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Private Motor Insurance Statistics



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Executive Summary

The Private Motor Insurance Statistics are compiled from policy level data submitted by Insurance Ireland to the Central Bank of Ireland. The raw data for each accident year is aggregated from insurance companies representing 99.3 per cent of the Insurance Ireland's private motor market, in terms of gross written premium. The most recent motor Insurance report published by the Central Bank referenced 2009 data. The corresponding publication gap was primarily due to the identification of errors within the data which required an investigation in order to fully mitigate all issues that may have negatively affected the integrity of the dataset. The data now presented for 2013 contains revised figures for the accident years 2006 – 2009, primarily relating to one specific motor insurance firm.

The primary purpose of the Private Motor Insurance Report is to examine the level of accident frequency and costs, and the related impact upon allocated premium differentials by driver profile. This report is based on the analysis of policy, premium and claim data, up to and including the accident year 2013.

The key findings of the report are as follows:

- *Premiums:* During the period 2003 – 2013, average premiums declined sharply by 47 and 48 per cent for comprehensive and third party fire & theft cover, respectively. However, in the latter years, the pace of this decline slowed. Comprehensive and third party fire & theft premiums both declined by just 1 per cent between the accident years 2012 and 2013. The market segment pertaining to 'males, aged 17-20' has exhibited the largest and most consistent declines in average premiums earned over the accident years 2006 – 2013.
- *Costs:* Average costs, measured on a per claim basis, have generally exhibited an upward trend, increasing by 23 per cent for comprehensive and 38 per cent for third party fire & theft cover over the period 2006 to 2013. The upward momentum in the average cost per claim accelerated from 2010 onwards, with a 32 per cent rise in comprehensive and a 56 per cent increase in third party fire & theft costs over the

accident years 2010 – 2013. The largest increase in the average cost per claim occurred in 2012 with respect to third party fire & theft claims.

In terms of average 1 year development costs, measured on a per policy basis¹, costs declined by almost 17 per cent for third party fire & theft but increased by approximately 2 per cent for comprehensive cover, between 2012 and 2013. However, the decline in the average cost per policy for third party fire & theft in 2013 follows a significant increase of 30 per cent in equivalent year 1 costs in the previous year. This increase may be explained by the substantial increase in the number of large claims reported in 2012.

- *Accident frequency:* Between 2012 and 2013 accident frequency reduced from 5.3 to 5.2 accidents per 100 policy years for comprehensive cover and from 4.1 to 3.7 for third party fire & theft. In general, accident frequency has trended downwards for both types of cover over the period 2008 to 2013, falling by almost 40 per cent for both comprehensive and third party fire & theft claims.
- *Settlement Rates:* An improvement in settlement rates up to the 2008 accident year may reflect the work of the Injuries Board to increase the rate at which claims are settled. However, year 1 settlement rates have been declining over the five-year period 2009 – 2013. Notwithstanding gains made in 2012, an overall downward trend is evident for settlement rates after 2008. Between 2008 and 2013 claims cost settlement rates decreased by 13 and 17 percentage points for comprehensive and third party fire & theft policies, respectively.
- *Claims:* The large claims rate (defined as claims in excess of €100,000 per 100,000 policy years) is an important cost and risk indicator for the insurance industry, contributing to changes in the cost statistics. The stable volume of large claims observed between 2006 and 2011 may be explained by the declining number of serious injury accidents reported on Irish roads in recent years. Nevertheless, this trend was interrupted in 2012 when 57 large third party fire & theft claims were recorded, representing the largest such rise in large claims since 1997, when the data series began.

¹ Also referred to as average cost per policy/vehicle year.

- *Surplus/Deficit:* The average surplus per policy² for year 1 cost development (which is an indicator of industry profitability) increased by nearly 58 per cent between 2008 and 2011 for comprehensive cover. However, the average surplus for comprehensive cover has trended downward in subsequent years, falling to an average of €186 in 2013 from over €260 in 2011. Similarly, the average surplus for third party fire & theft policies, having reached €355 in 2010, fell to €160 and €216 in 2012 and 2013, respectively. Typically, surpluses are larger for the third party fire & theft cover, however the opposite was observed in the 2012 accident year.
- *Policy Years:* In 2013, the number of comprehensive policy years increased by approximately 53,000, while third party fire & theft declined by almost 8,000. The number of exposure years overall had fallen by 4 per cent over the six-year period, 2008 – 2013. It is worth noting that third party fire & theft exposure has consistently declined since 2005 with policy years falling from a height of almost 436,000 to approximately 289,000 in the 2013 accident year.

² Average surplus per policy is defined as average earned premium income per policy less average claim costs per policy.

1. Introduction³

This report is based on 2013 claims data submitted by Insurance Ireland to the Statistics Division of the Central Bank of Ireland. The submissions are provided annually in a raw disaggregated format, listing individual policy and claims records for all categories of cover i.e. comprehensive; third party fire & theft; and third party only. A total of 20 variables are associated with each individual record as described in Appendix 1. The data set has information on individual policies in terms of premium income and the evolution of claim costs over a five-year period. Therefore, each submission contains five files, and for 2013 these files were as follows:

- 2009@2013
- 2010@2013
- 2011@2013
- 2012@2013
- 2013@2013

The files listed above contain the most recent data available for each accident year. For example, 2009@2013 is a data file describing the 2009 accident year where claim costs are now in their fifth year of development.⁴ In the context of the data provided, it is not possible to obtain a comprehensive assessment of all costs and revenues in the industry. The submission does not supply data on additional claims-related costs, including: estimates on the cost of claims incurred but not yet reported (IBNR) to insurers, changes in estimates of existing claims for prior year accidents and contributions to the claims against uninsured motorists paid to the Motor Insurers' Bureau of Ireland (MIBI). Other costs not included are distribution, commissions, expenses, reinsurance and taxation. Furthermore, data on additional income sources are not provided, in particular the investment income from insurers' portfolio of assets and reinsurance recoveries. An assessment of overall institutional profitability would require data that is beyond the scope of this report. However, despite the exclusion of this additional cost and income data, the difference between earned premium income and claim costs (surplus/deficit) can be used as an indicator of annual market performance. This indicator is also useful in the examination of the relative performance of various market segments.

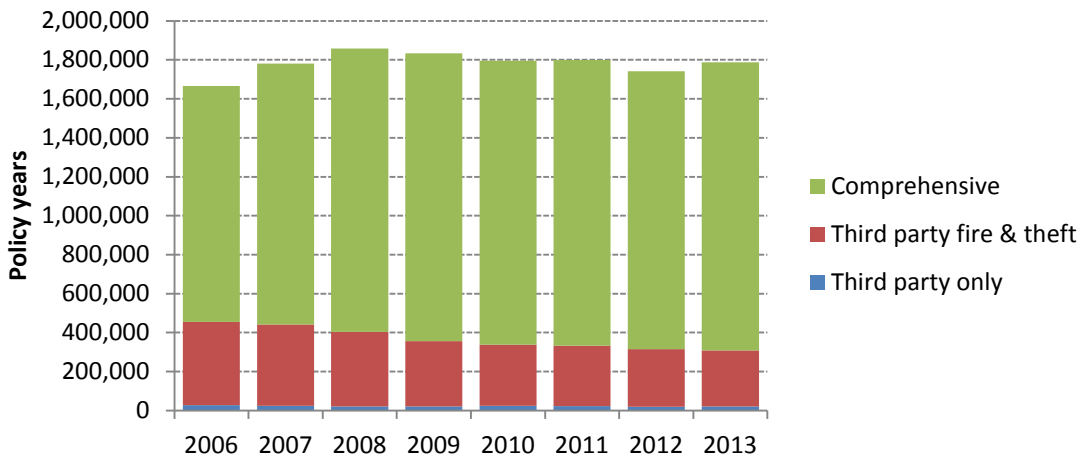
³ The Statistics Division would like to acknowledge the helpful comments of Cyril Connolly.

⁴ See Appendix 3 for claim cost settlement rates <http://www.centralbank.ie/polstats/stats/motorins/Pages/Data.aspx>

2. General Market Overview

Total exposure, as measured by policy years is illustrated in Chart 2.1.⁵ The number of policy years in the Irish market trended upwards between 1997 and 2013, overall volume increasing by some 118 per cent. Policy years increased from just over 800,000 in 1997 to almost 1.79 million in 2013. During the six-year period 2008 – 2013 the number of policy years has fallen by 4 per cent. The number of comprehensive policy years increased by nearly 53,000 in 2013, while third party fire & theft policy years decreased by approximately 8,000 over the same period. The number of third party only policies increased by circa 1,600 during 2013. The number of policy years for third party fire & theft has consistently declined since 2005, falling from a height of approximately 436,000 to approximately 289,000 in 2013. Conversely, the number of policy years attributable to comprehensive cover has remained relatively stable since 2008.

Chart 2.1: Motor insurance exposure (all cover), 2006-2013



Comprehensive cover accounted for 83 per cent of the domestic market (almost 1.5 million policy years) in 2013, compared with 73 per cent in 2006 (Chart 2.2). In contrast, third party fire & theft policies accounted for just over 16 per cent of the market (0.29 million policy years) in 2013, compared with nearly 26 per cent in 2006 (Chart 2.3). Third party (only) cover comprised a small part of the motor insurance market (1 per cent) in 2013, with less than 21,000 policy years. Given the small number of 'third party only' policies, the remaining discussion will focus on comprehensive and third party fire & theft cover. All references to

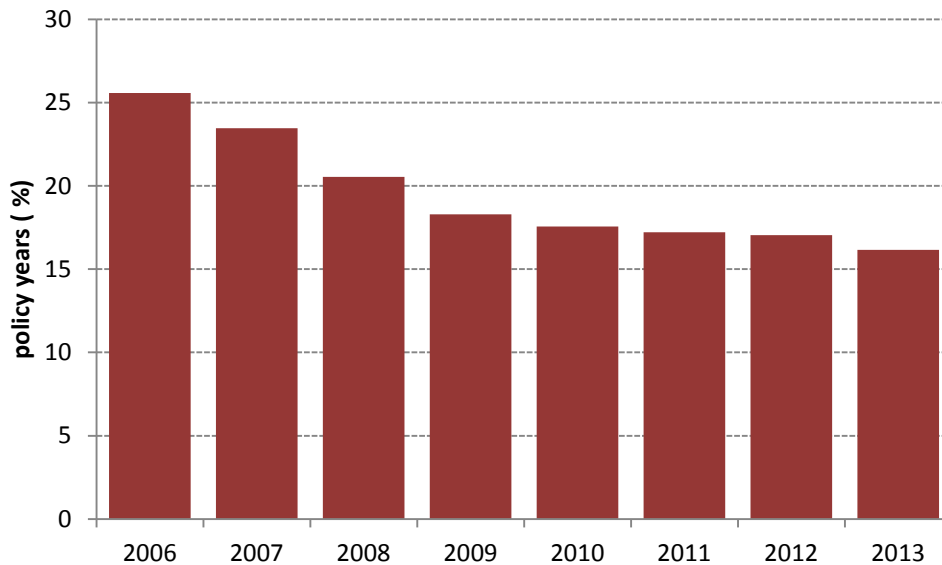
⁵ The exposure to risk is measured in vehicle years (i.e. one vehicle year of exposure equals one vehicle on full cover for one year or two vehicles for six months).

'third party cover' are inferring 'third party fire & theft', exclusive of 'third party only' policies.

Chart 2.2: Percentage exposure (comprehensive cover), 2006-2013



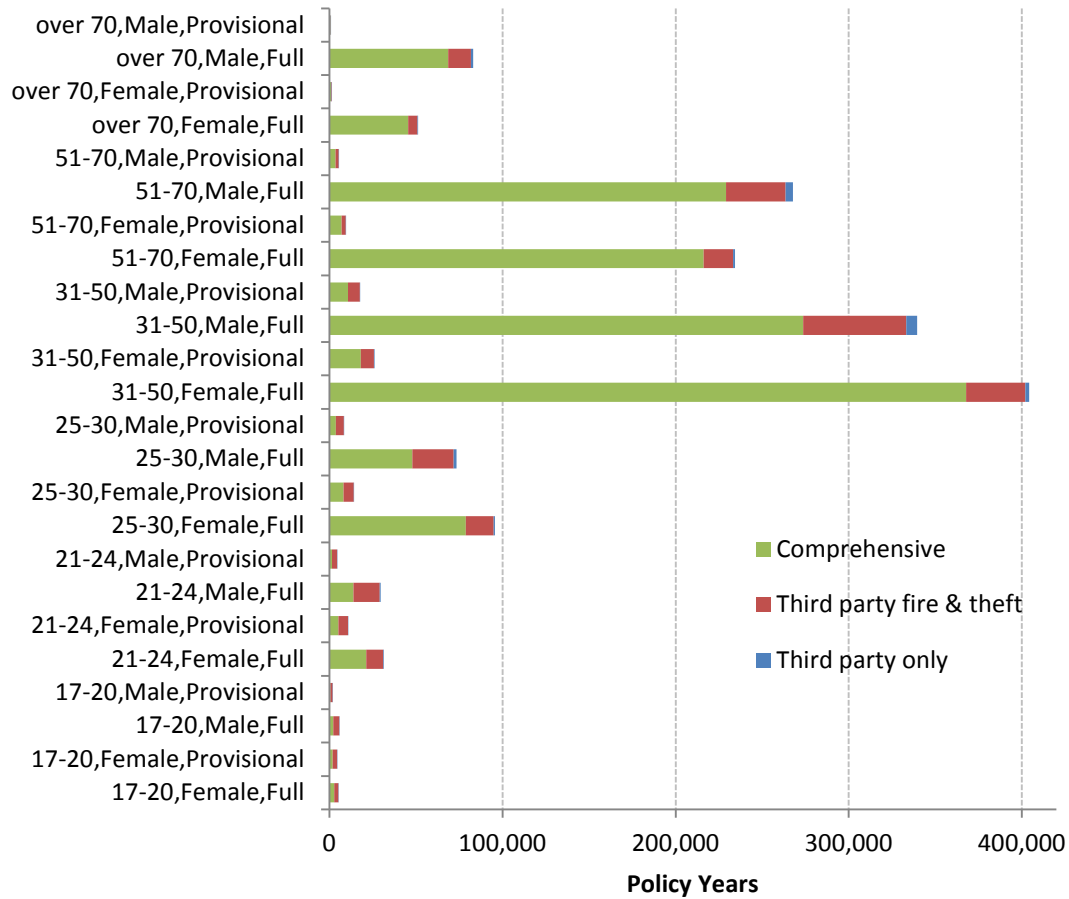
Chart 2.3: Percentage exposure (third party fire & theft cover), 2006-2013



A breakdown of exposure by market segmentation pertaining to the accident year 2013 is illustrated in Chart 2.4. Market segments are defined by the risk factors such as policyholder age, gender and licence status (i.e. full or provisional). The largest market segments contain policyholders aged between 31 to 50 and 51 to 70 with full licences. These policyholders are more likely to possess comprehensive insurance cover. In general, younger policyholders (under 30 years) represent a significantly larger proportion of the overall third party fire &

theft cohort, compared to older market segments, where comprehensive cover is typically more prevalent.

Chart 2.4: Exposure by age, gender and licence status, 2013



3. Premium Income and Claim Cost Development⁶

This section presents an analysis of the relationship between premium income, accident frequency and the cost of claims. Motor insurers use statistical models to analyse accident frequency and claim costs within various market segments in order to assist in the pricing of risk. Correctly pricing risk helps insurance firms identify the appropriate premium in the various policyholder segments. This practice is generally referred to as determining the ‘risk premium’. This is the average premium that should be charged excluding the additional costs outlined in the introduction to this report e.g. commissions, expense etc. The actual premium paid by the policyholders (known as the book rate), involves, generally speaking, the addition of these extra costs to the risk premium.

⁶ Complete tables of these results are contained in Appendix 2 and Appendix 3.

In the context of this discussion the concept 'claim cost development' is central. As it can take many years for the full and final costs associated with an accident to be established, the evolution of yearly costs are presented as development years. For example, the initial estimates of total costs associated with accidents in 2012, as measured at year-end 2012, are defined as year 1 development costs. The costs for 2012 accidents, as measured at year-end 2013, are defined as year 2 development costs for 2012 accidents and so on. The terminology used takes the form: '2012 at year-end 2012' for year 1 development of 2012 accidents, and '2012 at year-end 2013' for year 2 development of 2012 accidents.

Claim costs for an accident tend to increase as the development years progress, this is because insurers obtain more information on the ultimate cost of the original accident. In addition, claim costs increase because a proportion of claims occurring in any given year may not be notified to insurers for up to two years following the accident. These claims are referred to as incurred but not reported (IBNR) and increase the claim costs. The largest proportion of claim costs is generally observed in the year 2 development year.

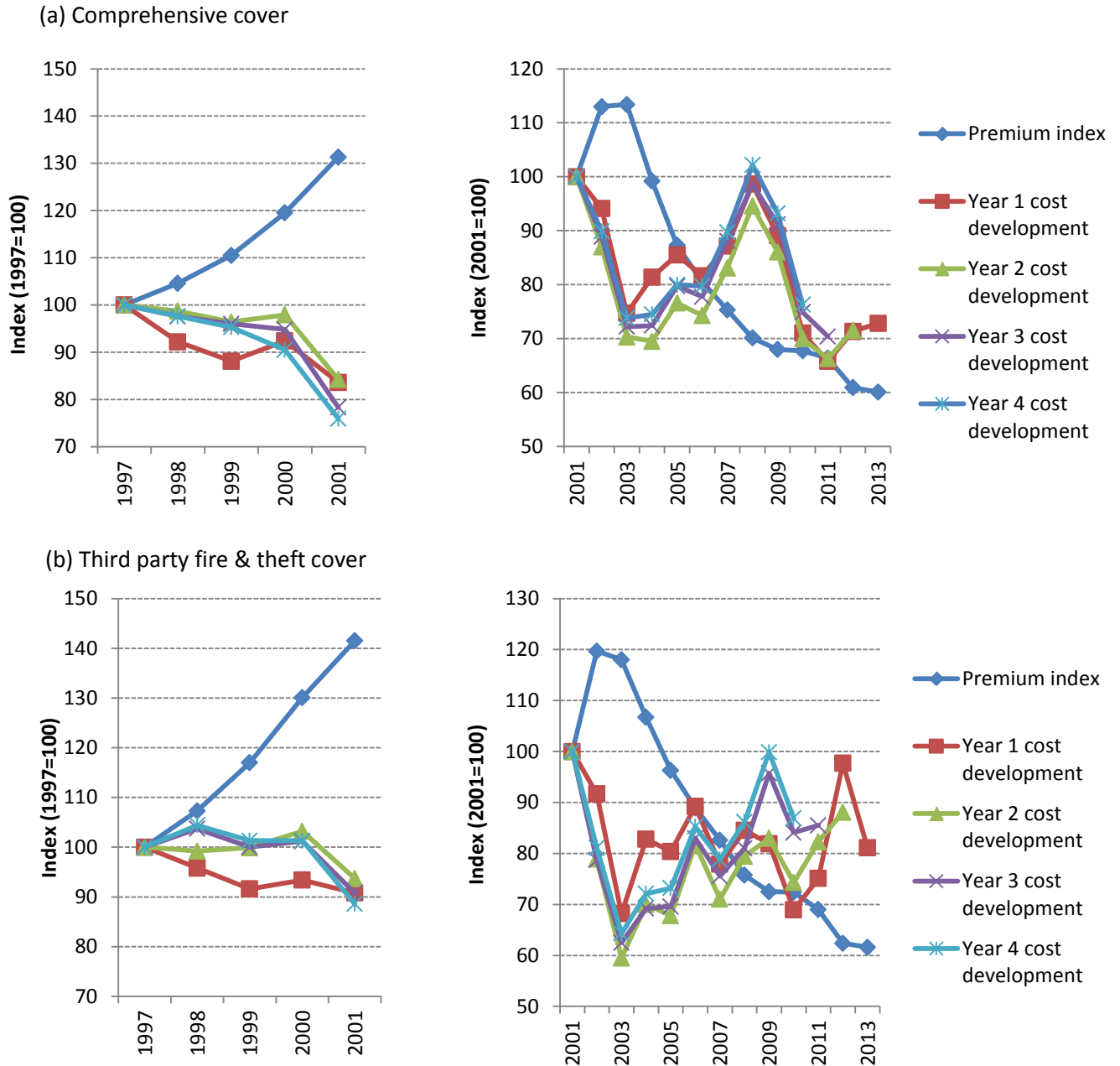
The premium and cost indices for comprehensive and third party fire & theft cover by development year are shown in Chart 3.1. They illustrate how average premiums and costs have changed in nominal terms between 1997 and 2013. Since 2001, the analysis of market data provided by Insurance Ireland has been based on nearly all companies operating in the Irish market. The 'raw data' relating to the 2013 submission from Insurance Ireland was derived from data representing 99.3 per cent of the private motor market, in terms of gross written premium. In order to capture changes between 2000 and 2001 the left-hand side graphs in Chart 3.1 are based on 'restricted market coverage' for the accident years 1997 to 2001, with 1997 used as the base year (i.e. 1997 = 100). The graphs on the right-hand side of the chart are based on 'full market coverage' for accident years 2001 to 2013, with 2001 used as the base year (i.e. 2001 = 100).

3.1 Premium Income

The premium income for both comprehensive and third party fire & theft cover increased sharply between 1997 and 2001 (Chart 3.1). Developments between 1997 and 2001 show that premium income earned per policy increased by 31 per cent for comprehensive cover and 42 per cent for third party fire & theft cover. The graphs on the right depicting 'full

market coverage' show that during 2002, the premium index increased 13 per cent for comprehensive cover and 20 per cent for third party fire & theft cover (relative to 2001, as the base year).

Chart 3.1: Premium index and cost index by development year; 1997-2013⁷



⁷ The graphs on the left contain data on accident years 1997 to 2001, where 1997 has been used as the base year. They exclude companies with incomplete cost data. However, since 2001 all companies submit this data so the index has now been reset. Therefore, the graphs on the right contain data on accident years 2001 to 2013 for all companies, using 2001 as the base year (see Appendix 3, Development Tables).

Between 2003 and 2013, however, Chart 3.1 shows average premium income earned per policy fell by circa 47 per cent for comprehensive and just under 48 per cent for third party fire & theft cover. More recently, in terms of the accident years 2012 and 2013, average premiums for both comprehensive and third party fire & theft policies have declined slightly.

3.2 Claim Costs

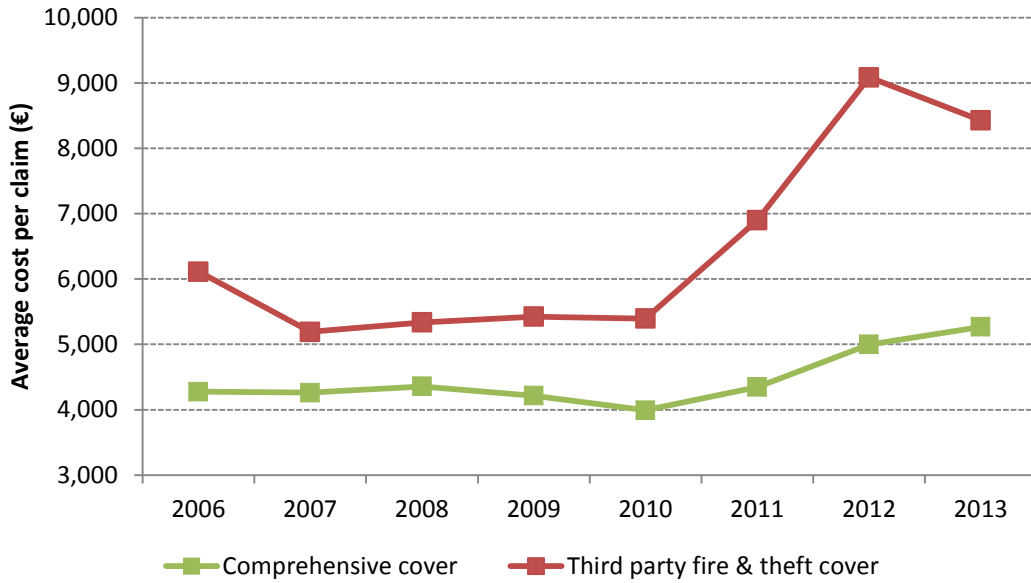
There are two principal statistics used to summarise claim costs, namely, the average cost per claim and the average cost per policy year.

The first of these cost statistics, '*average cost per claim*' is calculated as an average of the costs incurred, measured on a per claim basis. The statistic is independent of accident frequency. The second statistic, '*average cost per policy year*' is defined as the product of both accident frequency and average cost per claim.

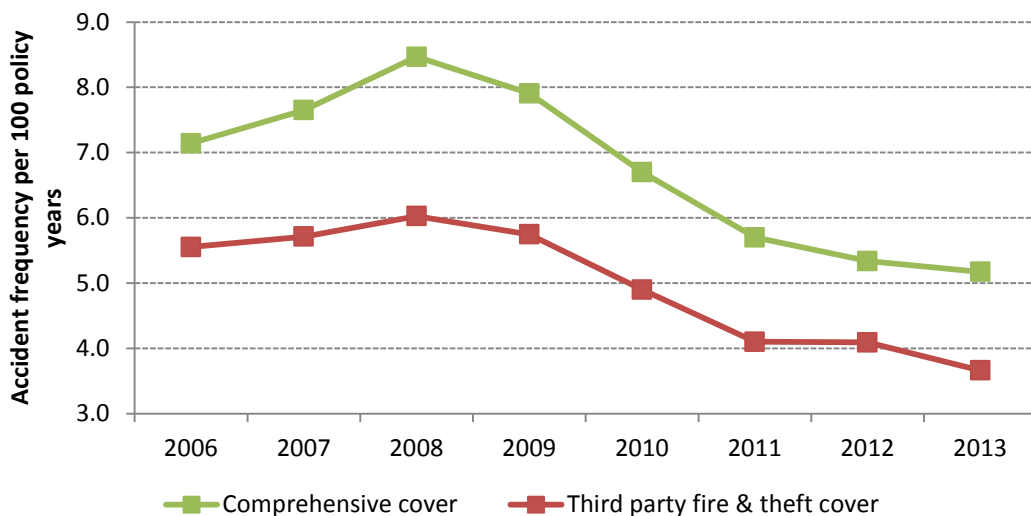
The cost index illustrated in Chart 3.1 is based on the average cost per policy year. The cost index can be driven by a range of factors including changes in accident frequency and/or the average cost per claim. For example, the downward trend observed in the cost index over the period 1997 to 2003, is explained by a decline in both accident frequency and the average cost per claim up to 1999 and by declines in accident frequency since 2000.

Average cost per claim

During the period 2010 to 2013, the average cost per claim increased by 32 cent for comprehensive and 56 per cent for third party fire & theft cover (Chart 3.2). The largest increases are evident for third party fire & theft cover, which increased to just over €9,000 per claim in 2012. This pronounced increase is also reflected in Chart 3.4, which shows a similar picture for large third party fire & theft claims in 2012. The average cost per claim are generally higher for third party fire & theft claims. In 2013, the average cost per claim was almost €5,300 and just over €8,400 for comprehensive and third party fire & theft policies, respectively.

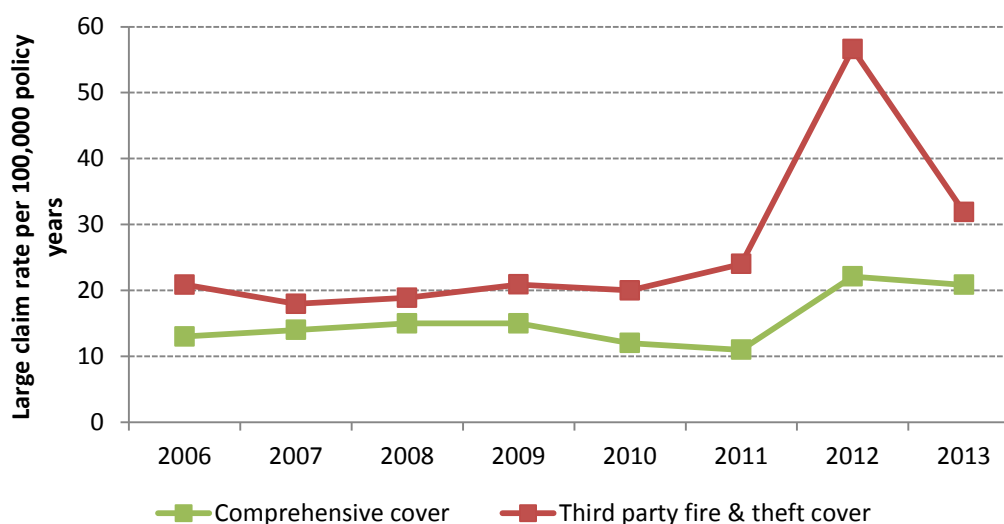
Chart 3.2: Average cost per claim, year 1 development, 2006-2013**Average cost per policy year**

The average cost per policy year is used by the industry to price risk (Table 3.1). The average cost per policy year has generally declined for comprehensive cover from €369 in 2008 to approximately €270 in 2013, explained primarily by lower accident frequencies (Chart 3.3). Third party fire & theft cover has remained broadly stable with the exception of 2012 where costs increased substantially. This observation may be explained by the pronounced increase in large claims (Chart 3.4).

Chart 3.3: Accident frequency per 100 policy years, year 1 development, 2006-2013

The number of large claims is an important cost and risk indicator for the insurance industry and may contribute to changes in the average cost per claim. The relatively stable volume of large claims over the accident years 2006 – 2011, is to some extent attributable to the downward trend in the reported number of serious injury accidents on Irish roads over the period. The large claim rate (defined as claims in excess of €100,000 per 100,000 policy years) at year 1 development is shown in Chart 3.4. A marked increase in the large claim rate for third party fire & theft policies was observed in 2012, with 57 recorded per 100,000 policy years, representing the largest number since 1997 when the data series began. In the same year, comprehensive polices also recorded an elevated number of large claims, albeit to a lesser extent, with 22 such claims reported. A large volume of large claims can impact directly upon the overall cost index (i.e. the average cost per policy year) for the insurance industry in the respective accident year.

Chart 3.4: Large claim rate per 100,000 policy years, year 1 development, 2006-2013



The average claim costs per policy in Table 3.1 illustrate the development pattern of claim costs for each accident year 2006 – 2013. The development pattern of claim costs for the accident years 2006 – 2009 outline claim costs per policy up to the fifth year of cost development. Whereby, accident year 2010 is in its fourth year of development, accident year 2011 is in its third year of development, accident year 2012 is in its second year of development, and lastly, accident year 2013 is in its first year of development.

In terms of comprehensive cover, the average claim cost per policy, at year 1 development, fell from €369 in 2008 to €272 in 2013. Following the rise in the average cost per claim in 2008, year 1 development costs declined between 2008 and 2011, falling by 33 per cent to stand at €246 in 2011. However, this declining trend was reversed in both 2012 and 2013, when average costs rose by 11 per cent over the two years.

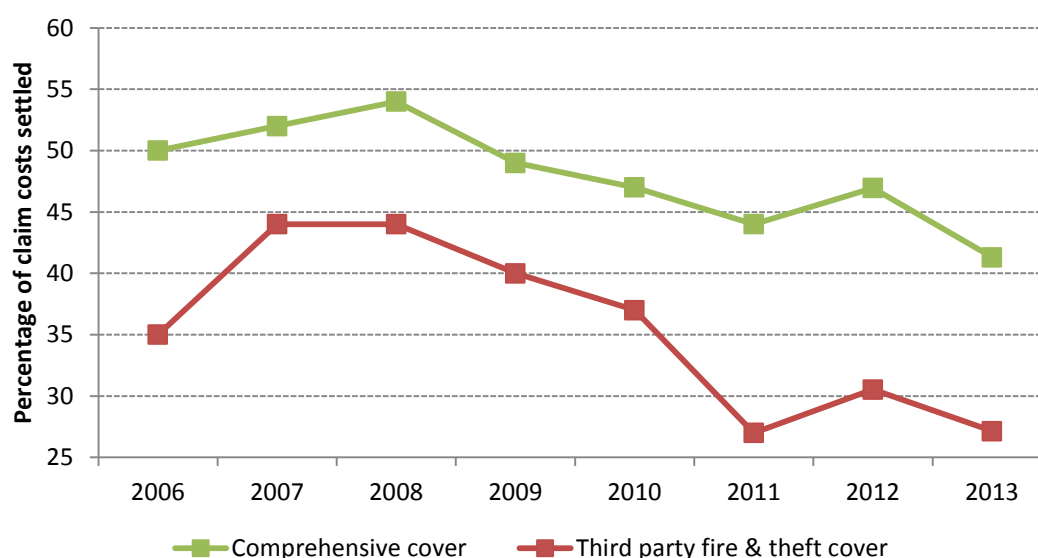
Table 3.1: Average claim costs per policy by development year, 2006-2013

€		Comprehensive Cover				
		<i>Development year</i>				
		Year 1 Cost	Year 2 Cost	Year 3 Cost	Year 4 Cost	Year 5 Cost
<i>Accident year</i>						
2006		305	319	334	342	343
2007		326	356	378	385	390
2008		369	405	423	438	443
2009		333	369	391	400	401
2010		266	300	321	327	
2011		246	284	302		
2012		267	306			
2013		272				
		Third Party Fire & Theft Cover				
		<i>Development year</i>				
		Year 1 Cost	Year 2 Cost	Year 3 Cost	Year 4 Cost	Year 5 Cost
<i>Accident year</i>						
2006		339	411	448	471	491
2007		296	357	408	435	454
2008		322	399	437	476	483
2009		312	417	517	552	538
2010		262	374	454	480	
2011		286	414	462		
2012		372	443			
2013		309				

In relation to third party fire & theft cover, the average cost per policy, at year 1 development, has fluctuated over the accident years 2006 – 2013, standing at €309 in 2013. Despite declining to €262 in 2010, the average cost per policy rose sharply by 42 per cent to €372 in 2012 which may be explained by the substantial increase in the number of large claims recorded for this year.

The ratio of estimated costs to total costs (i.e. estimated and settled costs) is an indicator of the maturity of the settlement process. The percentage of claim costs that are finalised one year after an accident is shown in Chart 3.5. During the accident years 2006 – 2008, the year 1 settlement rate increased for both types of cover, peaking in 2008. The percentage of claim cost settled in 2008 was 54 and 44 per cent for comprehensive and third party fire & theft cover, respectively. However, following the peak in 2008, year 1 settlement rates have generally trended downwards and in 2013 were recorded at 41 per cent and 27 per cent for comprehensive and third party fire and theft, respectively.

Chart 3.5: Percentage of claim costs settled, year 1 development, 2006-2013

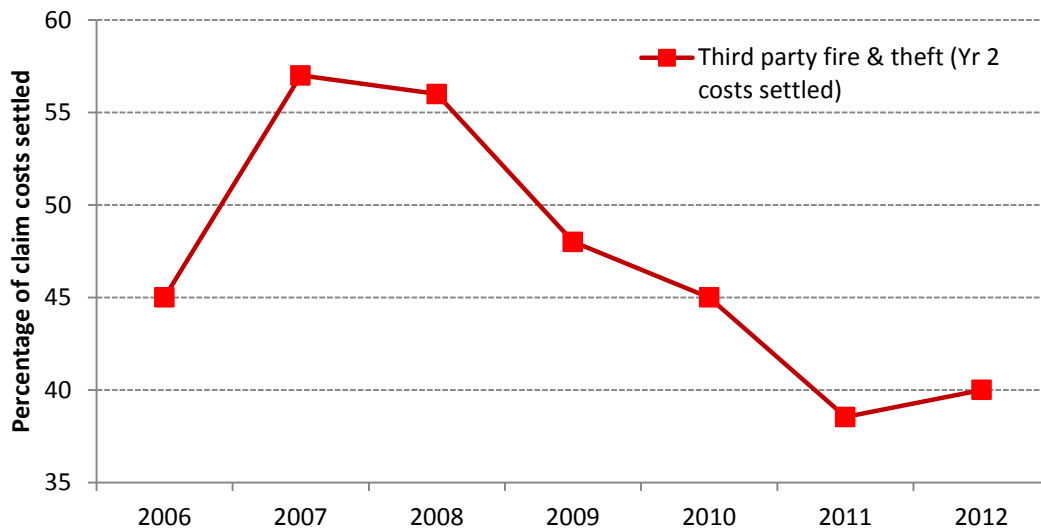


The increase in year 1 settlement rates observed up to 2008, may in part be derived from the efforts of the Injuries Board and their attempts to increase the rate at which claims are settled. However, subsequently developments in year 1 settlement rates have declined for both types of cover over the five-year period ending in 2013. Notwithstanding the higher settlement rate in 2012, an overall downward trend in settlement rates is evident post 2008. The decline in settlement rates is more pronounced for third party fire & theft claims, with a decrease of 17 percentage points compared with a decline of 13 percentage points for comprehensive, over the period 2008 – 2013.

Prior to 2005, the percentage of year 2 costs settled for third party fire & theft claims oscillated between 30 and 40 per cent. However during the accident years 2007 and 2008 this settlement rate increased significantly (Chart 3.6). During both 2007 and 2008 the

settlement rate increased and fluctuated between 56 and 57 per cent, representing a marked improvement. However, since 2008 the year 2 settlement rate for third party fire & theft claims has trended downwards quite steeply. In both 2011 and 2012 the corresponding year 2 settlement rate was just under 40 per cent, eliminating the gains made in previous years. The fall in year 2 settlement rates is of some concern and points to a deteriorating trend in the overall speed of claim settlement.

Chart 3.6: Percentage of year 2 costs settled, third party fire & theft cover, 2006-2012



3.3 Surplus/Deficit

Summary statistics for each accident year and the associated development costs for the years 2006 to 2013, for both comprehensive and third party fire & theft cover are outlined in Tables 3.2 (a) & (b).

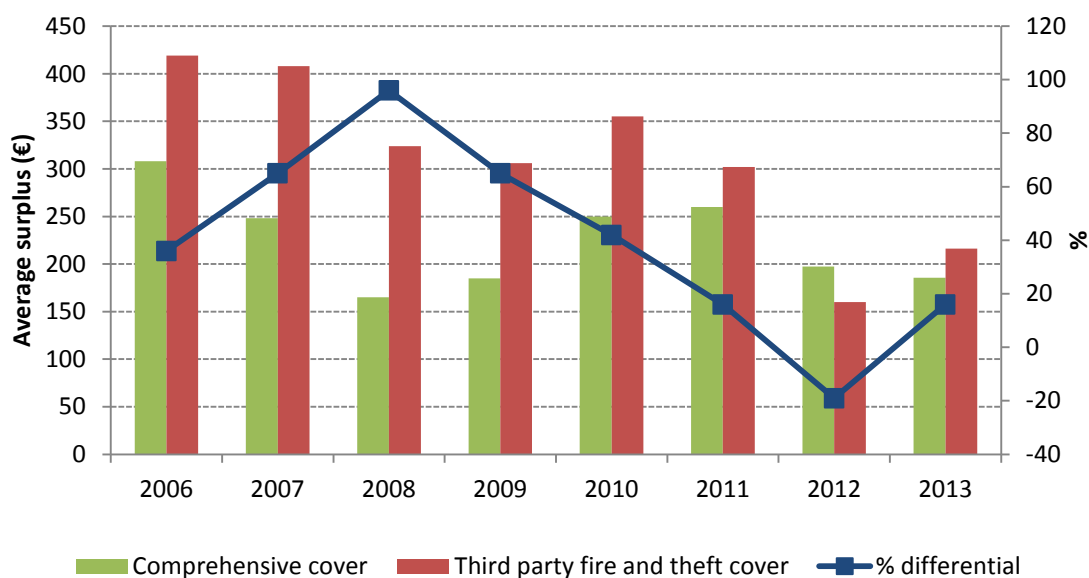
In the 2013 data submission from Insurance Ireland, a full five years claim cost development for the 2009 accident year is provided. Results show that total premium income in 2009 in terms of comprehensive cover was €765 million⁸. Total year 1 development costs were €492 million. However, by year 5 development (i.e. in 2013) the total costs associated with 2009 accidents had increased to €592 million. In relation to third party fire & theft cover, total premium income was €207 million in 2009. Year 1 total development costs were €104 million and by year 5 development costs had risen to €180 million for third party cover.

⁸ Total premium income for a given accident year can vary marginally over time with each data submission.

Using the 2009 accident year as an example, these results indicate that after five years development, the 2009 accident year recorded a total surplus of €173 million for comprehensive, and €27 million for third party fire & theft cover. On a per policy basis this equates to a surplus of €117 for comprehensive and €79 for third party fire & theft cover.⁹

Since 2006, the average surplus per policy for comprehensive cover has declined by nearly 40 per cent, falling from €308 in 2006 to just €186 in 2013. In terms of third party fire & theft, the average surplus has fallen by 48 per cent over the accident years 2006 – 2013, to €216 per policy in 2013 (Chart 3.7).

Chart 3.7: Average surplus and profitability differential for comprehensive cover and third party fire & theft cover, year 1 development, 2006-2013



The average year 1 surplus for third party fire & theft declined sharply between 2010 and 2012 by nearly 55 per cent, before recording a 35 per cent increase in 2013, to €216 per policy. Typically, average surpluses have been larger for third party fire & theft than for the comprehensive category. This profitability differential between third party fire & theft and comprehensive cover depicted in chart 3.7 illustrates the percentage difference between the respective average surpluses over the accident years 2006 – 2013. The profitability differential declined from 2008 to 2012, primarily due to rising comprehensive surpluses and stable or declining surpluses for third party fire & theft.

⁹ Surplus/deficit per policy (also called average surplus/deficit) equals total surplus/deficit divided by the number of policy years (also called exposure years).

Table 3.2(a): Summary Statistics by Development Year (Comprehensive Cover), 2006-2013

Year	Dev. Year	Premium Income	Exposure	Cost Paid	Estimated Cost	Total Cost	Surplus	Average Surplus	Costs Settled
		€ 000	Years	€ 000	€ 000	€ 000	€ 000	€	%
<i>Comprehensive Cover</i>									
2006@2006	1	743,568	1,211,880	185,231	184,775	370,007	373,561	308	50
2006@2007	2	743,067	1,210,990	252,676	133,151	385,827	357,240	295	65
2006@2008	3	743,067	1,210,990	287,632	116,600	404,232	338,835	280	71
2006@2009	4	743,067	1,210,990	325,663	88,822	414,486	328,581	271	79
2006@2010	5	744,323	1,212,780	357,697	58,760	416,457	327,866	270	86
2007@2007	1	767,724	1,337,490	228,076	207,921	435,997	331,727	248	52
2007@2008	2	767,725	1,337,490	311,198	164,958	476,156	291,569	218	65
2007@2009	3	767,725	1,337,490	361,798	143,721	505,519	262,206	196	72
2007@2010	4	767,761	1,337,550	408,385	106,290	514,675	253,086	189	79
2007@2011	5	767,761	1,337,550	448,775	72,983	521,757	246,004	184	86
2008@2008	1	777,115	1,454,310	287,089	249,436	536,524	240,591	165	54
2008@2009	2	777,115	1,454,310	389,885	199,754	589,639	187,476	129	66
2008@2010	3	777,131	1,454,340	457,150	158,164	615,314	161,817	111	74
2008@2011	4	777,131	1,454,340	515,313	122,174	637,488	139,643	96	81
2008@2012	5	777,131	1,454,340	565,126	78,650	643,776	133,355	92	88
2009@2009	1	764,566	1,476,340	240,691	251,230	491,921	272,645	185	49
2009@2010	2	764,567	1,476,340	335,951	208,540	544,492	220,075	149	62
2009@2011	3	764,567	1,476,340	403,137	174,264	577,402	187,165	127	70
2009@2012	4	764,569	1,476,350	461,929	127,986	589,915	174,654	118	78
2009@2013	5	764,569	1,476,350	511,261	80,525	591,786	172,783	117	86
2010@2010	1	751,086	1,455,640	182,576	204,053	386,629	364,457	250	47
2010@2011	2	751,084	1,455,640	270,738	165,847	436,585	314,499	216	62
2010@2012	3	751,090	1,455,650	331,507	136,179	467,687	283,403	195	71
2010@2013	4	751,089	1,455,640	384,175	92,203	476,378	274,711	189	81
2011@2011	1	741,234	1,465,590	159,758	200,805	360,563	380,671	260	44
2011@2012	2	741,234	1,465,590	249,795	166,590	416,385	324,849	222	60
2011@2013	3	741,234	1,465,590	303,128	139,167	442,295	298,939	204	69
2012@2012	1	661,527	1,425,140	178,547	201,725	380,272	281,255	197	47
2012@2013	2	661,526	1,425,140	242,391	194,109	436,500	225,026	158	56
2013@2013	1	677,015	1,478,100	166,327	236,402	402,728	274,287	186	41

Table 3.2(b): Summary Statistics by Development Year (Third Party Fire & Theft Cover), 2006-2013

Year	Dev. Year	Premium Income	Exposure Years	Cost Paid	Estimated Cost	Total Cost € 000	Surplus € 000	Average Surplus	Costs Settled
		€ 000		€ 000	€ 000			€	%
<i>Third Party Fire & Theft Cover</i>									
2006@2006	1	323,021	426,182	50,183	94,457	144,639	178,382	419	35
2006@2007	2	322,964	426,085	78,524	96,590	175,114	147,850	347	45
2006@2008	3	322,964	426,085	105,693	85,204	190,897	132,067	310	55
2006@2009	4	322,964	426,085	136,110	64,694	200,804	122,160	287	68
2006@2010	5	323,272	426,430	164,811	44,594	209,405	113,867	267	79
2007@2007	1	294,139	417,731	53,925	69,931	123,856	170,283	408	44
2007@2008	2	294,137	417,730	84,983	64,271	149,254	144,883	347	57
2007@2009	3	294,137	417,730	111,018	59,370	170,388	123,749	296	65
2007@2010	4	294,143	417,737	134,649	47,273	181,922	112,221	269	74
2007@2011	5	294,143	417,737	159,654	29,941	189,595	104,548	250	84
2008@2008	1	246,180	381,419	53,800	68,866	122,666	123,514	324	44
2008@2009	2	246,180	381,419	85,501	66,857	152,358	93,822	246	56
2008@2010	3	246,180	381,419	115,689	51,169	166,858	79,322	208	69
2008@2011	4	246,180	381,419	138,065	43,582	181,647	64,533	169	76
2008@2012	5	246,18	381,419	152,337	31,896	184,233	61,947	162	83
2009@2009	1	207,008	335,014	41,257	63,174	104,431	102,577	306	40
2009@2010	2	207,008	335,014	67,398	72,305	139,703	67,305	201	48
2009@2011	3	207,008	335,014	98,737	74,371	173,108	33,900	101	57
2009@2012	4	207,008	335,014	121,960	63,029	184,989	22,019	66	66
2009@2013	5	207,008	335,014	142,480	37,913	180,393	26,615	79	79
2010@2010	1	194,410	315,097	30,700	51,938	82,638	111,772	355	37
2010@2011	2	194,410	315,097	53,505	64,217	117,721	76,689	243	45
2010@2012	3	194,410	315,097	81,602	61,465	143,066	51,344	163	57
2010@2013	4	194,410	315,097	103,435	47,907	151,342	43,068	137	68
2011@2011	1	182,045	309,626	23,993	64,474	88,467	93,578	302	27
2011@2012	2	182,044	309,625	49,354	78,724	128,078	53,966	174	39
2011@2013	3	182,044	309,625	70,300	72,624	142,924	39,120	126	49
2012@2012	1	157,706	296,731	33,663	76,593	110,256	47,450	160	31
2012@2013	2	157,706	296,731	52,586	78,823	131,409	26,297	89	40
2013@2013	1	151,512	288,757	24,196	64,935	89,131	62,381	216	27

However, in 2012, the differential reversed, recording an actual negative variance of nearly 20 per cent. In terms of year 1 development, the average surplus for comprehensive cover was €197 per policy in 2012, compared to €160 for third party fire & theft.

Premium and surplus/deficit by market segment

This section assesses the average premium earned and the corresponding surplus/deficit for each market segment for accident years 2009 – 2013. Surplus is defined as earned premium income minus claim costs. Accordingly, surplus or deficit figures can be utilised as both an indicator of yearly market performance and as an estimate of the relative market performance of each segment. Tables 3.3(a) and 3.3(b) outlines three market variables for both comprehensive and third party fire & theft cover for the accident years 2009 – 2013.¹⁰ These variables are labelled as:

- (a) average earned premium per policy year,
- (b) average surplus/deficit year 1 development,
- (c) average surplus/deficit as at 2013.

In terms of the average premium income earned, developments were mixed across the different categories of policyholder for both comprehensive and third party fire & theft cover in 2013. The largest percentage movements in average premiums were generally recorded in the younger market segments for both comprehensive and third party fire & theft. In particular, average premiums noticeably declined across a broad range of market segments for the 2012 accident year. This development can be driven by a number of factors, including competition amongst insurers. The highest average premium earned per policy year in 2013 was €1,654, recorded for comprehensive, male provisional policyholders aged 17-20. The market segment with the smallest average premium in 2013 was third party fire & theft cover for female policyholders aged over 70, with full driving licences, which recorded a figure of €395. It is also worth noting that the 'male, aged 17-20 with full and provisional licence' cohort exhibited declining average premiums across the accident years 2009 – 2013, for both types of cover. The deterioration in premium earned in this segment was more sustained and larger than other market segments over the same period.

¹⁰ Full cross-classification of the data by age, gender and licence status is provided in the Primary Tables in Appendix 2.

The results for the 2012 accident year demonstrate that all market segments had a surplus for comprehensive cover after one year's claim cost development (Table 3.3(a)). However, in terms of third party fire & theft, 'males, aged 17-20 with provisional licences' and 'males, aged 31-50 with provisional licences' yielded an average deficit of -€621 and -€461 per policy, respectively. In the 2013 accident year, all market segments, except two, had a surplus for both types of cover after one year's claim cost development. A deficit of -€1,037 was recorded for comprehensive, male, provisional drivers aged 17-20 and a deficit of -€25 was recorded for third party, male drivers, aged over 70 with full licences. Younger policyholders continue to present the highest average surpluses. However, the deficits associated with third party fire & theft provisionally licenced male drivers aged 17-20 is evident in Table 3.3(b).

Table 3.3(a): Premium and surplus/deficit by market segment (comprehensive cover), 2009-2013

€			Average Earned Premium					Average Surplus/Deficit					Average Surplus/Deficit				
			Per Policy Year					Year 1 Development					Latest Year of Development				
Market segment:			2009	2010	2011	2012	2013	2009	2010	2011	2012	2013	2009	2010	2011	2012	2013
												@2013	@2013	@2013	@2013	@2013	
17-20 yrs	Female	Full	1,003	1,001	972	957	1,006	307	534	450	484	342	117	374	386	445	342
		Provisional	1,347	1,414	1,430	1,424	1,554	488	867	569	452	948	1	732	325	405	948
	Male	Full	1,701	1,530	1,414	1,338	1,226	782	974	601	481	679	287	585	359	103	679
		Provisional	2,127	2,033	1,917	1,731	1,654	1,008	1,061	1,243	613	-1,037	34	451	472	413	-1,037
21-24 yrs	Female	Full	643	644	636	607	661	224	323	315	246	223	152	274	170	192	223
		Provisional	926	996	990	954	1,039	343	406	508	422	437	229	275	339	274	437
	Male	Full	1,073	1,014	955	885	824	440	543	535	422	410	218	408	387	348	410
		Provisional	1,422	1,400	1,305	1,225	1,160	713	561	735	442	603	560	320	343	385	603
25-30 yrs	Female	Full	484	495	492	455	479	151	230	246	175	182	110	189	180	131	182
		Provisional	697	750	767	720	766	219	184	218	185	168	-100	136	19	65	168
	Male	Full	689	677	659	613	590	175	309	340	231	119	108	223	203	113	119
		Provisional	915	944	956	921	904	319	397	422	217	433	80	150	130	144	433
31-50 yrs	Female	Full	429	447	446	408	416	128	216	218	160	151	57	176	173	139	151
		Provisional	593	630	637	592	610	145	199	271	186	264	65	117	173	143	264
	Male	Full	526	532	518	472	458	170	243	235	180	177	117	156	177	145	177
		Provisional	711	733	709	646	638	230	361	238	120	215	111	272	138	57	215
51-70 yrs	Female	Full	403	416	415	393	399	144	229	231	215	218	132	195	219	183	218
		Provisional	539	562	573	537	540	218	-170	366	300	404	161	-93	96	278	404
	Male	Full	478	478	471	435	427	235	281	297	227	223	199	224	259	199	223
		Provisional	632	639	635	588	571	271	360	439	236	356	99	261	407	232	356
Over 70 yrs	Female	Full	441	462	473	452	456	170	259	274	199	234	82	231	234	139	234
		Provisional	558	579	610	575	581	387	415	491	359	378	239	390	493	340	378
	Male	Full	508	524	530	497	486	243	282	274	205	233	191	256	230	124	233
		Provisional	630	635	642	607	599	503	418	511	398	258	517	349	487	390	258

Table 3.3(b): Premium and surplus/deficit by market segment (third party fire & theft cover), 2009-2013

€			Average Earned Premium					Average Surplus/Deficit					Average Surplus/Deficit				
			Per Policy Year					Year 1 Development					Latest Year of Development				
			2009	2010	2011	2012	2013	2009	2010	2011	2012	2013	2009	2010	2011	2012	2013
Market segment:											@2013	@2013	@2013	@2013	@2013		
17-20 yrs	Female	Full	804	789	833	828	887	390	430	354	520	533	-630	96	212	503	533
		Provisional	1,133	1,193	1,235	1,232	1,329	450	548	591	547	966	-201	183	-222	434	966
	Male	Full	1,457	1,355	1,265	1,166	1,095	719	826	128	590	583	188	60	-763	295	583
		Provisional	1,940	1,980	1,853	1,594	1,514	848	949	970	-621	679	-138	-489	-21	-725	679
21-24 yrs	Female	Full	547	561	567	552	613	297	334	333	207	379	-41	35	214	167	379
		Provisional	773	870	880	856	961	300	457	467	382	578	142	88	321	318	578
	Male	Full	916	894	836	766	745	515	603	433	349	312	214	404	278	268	312
		Provisional	1,251	1,352	1,325	1,205	1,140	-6	805	538	349	564	-1,831	235	175	278	564
25-30 yrs	Female	Full	465	474	457	424	458	206	296	282	133	216	92	165	212	88	216
		Provisional	636	693	704	660	735	359	394	406	214	381	258	25	293	102	381
	Male	Full	658	645	606	555	549	285	365	257	163	244	74	132	13	62	244
		Provisional	897	979	968	890	902	465	540	460	373	431	239	113	129	281	431
31-50 yrs	Female	Full	414	436	425	404	422	222	278	185	139	170	64	170	113	97	170
		Provisional	558	607	617	558	593	338	392	248	221	258	48	160	5	76	258
	Male	Full	499	496	470	432	437	229	215	240	80	124	130	18	22	30	124
		Provisional	722	765	761	680	674	312	485	445	-461	285	154	313	383	-555	285
51-70 yrs	Female	Full	370	384	388	385	406	245	283	249	199	286	195	233	208	154	286
		Provisional	444	465	494	451	467	326	309	331	241	327	316	330	320	189	327
	Male	Full	414	418	415	397	404	286	283	288	194	102	222	229	255	120	102
		Provisional	576	589	615	558	537	267	305	463	29	371	190	27	393	59	371
Over 70 yrs	Female	Full	374	392	400	383	395	136	253	322	216	260	11	58	269	216	260
		Provisional	458	477	507	500	518	380	433	433	442	418	338	270	447	315	418
	Male	Full	422	429	435	417	417	256	267	297	101	-25	203	168	240	-45	-25
		Provisional	572	578	606	586	569	26	126	444	306	365	-381	-107	466	50	365

4. Motor Insurance Market

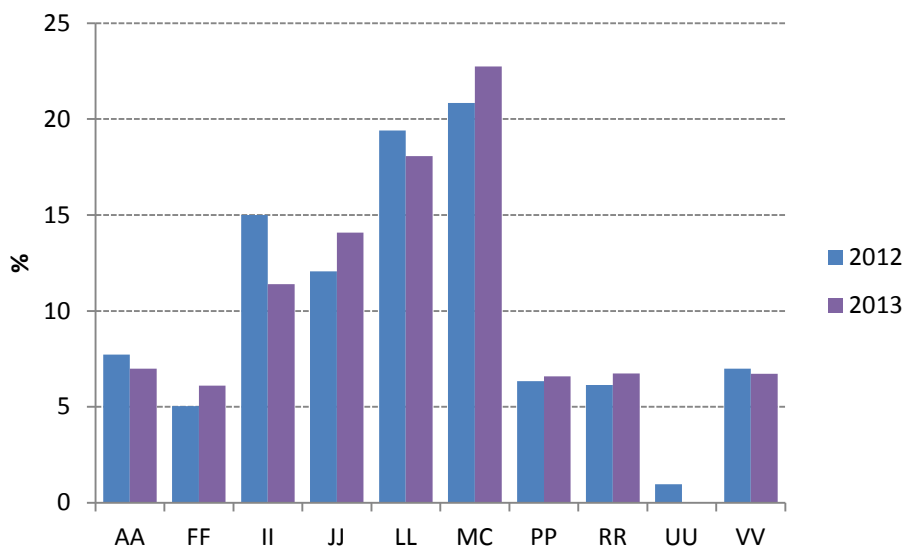
4.1 Market Share

Market share, based on exposure, for the Irish motor insurance industry during the accident years 2012 and 2013 is outlined in Charts 4.1(a) and 4.1(b). Companies MC and LL possess the dominant share of the comprehensive market during both years presented. The two firms combined accounted for approximately 41 per cent of the comprehensive market in 2013. Over the course of both 2012 and 2013, no other insurance firm accounted for more than 15 per cent of the respective market.

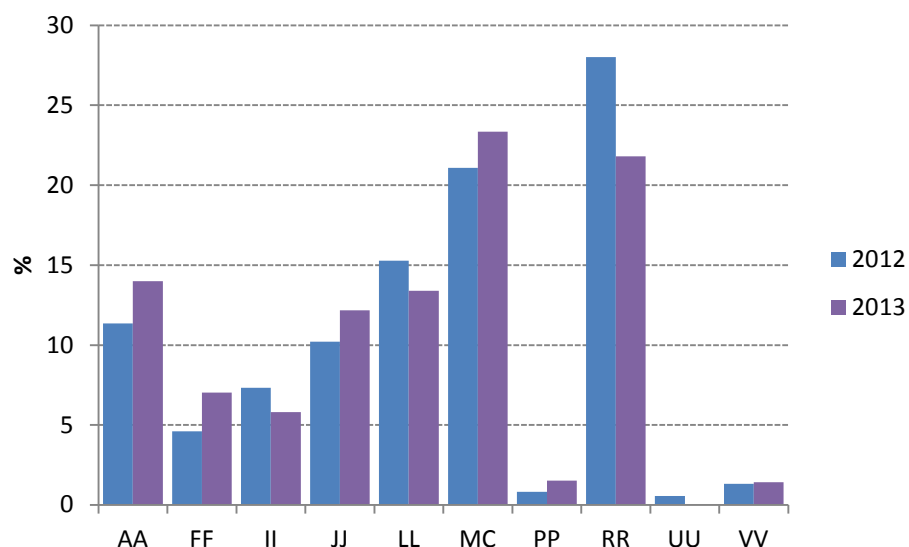
In terms of the third party fire & theft market segment, firms MC and RR clearly hold the majority share of the market. The two firms combined held almost half the third party fire & theft market in 2012. However, the market share of firm RR fell by approximately 6 percentage points in 2013, to 22 per cent of the third party fire & theft market. Conversely, the insurer MC gained 2 percentage points of the market in 2013, positioning the firm as the market share leader for third party fire & theft, with 23 per cent of the overall market segment.

Chart 4.1: Market share by company; 2012, 2013

(a) Comprehensive cover



(b) Third party fire & theft cover



4.2 Market Segmentation

Comparing overall market share for each submission (Chart 4.2) with the market share within each individual market segment (Charts 4.3 and 4.4) provides a valuable visual indicator of the level of segmentation present within the overall market. To understand this in more detail, consider a company with 20 per cent of the overall market share. This firm should, if each firm underwrites policies in proportion to its respective market share, have underwritten 20 per cent of policies within each market segment.

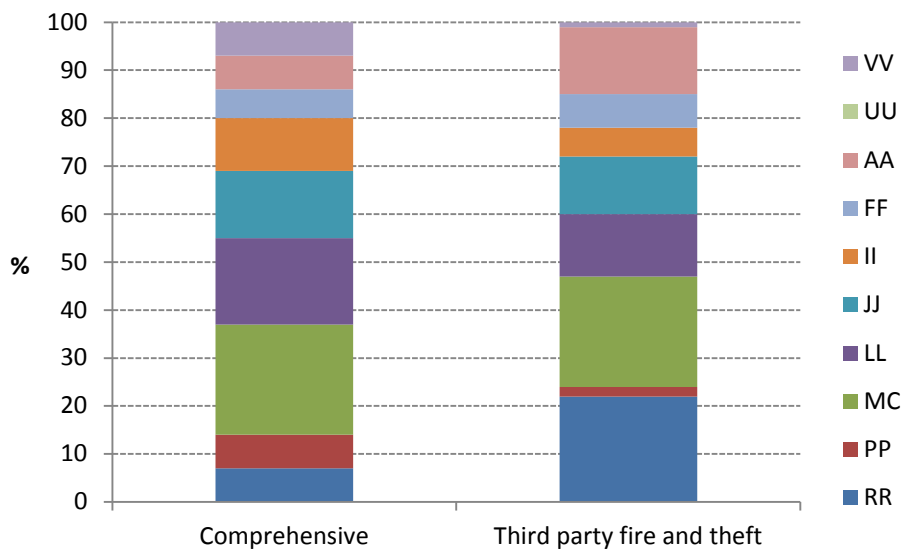
The comprehensive market is dominated by a number of firms, with the top four firms (MC, LL, JJ and II) representing 66 per cent of the market (Chart 4.2). In terms of third party fire & theft, more firms play a sizeable role, the top five firms (MC, RR, AA, LL, and JJ) representing 84 per cent of the market.

4.2.1 Individual Firm Assessments

Company AA had a 7 per cent share of the comprehensive market and a 14 per cent share of the third party fire & theft market in 2013. The firm reports lower than average exposure for female cover, with low exposure for females under 30 years of age. However, the company does report higher exposure to older policyholders for both types of cover. Specifically, the firm has the majority of its exposure to males and females over 30 years of age in the third party fire & theft cohort.

Company FF held a 6 per cent share in the comprehensive market and a 7 per cent share in the third party fire & theft market in 2013. The firm’s market share is heavily concentrated on female policyholders. Exposure is focused on particularly young (aged 17-20) or indeed particularly old (aged over 70) female drivers, with a strong emphasis on comprehensive policies. Company FF has a small but stable market share. The company also reports high exposure in third party fire & theft provisional licence segments, across all ages and genders.

Chart 4.2: Market share by company, 2013



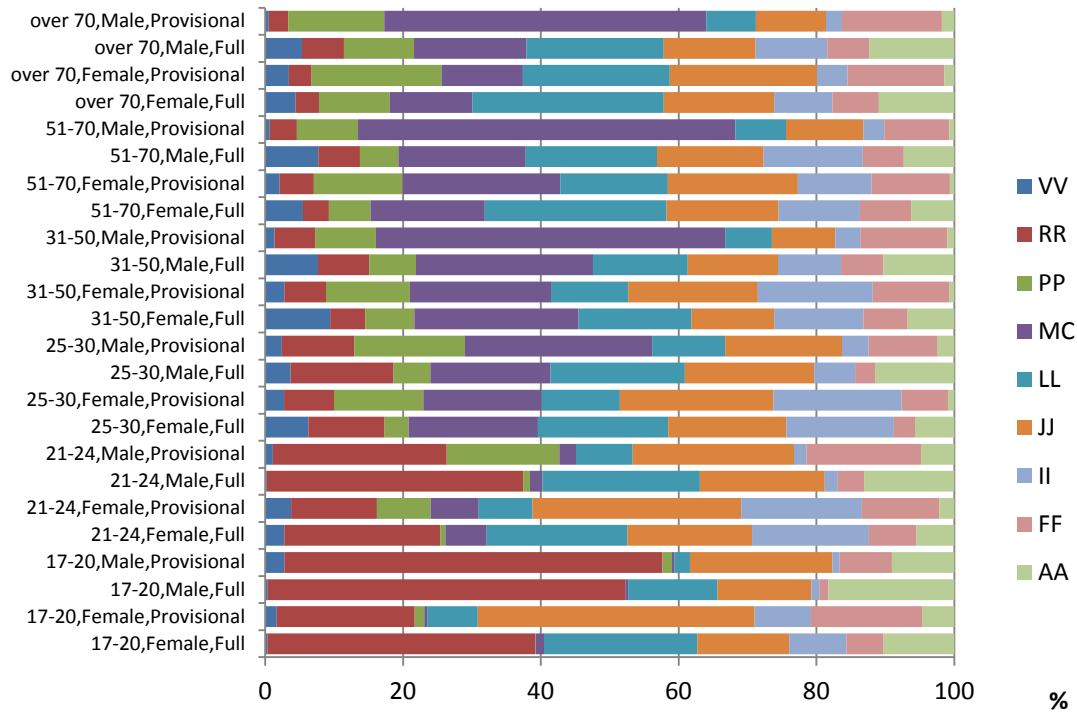
Company II had an 11 per cent share of the comprehensive market and a 6 per cent share of the third party fire & theft market segment in 2013. The firm targets female drivers between the ages of 25 and 50. Within that bracket, company II holds the majority of its exposure to comprehensive policies.

Company JJ reported a 14 per cent share of the comprehensive market and a 12 per cent share of the third party fire & theft market in 2013. In terms of comprehensive cover, the firm’s exposure is heavily focused on the ‘17-20’ and ‘21-24’ age cohorts, where the firm is a top four market shareholder. Firm JJ has a particularly high share of the comprehensive, female, aged 17-20, provisional licence market segment, holding 40 per cent.

Company LL held the second highest proportion of the comprehensive market in 2013, with 18 per cent. In terms of third party fire & theft the firm reported a 13 per cent market share,

representing the fourth highest level of exposure in this market segment. The company’s share of the third party fire & theft market is concentrated in market cohorts pertaining to older policyholders (particularly those in excess of 50 years of age). The firm’s exposure to the comprehensive market, however, is distributed across multiple market cohorts.

Chart 4.3: Market share by company; comprehensive cover, 2013



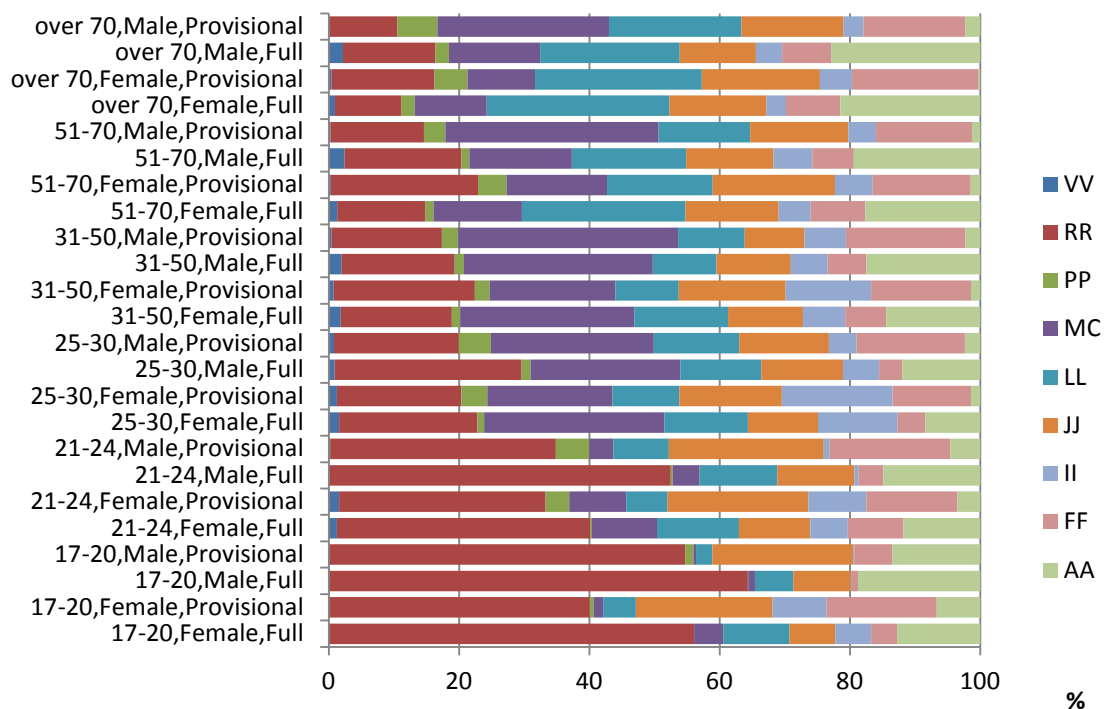
Company MC held a 23 per cent share of the comprehensive market and a 23 per cent share of the third party fire & theft market in 2013. The company held the largest overall market share for both types of cover in 2013. In relation to comprehensive cover, MC’s exposure is concentrated on male drivers, over 30 years old with provisional licences. Noticeably, the firm held circa 50 per cent of the market share for three separate cohorts, male drivers, aged ‘31-50’, ‘51-70’ and ‘over 70’ with provisional licences. Exposure to the third party fire & theft market is somewhat more diverse. However, it is evident that the majority of MC’s third party fire & theft exposure is concentrated in drivers aged over 25. The company does not engage with the younger third party fire & theft market cohorts to any great extent.

Company PP held a 7 per cent share of the comprehensive market and a 2 per cent share of the third party fire & theft market in 2013. PP’s market share is evenly distributed across the

various market cohorts for both types of cover. However, it is evident that the firm's exposure is particularly low for comprehensive and third party fire & theft policies for the '17-20' age cohort.

Company RR accounted for a 7 per cent share of the comprehensive market in 2013. In contrast, however, the firm reported a 22 per cent market share of the third party fire & theft market during the same period. This represented the second highest exposure to the third party fire & theft market segment in 2013. Despite holding just 7 per cent share of the overall comprehensive market, RR holds over 50 per cent of the male, aged 17-20 market segment cohort. The firm's comprehensive exposure is heavily concentrated in drivers aged between 17 and 24. The majority of Company RR's exposure is to the third party fire & theft market (Chart 4.4). The firm holds 64 per cent of the 'male, aged 17-20 with full licence' cohort, reflecting RR's overall strategy and risk appetite. The firm's third party fire & theft exposure is heavily skewed towards young (aged 17-24) drivers.

Chart 4.4: Market share by company; third party fire & theft cover, 2013



4.3 Market Pricing

Table 4.1 outlines the average premium income per policy for all 48 market segments pertaining to the accident year 2013. For clarity, the two lowest premiums in each segment are highlighted in red. Firms with less than five policyholders in a given segment are not represented in the table. This section examines the distribution of the lowest average premiums on a company-by-company basis.

- Company RR reported the lowest average premiums for all policies in the '17-20' age bracket for both the comprehensive and third party fire & theft markets. The firm also reported the lowest premiums for a number of market-segment cohorts relating to drivers aged 21-24. In general, this firm's pricing is clearly focused upon attracting young policyholders.
- Company PP reported some of the lowest average premiums for comprehensive policyholders with provisional licences. The firm also offered competitive pricing on third party fire & theft policies for provisional drivers aged over 50.
- Company AA reported some of the lowest average premiums for third party fire & theft policyholders under the age of 21. The firm also recorded one of the lowest average premiums for comprehensive cover in relation to males, aged 17-20 with a full licence.
- Company MC offered the lowest average premium to policyholders across a broad range of market-segment cohorts for both comprehensive and third party fire & theft cover. Specifically, the firm offers its most competitive pricing to drivers aged 25 and above for both insurance types. Of the 24 market segments for third party fire & theft cover, company MC offered the lowest premiums in 16 of these categories. Similarly, for comprehensive cover, the firm reported the most competitive premiums in 13 of the 24 policy segments available. The competitive pricing offered by company MC is reflected in its high and upward trending market share over the last number of years (Chart 4.1).
- Company LL reported the lowest average premium in five of the eight market segments pertaining to comprehensive cover for drivers under the age of 25. However, the firm only reported one low premium in relation to the third party fire & theft market, namely, female drivers, aged 21-24 with full licences.

Table 4.1: Average premium by company, 2013

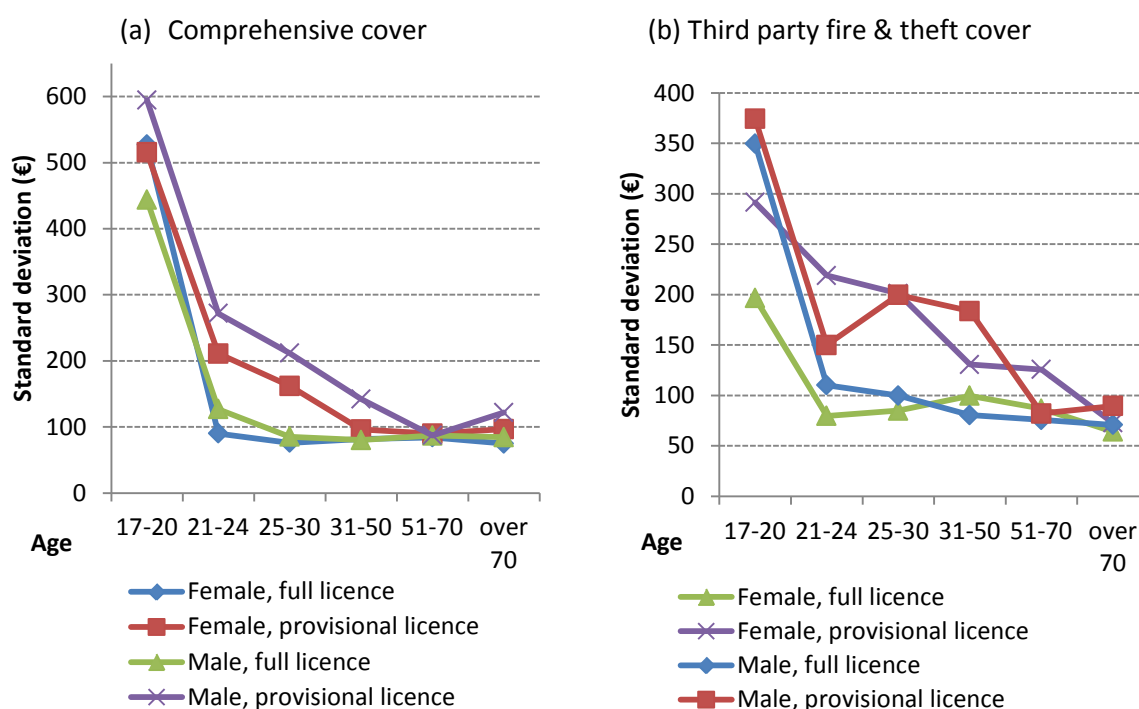
	AA	FF	II	JJ	LL	MC	PP	RR	VV
	€	€	€	€	€	€	€	€	€
Comprehensive									
17-20,Female,Full	992	1,352	1,012	1,319	944	1,353		867	2,504
17-20,Female,Provisional	1,533	1,746	1,405	1,618	1,350	1,425	1,889	1,273	2,960
17-20,Male,Full	1,194	1,859	1,341	1,861	1,284	1,401		1,029	2,357
17-20,Male,Provisional	1,731	2,173	1,792	2,115	1,633		2,229	1,298	3,282
21-24,Female,Full	765	822	567	774	575	665	679	633	741
21-24,Female,Provisional	1,132	1,220	877	1,109	901	962	929	962	1,539
21-24,Male,Full	882	1,029	752	958	767	850	797	755	1,099
21-24,Male,Provisional	1,330	1,239	1,110	1,382	1,242	1,185	1,013	909	1,859
25-30,Female,Full	533	600	431	625	424	414	484	467	477
25-30,Female,Provisional	838	1,007	641	919	694	681	658	771	1,084
25-30,Male,Full	622	712	543	746	534	477	582	573	588
25-30,Male,Provisional	978	1,194	793	1,159	926	729	759	802	1,301
31-50,Female,Full	492	547	380	571	387	341	394	405	389
31-50,Female,Provisional	704	708	526	762	550	555	495	669	679
31-50,Male,Full	530	573	424	607	418	369	445	475	415
31-50,Male,Provisional	819	802	653	891	794	510	610	735	965
51-70,Female,Full	503	540	337	512	357	323	390	357	363
51-70,Female,Provisional	622	555	414	614	432	657	443	549	489
51-70,Male,Full	561	557	371	545	378	336	430	424	400
51-70,Male,Provisional	698	681	546	738	546	519	533	674	696
over 70,Female,Full	514	577	414	562	412	393	424	412	385
over 70,Female,Provisional	630	664	519	692	526	498	517	710	445
over 70,Male,Full	573	599	446	614	450	407	461	432	398
over 70,Male,Provisional	763	732	615	830	765	460	615	777	
Third party fire & theft									
17-20,Female,Full	835	1,152	972	1,301	909	1,204		790	
17-20,Female,Provisional	1,301	1,627	1,227	1,586	1,267	1,400	2,005	1,090	
17-20,Male,Full	1,014	1,934	1,436	1,692	1,213	1,202		1,011	
17-20,Male,Provisional	1,612	2,112		2,062	1,797	1,797	2,309	1,176	
21-24,Female,Full	612	709	570	744	567	579	766	583	682
21-24,Female,Provisional	1,068	1,212	826	1,091	870	878	973	803	1,478
21-24,Male,Full	715	869	741	935	755	714	830	700	1,009
21-24,Male,Provisional	1,128	1,374	1,057	1,299	1,143	1,049	1,059	930	1,327
25-30,Female,Full	450	596	390	638	455	395	531	461	490
25-30,Female,Provisional	823	1,038	558	932	705	623	714	638	1,141
25-30,Male,Full	506	681	503	760	571	423	602	555	582
25-30,Male,Provisional	929	1,190	745	1,133	945	681	790	791	1,203
31-50,Female,Full	392	586	367	560	547	324	385	372	382
31-50,Female,Provisional	706	775	454	724	594	484	515	541	795
31-50,Male,Full	404	547	382	587	497	352	443	465	382
31-50,Male,Provisional	702	868	538	870	844	482	637	681	1,060
51-70,Female,Full	391	551	319	491	447	311	353	307	353
51-70,Female,Provisional	500	543	365	546	406	467	383	432	777
51-70,Male,Full	417	534	343	500	428	304	378	364	350
51-70,Male,Provisional	662	619	454	636	513	475	470	545	
over 70,Female,Full	406	484	388	490	367	320	371	335	319
over 70,Female,Provisional		576	489	593	452	407	446	558	
over 70,Male,Full	430	510	403	535	411	327	403	365	338
over 70,Male,Provisional	627	592	461	675	581	455	520	687	

- Company II recorded the lowest premiums for 25 market segments across both cover types. The firm provided the lowest average premiums for 15 third party fire & theft market segments and 10 in relation to the comprehensive market. The lowest premiums recorded were generally distributed across a wide range of categories, with perhaps a slight concentration on female drivers.

Standard deviation of average premium per policy

The standard deviation of the average premium per policy in 2013 for both comprehensive and third party fire & theft cover is outlined in Charts 4.5(a) and 4.5(b). The standard deviation measures the relative distribution of premiums within a given market segment.

Chart 4.5: Standard deviation of average premiums (€) within each segment, 2013



The standard deviation of average premiums can be utilised as a proxy for the prevailing level of competitiveness present within the motor insurance industry. High standard deviation observed for a specific market segment would imply that the premiums per policy are highly variable within that cohort. Therefore, an individual policyholder would receive a wide range of premium quotes from motor insurance firms active in that market cohort. In

such a scenario, consumers would be best advised to shop around in order to avail of the most competitive prices available.

In general, the variability of premiums has an inverse relationship with age (Chart 4.5). The lowest variability recorded for both cover types was in relation to female policyholders with full driving licences. In general, licence type and gender have the greatest impact on the standard deviation of average premiums. Provisional policies for both male and female drivers' generally exhibit a higher level of variability than 'full licence' premiums. More generally, the comprehensive market demonstrates a lower overall level of variability than the third party fire & theft market, suggesting consumers should pay particular attention to the range of prices applicable for third party fire & theft cover.

Appendix 1 – Data

Data submission

The data in this report is based on submissions from the following companies which were accompanied by written certification from individual insurers on the completeness and accuracy of the data:

- AIG
- Allianz
- AXA
- FBD
- Aviva
- Liberty Insurance
- RSA
- Travelers
- Zurich

There are ten submissions from these nine companies and submissions were provided on a USB memory stick in raw disaggregated format listing individual policy and claims records for all categories of cover, i.e. comprehensive, third party fire & theft and third party only. A total of 20 variables were associated with each individual record in accordance with an MIAB specification as described below.

Data quality is of a high standard. Problems identified by the MIAB with cost statistics, gender classification and licence status have, to a large extent, been resolved.

Data file specification

1. **Company identifier**
Coded as two character code
2. **Policy identifier**
Unique code identifying the policy

3. Claim identifier

Unique code identifying the claim. The field will be present only for policies which have an associated claim

4. Earned premium income

The daily premium multiplied by the exposure in days

5. Exposure

The exposure to risk measured in vehicle years (i.e. one vehicle year of exposure equals one vehicle on full cover for one year or two vehicles for six months)

6. Cover

Identifies the type of vehicle cover:

1 = comprehensive

2 = third party fire & theft

3 = third party

7. District

This is a three character code:

000 = not available

001 = Dublin area

002 = other loaded areas

003 = rest of Ireland

777 = excluded from the analysis

8. Year of make

Year of manufacture (if year of make is after current year it is defaulted to be 0000):

Pre-1947 cars are excluded from the analysis

0000 = not available

YYYY = year of manufacture

7777 = excluded from the analysis

9. Age of policyholder

00 = not available

17-89 = age of policyholder

90 = age 90 or more

99 = non personal

777 = excluded from the analysis

10. Sex of policyholder

0 = not available

1 = male

2 = female

3 = non personal policyholder

7 = excluded from the analysis

11. Inexperience loading

0 = not available

1 = provisional licence loading

2 = inexperience loading

3 = both provisional licence and inexperience loading

4 = neither provisional licence nor inexperience loading

12. Claim/no claim indicator

0 = no claim

1 = claim

13. Occurred/intimated

1 = occurred in a previous year and notified this year

2 = occurred and notified this year

3 = occurred this year and notified in a subsequent year

14. Claims status indicator

1 = outstanding claim

2 = settled claim

15. Date of accident

Coded as DD-MM-YYYY

16. Date of last settlement

Coded as DD-MM-YYYY

17. Age of driver

00 = not available

17-89 = age (if driver is not the policyholder)

90 = age 90 or more (if driver is not the policyholder)

98 = driver is the policyholder

99 = no driver involved

7777 = excluded from the analysis

18. Total payments to date**19. Estimated amount outstanding****20. Total cost of claims (payments plus outstanding)**

Appendix 2 – Primary Tables

The tables in the link below contain the primary results from the analysis of Insurance Ireland's submission. Since 2001, virtually all companies submit this data.

<http://www.centralbank.ie/polstats/stats/motorins/Pages/Data.aspx>

The tables describe an accident year and its associated costs as at the end of 2013 for all cover, comprehensive cover, third party fire and theft cover and third party only cover. Therefore:

- accident year 2009 is in its 5th year of claim cost development in 2013 i.e. 2009@2013
- accident year 2010 is in its 4th year of claim cost development in 2013 i.e. 2010@2013
- accident year 2011 is in its 3rd year of claim cost development in 2013 i.e. 2011@2013
- accident year 2012 is in its 2nd year of claim cost development in 2013 i.e. 2012@2013
- accident year 2013 is in its 1st year of claim cost development in 2013 i.e. 2013@2013

Appendix 3 – Development Tables

The tables in the link below contain the development results from the analysis of Insurance Ireland's submission. Since 2001, virtually all companies submit this data.

<http://www.centralbank.ie/polstats/stats/motorins/Pages/Data.aspx>

T +353 1 224 6000 F +353 1 894 4616 www.centralbank.ie statistics@centralbank.ie



Banc Ceannais na hÉireann
Central Bank of Ireland

Eurosystem

Bosca PO 559, Sráid an Dáma, Baile Átha Cliath 2, Éire
PO. Box No 559, Dame Street, Dublin 2, Ireland