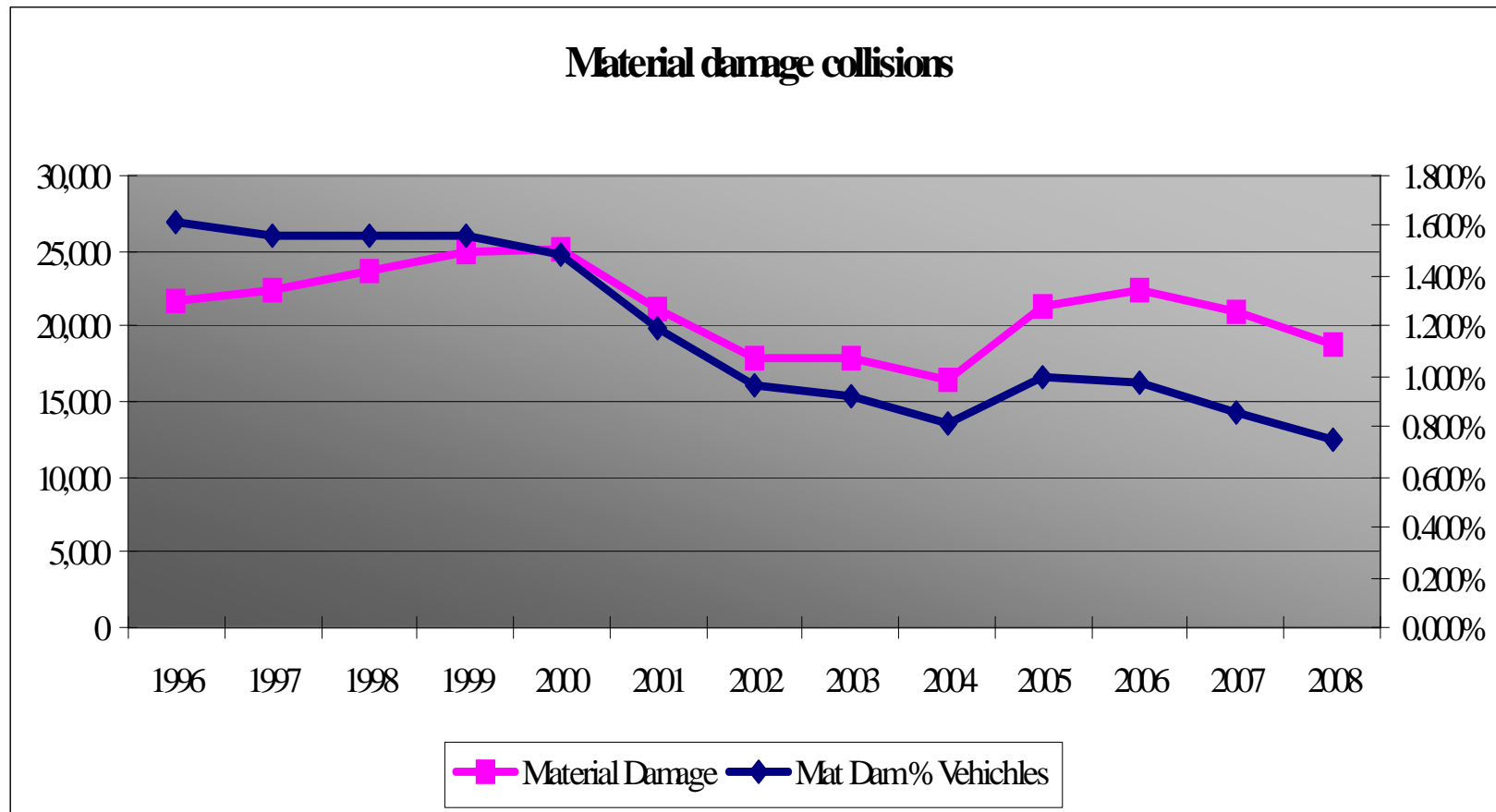
Road Traffic Statistics – Fatal Collisions



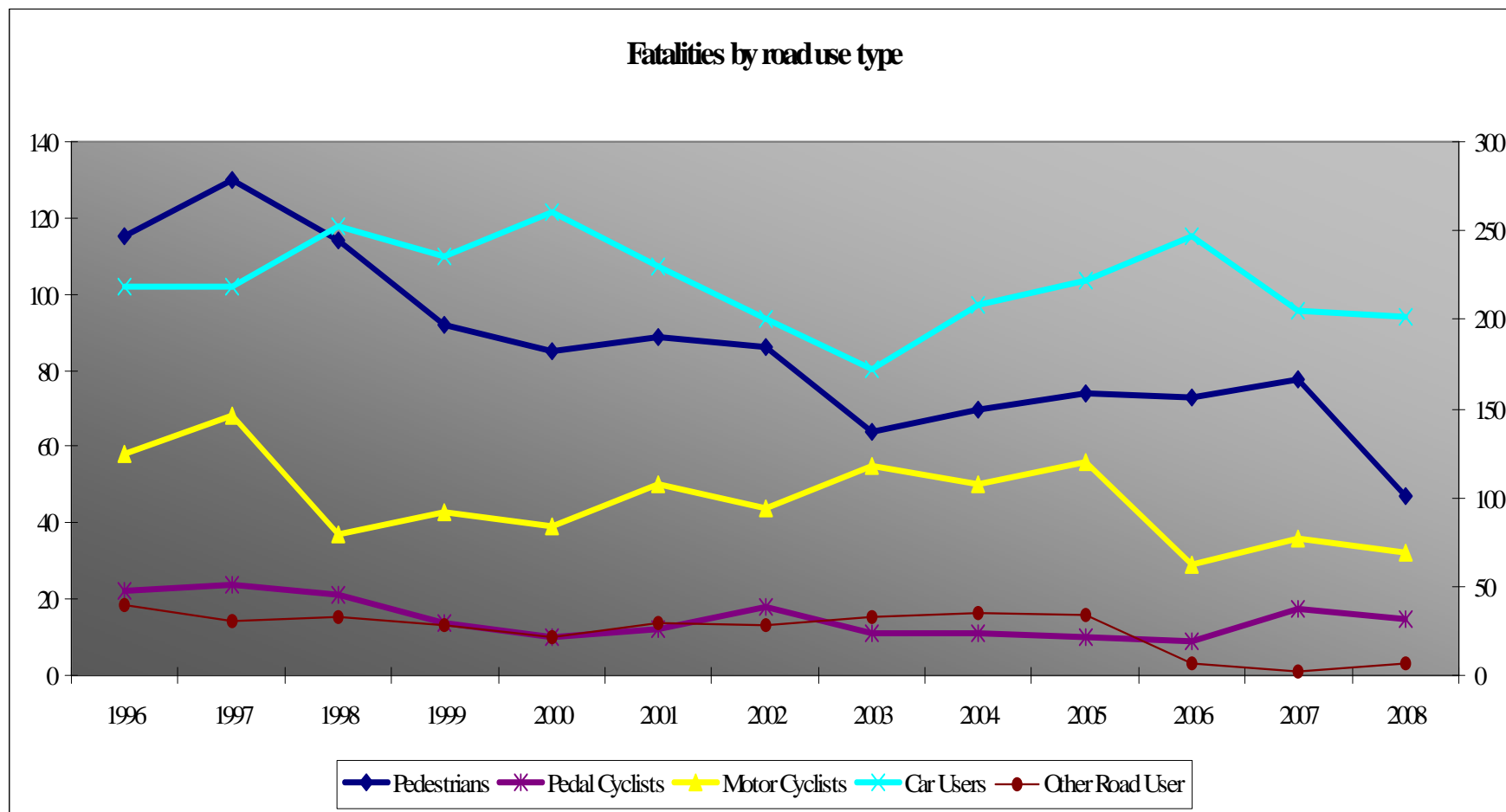
Road Traffic Statistics – Injury Collisions



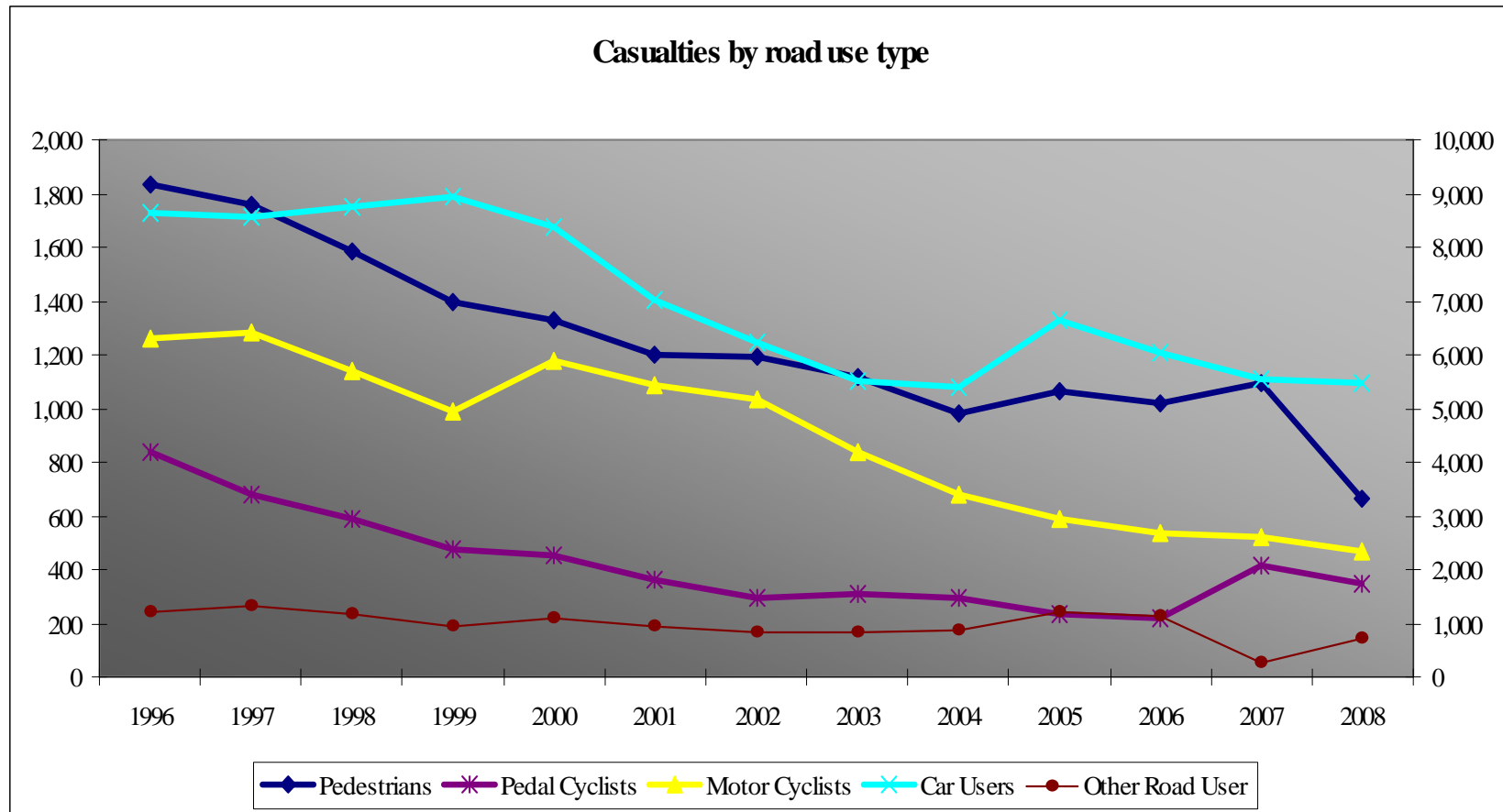
Road Traffic Statistics – Material Damage Collisions



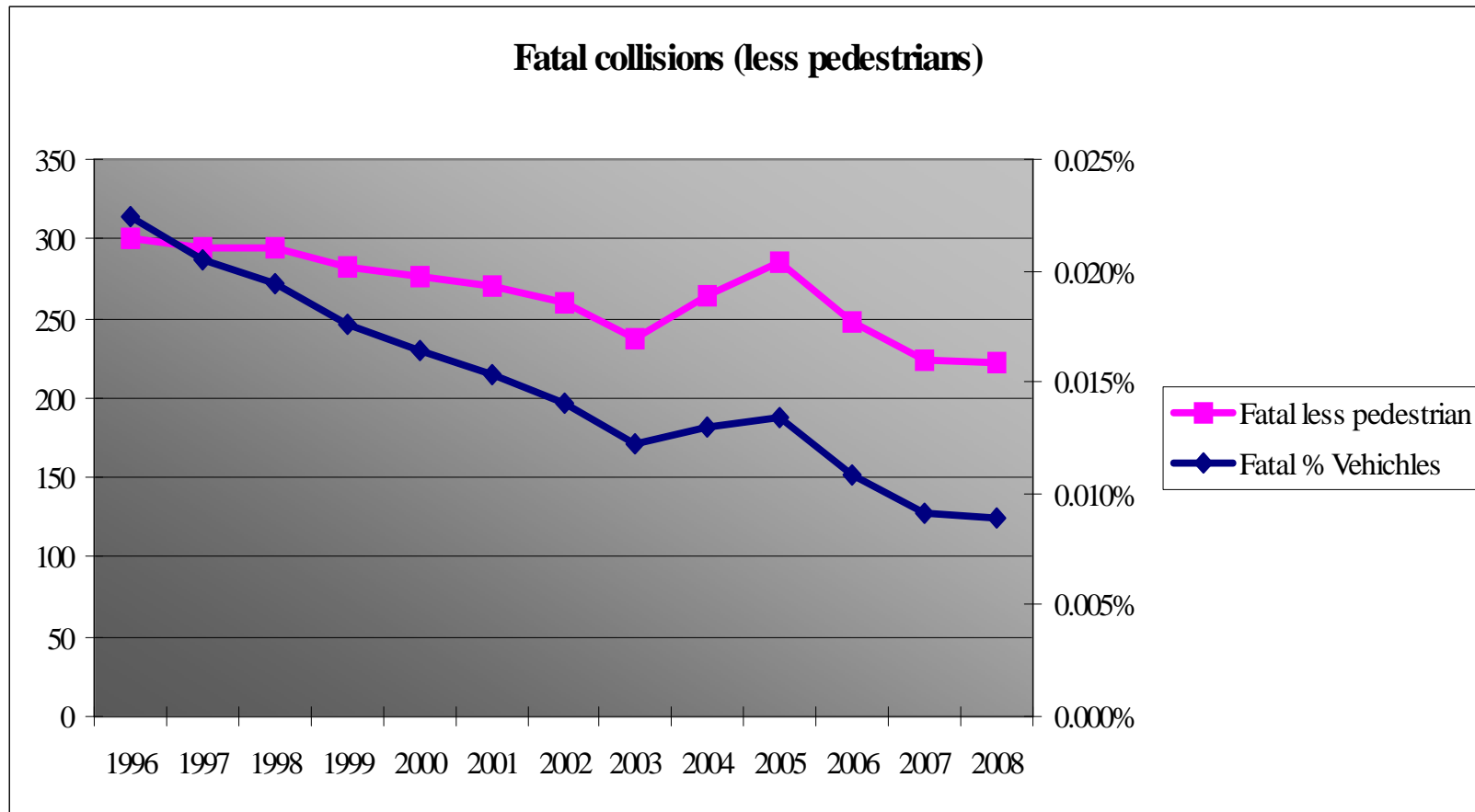
Road Traffic Statistics – Fatality Breakdown



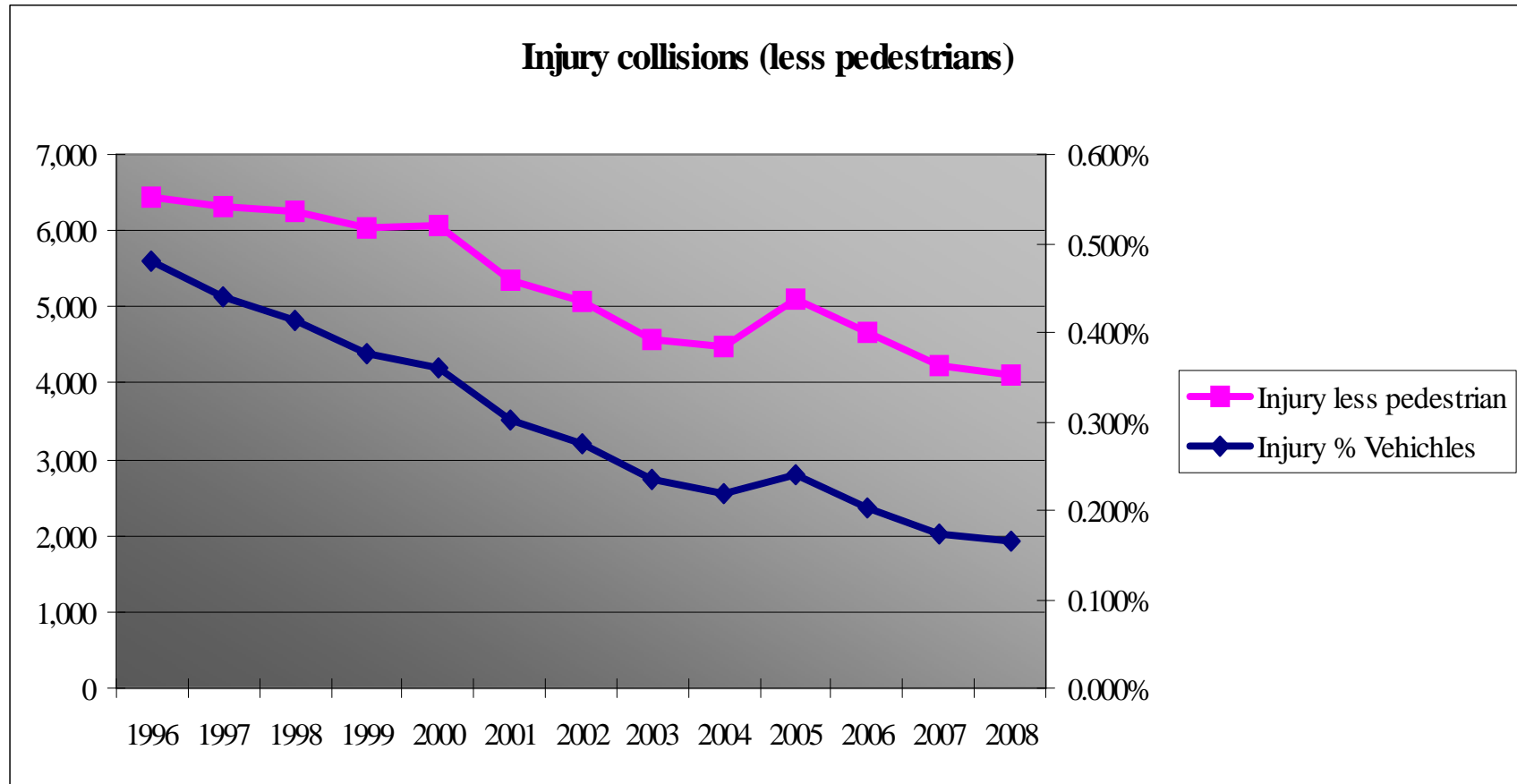
Road Traffic Statistics – Casualty Breakdown



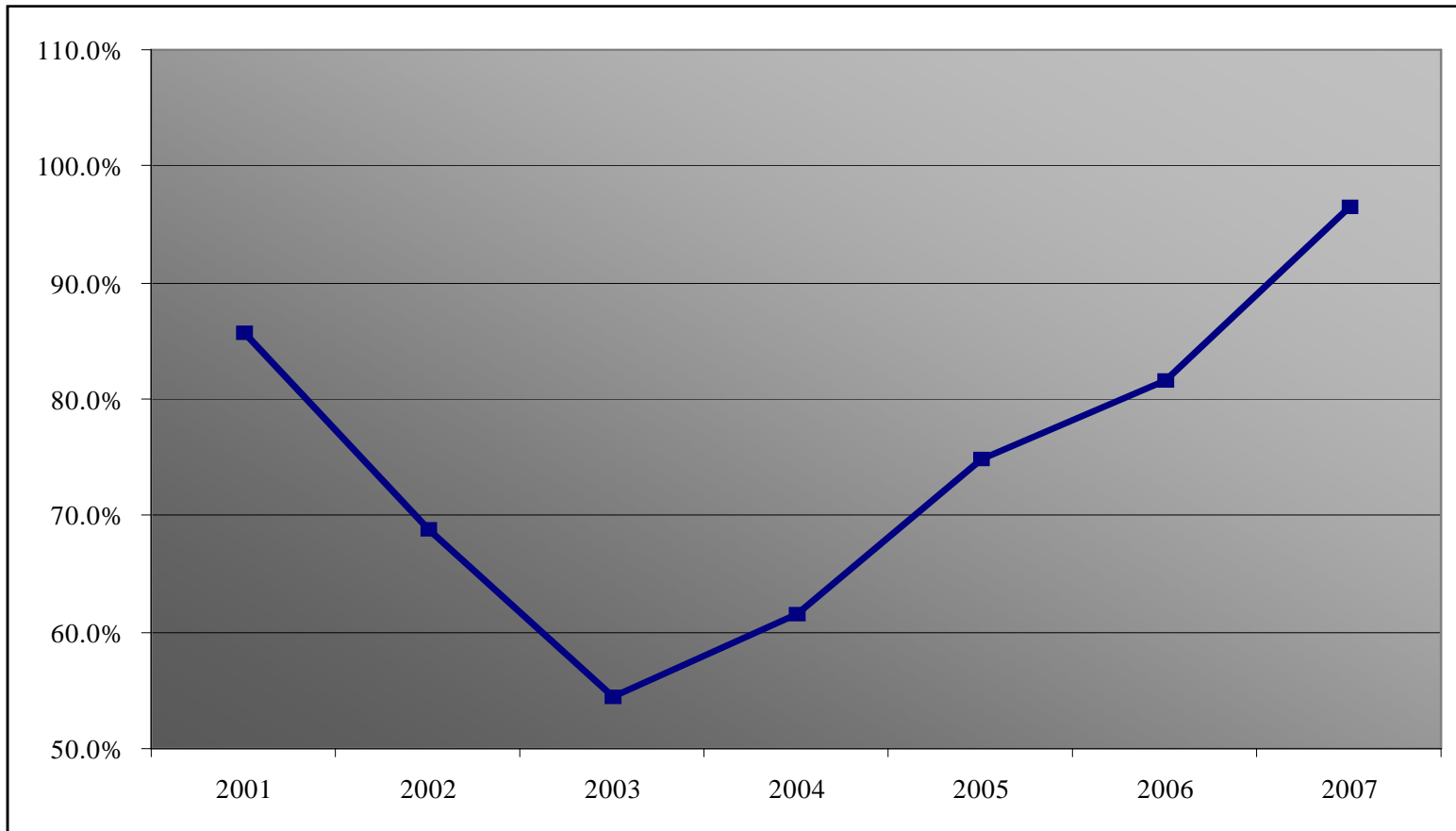
Road Traffic Statistics – Fatal Collisions (revisited)



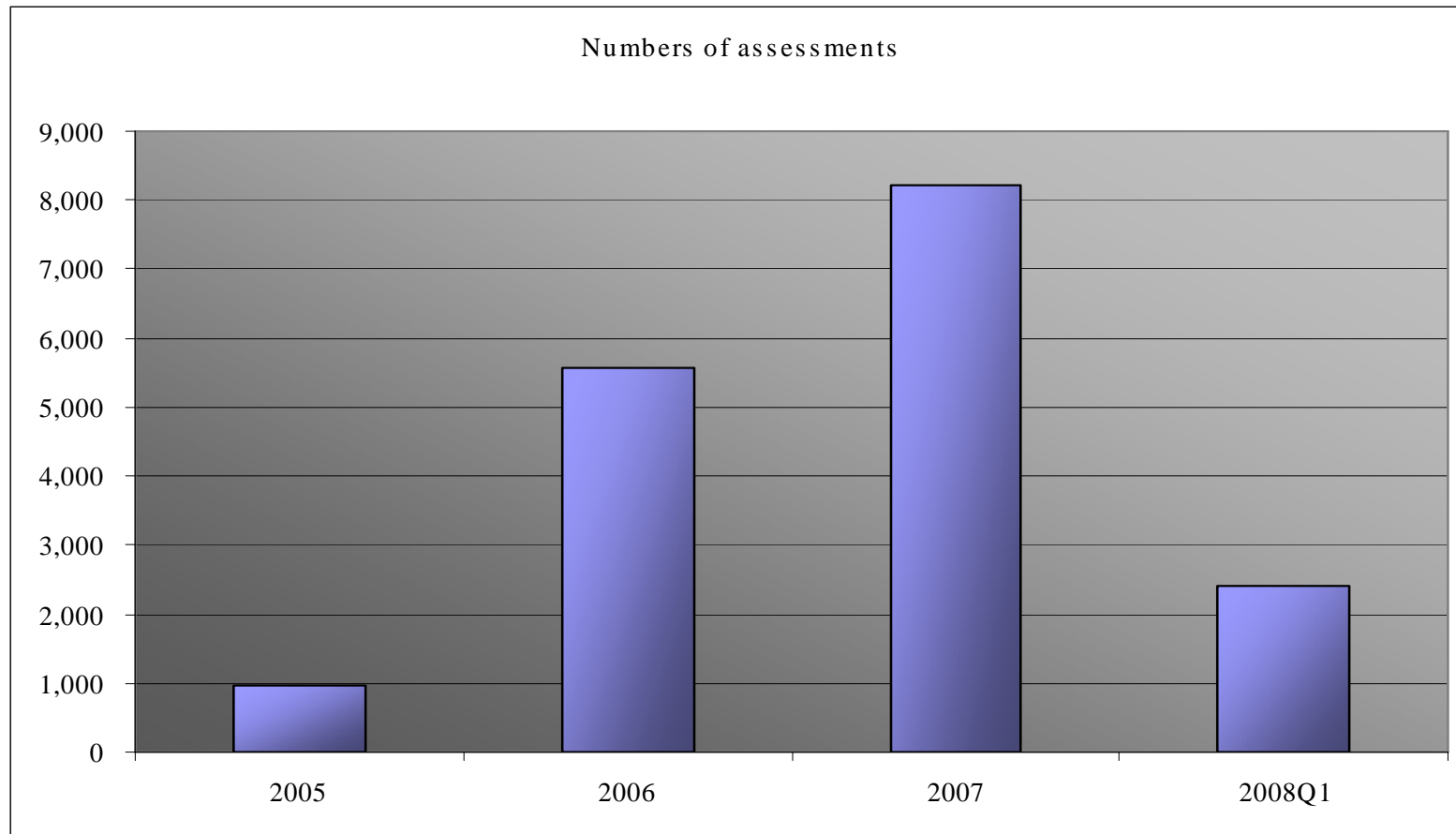
Road Traffic Statistics – Injury Collisions (revisited)



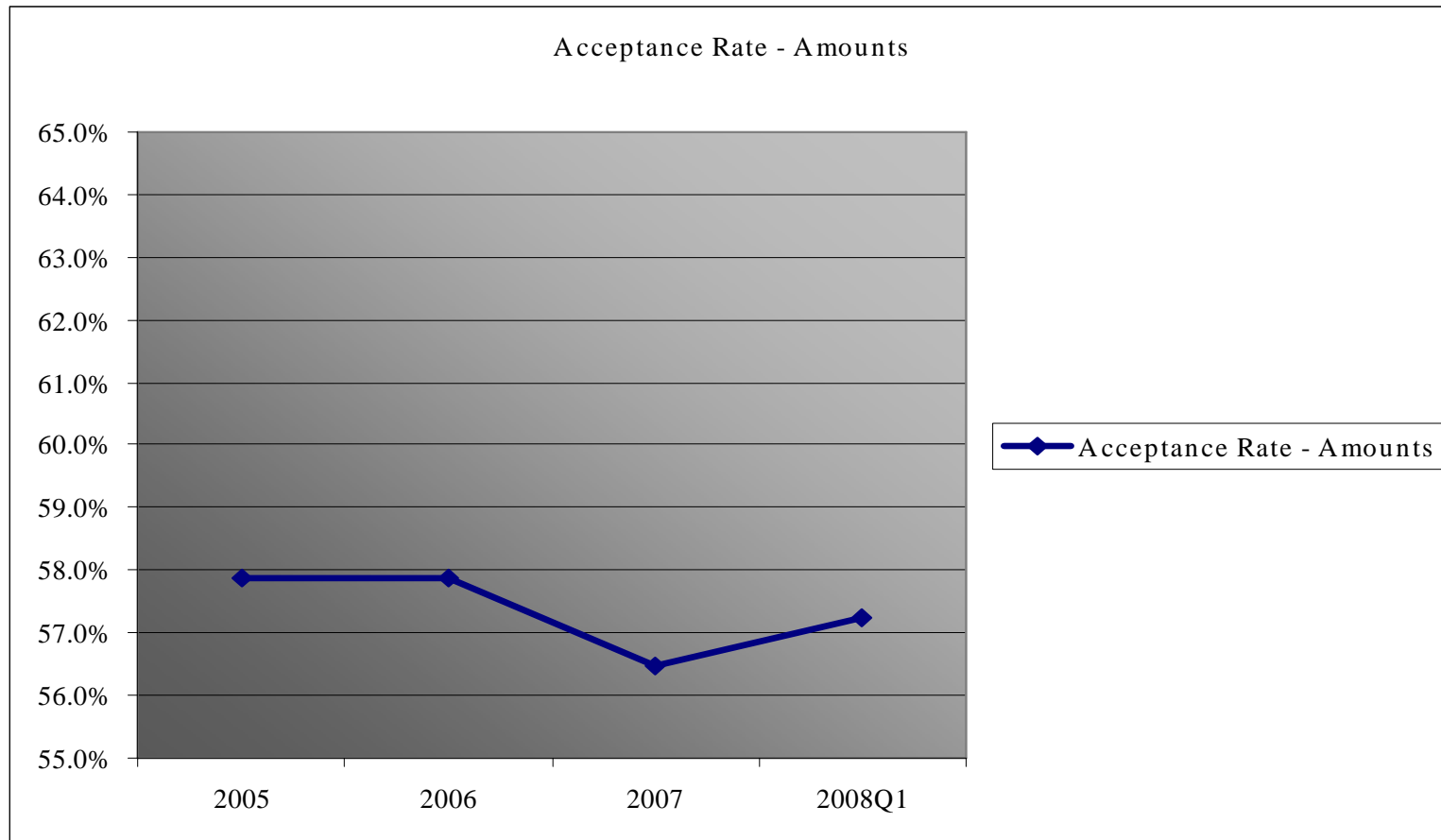
Motor Loss Ratio by Loss Year



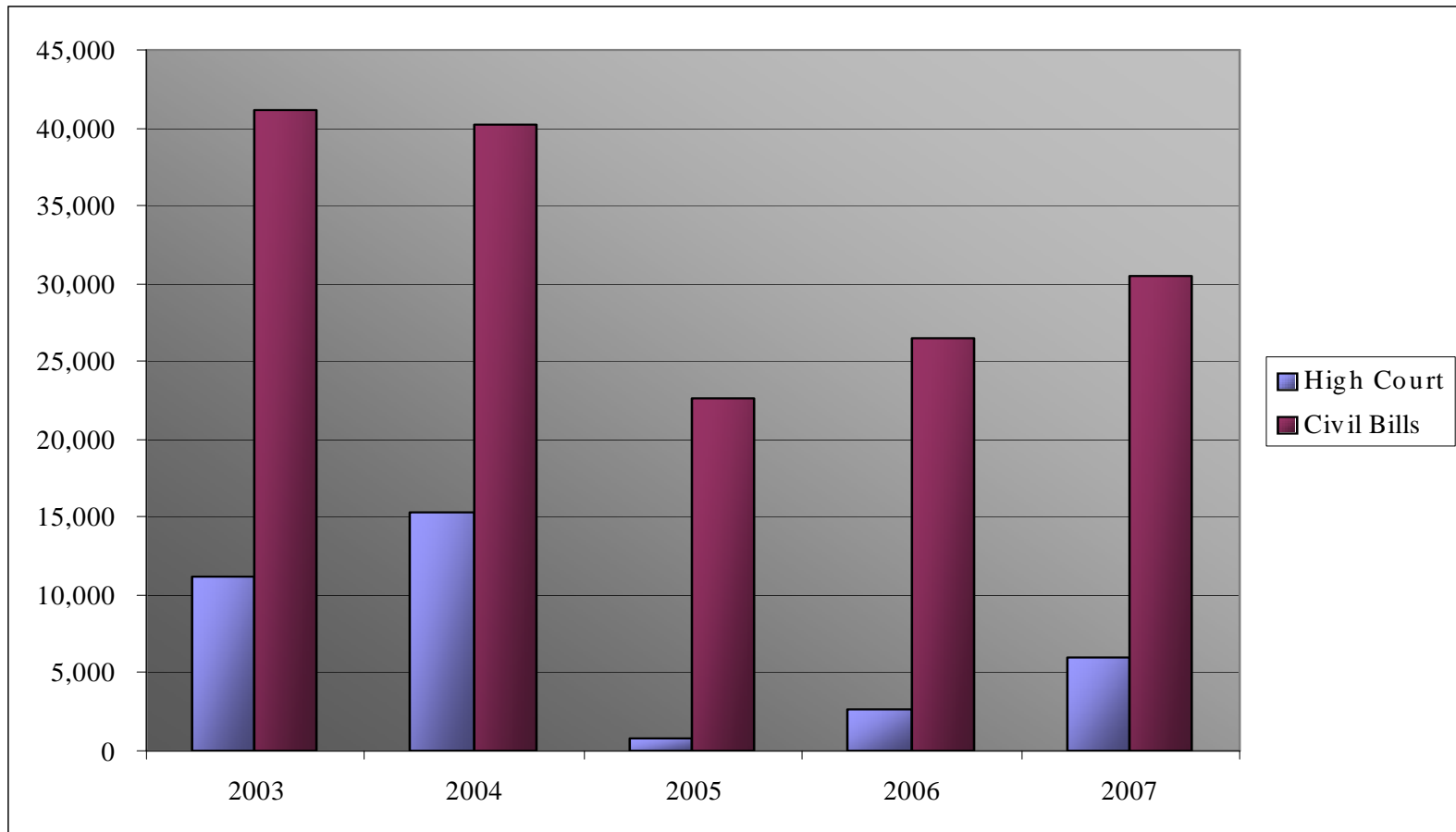
PIAB – Number of Assessments



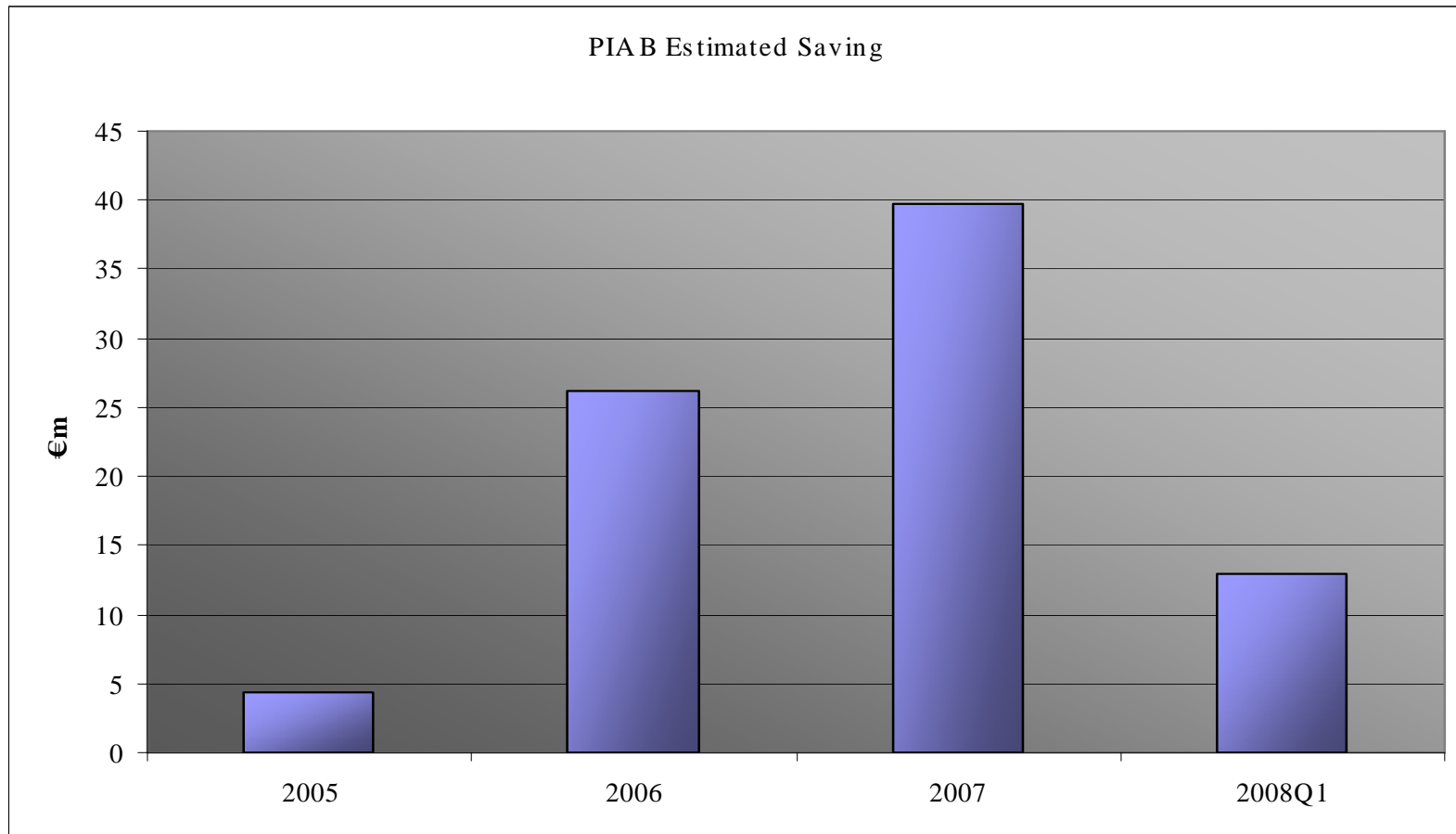
PIAB – Acceptance Rates



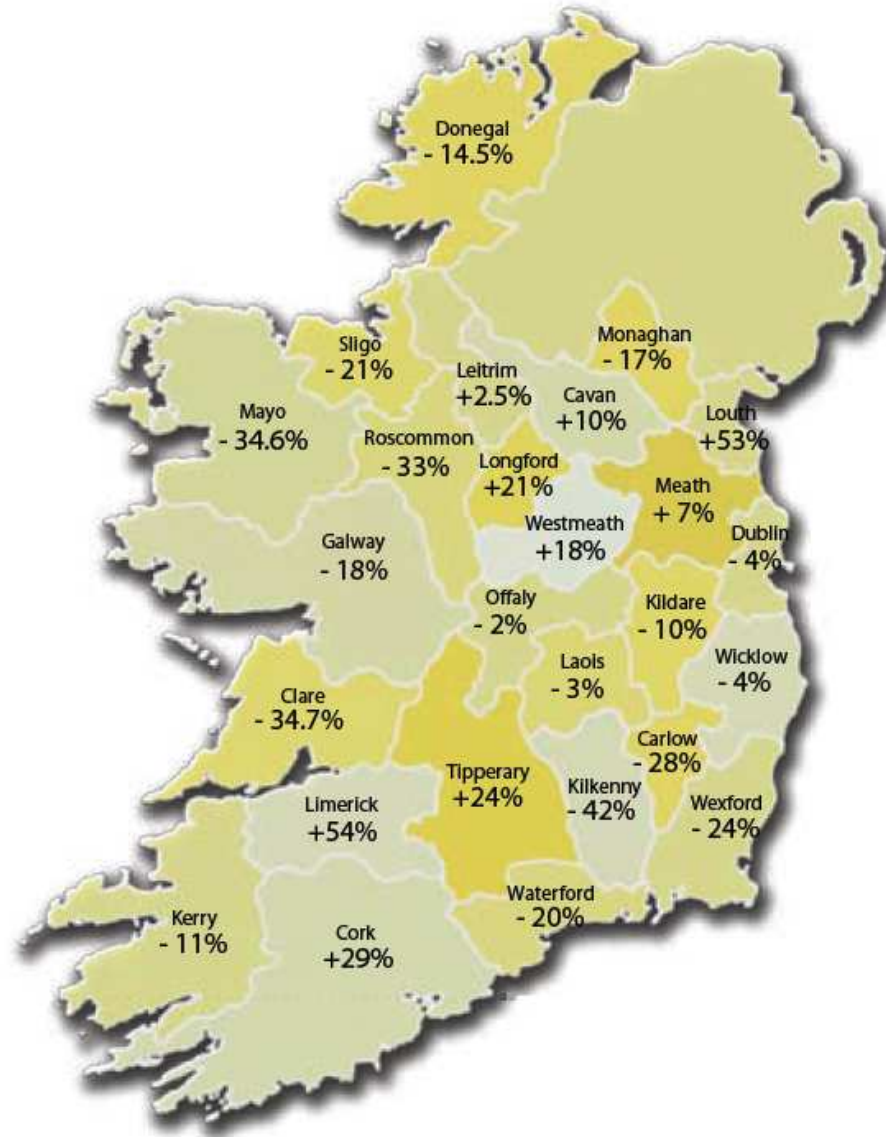
PIAB – Effect on the Courts



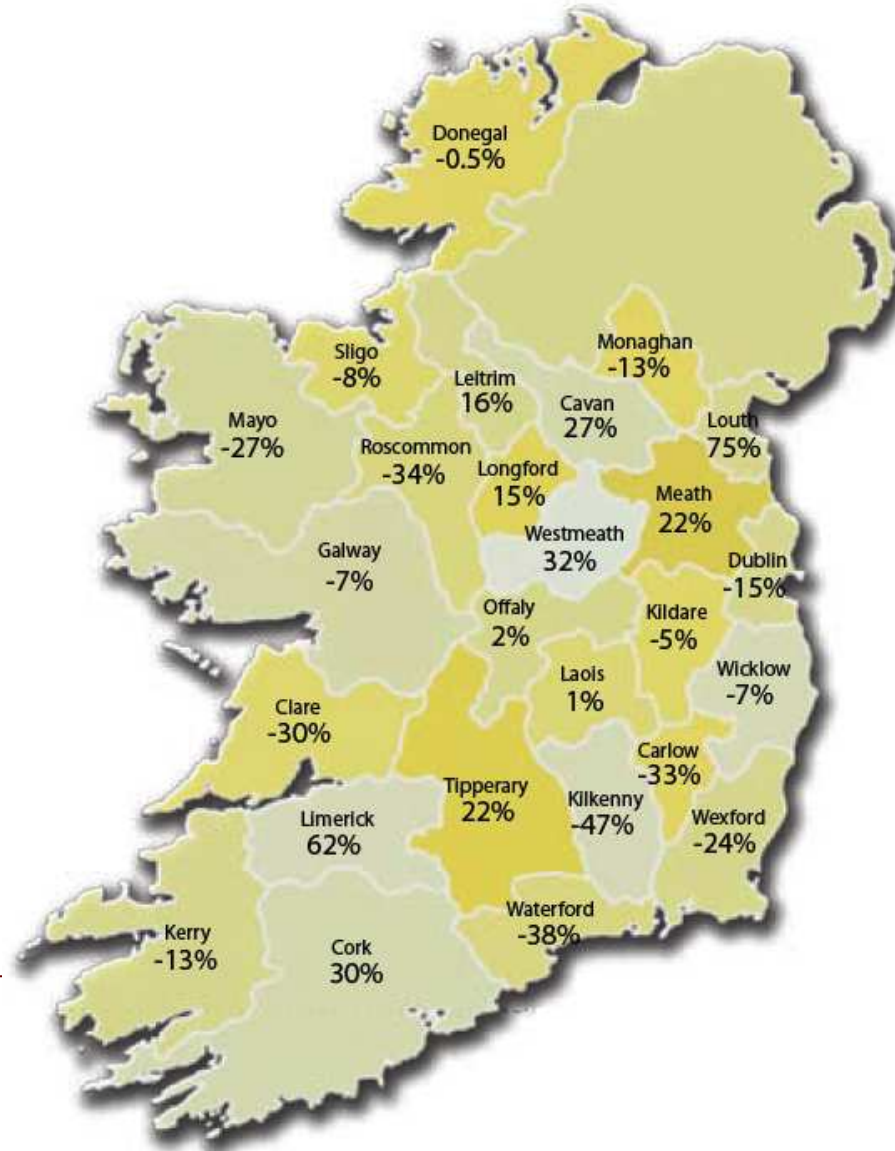
PIAB – Reported Savings



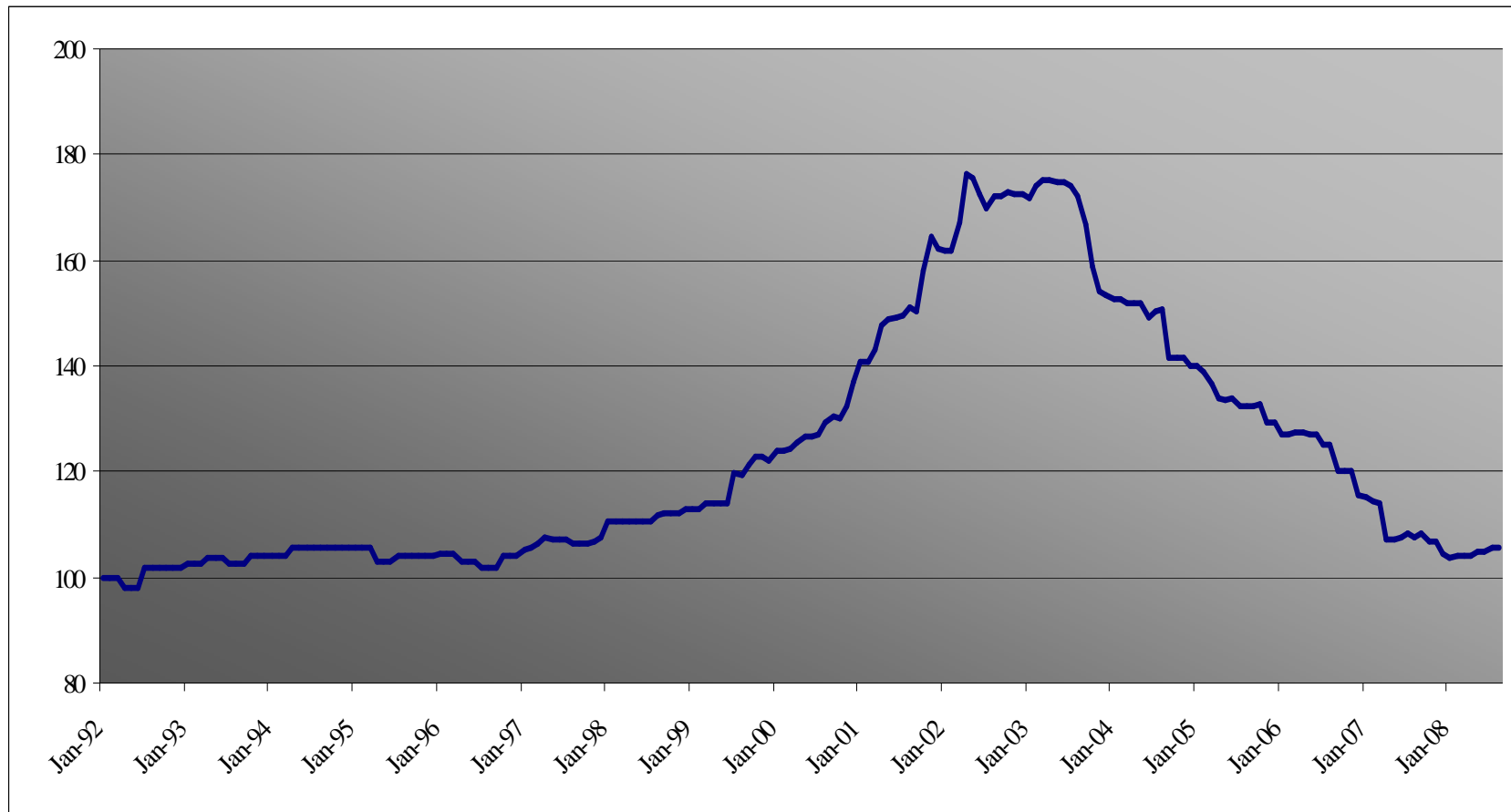
PIAB – All Claim Rates by County



PIAB – Motor Claim Rates by County



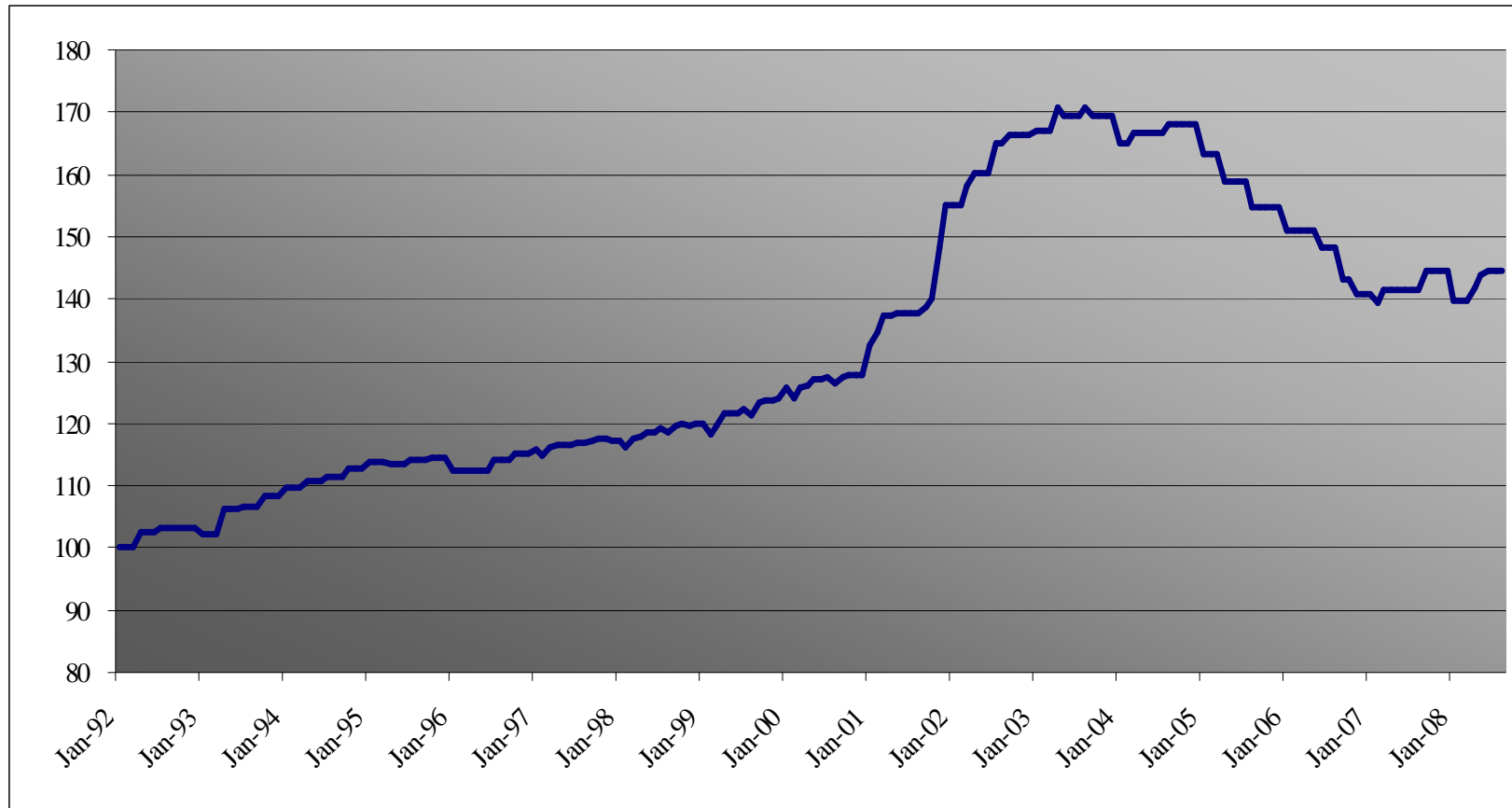
Motor Premium Levels



Motor Premium Levels

- 2005 -7.4%
- 2006 -9.0%
- 2007 -9.3%
- 2008 (Aug) +1.7%

Dwelling Premium Levels



Dwelling Premium Levels

- 2005 -5.3%
- 2006 -6.8%
- 2007 +2.8%
- 2008 (Aug) +3.3%

Floods – the cost

- 22nd August – Irish Times estimate of “up to €50m”
- 28th August – FBD “industry cost will be significantly greater than 2002 cost of €40m”
- 2nd September – Irish Times reported August was the “wettest month” ... “for 170 years”

IRISH ISSUES

Now and sometime in the Future:

- ASP's
- SAI
- Regulator issues
- Changes

IRISH ISSUES – ASP's etc

- ASP GI – 1, 2 & 3
- ASP GI-2 still not consistent with ASP GI-3.
- GIP2 (MIBI) attached to ASP GI-2 updated Feb 08
- ASP GI-3 – to be amended
- GI Forum meeting 30th Nov 2008 on SAO's

IRISH ISSUES – SAI etc

SAI

- Compliance Monitoring
- Financial Regulator
- CPD

Dates

- CPD Evening 13th Nov
 - Uncertainty – Derek Bain & John McCrossan
- CPD Forum 28th Nov
 - QIS4 – Colin Manley from Financial Regulator
- GI actuaries Xmas Lunch 28th Nov
- CPD 2009 –
 - Irish Update to WP report on Free Market Pricing
 - Possible either Asbestos issues Update or Internal Models

IRISH ISSUES – Regulator etc

- Actuarial cover
- Successful Extension of Reinsurance SAO to captives
- No Insurance SAO (ASP GI-2) update pending
- Agreeing some updates SAO certificates in ASP GI-3
- QIS4
 - Increased participation – 69 up 43%
 - Companies – Broker Balances, Loss Ratio volatility
 - Captives - FR Joined with LUX & Malta separate Captive Note:
Highlighted: Currency, Default, Concentration and Catastrophe Risks

IRISH ISSUES – What's in a Name etc

- Bertie to Brian
- Mike to Gareth
- Gareth to Colin
- PIAB to Injuries Board
- Eagle Star to Zurich
- Vivas to Hibernian
- What's next
 - FA to IA?