

Third Party Working party
Reserving Seminar, 28 June 2010



Third Party Motor Claims Some preliminary results

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Acknowledgements

Working party

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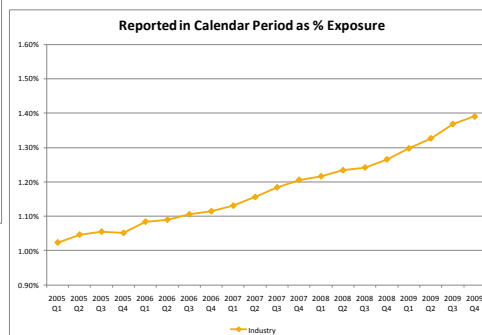
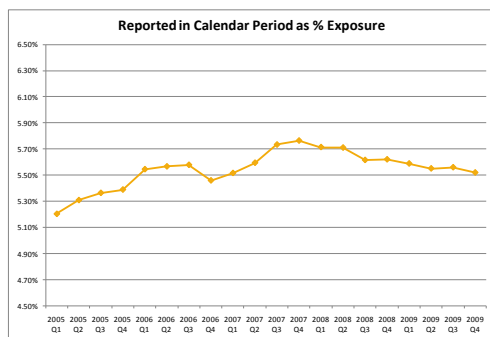
Data

RBS
Aviva
RSA
Zurich
AXA
CFS
Esure
LV/Highway
Allianz
NFU Mutual

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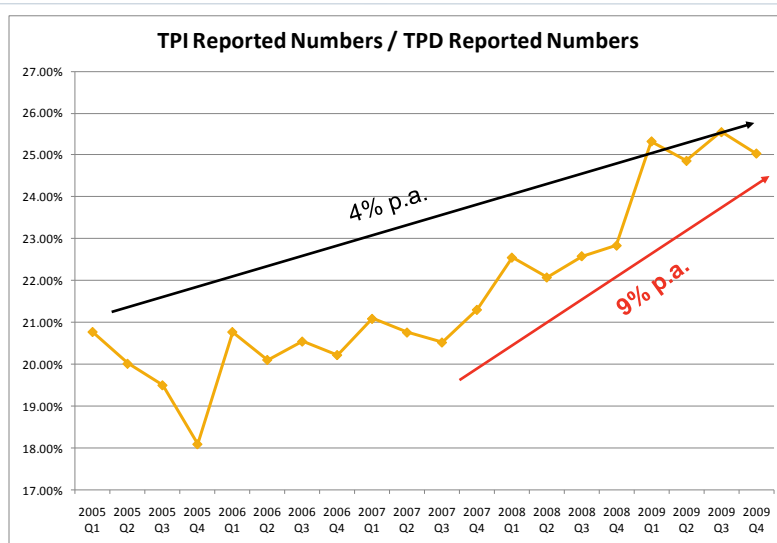
Preliminary Results Reported Numbers of Claims (TPI and TPD)



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2

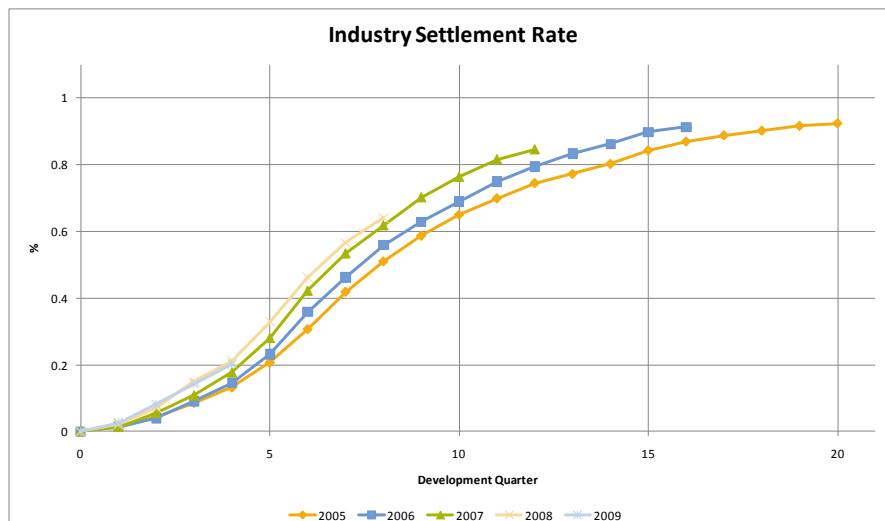
Ratio of TPI to TPD Reported Numbers



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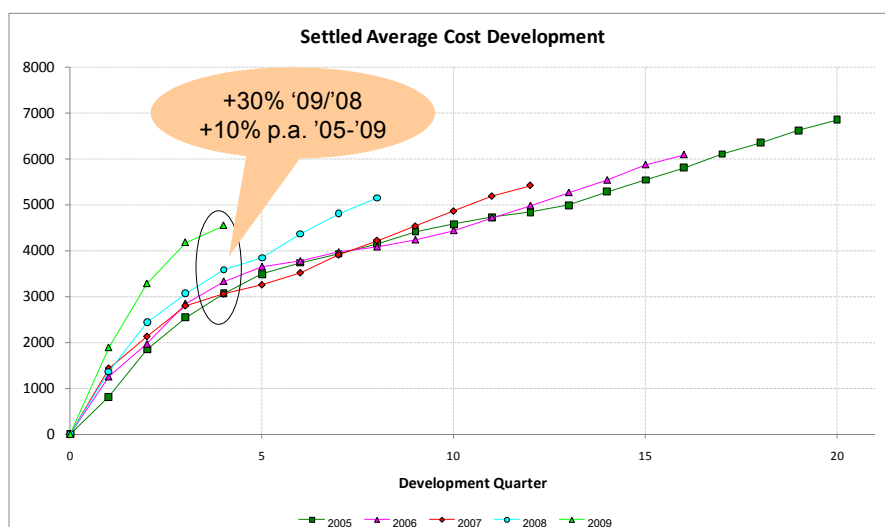
3

Settlement Rates Across the Industry Speeding Up...



4

... But so too are Settled Average Costs



5

Claimants per Claim

- Less information available on claimants per claim
- Where data was available, increase in numbers of claimants per claim between 2008 and 2009 was in the range of 2.6% to 7%
- 2008 compared to 2007 showed comparable levels of increases

However trends don't look good.....

- Frequency + 9% p.a. ('07 – '09)
- Average costs +10% ('05 – '09) or +30% ('08 – '09)
- Combined.....+20%, +40%....
- Slightly offset by settlement rates increasing

Can pricing keep up??

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6