

Current Issues in the Irish Insurance Market

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2004 Year End Results 1

- GWP by class - Written in Ireland
- Motor: 40% of GWP
- Fire & Property Damage: 26% of GWP
- Liability: 21% of GWP
- Accident: 8% of GWP
- Other classes: 5% of GWP

2004 Year End Results 2

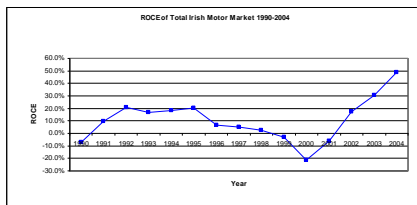
- ROCE of 45%
- Loss Ratio of 60%
- Management Expense Ratio (excl. commission) of 13%
- Commission Ratio of 11%
- Profit Margin of 28%

2004 Year End Results 3

- Motor Vehicle Revenue Account
- ROCE of 49%
- Loss Ratio of 65%
- Management Expense Ratio (excl. commission) of 13%
- Commission Ratio of 5%
- Profit Margin of 30%

2004 Year End Results 4

- ROCE: Motor Vehicle Revenue Account 1990-2004



2004 Year End Results 5

- ROCE: Motor Vehicle Revenue Account 1990-2004
- Assuming a Solvency Margin of 60%
- High Variability
- Low -21.5%
- High 49.0%
- Average 10.5%
- Expecting a fall to 35% in 2005, < 25% in 2006

PIAB 1

- Impact on Courts
- Reduced number of Court cases
- Reserving: Insurers establishing PIAB Reserves
- Inflationary impact on future claims costs

PIAB 2

- Settlement delays reduced
- Proactive settlement activity
- Reduced legal costs
- Negative claims inflation
- Over Reserving?

PIAB 3

- Medical negligence continues to be handled by State Claims Agency
- Revision to Book of Quantum
- PIAB = Market stats

Reinsurance Certification

- Reinsurance Directives
- Who's to be certified?
 - Reinsurers, Captives
- SAO Wording
 - Calculating Solvency Margin
 - Outwards Reinsurance opinion
- Signing Actuary Capacity

Actuarial Profession in Ireland

- Impact of Morris Review
- Irish Board of Actuarial Standards
 - Oversight v Standard Setting ?
 - Control: External Irish v External UK v SAI ?
 - Sponsors ?
 - Funding ?
 - Peer Review
 - Discipline

Relationship with UK Actuarial Profession

- UK Actuarial Profession: a learned society
- No Longer a Dual Link
- Regulation driving split
- Cost

Irish Insurance & Reinsurance Market Environment

- Collapse of Cologne GenRe
- Regulation tightening
 - Captives
 - Direct Writers
 - Reinsurers
- Ireland not as attractive as Malta +

Actuarial Opportunities

- Solvency 2
 - QIS 1 and 2
- Reserved Roles
- Risk Management
 - Banks and Basel 2
 - Other financial institutions
