



The Actuarial Profession
making financial sense of the future

34TH ANNUAL GIRO CONVENTION

CELTIC MANOR RESORT, NEWPORT, WALES

Irish Issues – The Past

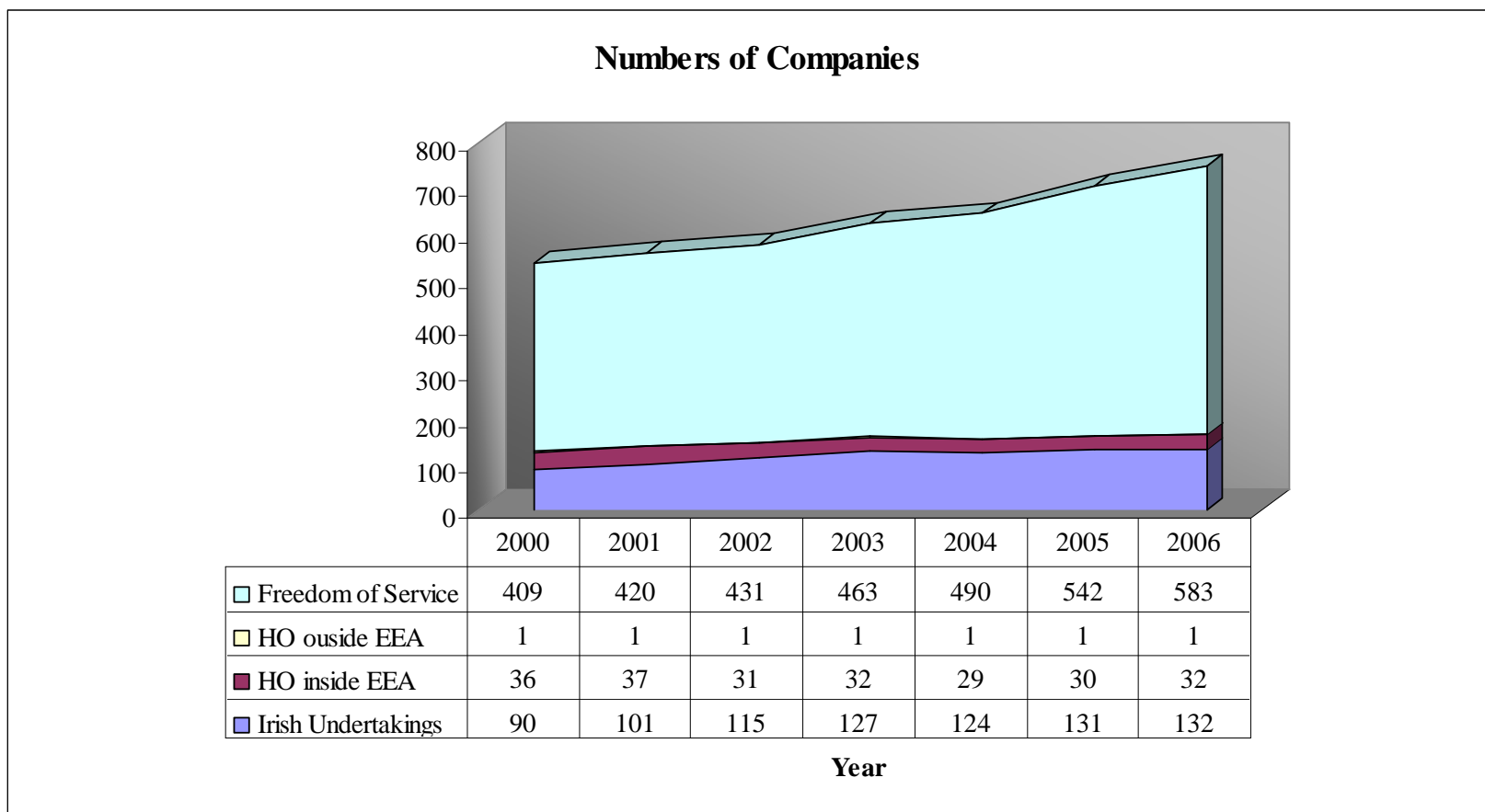
- Review of the “Blue Book” data

Market Results – Headline figures

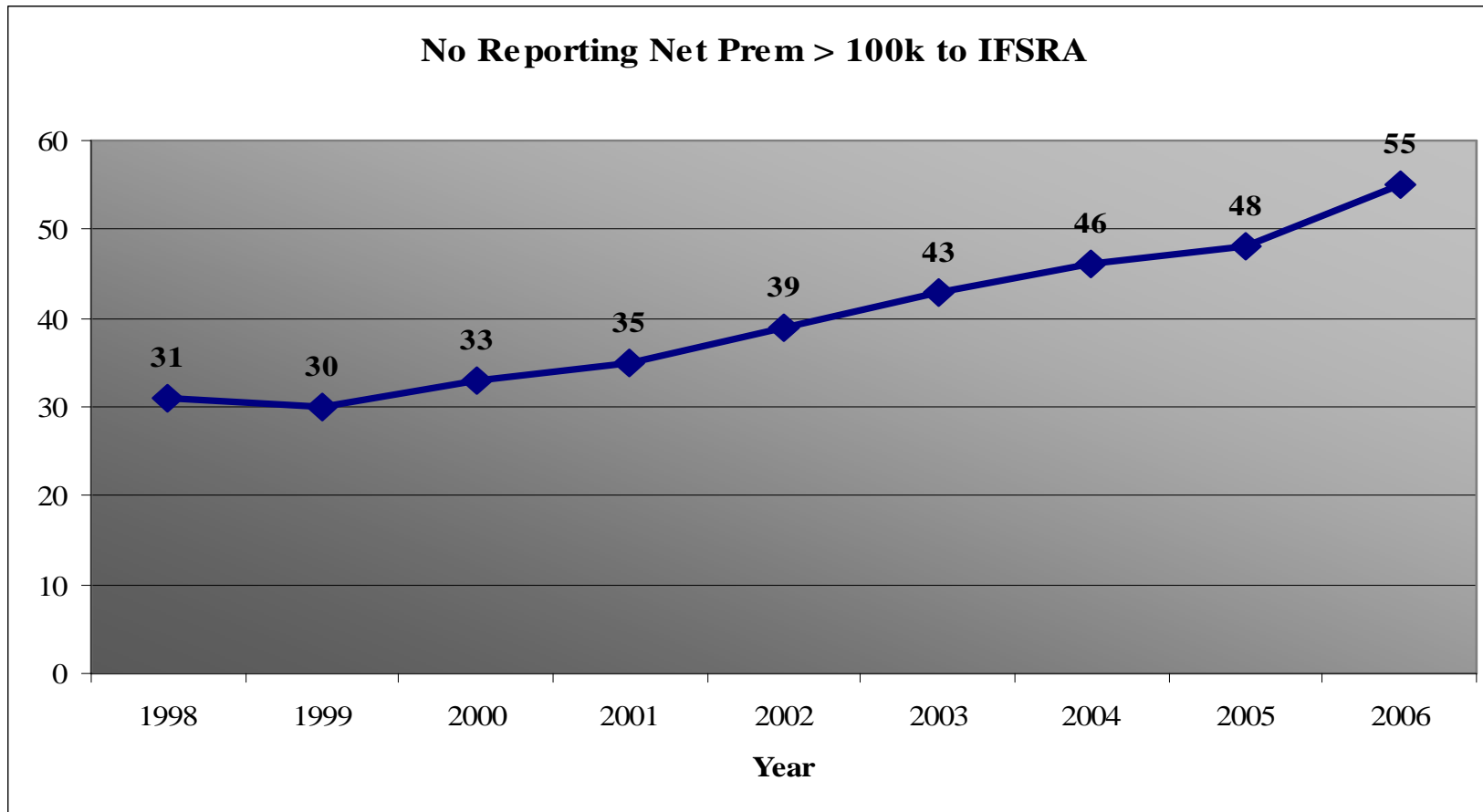
Net Insurance Profit: €1.109bn

- Motor Vehicle: €461m (42%)
- Fire and Property Damage: €214m (19%)
- Liability: €364m (33%)

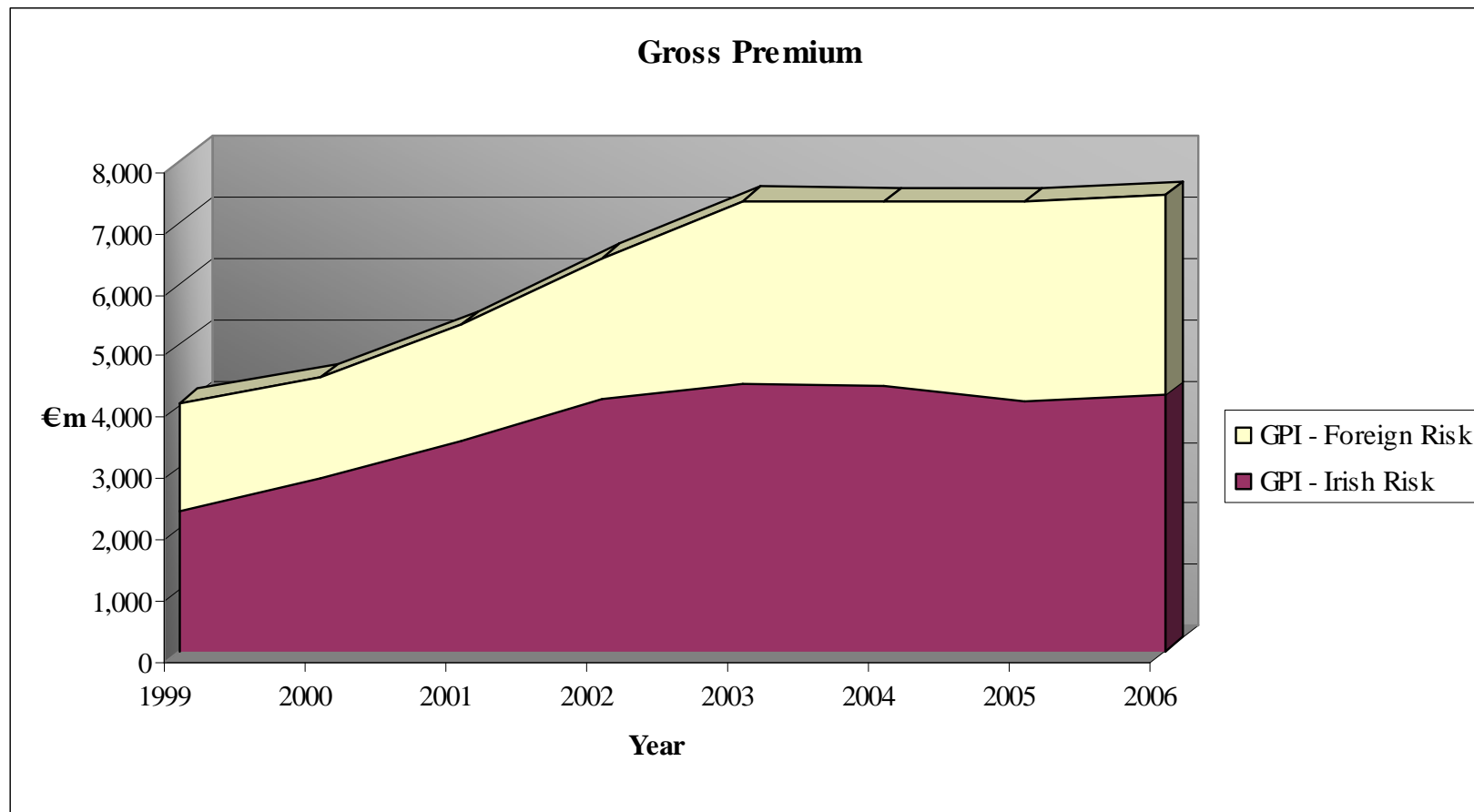
Market analysis – Number of companies



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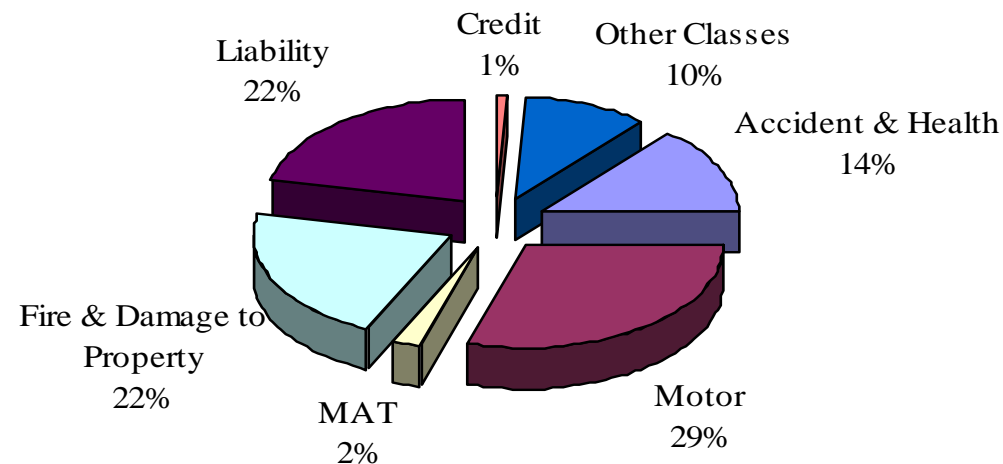


Gross premium income

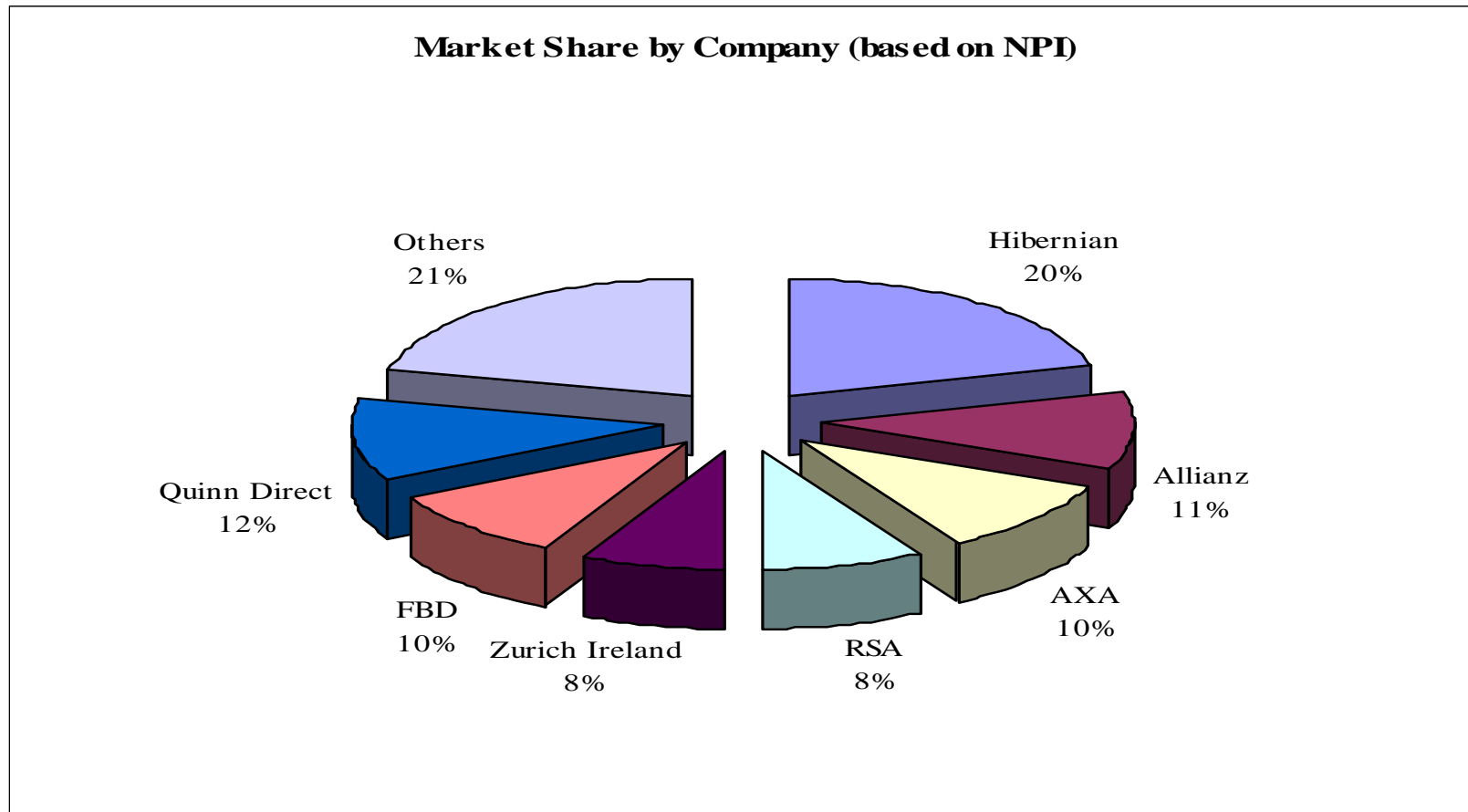


Gross premium income – by class

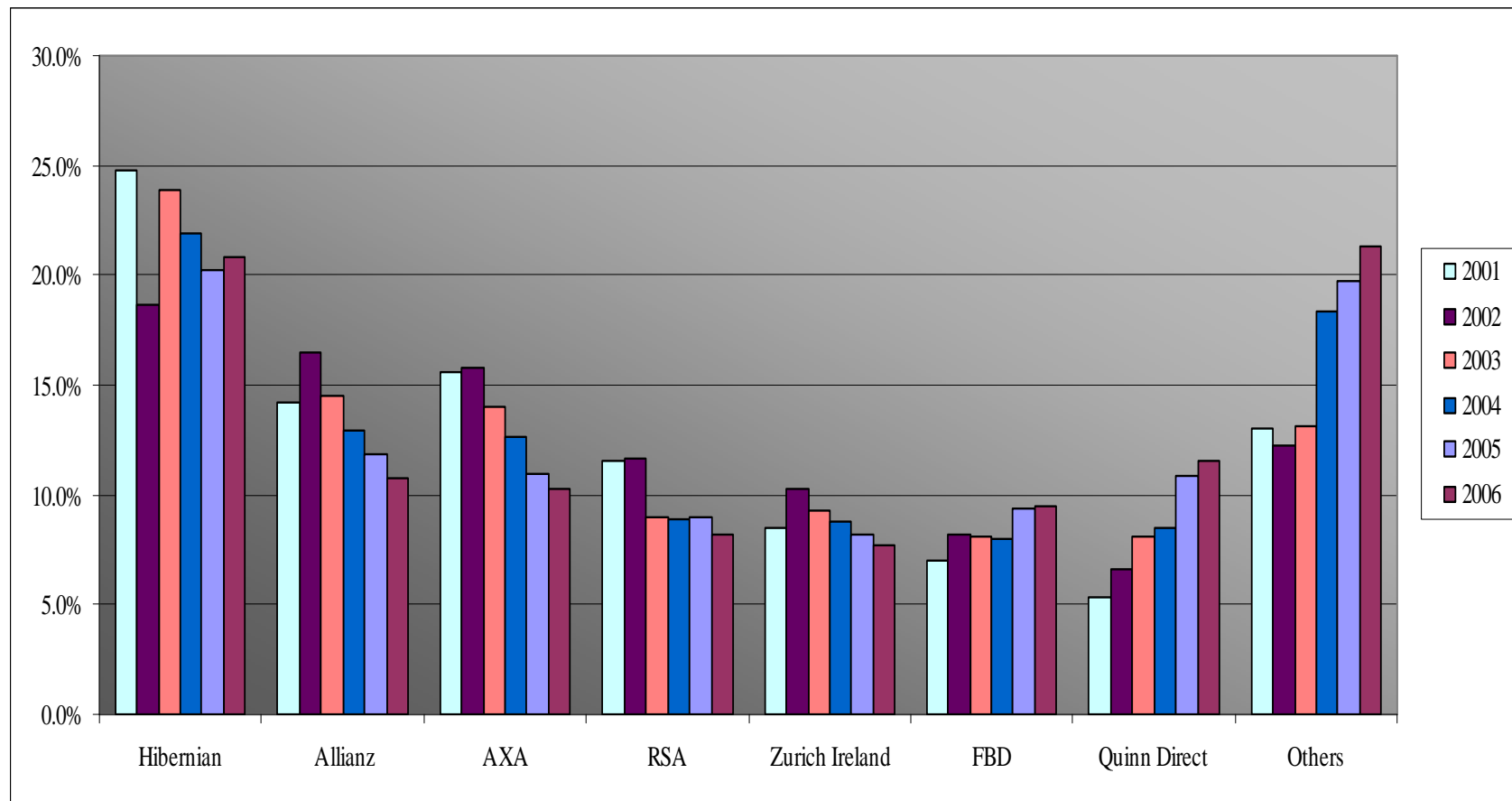
**Gross Premium Income - by class
Domestic & Foreign Risks 2006**



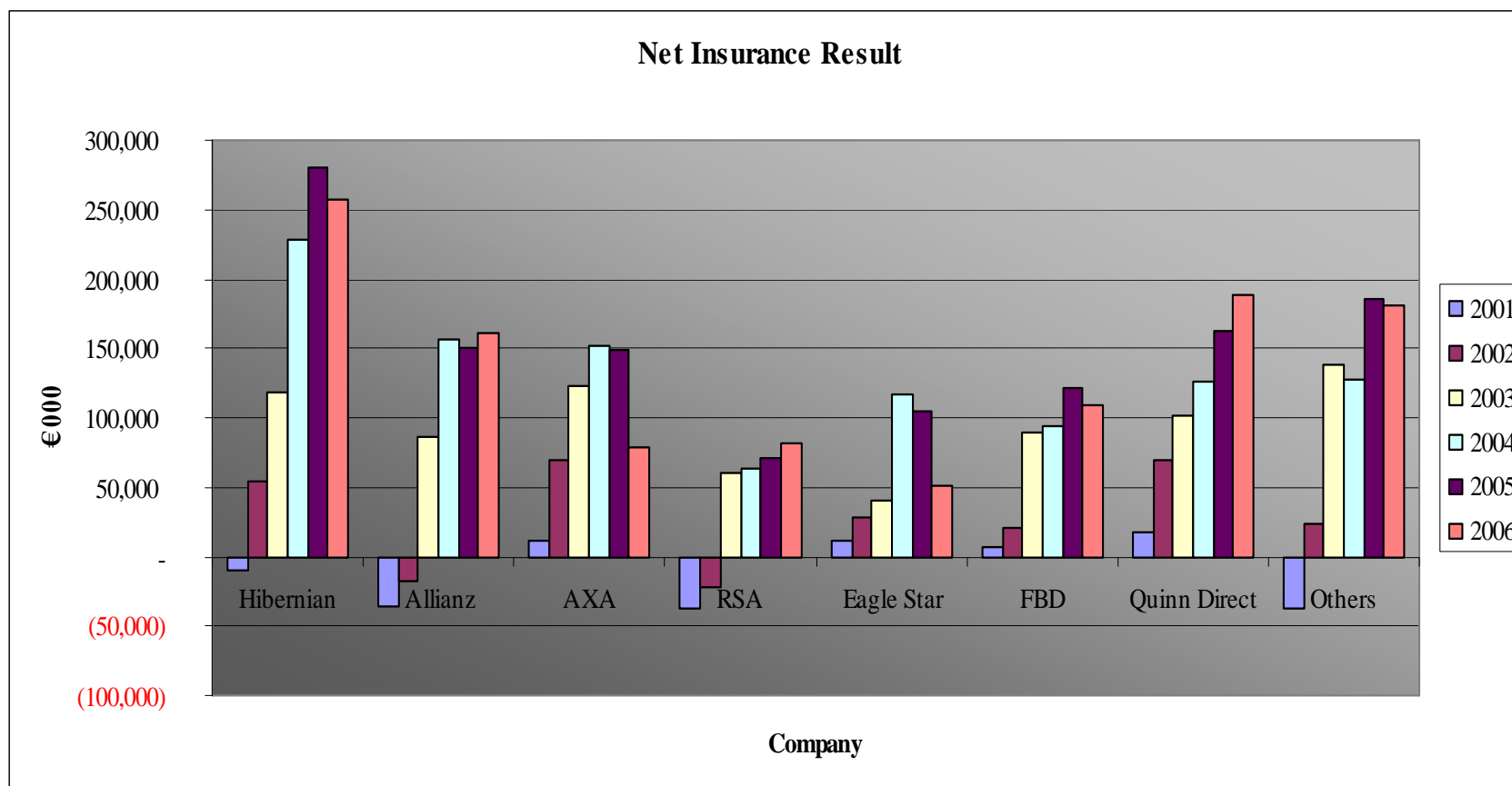
Market share - by company



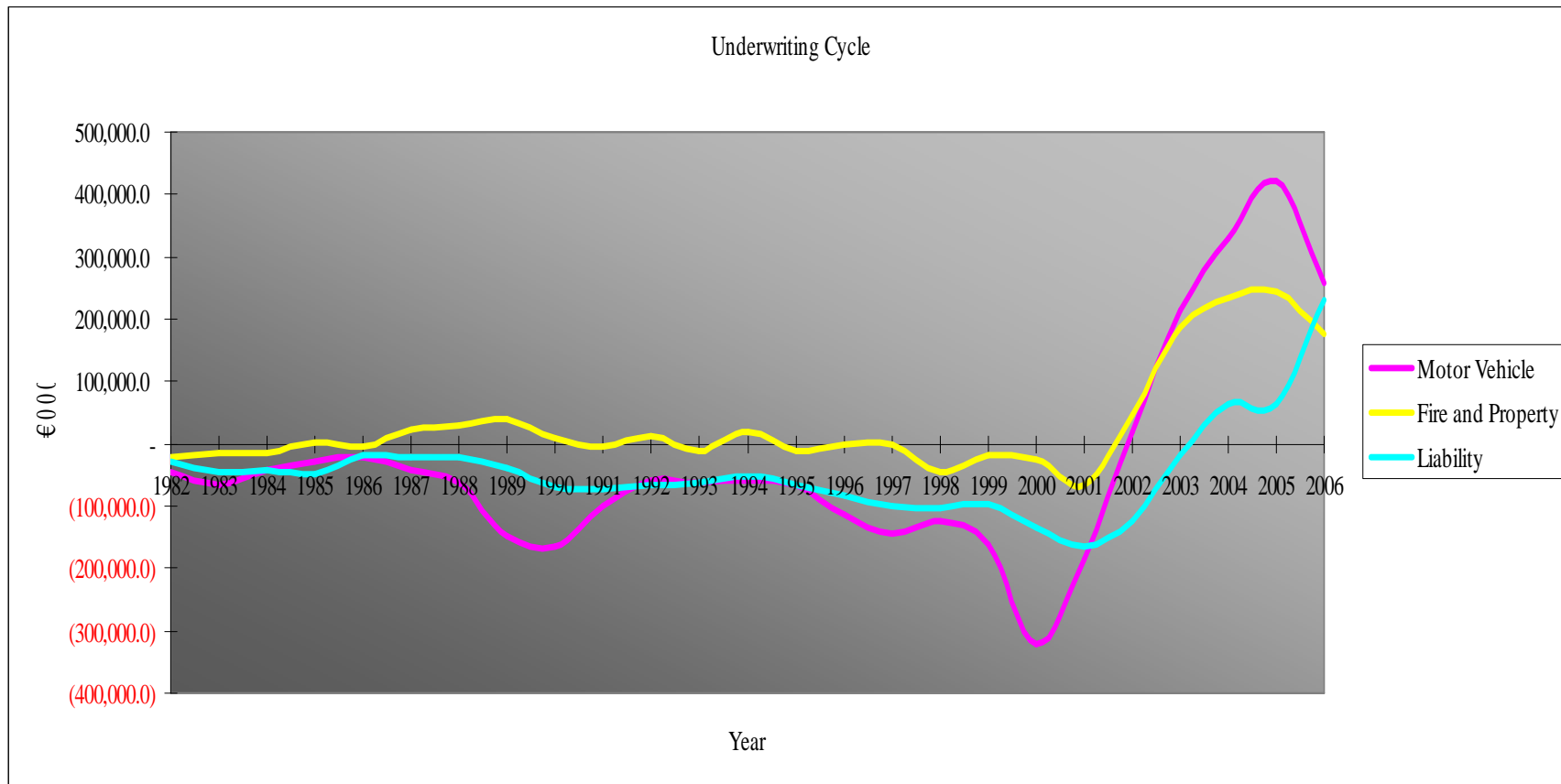
Market share – by company over time



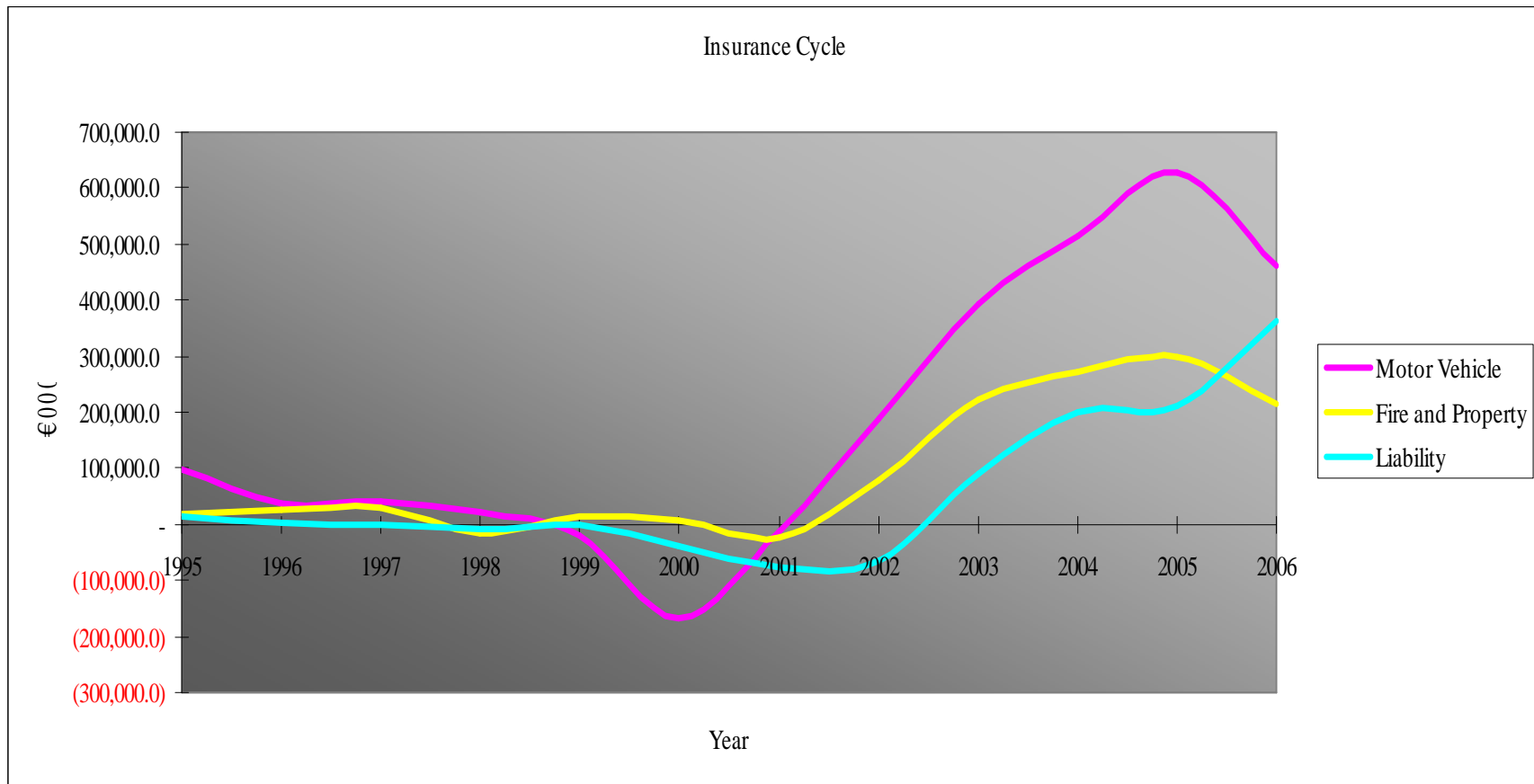
Net insurance result – by company over time



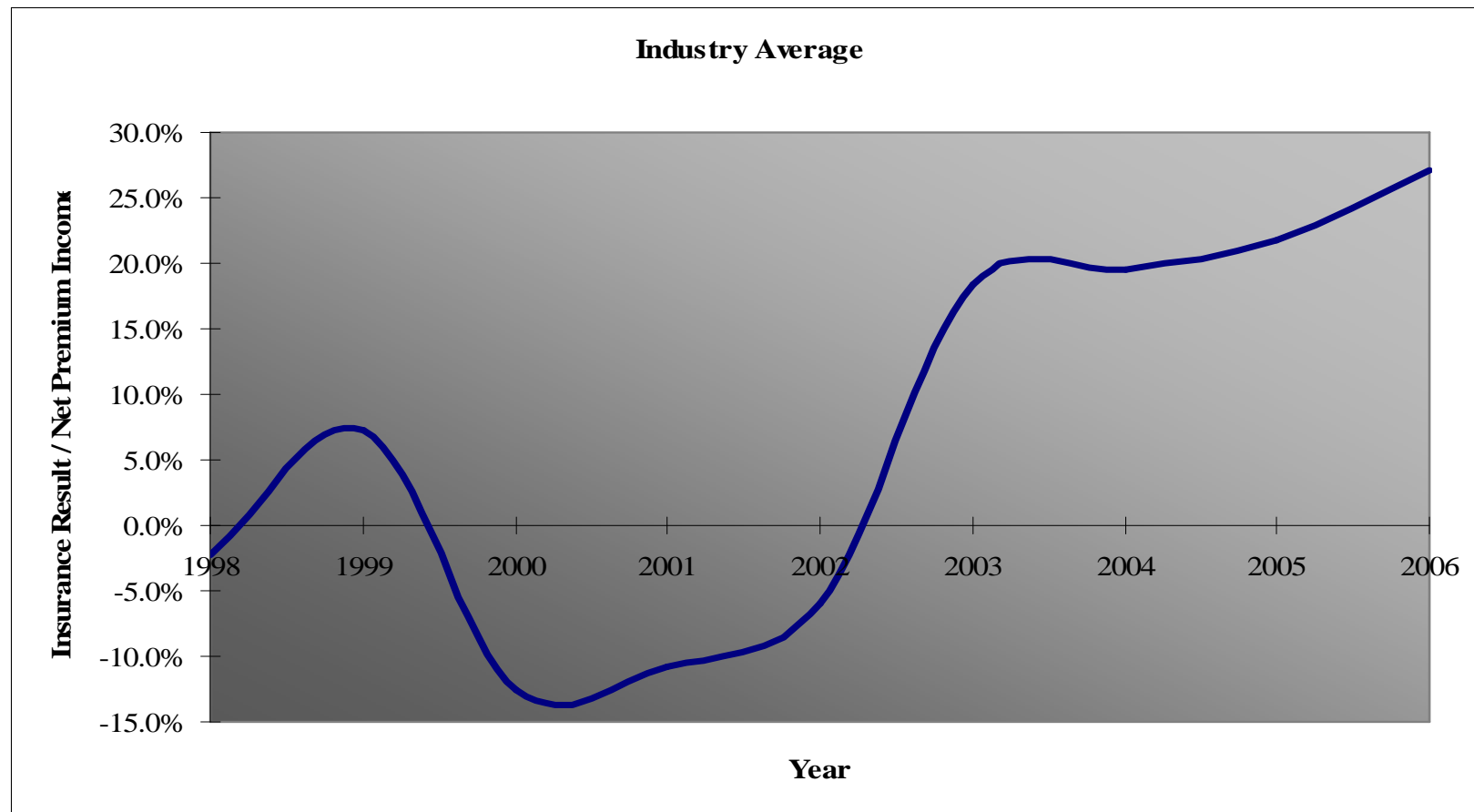
Underwriting cycle – by risk



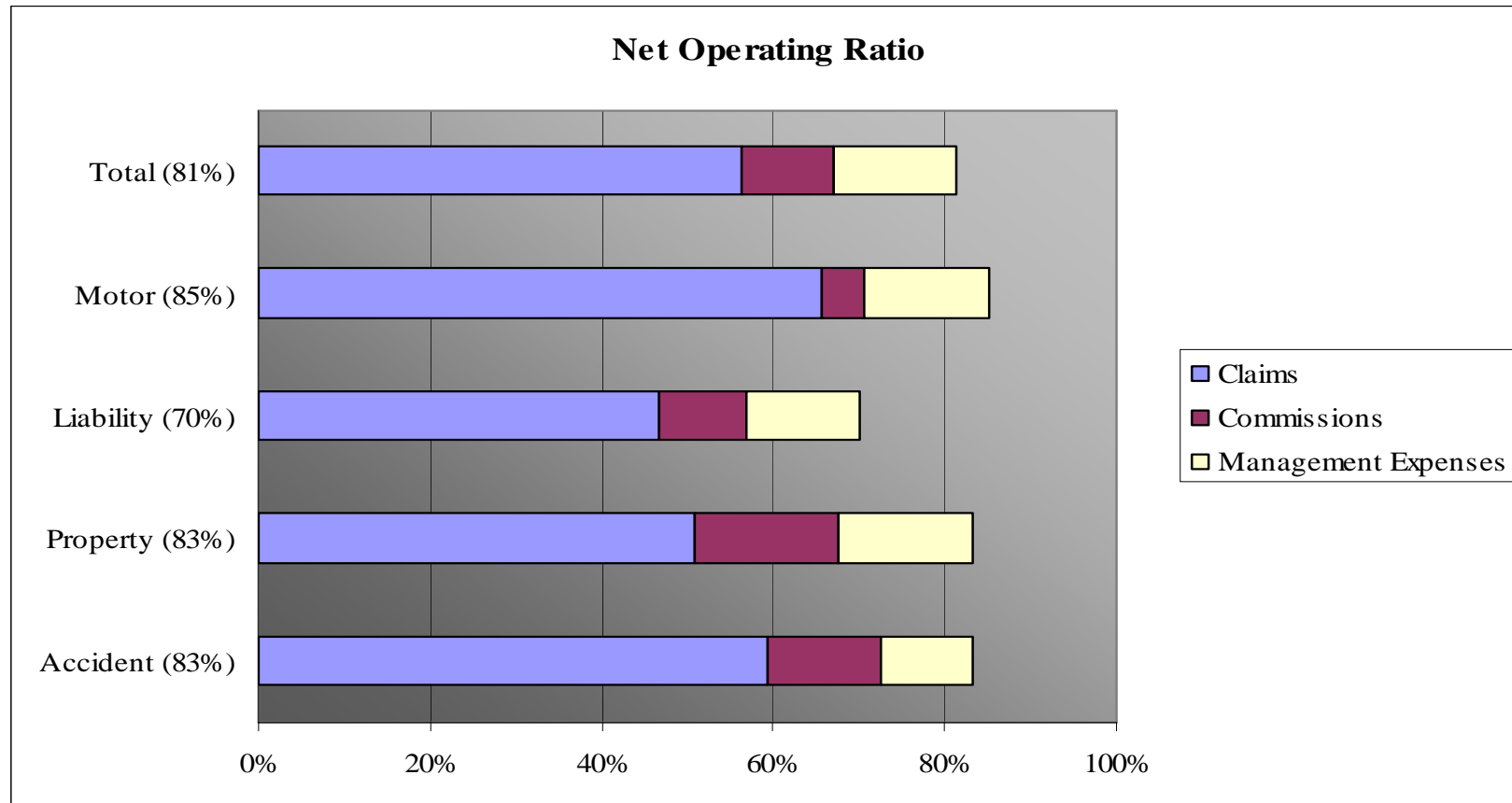
Insurance cycle – by risk



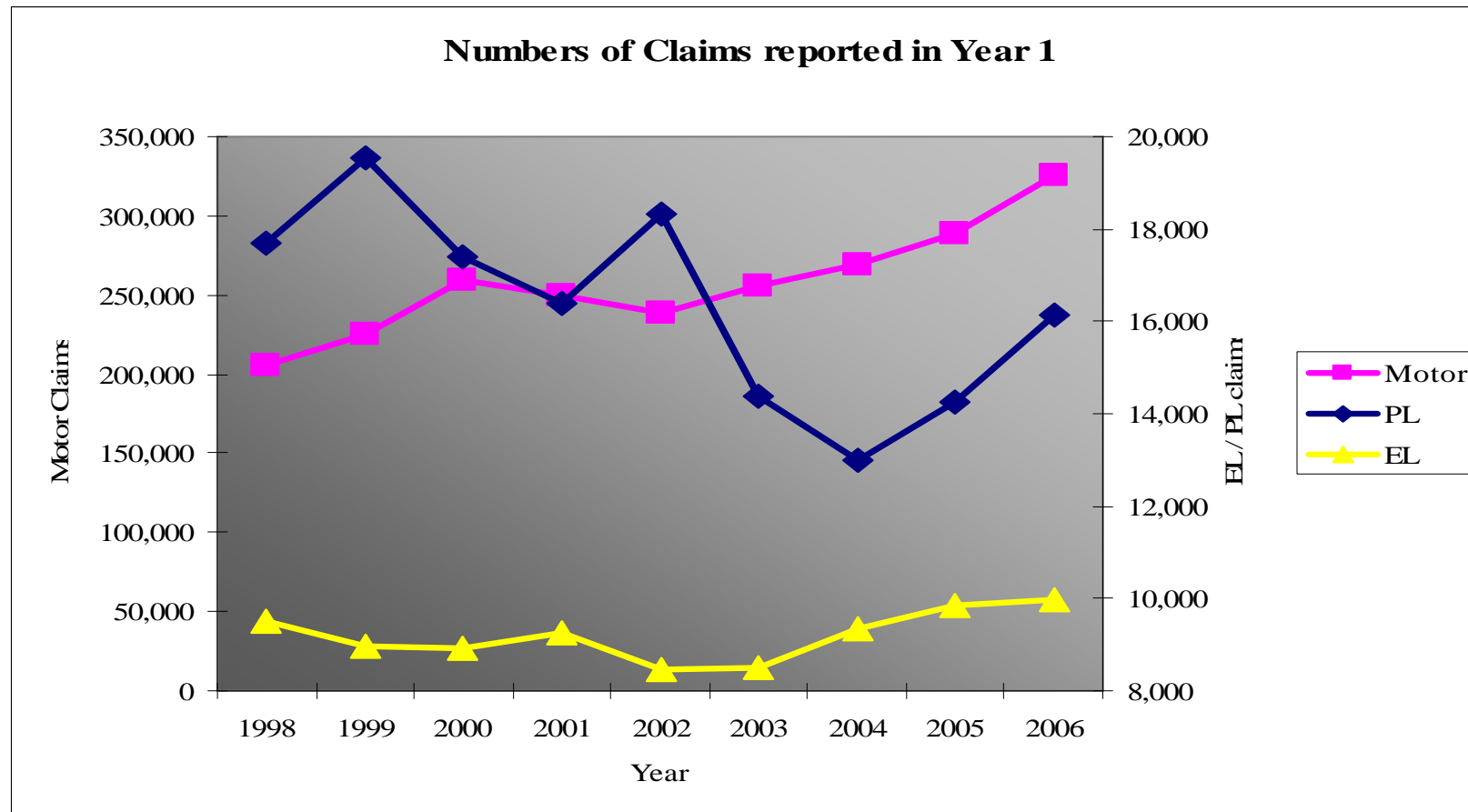
Profit per net premium income



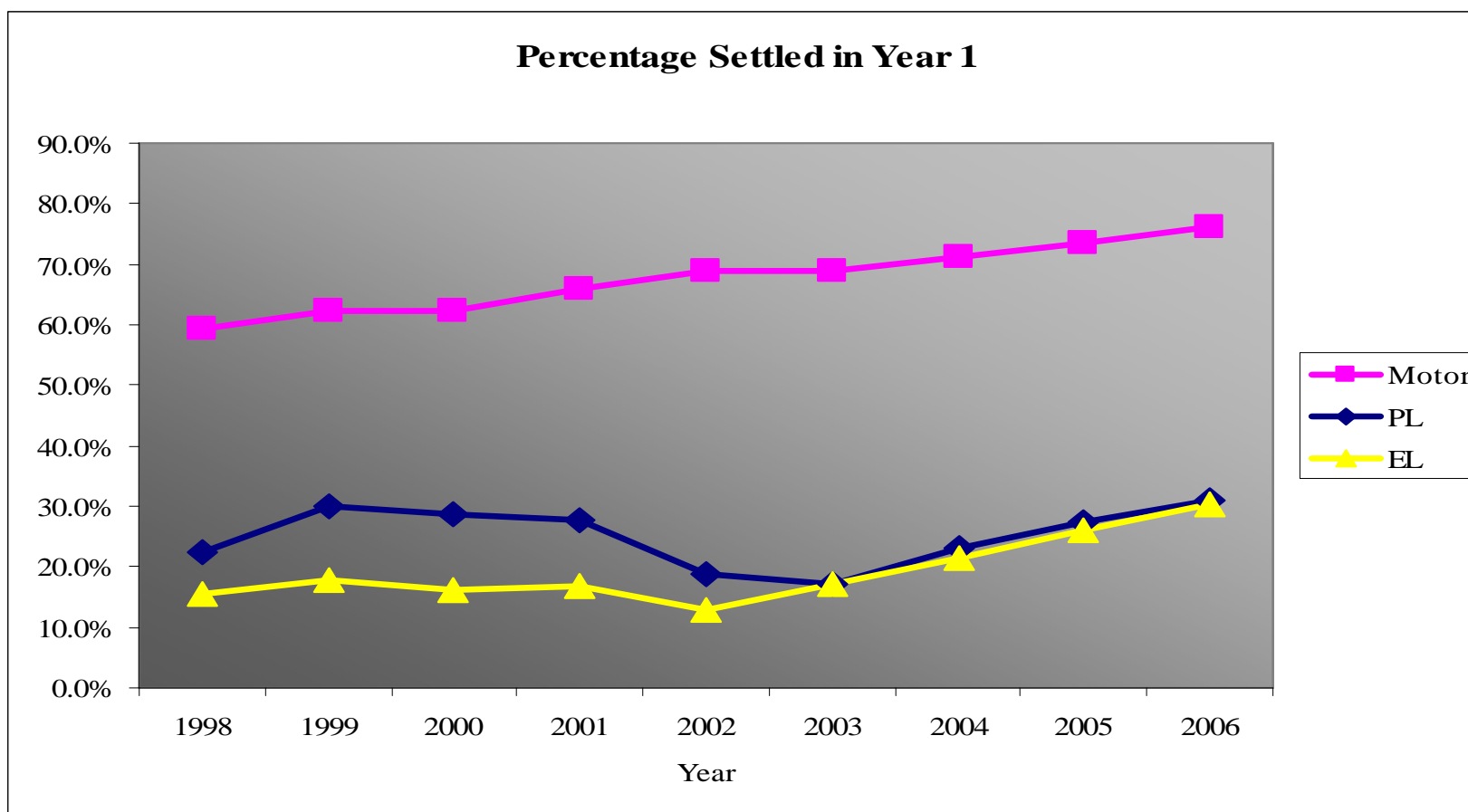
Net operating ratio - breakdown



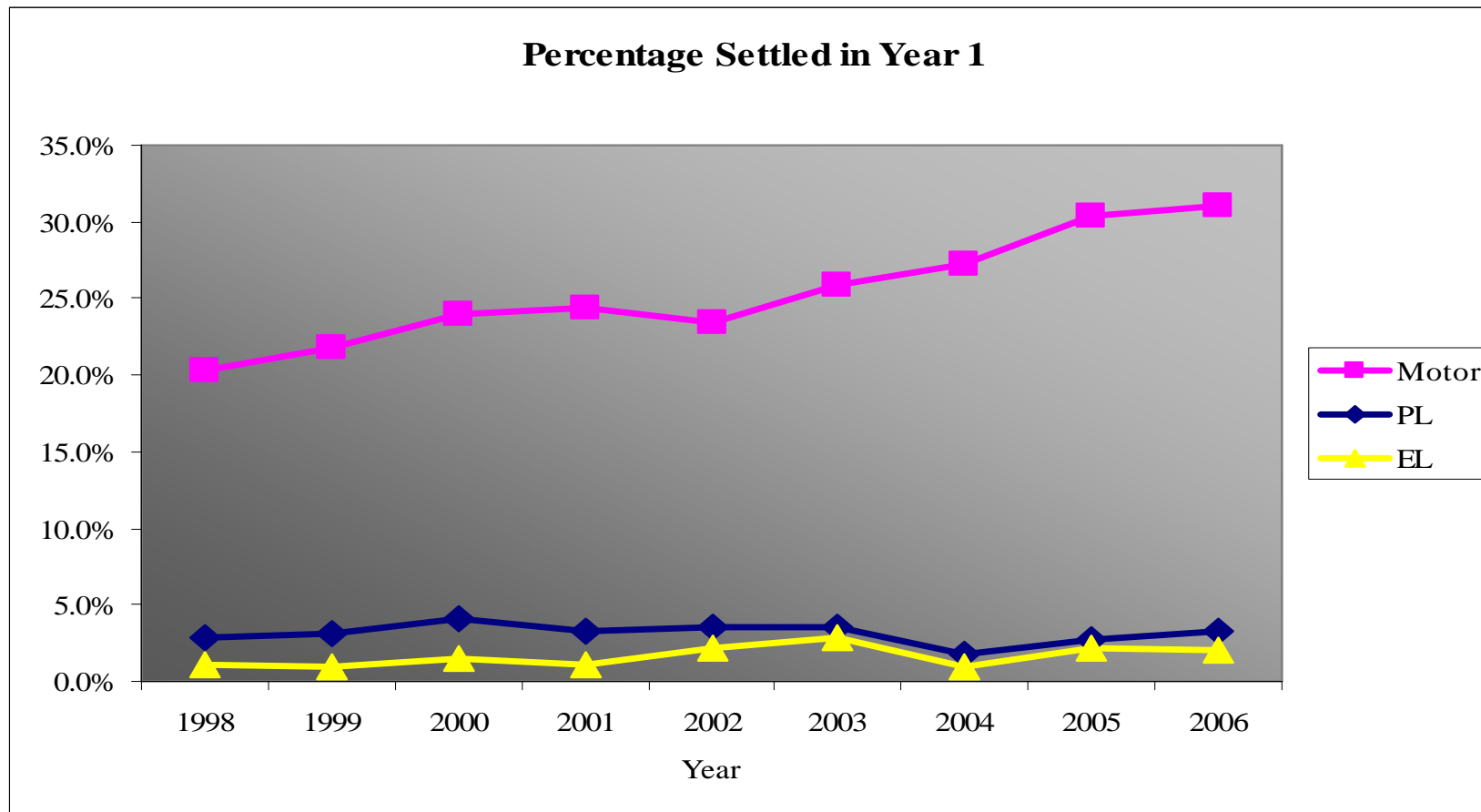
Numbers of claims reported



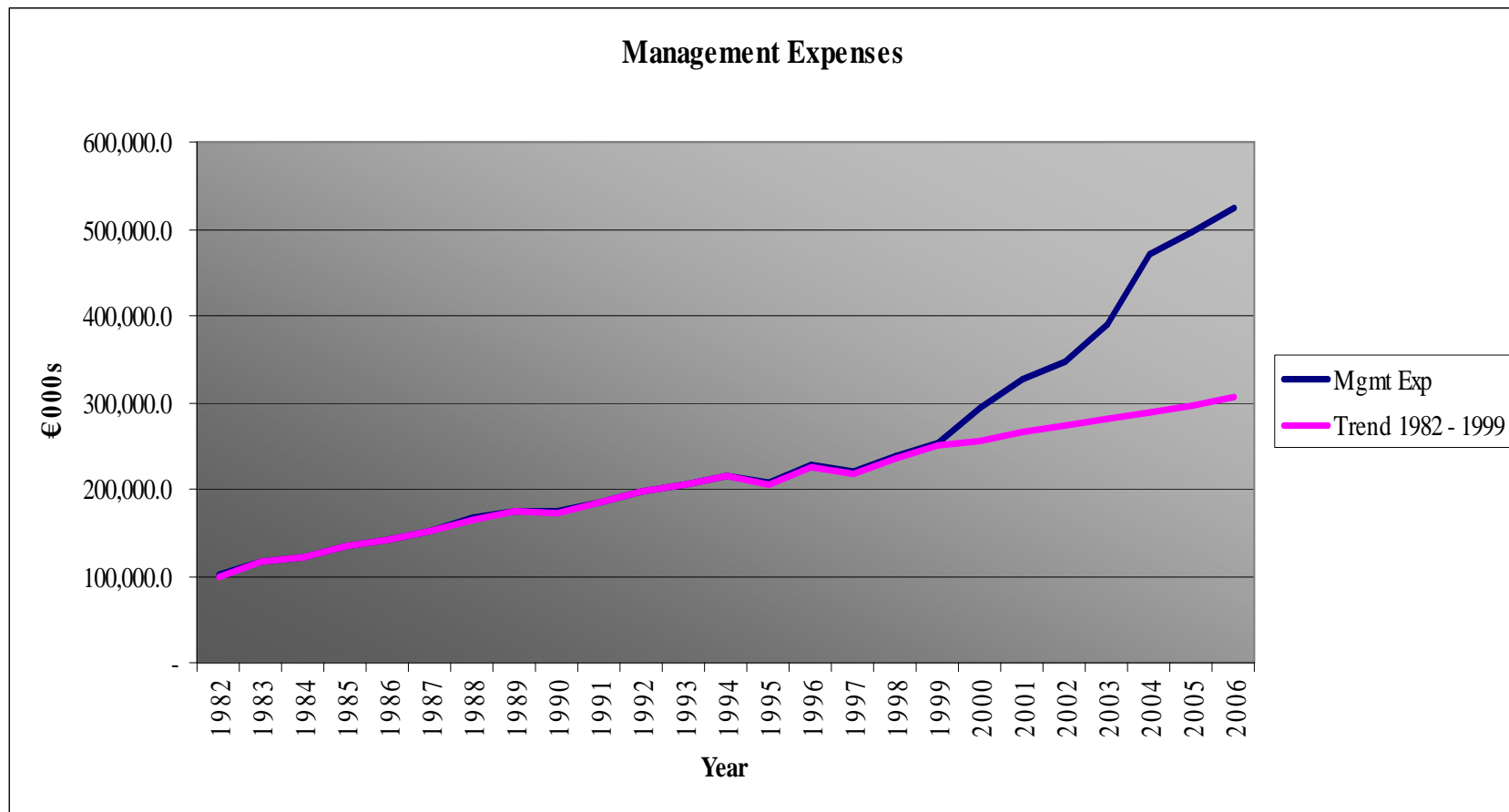
Percentage of claims settled - numbers



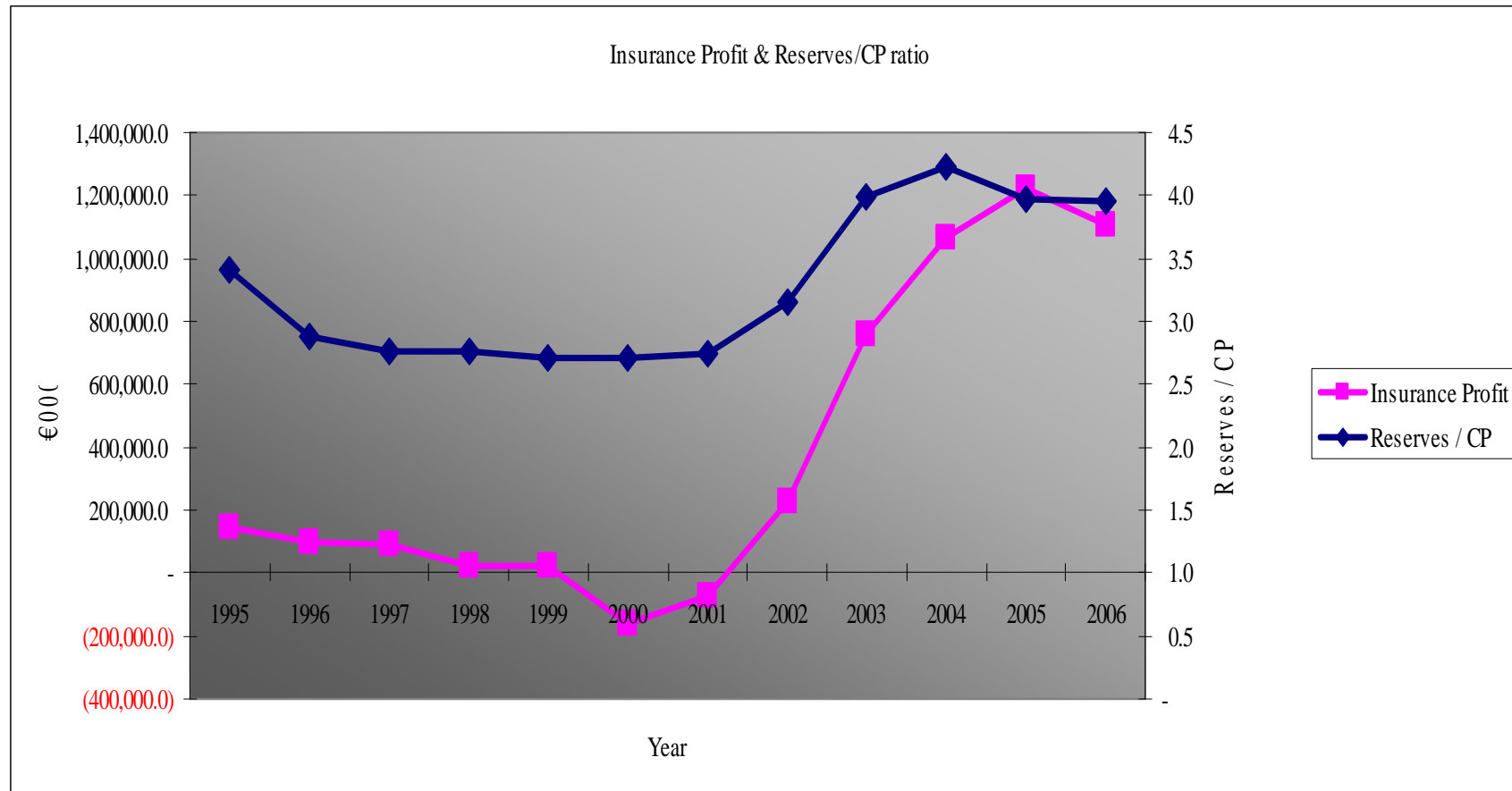
Percentage of claims settled - amounts



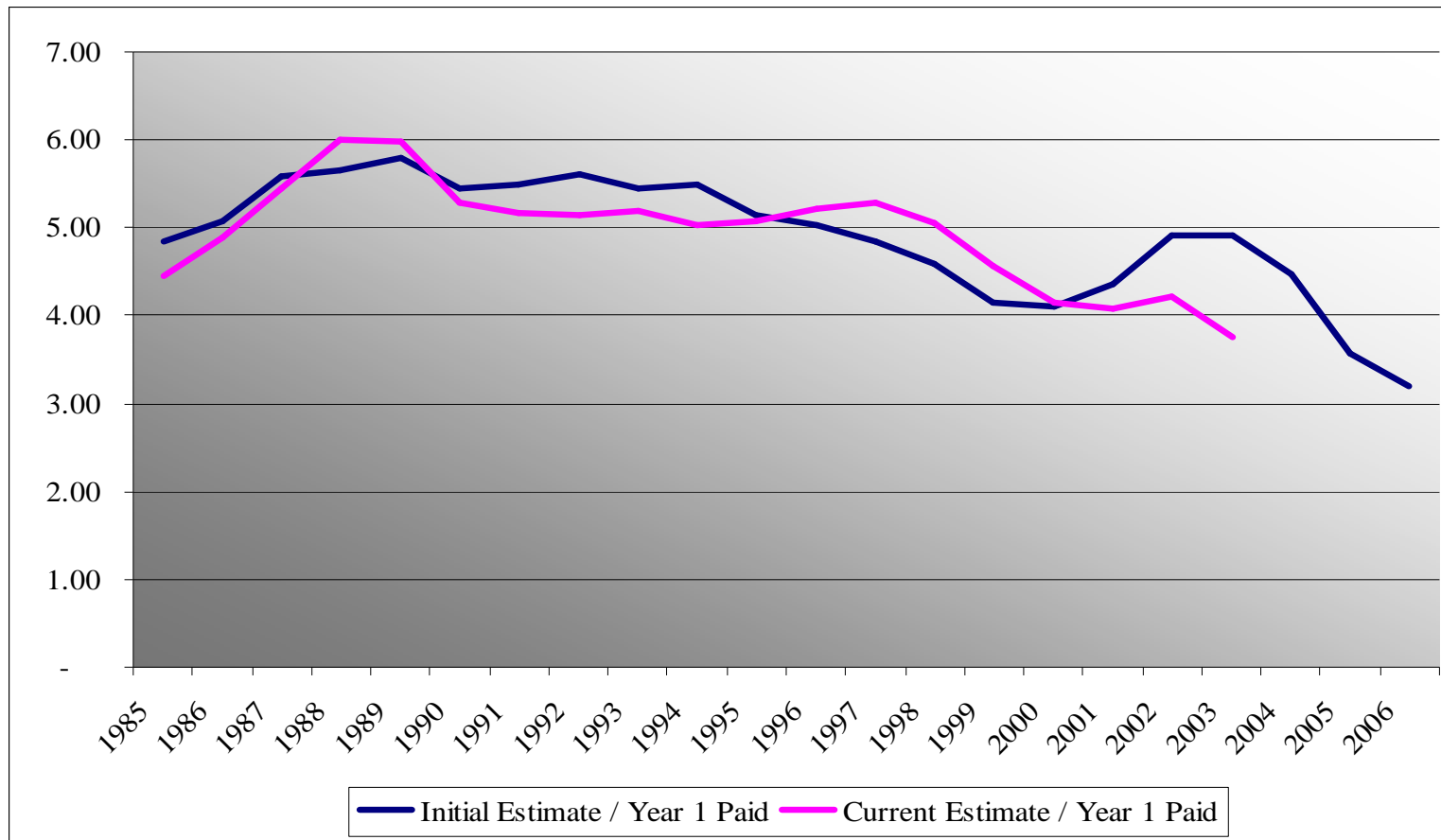
Expenses



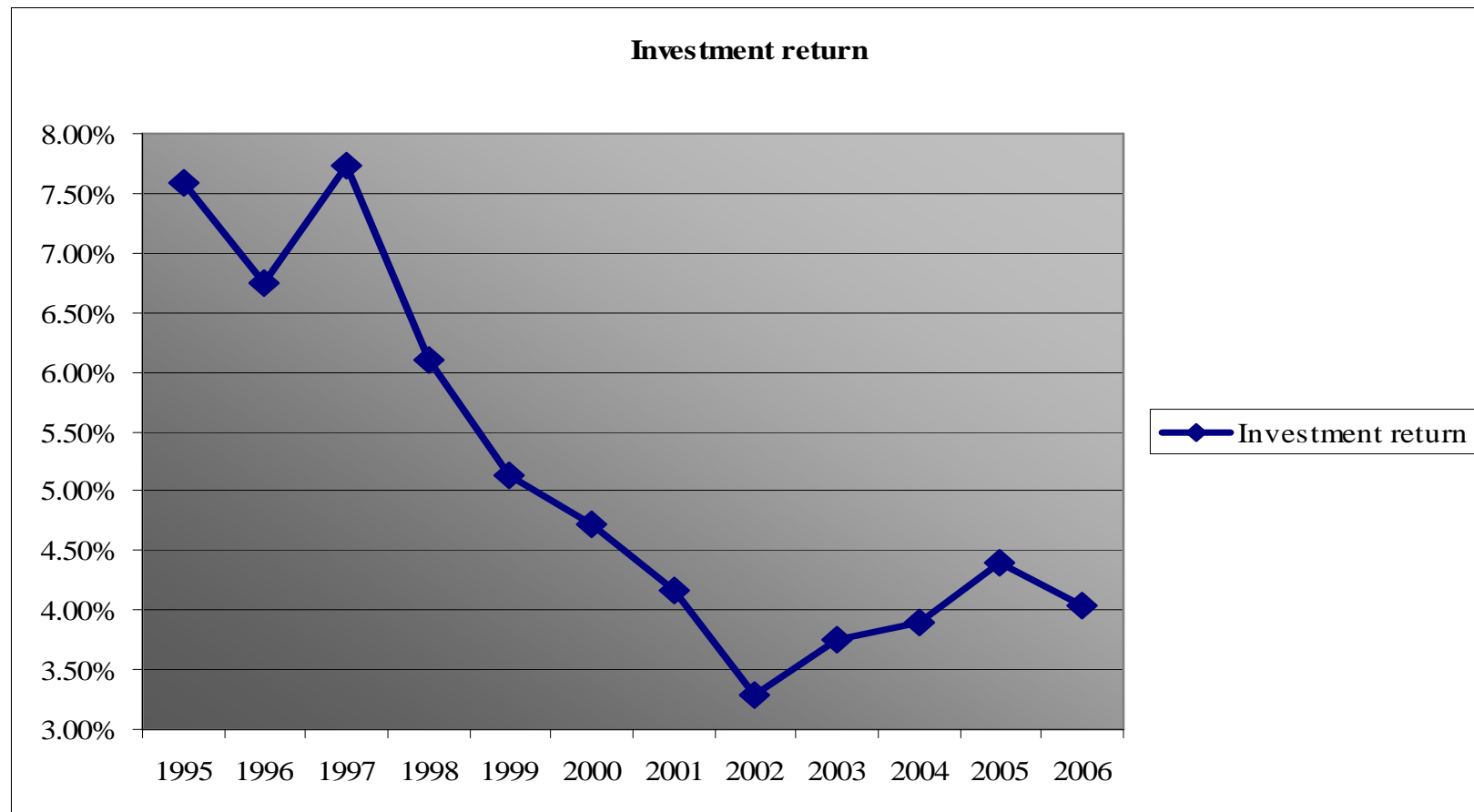
Reserving philosophy



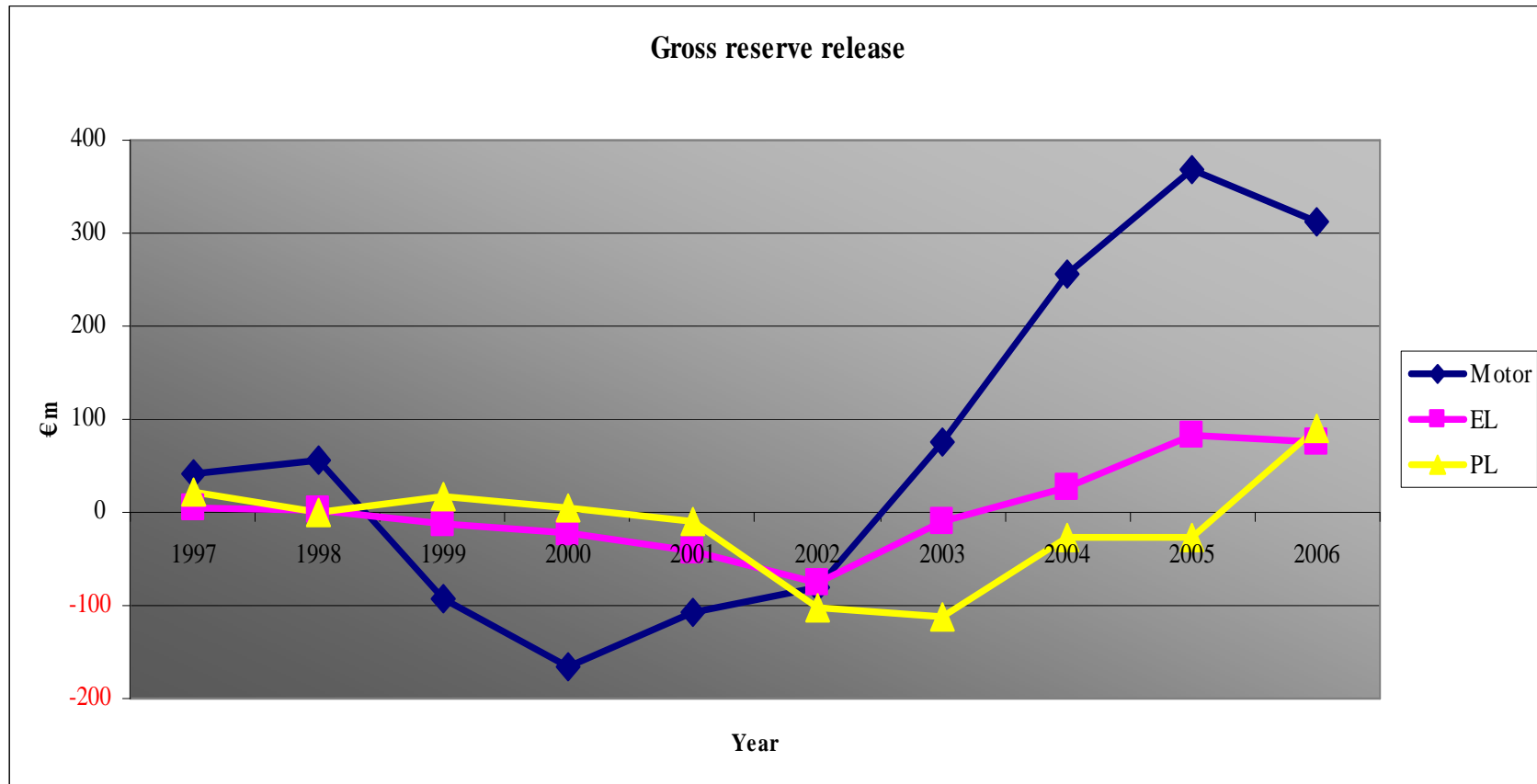
Motor Reserving Philosophy



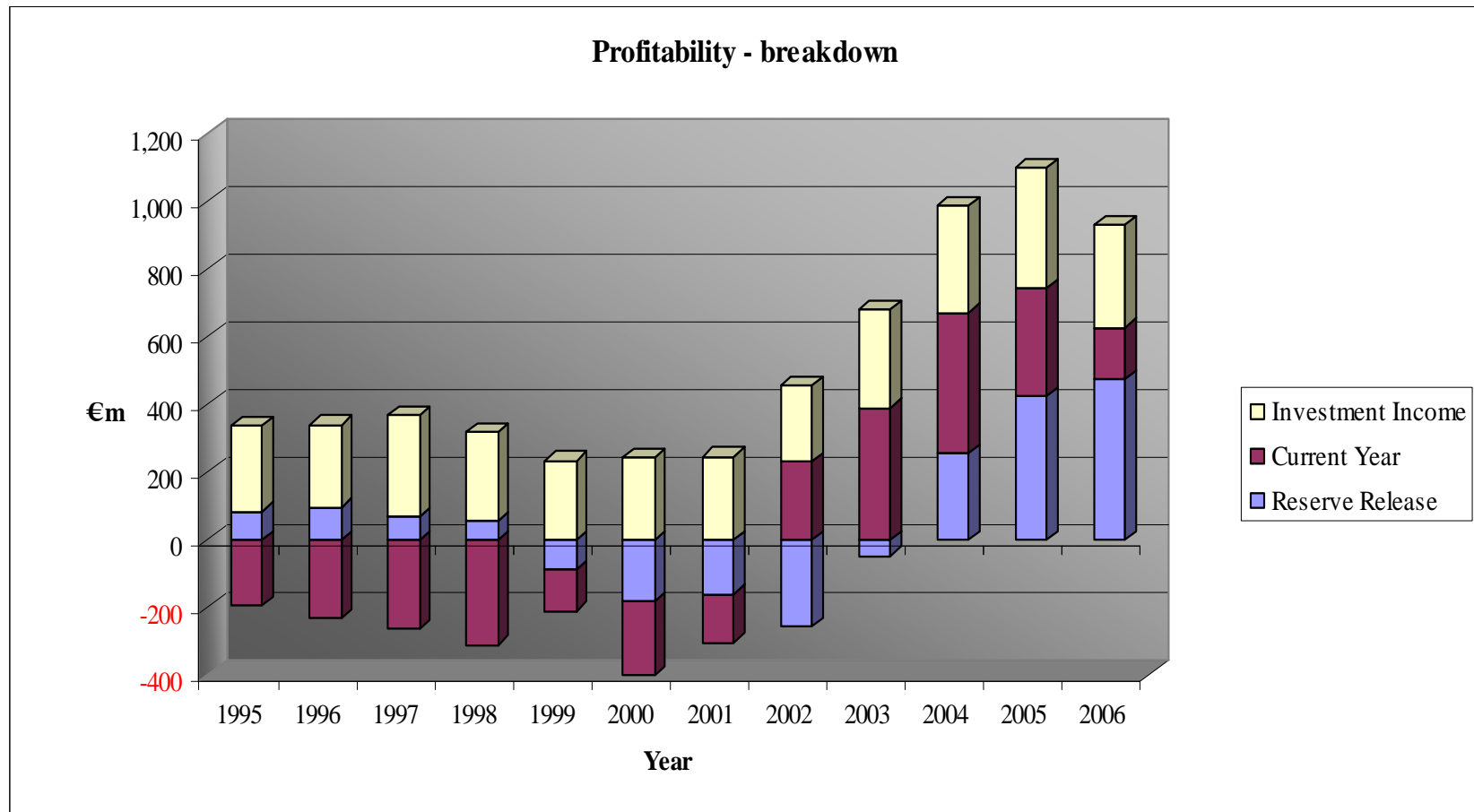
Profitability – investment return



Profitability – gross reserve release



Profitability - breakdown



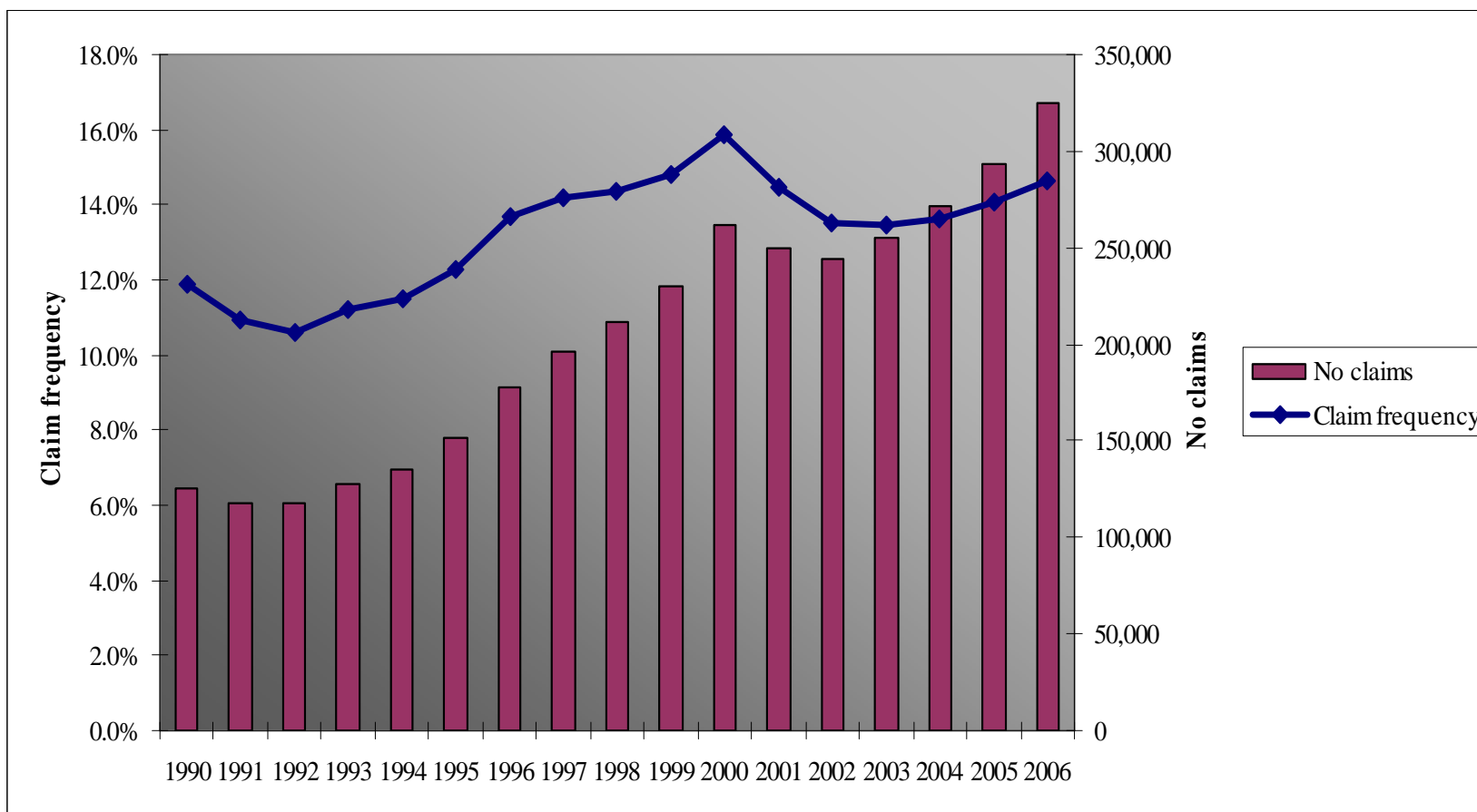
Reserve release - PL

- Strengthening in 2003 by €113m
 - Strengthening in 2004 by €26.6m
 - Strengthening in 2005 by €26.7m
 - Release in 2006 of €89m
-
- Since 2003 the 2002 & prior years have been strengthened by €175.7m

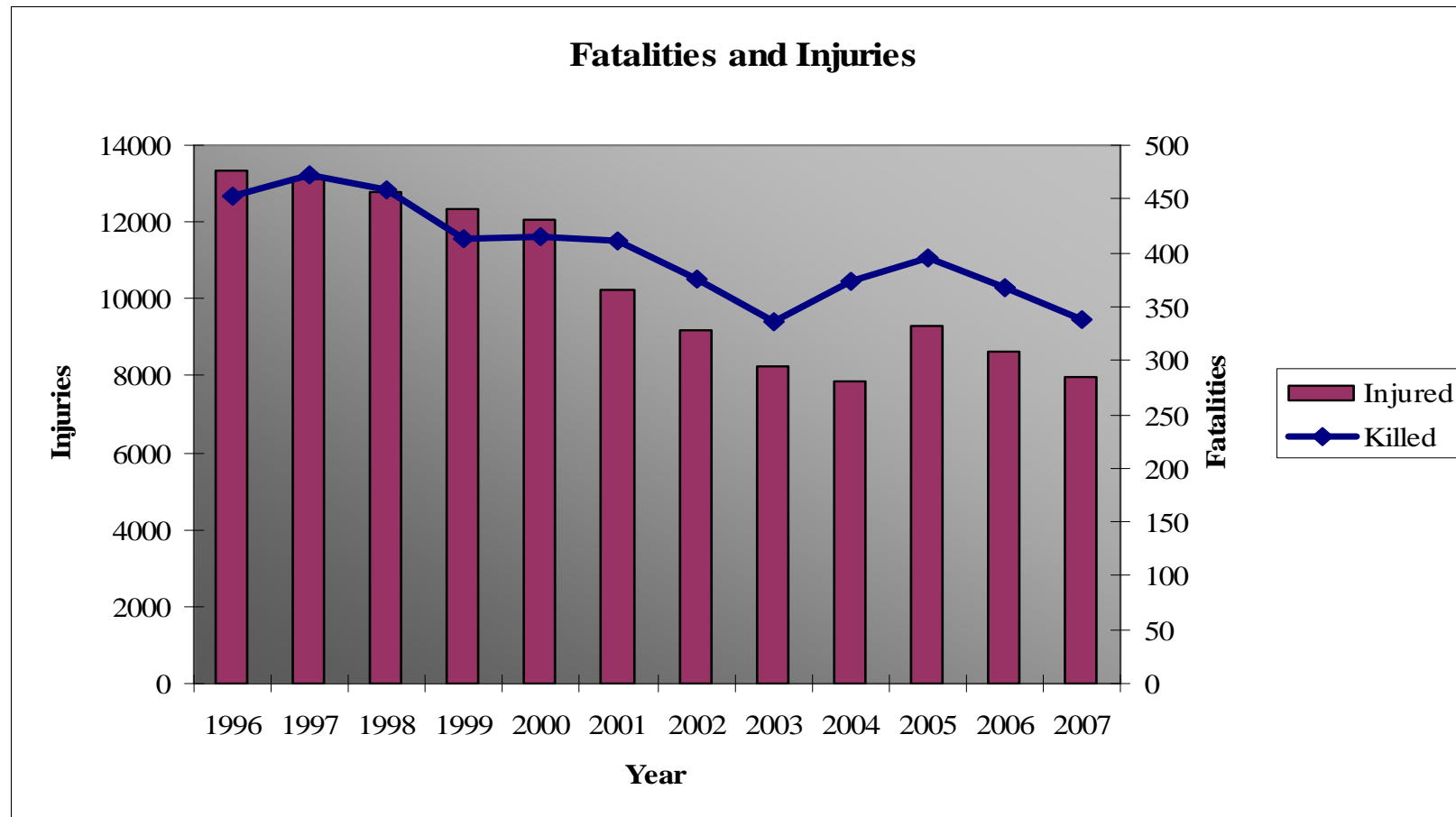
Irish Issues – The Present

- Road traffic statistics
- PIAB
- IIF & Fraudulent claims
- Premium rumours

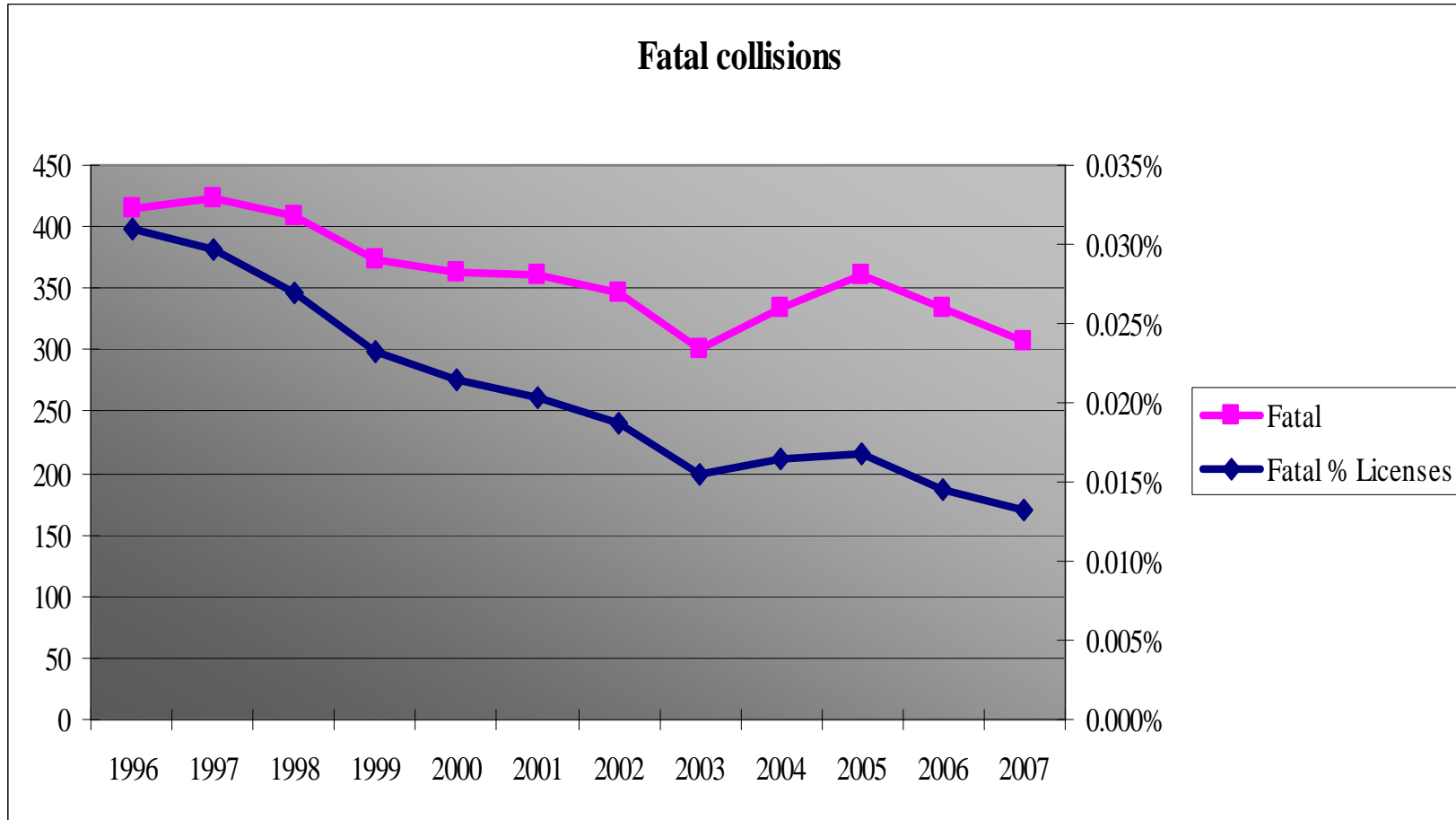
Road traffic statistics – claim frequency



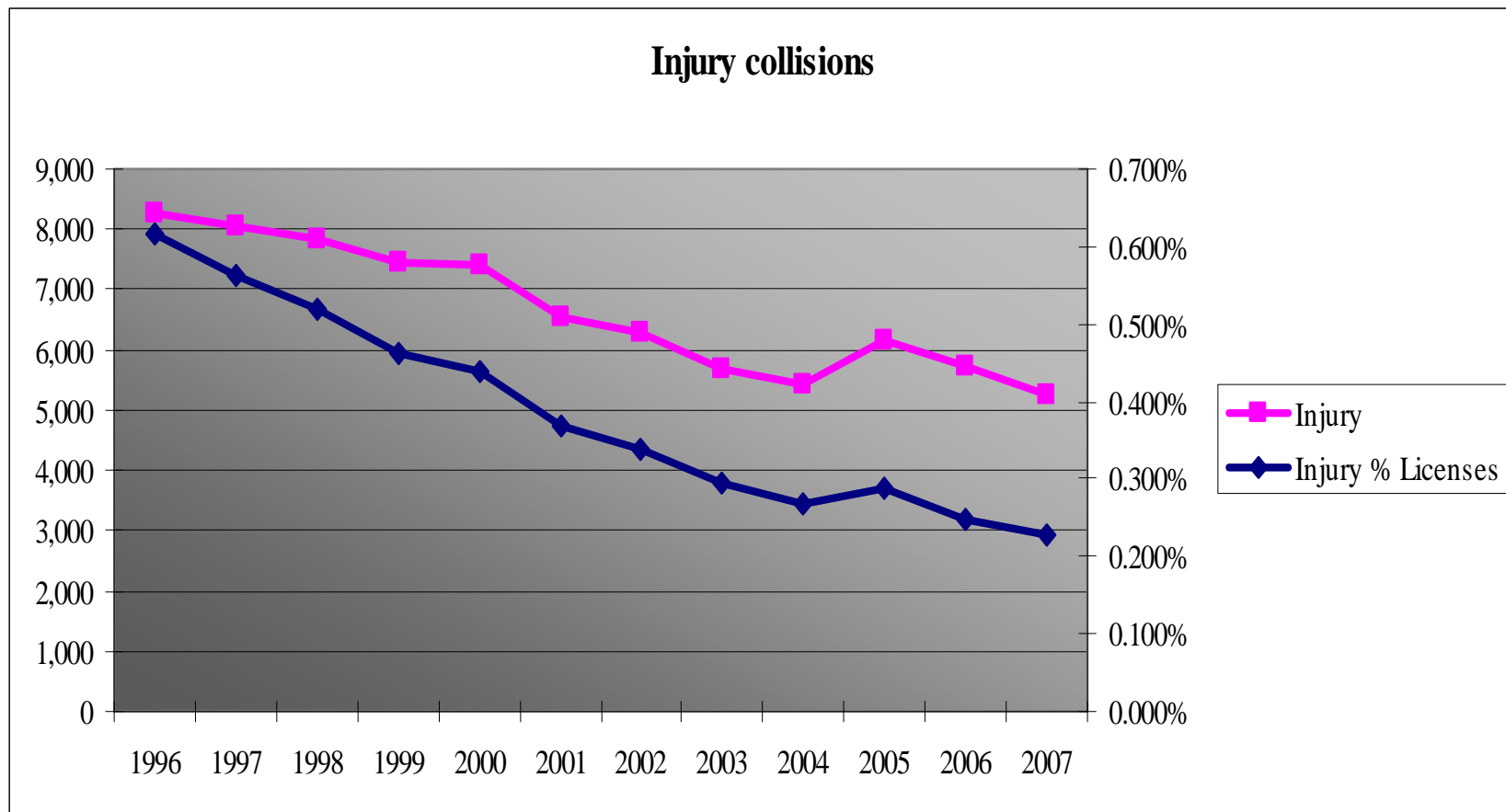
Road traffic statistics - fatalities



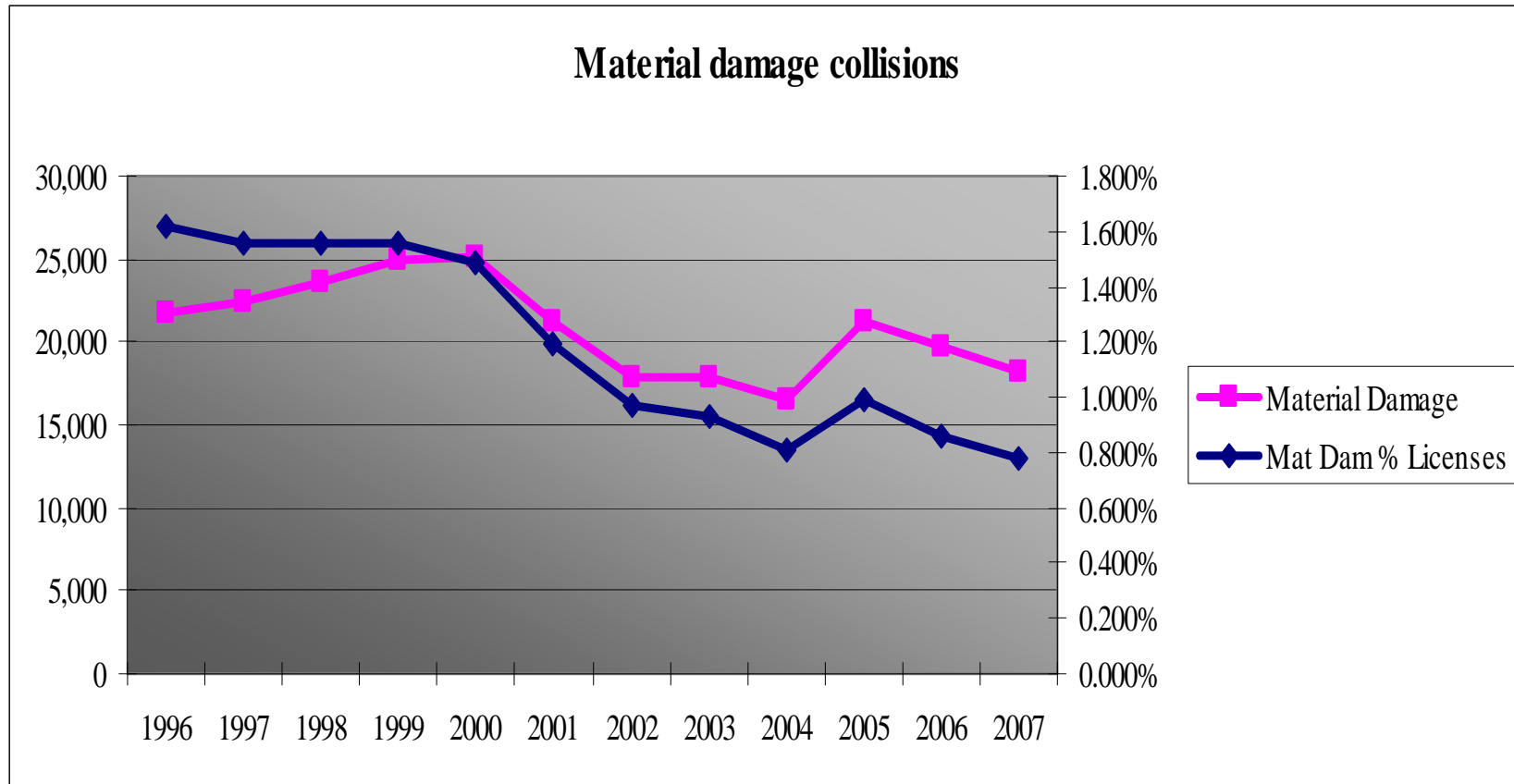
Road traffic statistics – fatal collisions



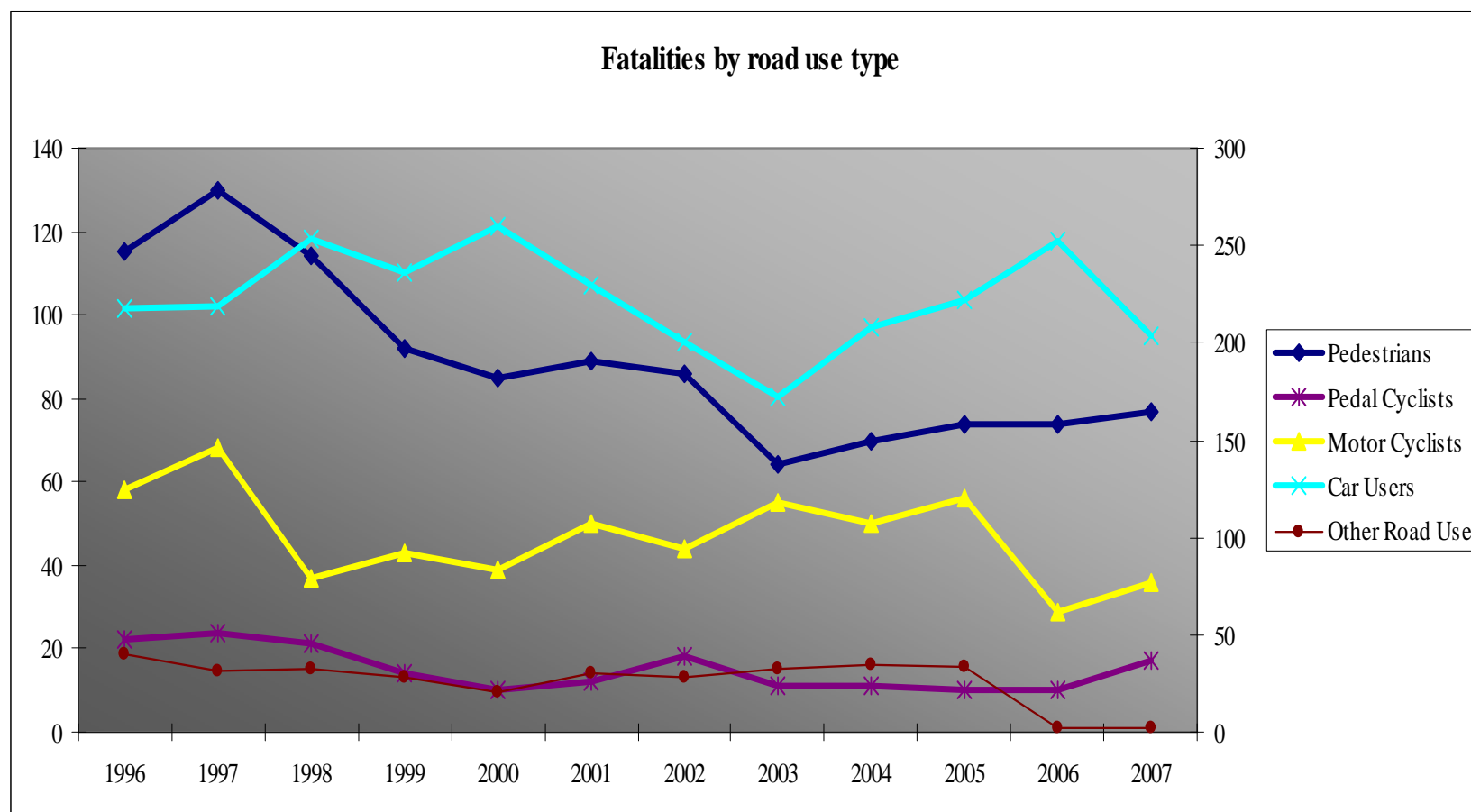
Road traffic statistics – injury collisions



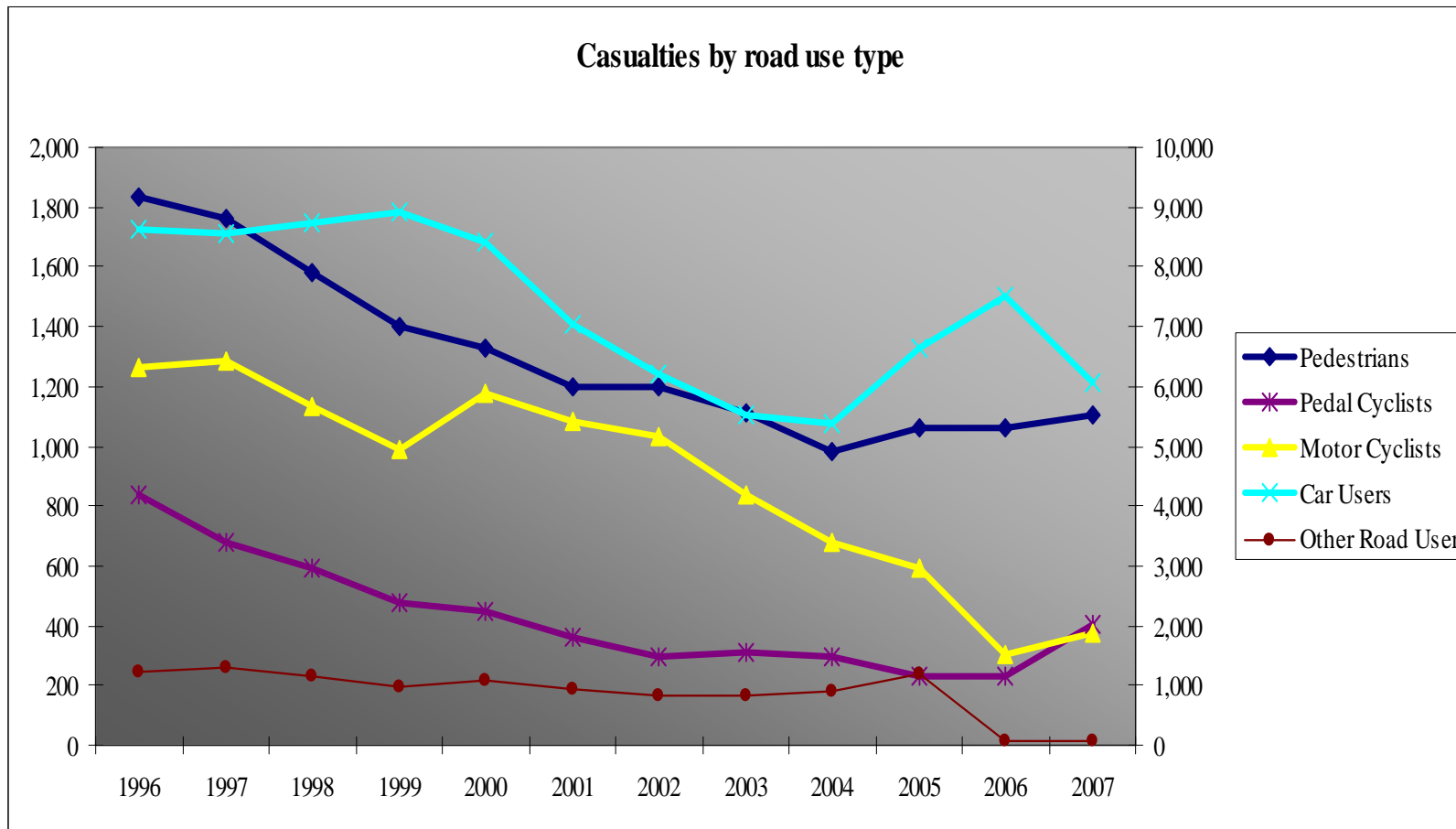
Road traffic statistics – material damage collisions



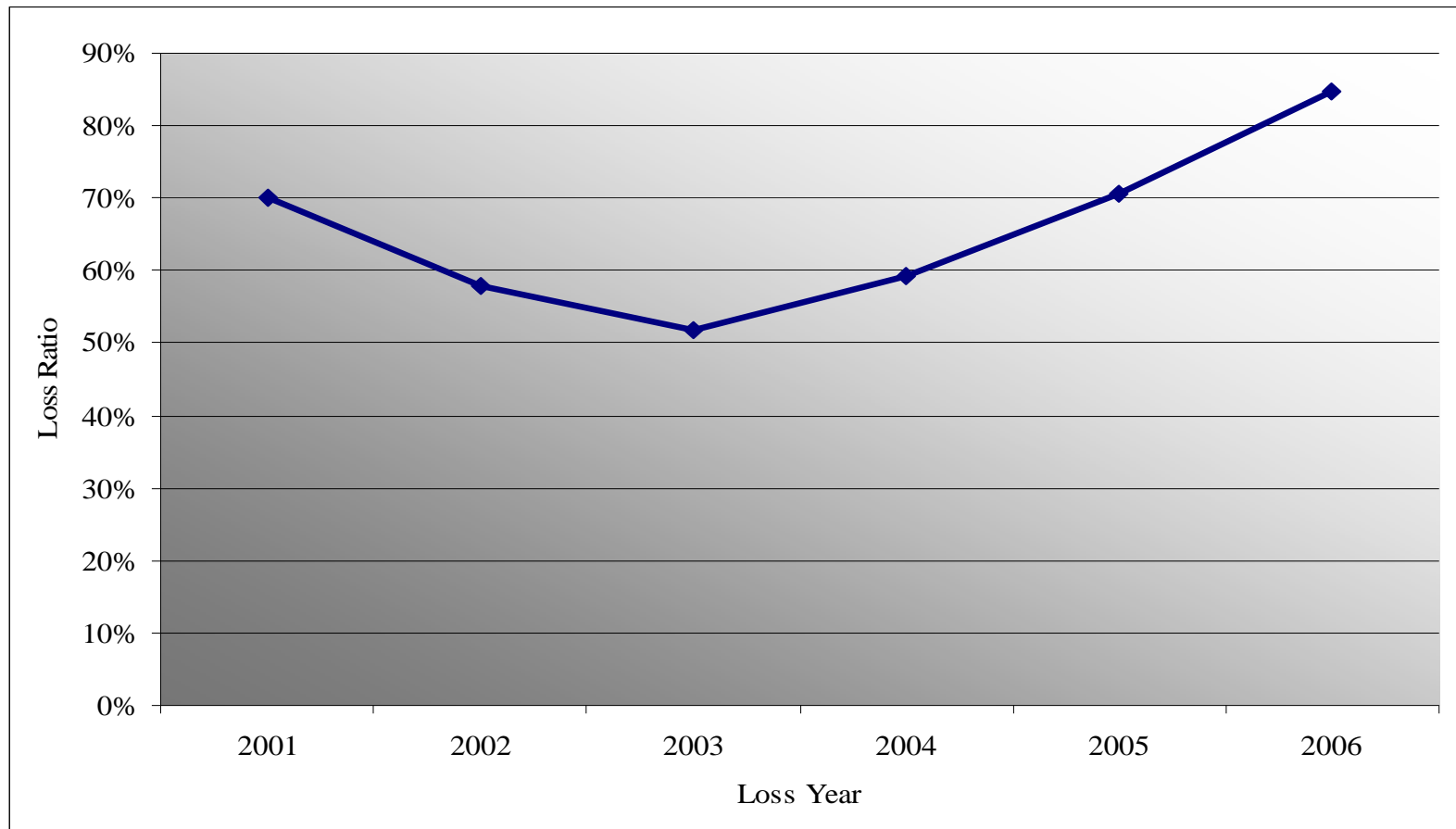
Road traffic statistics – fatality breakdown



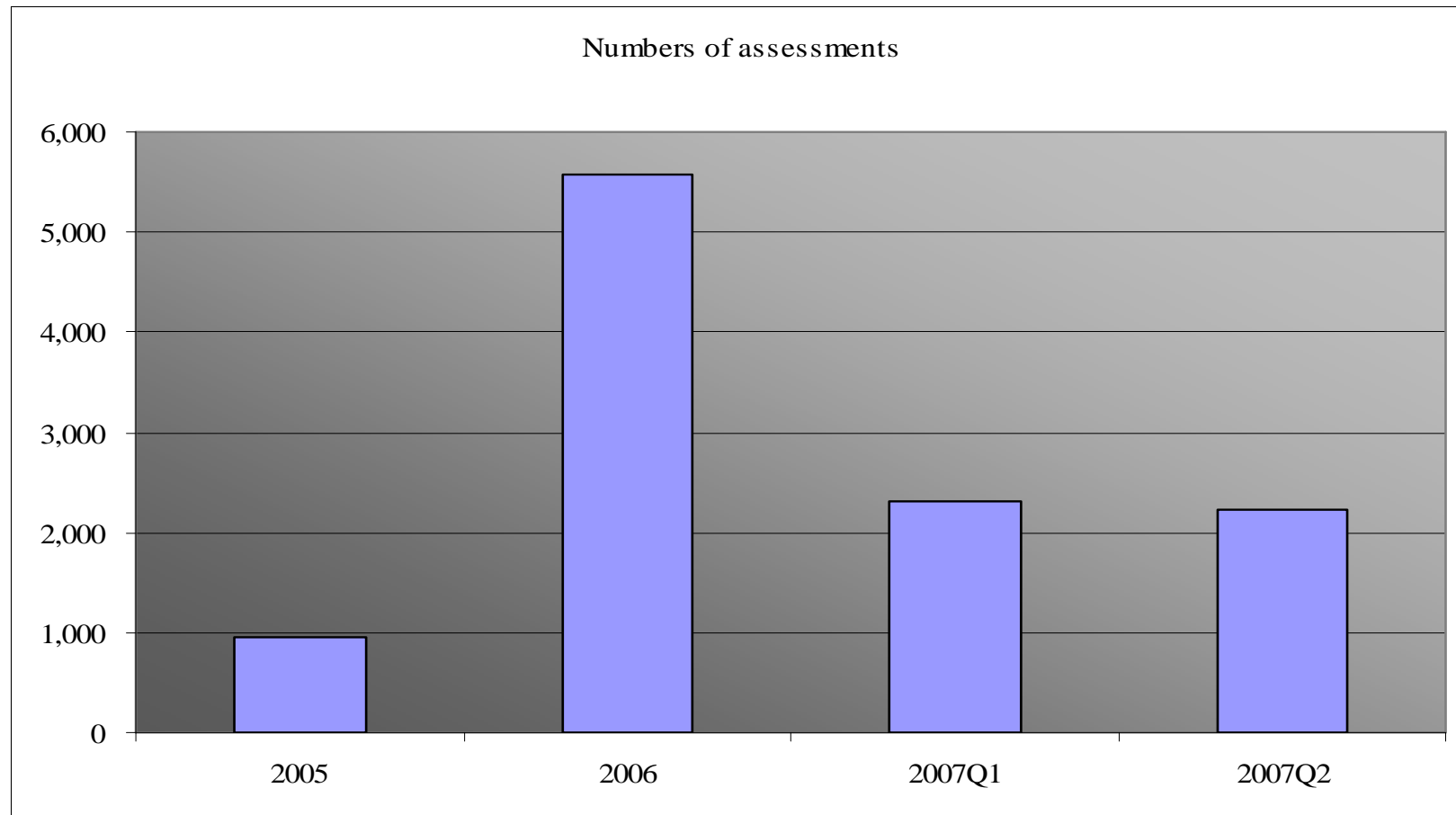
Road traffic statistics - casualties



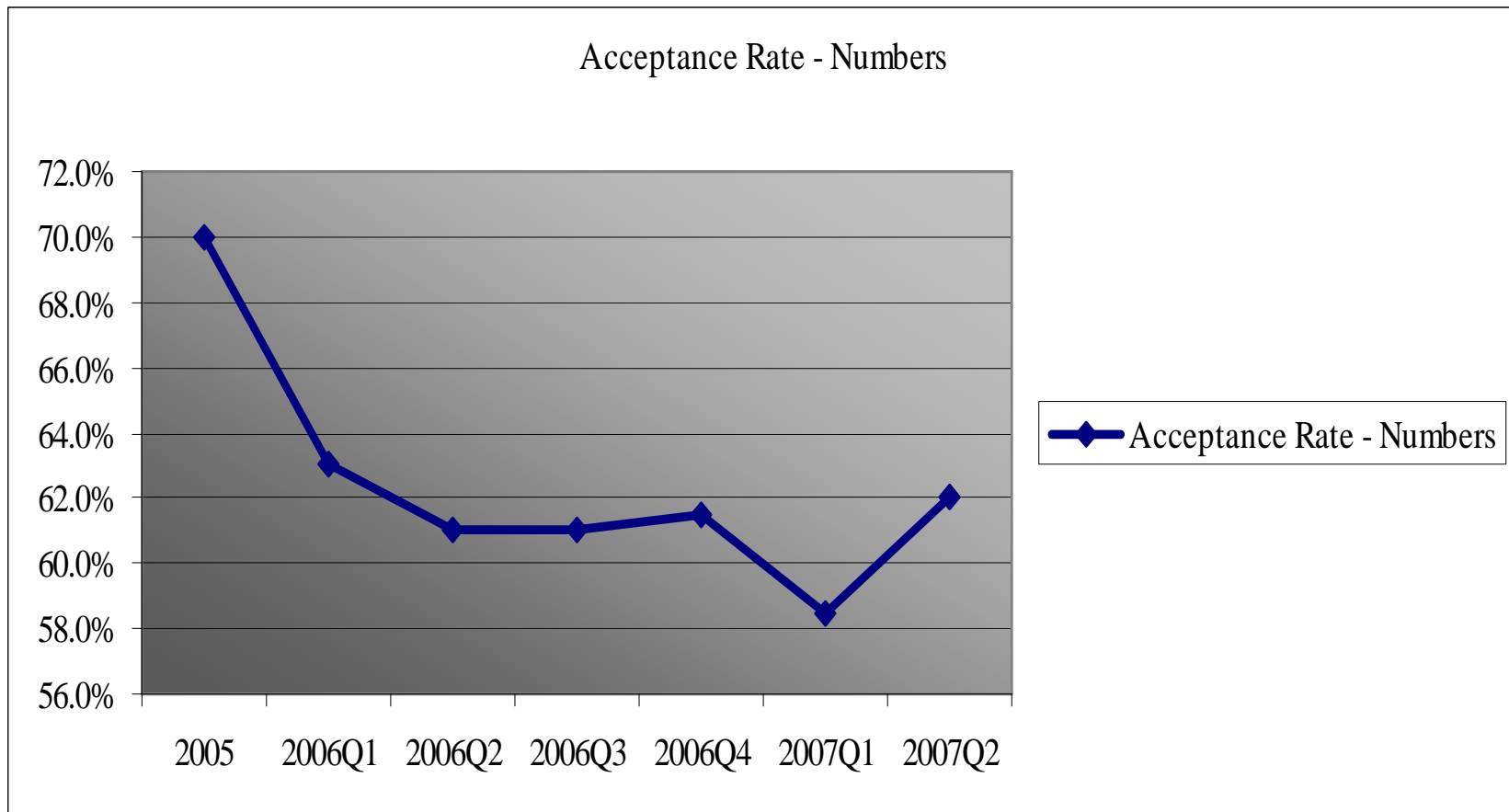
Motor Loss Ratio by Loss Year



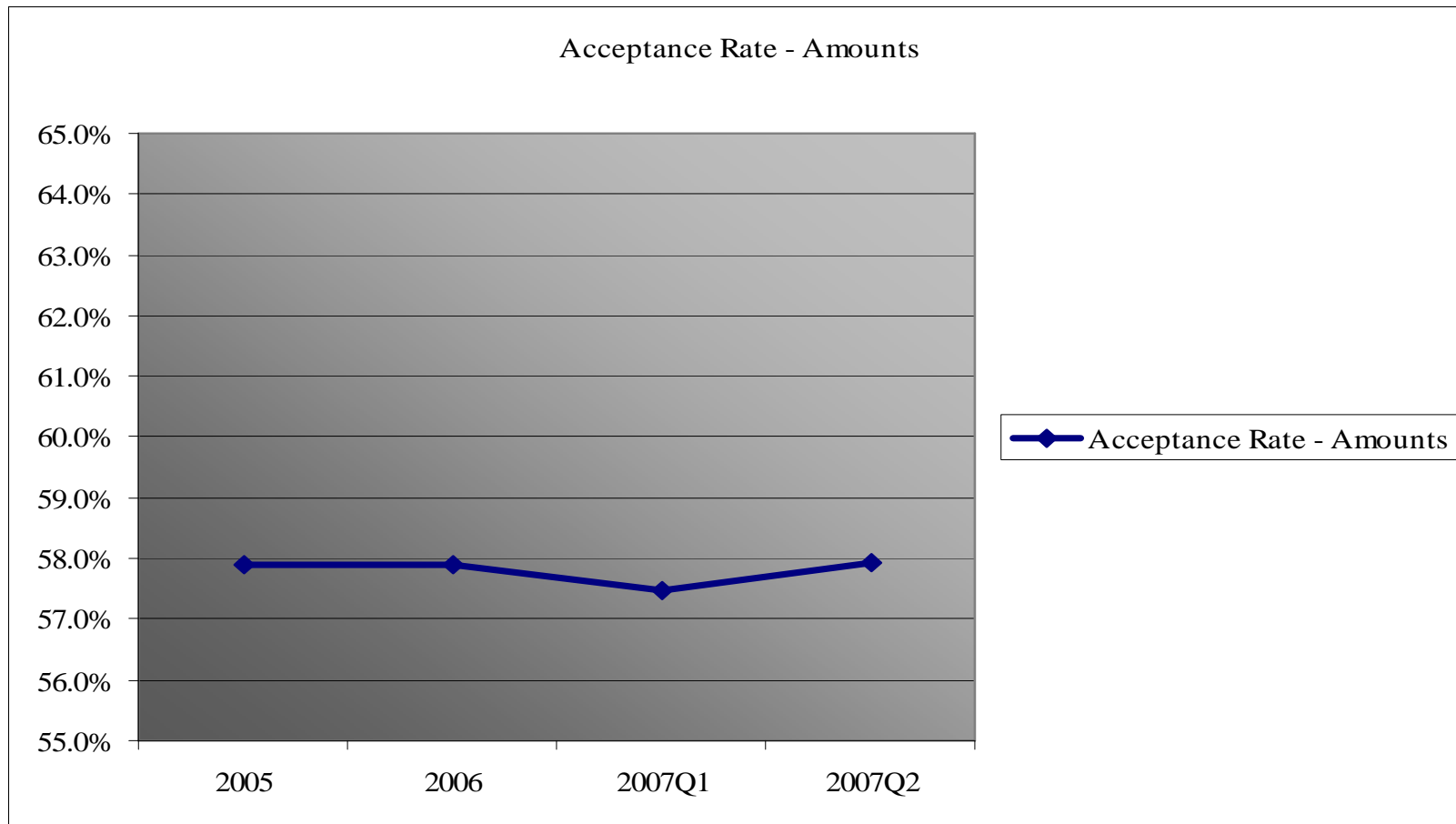
PIAB – numbers of assessments



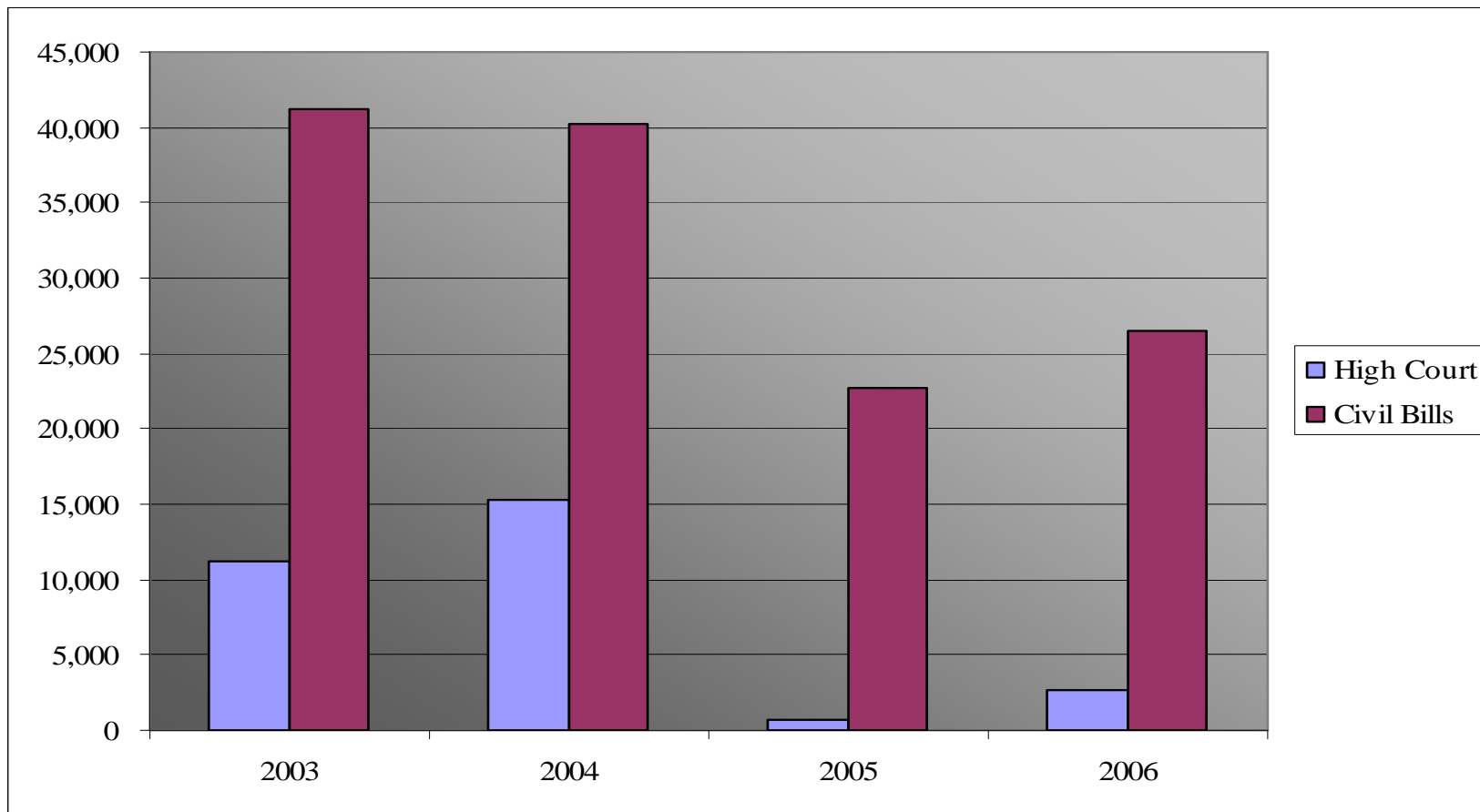
PIAB – Acceptance Rates



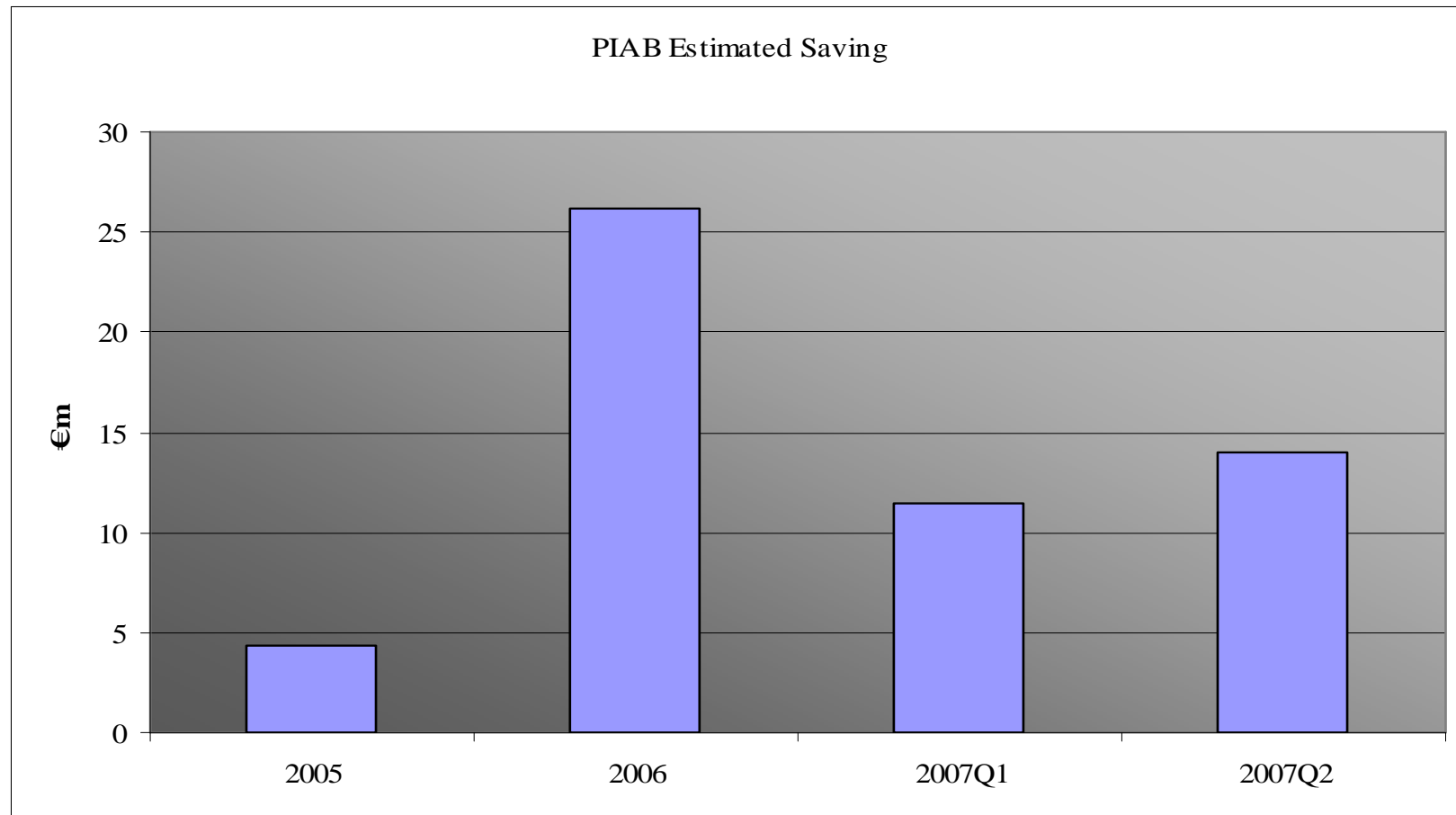
PIAB – Acceptance Rates



PIAB – effect on the courts



PIAB – reported savings



IIF – fraudulent claims

2003 - To Date		
EL	335	10.3%
PL	351	10.8%
Motor	2,167	66.6%
Household	187	5.7%
Travel	3	0.1%
Personal Accident	6	0.2%
Property other	98	3.0%
Other	22	0.7%
Unidentified	86	2.6%
<i>Total</i>	<i>3,255</i>	<i>100.0%</i>

IIF – fraudulent claims

- Case of the missing car €10.6k
- Personal Injury claim €25k
- Alleged hit and run €27.5k
- Motor incident €30k
- Disability claim €2m
- Exaggerated claim €200k

Non-Life insurance regulations

- Implementation 1 July 2007
- Main change is extension of renewal notice of 15 days from motor to other personal and commercial insurance policies
- May increase lapse rate!

Premium rumours – Irish Times (19/09/07)

End of falling insurance prices

DAVID LABANYI

The era of falling motor insurance premiums is coming to an end, with prices likely to rise from next year, according to

the medium view has got to be that prices cannot keep reducing."

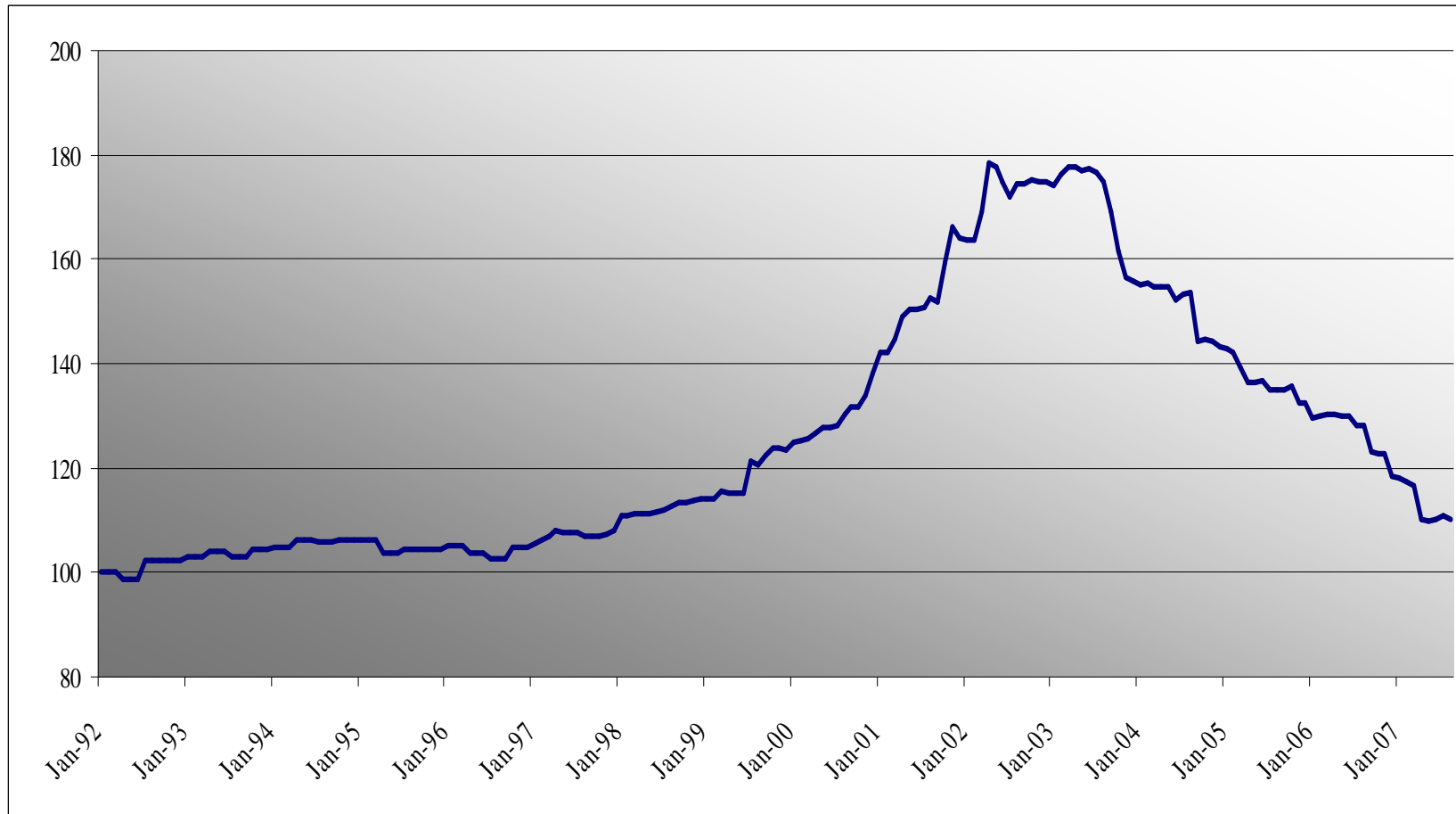
John O'Neill, chief executive of Axa Ireland, agreed and said motor insurance premiums have

to say when premiums would start to rise, "the rate of decrease has clearly slowed".

He said insurance reforms, such as the introduction of the Personal Injuries Assessment

- Comments from AXA & Hibernian

Motor Premium – Back to 90's Levels



IRISH ISSUES

The Future:

- ASP's
- SAI
- Regulator issues

IRSIH ISSUES – The Future - ASP's

- ASP GI – 1, 2 & 3
- ASP GI-2 does need updating to be consistent with ASP GI-3.
- GI Forum meeting 30th Nov on SAO's

IRSIH ISSUES – The Future - SAI

SAI - New President

- Compliance Monitoring
- Discipline Committee
- CPD (no links with UK)

IRSIH ISSUES – The Future - Regulator

- Extension of Reinsurance SAO to captives
- Discussions on Insurance SAO (ASP GI-2) update
- Issued documents on
 - Financial Reinsurance
 - Life Finite Reinsurance
 - Non-life Finite Reinsurance
- Solvency II – proxy methods
- Solvency II - Implementation