

Data Submission Requirement National Claims Information Database Private Motor 2023

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1 Submission Requirements

Submissions to be provided by all companies¹ that write private motor car insurance business in the Republic of Ireland. No distinction regarding data submission requirements to be made between companies based on market share.

1.1 Assumptions

- Data is gross of reinsurance, net of salvage/subrogation.
- Data is aggregated unless otherwise stated.
- All data relates to business written in the Republic of Ireland only.
- Paid and incurred cost data requested in section 1.4 should include allocated loss adjustment expenses (“ALAE”), but should exclude unallocated loss adjustment expenses (“ULAE”). These are to be reported in the appropriate line item in section 1.7.
- Historical Aggregate Claim data requested in section 1.4 should be provided on a cumulative basis.
- Third Party Injury split threshold set at €250,000. Claims should be included in the Third Party Injury <= €250k aggregate claims data up until the point they reach €250,000. At this point their development should be cut short in the Third Party Injury <= €250k dataset and the total amount moved to Third Party Injury > €250k going forward, with the history of the claim before it became large remaining in the Third Party Injury <= €250k. Once claims have been moved to Third Party Injury > €250k, the basis of ‘once large always large’ should be applied.
- Data requirements cover private motor cars only (i.e. excluding motor cycles, mopeds, caravans, tractors, taxis).

1.2 Premium and Exposure (2009 to 2022)

Exposure Measures:

- Gross earned premium
- Earned policy count
- Earned vehicle years
- Earned premium rebate
- Gross written premium
- Written policy count.

Split by:

- Quarter (latest 14 accident years, 2009 - 2022)
- Type of Cover (Comprehensive/Third Party Fire and Theft/Third Party Only).

Gross earned premium should be reported after the effect of any earned premium rebates. The earned premium rebate should be the amount by which the earned premium was reduced to compensate policyholders for the impact of Covid-19 on their risk exposure.

¹This includes domestically-regulated firms and insurers that provide insurance in Ireland under Freedom of Establishment or Freedom of Services.

1.3 Ultimate Claims Data

Claim Measures:

- Ultimate Costs (see appendix for definition)
- Ultimate Numbers (**claim-level** numbers)

Split by

- Accident Quarter (latest 13 accident years, 2009 - 2022)
- Type of Claim:
 - Third Party Injury <= €250k
 - Third Party Injury > €250k
 - Third Party Injury Total
 - Third Party Damage
 - Accidental Damage
 - Fire and Theft
 - Windscreen.

1.4 Historical Aggregate Claim Data

Claim Measures:

- Paid Costs
- Incurred Costs
- Numbers Reported (claim-level numbers, including nils)
- Settled Costs (i.e. paid costs on settled claims only, excluding nils)
- Numbers Settled (claim-level numbers, excluding nils)
- Numbers Settled at Nil (claim-level numbers).

Split by:

- Accident Quarter (latest 14 accident years, 2009 - 2022)
- Development Quarter
- Type of Claim:
 - Third Party Injury <= €250k
 - Third Party Injury > €250k
 - Third Party Injury Total
 - Third Party Damage
 - Accidental Damage
 - Fire and Theft
 - Windscreen.

Note that PPOs (see appendix for definition) should be excluded from the historical aggregate and ultimate claim data requested. Information on PPOs will be collected in the PPO Claims data request (see section 1.6).

1.5 Historical Settled Claims

Data for historical settled claims is required for years 2015 to 2022. Claimants with nil compensation/damages paid should be included. All settlement costs should be recognised in the quarter of settlement. Previously settled claims that have since been reopened should not be included.

- Numbers Settled in a calendar quarter (claimant-level numbers)
- Settled Costs – Total in calendar quarter
- Total costs are divided into sub costs, which are mutually exclusive:
 - Settled Costs – Compensation
 - Settled Costs – Compensation General Damages
 - Settled Costs – Compensation Special Damages
 - Settled Costs – Legal
 - Settled Costs – Legal Own
 - Settled Costs – Legal Third Party
 - Settled Costs – Other.

Provide the five-way split of costs where this data is available. This is required from settled year 2019 onwards:

- Settled Costs – Compensation General Damages
- Settled Costs – Compensation Special Damages
- Settled Costs – Legal Own Costs
- Settled Costs – Legal Third Party Costs
- Settled Costs – Other.

In the event that Compensation and Legal Settled Costs cannot be split out using the five-way split described above for years 2015–2018, provide the three-way split of costs instead:

- Settled Costs – Compensation
- Settled Costs – Legal
- Settled Costs – Other.

Total compensation settled costs in any year should equal the sum of:

- Settled Costs – Compensation
- Settled Costs – Compensation General Damages
- Settled Costs – Compensation Special Damages.

These are mutually exclusive, Settled Costs – Compensation is NOT the sum of Settled Costs – Compensation General Damages and Settled Costs – Compensation Special Damages.

Total legal costs paid in any year should equal the sum of:

- Settled Costs – Legal
- Settled Costs – Legal Own Costs
- Settled Costs – Legal Third Party Costs.

These are mutually exclusive, Settled Costs – Legal is NOT the sum of Settled Costs – Legal Own Costs and Settled Costs – Legal Third Party Costs.

Settled Costs – Total (overall) should equal the sum of:

- Settled Costs – Compensation
- Settled Costs – Compensation General Damages
- Settled Costs – Compensation Special Damages
- Settled Costs – Legal
- Settled Costs – Legal Own Costs
- Settled Costs – Legal Third Party Costs
- Settled Costs – Other.

Split by:

- Settled Quarter (format YYYYQ)
- Accident Quarter (format YYYYQ)
- Reported Quarter (format YYYYQ)
- Claim type:
 - Third Party Injury
 - Third Party Damage
 - Accidental Damage
 - Fire and Theft
 - Windscreen.
- Settlement Channel:
 - Direct
 - Direct before PIAB
 - Direct after PIAB
 - PIAB
 - Litigated
 - Litigated before Court Award
 - Litigated with Court Award.

Provide the five-way split of Settlement Channel where this data is available. This is required from settled year 2019 onwards:

- Direct before PIAB
- Direct after PIAB
- PIAB
- Litigated before Court Award
- Litigated with Court Award.

In the event that Direct and Litigated Settled Costs cannot be split out for years 2015–2018, provide the three-way split by Settlement Channel:

- Direct
- PIAB
- Litigated.

Total settled costs/numbers in the Direct channel in any year should equal the sum of

- Direct
- Direct before PIAB
- Direct after PIAB.

These are mutually exclusive, Direct is NOT the sum of Direct before PIAB and Direct after PIAB.

Total settled costs/numbers in the Litigated channel in any year should equal the sum of:

- Litigated
- Litigated before Court Award
- Litigated with Court Award.

These are mutually exclusive, Litigated is NOT the sum of Litigated before Court Award and Litigated with Court Award.

- Third Party Injury Settled Costs Banding:

- €1 - €5,000
- €5,001 - €10,000
- €10,001 - €15,000
- €15,001 - €30,000
- €30,001 - €45,000
- €45,001 - €60,000
- €60,001 - €75,000
- €75,001 - €100,000
- €100,001 - €125,000
- €125,001 - €150,000
- €150,001 - €250,000
- €250,001 - €500,000
- €500,000 - €1M
- €1M - €5M
- > €5M
- n/a.

- Compensation Band

- No Compensation Payment
- €1 - €5,000
- €5,001 - €10,000
- €10,001 - €15,000

- €15,001 - €30,000
- €30,001 - €45,000
- €45,001 - €60,000
- €60,001 - €75,000
- €75,001 - €100,000
- €100,001 - €125,000
- €125,001 - €150,000
- €150,001 - €250,000
- €250,001 - €500,000
- €500,001 - €1,000,000
- €1,000,001 - €5,000,000
- > €5M.
- n/a.

Claimants should be banded based on the total settled cost of the claim and the total compensation amounts paid. Banding relates to Third Party Injury claims only, Damage claims should be reported as “n/a”.

All claims with zero compensation, both injury and damage claims, should be reported using the “No Compensation Payment” Compensation Band (ID 0) and their appropriate total settled band.

- Non-nil injury claim: total settled cost band IDs 1 to 15 and compensation band IDs 1 to 15.
- Nil injury claim: total settled cost band ID 1 to 15 compensation band ID 0 (No Compensation Payment).
- Non-nil damage claim: total settled cost band ID 17 and compensation band ID 17
- Nil damage claim: total settled cost band ID 17 compensation band ID 0 (No Compensation Payment).

- Judicial Guideline Used flag.
 - No
 - Yes
 - n/a

All damage claims should be flagged as ‘n/a’.

For any injury claim that would have come under the judicial council’s personal injury guidelines regardless of how it eventually settled i.e. either before or after the involvement of PIAB should be flagged as ‘Yes’.

Note that PPOs (see appendix for definition) should be excluded from the settled data requested. Information on PPOs will be collected in the PPO Claims data request (see section **Error! Reference source not found.** below).

1.6 PPO Claims

Indicate if the reporting agent has any PPO claims.

- PPO Indicator Flag

1.7 Historical Income and Expenditure

Income and expenditure statements for 2009 - 2022 are required. This is to be completed using International Financial Reporting Standards (IFRS 4 - Insurance Contracts) or local Irish GAAP, in line with the Company's local accounting basis. These items are to be submitted in respect of insurance written on risks located in the Republic of Ireland.

Income and Expenditure Statement (2009 to 2022), see section 2.2 for definitions.

1. Income

- Gross Written Premium
- Net Written Premium
- Gross Earned Premium
- Gross Earned Premium - Third Party Distribution
- Gross Earned Premium - Related Distribution
- Gross Earned Premium - Direct Distribution
- Earned Premium Ceded - Third Party Reinsurance
- Earned Premium Ceded - Related Reinsurance
- Investment Income
- Reinsurance Commission & Profit Participations - Third Party Reinsurance
- Reinsurance Commission & Profit Participations - Related Reinsurance
- All Other Income
- Total Other Income
- Total Income

2. Expenditure

- Gross Claims Incurred
- Claims Incurred - Third Party Reinsurer's Share
- Claims Incurred - Related Reinsurer's Share
- Gross Claims Paid
- Net Claims Paid
- Commission Payable - Third Party Distribution
- Commission Payable - Related Distribution
- Commission Payable - Third Party Distribution Sales Only
- Commission Payable - Third Party Distribution Other Services
- Commission Payable - Related Distribution Sales Only
- Commission Payable - Related Distribution Other Services
- Management Expenses
- Claims Management Expenses

- Total Technical Account - Expenses
- Interest Payable and Tax
- All Other Expenses (including Investment Management Expenses)
- Total Other Expenditure
- Underwriting Profit
- Operating Profit
- MIBI Expenses.

2 Appendix

2.1 Definitions

- **Periodic Payment Order (“PPO”)** – a claim that has been formally settled by a court by means of a Periodic Payment Order.
- **Settlement Channel** – The 3-way split of settlement channel (to be used in respect of historical data requested in section 1.5 is defined as:
 - Direct: to include claims resolved by direct settlement between the claimant and insurer (regardless of whether there is a solicitor involved) where the initiation of legal proceedings was not required – this includes cases settled both pre-PIAB, during PIAB (other than accepted PIAB awards), and post PIAB but without legal proceedings having commenced
 - PIAB: to include claims resolved by an award made by PIAB which was accepted by both parties
 - Litigated: to include claims resolved following the initiation of legal proceedings (regardless of whether PIAB had made an award that was rejected, and regardless of whether the case ended up in court).
- The 5-way split of settlement channel (to be used in respect of data requested in section 1.5 is defined as:
 - Direct before PIAB: to include claims resolved by direct settlement between claimant and insurer (regardless of whether there is a solicitor involved) where the initiation of legal proceedings was not required and the case was settled before going to PIAB.
 - Direct after PIAB: to include claims resolved by direct settlement between claimant and insurer (regardless of whether there is a solicitor involved) where the initiation of legal proceedings was not required and the case was settled after going to PIAB (other than accepted PIAB awards).
 - PIAB: to include claims resolved by an award made by PIAB which was accepted by both parties.
 - Litigated before Court Award: to include claims resolved following the initiation of legal proceedings, but before a court award (regardless of whether PIAB had made an award that was rejected).
 - Litigated Court Award: to include claims resolved by court award following the initiation of legal proceedings (regardless of whether PIAB had made an award that was rejected).
- **Ultimate Costs** – This is made up of paid costs to date and a best estimate of future payments. As defined by Solvency II, the best estimate shall correspond to the probability-weighted

average of future cash flows. However, for the requirements of the NCID, the best estimate should not take account of the time value of money, i.e. the best estimate should be undiscounted. Additionally, for the requirements of the NCID, the best estimate should:

- not include unallocated loss adjustment expenses (“ULAE”)
- not include precautionary risk margins either explicit or implicit
- not incorporate unreasonable, unduly optimistic or pessimistic, or unrepresentative past development experience
- not include the emergence of events that may occur in the future but cannot reasonably be foreseen and are not reflected in historical company or available market data (i.e. “ENIDs”)
- where practicable, include an allowance for known operational changes and recently enacted legislation that is not yet reflected in historical data.

2.2 Historical Income and Expenditure Statement Definitions

- **Third party distributor:** A company or other service provider that distributes policies on behalf of the insurer, and which does not have the same ultimate parent as the insurer.
- **Related distributor:** A company or other service provider that distributes policies on behalf of the insurer, and which has the same ultimate parent as the insurer. This includes structures internal to the insurer, e.g. branches, for which commissions are recorded.
- **Direct distribution:** Refers to an insurer selling an insurance product directly to a consumer without a third party or related distributor, i.e. non-intermediated business.
- **Third party reinsurer:** A reinsurer which does not have the same ultimate parent as the insurer.
- **Related reinsurer:** A reinsurer which has the same ultimate parent as the insurer.
- **Gross Written Premium:** All amounts due during the financial year in respect of insurance contracts regardless of the fact that such amounts may relate in whole or in part to risk exposure in a later financial year.
- **Net Written Premium:** Gross Written Premium less reinsurer's share.
- **Gross Earned Premium:** Gross written premium plus the change in gross provision for unearned premiums.
- **Gross Earned Premium - Third Party Distribution:** Gross earned premium in respect of policies distributed by third party distributors.
- **Gross Earned Premium – Related Distribution:** Gross earned premium in respect of policies distributed by related distributors.
- **Gross Earned Premium – Direct Distribution:** Gross earned premium in respect of policies distributed directly by the insurer.
- **Earned Premium Ceded - Third Party Reinsurance:** The sum of the reinsurer’s share in gross premiums written minus the change in the reinsurer’s share in provision for unearned premium. In respect of third party reinsurers only.
- **Earned Premium Ceded - Related Reinsurance:** The sum of the reinsurer’s share in gross premiums written minus the change in the reinsurer’s share in provision for unearned premium. In respect of related reinsurers only.

- **Investment Income:** Defined as income from participating interests, income from other investments (including income from land and buildings and income from other investments), value re-adjustments on investments and gains on the realization of investments.
- **Reinsurance Commission & Profit Participations - Third Party Reinsurance:** Amounts received from reinsurers relating to business ceded to reinsurers that are not in respect of benefit payments or expenses incurred by the firm that are recoverable from the reinsurer under the reinsurance contract plus amounts received from reinsurers relating to profits made on the business ceded to the reinsurer. In respect of third party reinsurers only.
- **Reinsurance Commission & Profit Participations - Related Party Reinsurance:** Amounts received from reinsurers relating to business ceded to reinsurers that are not in respect of benefit payments or expenses incurred by the firm that are recoverable from the reinsurer under the reinsurance contract plus amounts received from reinsurers relating to profits made on the business ceded to the reinsurer. In respect of related reinsurers only.
- **All Other Income:** Any other income attributable to the financial year not included elsewhere.
- **Total Other Income:** Calculated as the sum of Investment Income, Reinsurance Commission & Profit Participations and All Other Income.
- **Total Income:** Calculated as the sum of Net Earned Premium and Total Other Income.
- **Gross Claims Incurred:** All payments made in respect of the financial year plus the closing provision for claims minus the provision for claims for the preceding financial year.
- **Claims Incurred - Third Party Reinsurer's Share:** The sum of the claims paid and the change in the provision for claims during the reporting period related to insurance contracts arising from the reinsurer's share. In respect of third party reinsurers only.
- **Claims Incurred - Related Reinsurer's Share:** The sum of the claims paid and the change in the provision for claims during the reporting period related to insurance contracts arising from the reinsurer's share. In respect of related reinsurers only.
- **Gross Claims Paid:** All payments, net of salvage and subrogation, excluding expenses made during the current year.
- **Net Claims Paid:** All payments, net of salvage and subrogation, excluding expenses made during the current year less amount recoverable from reinsurers.
- **Commission Payable - Third Party Distribution:** Commission costs relating to the acquisition of business which can be identified at the level of individual insurance contract and have been incurred because the firm has issued that particular contract. In respect of third party distributors only.
- **Commission Payable - Related Distribution:** Commission costs relating to the acquisition business which can be identified at the level of individual insurance contract and have been incurred because the firm has issued that particular contract. In respect of related distributors only.
- **Commission Payable - Third Party Distribution Sales Only:** Commission costs to a third party distributor in respect of the sale of a policy on behalf of the insurer identified at the level of individual insurance contract.
- **Commission Payable - Third Party Distribution Other Services:** Commission costs to a third party distributor in respect of all other costs of the intermediary that are not related to the selling of a policy, e.g. profit commission and administrative expenses.

- **Commission Payable - Related Distribution Sales Only:** Commission costs to a related distributor in respect of the sale of a policy on behalf of the insurer identified at the level of individual insurance contract.
- **Commission Payable - Related Distribution Other Services:** Commission costs to a third party distributor in respect of all other costs of the intermediary that are not related to the selling of a policy, e.g. profit commission and administrative expenses.
- **Management Expenses:** Expenses related to the development of new insurance business and renewal of business, advertising insurance products, improvement of the internal processes such as investment in systems required to support insurance and reinsurance business (e.g. buying new IT system and developing new software). Management expenses also include salaries to general managers, auditing costs and regular day-to-day costs e.g. electricity bill, rent for accommodations and IT costs.
- **Claims Management Expenses:** Expenses that will be incurred in processing and resolving claims, including legal and adjuster's fees and internal costs of processing claims payments. Some of these expenses could be assignable to individual claims (e.g. legal and adjuster's fees); others are a result of activities that cover more than one claim (e.g. salaries of staff of claims handling department).
- **Total Technical Account – Expenses:** Calculated as the sum of total Net Claims incurred, Commission Payable, Management Expenses, Claims Management Expenses, and MIBI expenses.
- **Interest Payable and Tax:** Interest payable before deduction of tax, and Taxation amount payable for the year selected.
- **All Other Expenses (including Investment Management Expenses):** Investment Management Expenses Incurred, Other Management Expenses incurred, Business Transfers Out, and All Other Expenditure (excluding Interest and Tax).
- **Total Other Expenditure:** Calculated as the sum of Interest and Tax and All Other Expenses (including Investment Management Expenses).
- **Underwriting Profit:** Calculated as the sum of Net Earned Premium and Reinsurance Commission & Profit Participations, minus Total Technical Account Expenses.
- **Operating Profit:** Calculated as the sum of Total Income minus Total Technical Account Expenses and Other Expenditure.
- **MIBI Expenses:** Amounts payable to the Motor Insurance Bureau of Ireland in the financial year.

2.3 Background to the NCID

Recommendation 11 of the Cost of Insurance Working Group (CIWG) Report on the Cost of Motor Insurance proposed that the Central Bank of Ireland (the Central Bank) would build a National Claims Information Database (NCID). The Central Bank commenced collecting data in 2019 and the first private motor insurance report, based on data from the NCID, was published in December 2019.

CIWG Report Recommendation 11:

Objective 2: Improving data availability						
Rec No.	Recommendation	Action Point No.	Action Point	Deadline	Relevant Bodies	Lead/Owner
11	ESTABLISH A NATIONAL CLAIMS INFORMATION DATABASE	22	Specify the key aggregated metrics for immediate publication and commence the development of a national claims information database	Q1 2017	Department of Finance, Central Bank of Ireland, State Claims Agency, CCPC, Insurance Ireland, Society of Actuaries, PIAB	Department of Finance
		23	Legislation in place for a national claims information database	Q4 2017		Department of Finance
		24	National claims information database established	Q2 2018		Central Bank of Ireland

Objectives as referenced in CIWG Report:

- To get reliable information on the key factors impacting the cost of motor insurance
- Improve transparency on emerging risks within the market:
 - Understand relationship between price paid by consumers and cost to insurers
 - Identify any significant divergence over time between price and cost, and reasons for such divergence
 - Identify components in price changes e.g. medical, legal, other
 - Identify valid trends over time.
- Feed into insurers' view of current risks; improve insurers' ability to price more accurately and reduce cyclicalities of pricing
- Provide support to policy-making by providing on-going market data.

Scope as referenced in CIWG Report:

- All insurance undertakings operating in the State (including FOE/FOS companies)
- Private car data only, based on business written in the Republic of Ireland
- Aggregated data only.